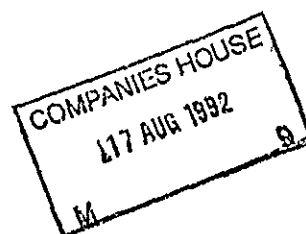
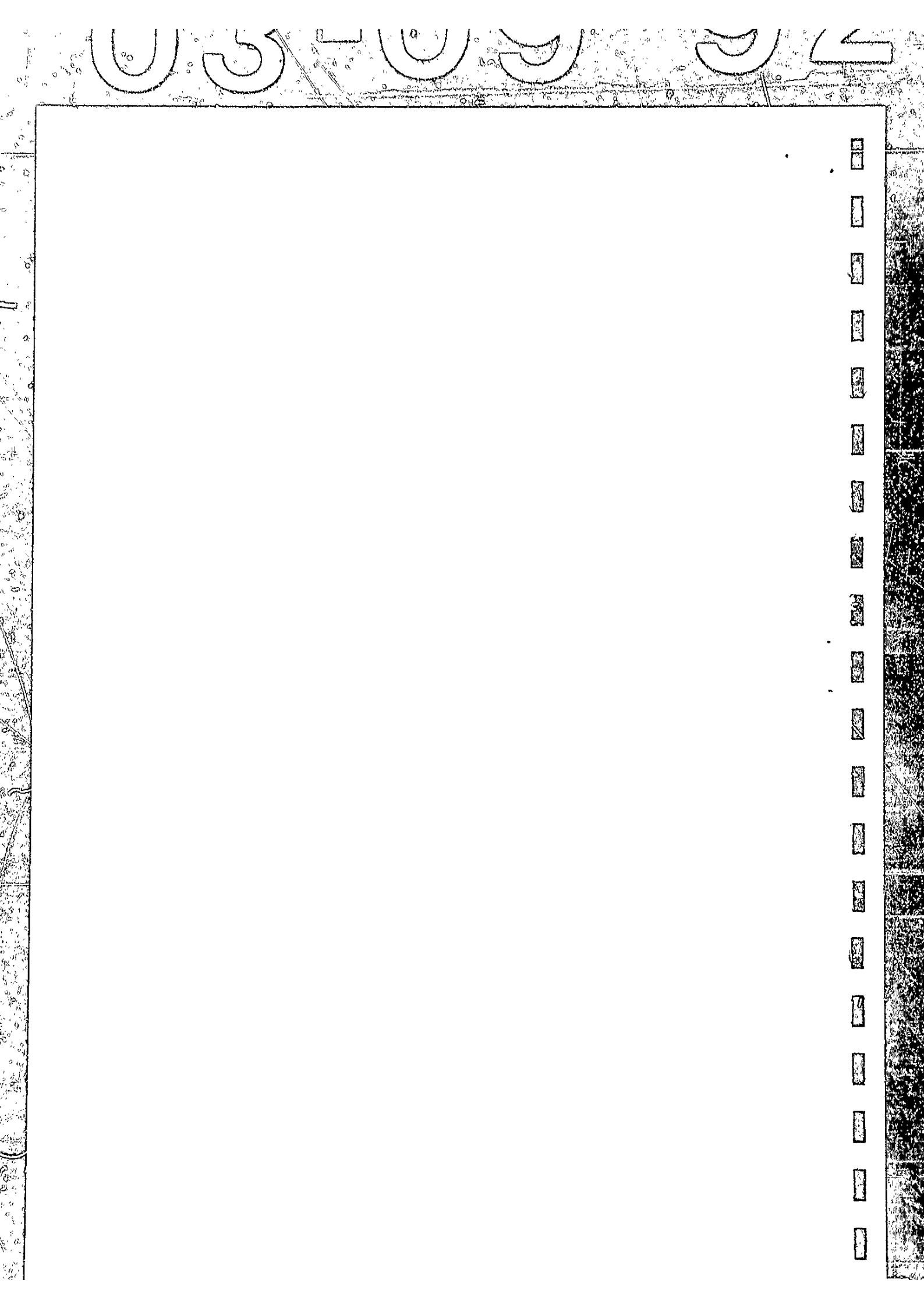


ALFRED McALPINE DEVELOPMENTS LIMITED
(REGISTERED NUMBER 1152419)

DIRECTORS' REPORT AND ACCOUNTS

31 October 1991





ALFRED McALPINE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991

The directors have pleasure in submitting their annual report and the audited accounts for the year ended 31 October 1991

PRINCIPAL ACTIVITIES

The principal activity of the group of companies is housing development within the United Kingdom.

REVIEW OF OPERATIONS

Alfred McAlpine Developments is a medium sized builder of quality homes. Following re-organisation of its business in 1990 the Group now operates from four principal subsidiaries in the following regions:

Midlands	-	Solihull
Southern	-	Southampton
North	-	Warrington
East	-	Epping

The Group also has a specialist company, Alfred McAlpine Projects, which is responsible for the acquisition and processing of longer-term housing land.

At any one time the Group has some 35 to 50 sites in the course of development each usually comprising between 25 and 60 dwellings.

Over the last two years the Group has rationalised and consolidated its house types, utilising market data and computer aided design techniques to formulate its National Housing Range. Substantial economies in material purchasing and design costs have been achieved, and design flexibility has been increased notwithstanding a reduction in house types.

Performance

During the year, the group completed 1,189 new sales, compared with 1,203 in the previous year. Output levels were maintained through aggressive marketing against the general background of weakening price levels. This strategy underpinned volume and ensured that sites selling at low margins could be developed and converted to cash as quickly as possible, enabling the business to re-invest in land at the prevailing lower prices.

There was a progressive deterioration in market conditions throughout the year. Despite the improvement in affordability with lower interest rates, rising pay and the continuing fall in house prices, the anticipated upturn in the market did not occur during the year. This was due to a general lack of confidence in the economy, rising unemployment and the backlog of new and repossessed unsold properties overhanging the market.

ALFRED McALPINE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

The average selling price was £88,000 (1990 - £102,000) reflecting a change of product and geographic mix of sales together with generally falling house prices. Trading margins improved slightly and with better overhead management the Group produced an improved result at the operating level. There were no further provisions for land write-downs in the year. In arriving at the results, provisions of £2.5 million have been made against amounts owed by an associated undertaking.

Net investment in land, work-in-progress and part-exchange properties was tightly controlled and amounted to £75.1 million (1990 - £81.8 million).

The Group's share of borrowings in joint ventures has been reduced to £10.7 million, of which £2.6 million is with recourse to the Group.

Midlands

Operating on a range of sites from the depressed M1 corridor to the more buoyant South Wales, Homes Midlands produced a substantial profit in very mixed market conditions. It generated strong cash flow and further sites have been acquired which will support continuing strong performance.

Southern

This operating subsidiary expanded substantially and generated a modest operating profit. Strong cash flow has been utilised to secure its land bank for the current year on terms that are expected to produce a significant improvement in margins.

North

Homes North produced a small operating loss. Most of the sites were low-margin with development difficulties, but newer sites offering better margins were also brought on stream. These are now being supplemented by further land, providing a sounder base for profitable trading.

East

The operating area of Homes East, which includes Suffolk and Norfolk, contains some of the weakest markets in the country. A significant trading loss was sustained despite increased unit sales. However, Homes East is expanding its presence in the substantial new homes markets in Kent, Essex, Hertfordshire and Bedfordshire and measures have now been taken to improve management and land banking to help boost profitability.

Quality

Standards of building quality in the Group have again been acknowledged by the National House Building Council's Top 100 Award Scheme with no fewer than 12 of the Group's eligible sites receiving awards or commendations. There was an outstanding performance by Homes Southern which gained five of these awards.

ALFRED McALPINE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

Outlook

No substantial improvement in the housing market is expected in 1992. However, the quality and profitability of the land bank is improving as older sites are completed and replaced by more profitable new developments and this should lead to an improvement in the operating results. In the longer term the profitability of the Group will reflect the greater levels of control which the new management is exerting in all aspects of the business.

PROFIT AND DIVIDENDS

The results for the year are set out on page 6 of the accounts and show a loss on ordinary activities before taxation of £619,000 (1990 loss of £1,724,000).

No interim dividend was paid during the year (1990 - £3,939,000). The directors do not recommend the payment of a final dividend (1990 - £Nil). The loss after extraordinary items, tax and dividends of £3,146,000 (1990 - loss £5,359,000) has been transferred from reserves.

DIRECTORS

EW Grove (Chairman)
GR McCallum
RJ McAlpine
GDW Odgers
TF Wilson
PJ Davies (resigned 1 November 1990)

The interests of the directors and their immediate families in the share capital of the company were as follows:

EW Grove at 1 November 1990 and 31 October 1991 - 12,566,789 Ordinary 'A' shares

GR McCallum has been granted options over 189,585 ordinary shares in the company. These options are exercisable before 20 November 1999 at 116p per share. No share options were granted or exercised in the year.

The shareholdings of GDW Odgers, EW Grove, RJ McAlpine and GR McCallum in Alfred McAlpine PLC are shown in the accounts of that company.

Mr EW Grove owns 42% of the share capital of a company which owns a 50% holding in Valentine Park Limited, an associated undertaking. Apart from Mr Grove none of the directors had a beneficial interest in any contract or arrangement of significance to which the company or any of its subsidiaries was a party during the year.

ALFRED McALPINE DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 1991 (CONTINUED)

CHANGE IN ACCOUNTING POLICY

The directors are of the opinion that the revised accounting treatment for the financing of showhomes and the carrying value of shared equity scheme debtors more properly reflects the substance of the transactions undertaken. These changes in policy have given rise to the prior year adjustment to the accounts set out in note 22. The comparative figures shown in these accounts have been restated to reflect this.

FIXED ASSETS

The movements on fixed assets are shown in notes 12 and 13 to the accounts on pages 16 to 18.

DONATIONS

Charitable donations made during the year amounted to £3,000 (1990 - £7,000). No political donations were made.

EMPLOYEES

It is the policy of the Group to communicate with and involve employees on matters affecting their interests at work, and inform them of the performance of the business.

It is also company policy and practice to give full consideration to suitable applications for employment from disabled persons where they have the necessary abilities and skills for the position. Opportunities exist for employees who become disabled to continue in their employment or be retained for another position.

AUDITORS

Touche Ross resigned during the year and Price Waterhouse were appointed in their stead.

Price Waterhouse have indicated their willingness to be re-appointed.

By Order of the Board



Secretary

27 February 1992

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
ALFRED McALPINE DEVELOPMENTS LIMITED**

We have audited the financial statements on pages 6 to 24 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the Group at 31 October 1991 and of the loss and source and application of funds of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Paul Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditor

27 February 1992

ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1991

	Notes	1991 £'000	1990 Restated £'000
TURNOVER	2	115,811	142,264
Cost of Sales		(103,474)	(122,042)
GROSS PROFIT		12,337	20,222
Operating costs	3	(7,946)	(9,300)
OPERATING PROFIT		4,391	10,922
Interest receivable	4	392	381
Interest payable	5	(5,402)	(5,940)
(LOSS)/PROFIT BEFORE EXCEPTIONAL ITEM		(619)	5,363
EXCEPTIONAL ITEM	6,7	—	(7,087)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7	(619)	(1,724)
Tax on loss on ordinary activities	8	(27)	279
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(646)	(1,445)
Minority interest		-	25
Extraordinary item	9	(2,500)	—
LOSS FOR THE FINANCIAL YEAR		(3,146)	(1,420)
Dividends	11	—	(3,939)
LOSS TRANSFERRED FROM RESERVES	22	(3,146)	(5,359)

Movements on reserves during the year are shown in note 22 to the accounts.

ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET - 31 OCTOBER 1991

	Notes	1991 £'000	1990 Restated £'000
FIXED ASSETS			
Tangible assets	12	1,737	1,755
Investments	13	<u>7,600</u>	<u>6,474</u>
		9,337	8,229
CURRENT ASSETS			
Stocks	14	95,317	114,689
Debtors	15	15,921	7,677
Investments	16	38	38
Cash at bank and in hand		<u>20,268</u>	<u>8,047</u>
		131,544	130,451
CREDITORS (amounts falling due within one year)	17	<u>(82,494)</u>	<u>(83,731)</u>
NET CURRENT ASSETS		<u>49,050</u>	<u>46,720</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		58,387	54,949
CREDITORS (amounts falling due after more than one year)	18	(13,194)	(6,610)
PROVISIONS FOR LIABILITIES AND CHARGES	19	-	-
MINORITY INTEREST		-	-
		45,193	48,339
CAPITAL AND RESERVES			
Called up share capital	20	13,542	13,542
Share premium account	21	23,657	23,657
Profit and loss account	22	<u>7,994</u>	<u>11,140</u>
		45,193	48,339

Approved by the Board on 27 February 1992

DIRECTOR

for call

ALFRED McALPINE DEVELOPMENTS LIMITED

BALANCE SHEET - 31 OCTOBER 1991

	Notes	1991 £'000	1990 £'000
FIXED ASSETS			
Investments	13	1	1
CURRENT ASSETS			
Debtors	15	38,485	38,485
Cash		10,000	-
CREDITORS (amounts falling due within one year)	17	-	-
		<u>48,485</u>	<u>38,485</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		48,486	38,486
CREDITORS (amounts falling due after more than one year)	18	(10,000)	-
PROVISION FOR LIABILITIES AND CHARGES	19	-	-
		<u>38,486</u>	<u>38,486</u>
CAPITAL AND RESERVES			
Called up share capital	20	13,542	13,542
Share premium account	21	23,657	23,657
Profit and loss account	22	<u>1,287</u>	<u>1,287</u>
		<u>38,486</u>	<u>38,486</u>

Approved by the Board on 27 February 1992

DIRECTOR



ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 OCTOBER 1991

		1991	1990
	£'000	£'000	Restated £'000
SOURCE OF FUNDS			
(Loss) before taxation		(619)	(1,724)
Adjustment for items not involving the movement of funds:			
Loss retained by associated undertakings	1,134		3,927
Depreciation	491		546
Provision against fixed asset investment	-		11
Loss/(profit) on disposal of fixed assets	<u>25</u>		<u>(31)</u>
		<u>1,650</u>	<u>4,453</u>
TOTAL GENERATED BY OPERATIONS		1,031	2,729
Proceeds of fixed asset disposals		<u>126</u>	<u>253</u>
		1,157	2,982
APPLICATION OF FUNDS			
Purchase of fixed assets	624		412
Purchase of fixed asset investments	1,000		125
Advances to associated undertakings	4,443		-
Purchase of business	-		1,461
Taxation paid	5,319		5,285
Dividend paid	<u>-</u>		<u>7,139</u>
		(11,386)	(14,422)
		(10,229)	(11,440)
MOVEMENT IN WORKING CAPITAL			
Decrease in stocks	19,372		4,144
(Increase) in debtors	(8,187)		(932)
Decrease in current asset investments	-		159
(Decrease)/increase in creditors	<u>(5,090)</u>		<u>584</u>
		<u>6,095</u>	<u>3,955</u>
		(4,134)	(7,485)
MOVEMENT IN NET LIQUID FUNDS			
Increase/(decrease) in cash balances	12,221		(324)
Increase in loans and overdrafts	(6,355)		(7,161)
Increase in long term group loans	<u>(10,000)</u>		<u>-</u>
		(4,134)	(7,485)

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991

1 ACCOUNTING POLICIES

(1) Basis of consolidation

The Group accounts are prepared under the historical cost convention and include the accounts of the parent undertaking, its subsidiaries and the Group's share of the results of associated undertakings. Associated undertakings are those in which the Group holds at least 20% but not more than 50% of the equity share capital and actively participates in policy decisions. The accounts have been prepared in accordance with applicable UK accounting standards.

(2) Goodwill

Goodwill arising on acquisition is charged directly to reserves.

(3) Depreciation

No depreciation is provided on freehold land. All other fixed assets are depreciated in equal annual instalments over their expected useful lives using the following annual rates.

Motor vehicles	25%
Office furniture and fittings	10%
Office machinery	20%
Leasehold premises	Over term of lease
Computer equipment	25%
Freehold property	2%

(4) Stocks

Stocks representing land held for, and in the course of, development and work-in-progress have been valued at the lower of cost and net realisable value. The cost of land represents the original cost of acquisition; the cost of work-in-progress thereon represents the cost of labour, materials, development costs and site overheads. All interest on land and work-in-progress held by the parent and subsidiary undertakings is expensed directly to the profit and loss account, and is therefore not included in the value of stocks in the balance sheet.

(5) Turnover

Turnover is recognised at the earlier of full receipt of cash proceeds or legal completion on the value of house and land sales. It includes the proportion of turnover of associated undertakings attributable to the Group.

(6) Land options

Land options comprise payments made by the company to secure future land purchase opportunities and all related professional fees and other costs. Land options are written off on a straight line basis over the length of the option period.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

(7) Showhome financing transactions

The company has revised its accounting policy for the financing of showhomes and the recognition of profits or losses arising.

Showhomes were previously held off balance sheet under a leasing arrangement. The accounts now reflect the showhomes at cost within stock and work in progress, and the related borrowings as creditors due within one year. These borrowings are secured on the freehold title of the showhomes. The profits or losses realised on the sale of showhomes, previously taken at the commencement of the leasing transaction are now recognised on the eventual sale of the homes to the consumer.

(8) Shared equity scheme debtors

The company has revised its accounting policy on the carrying value of loans made to purchasers which are repayable in the future.

These debtors were previously shown at their value to be received in the future. They are now valued at a discounted value to match the benefit of the loan with the future costs of financing these debtors.

(9) Deferred taxation

Deferred taxation is accounted for on all timing differences to the extent that it is considered such differences may reverse in the future. The provision/asset has been calculated at the rates of tax anticipated to be applicable when the timing differences are expected to reverse.

(10) Investments

Investments held as current assets are stated at the lower of cost and net realisable value.

(11) Pensions

Contributions to the Group's pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' service lives with the Group.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

2 TURNOVER

All turnover and operating profits are derived from housebuilding and land sales in the United Kingdom. Turnover includes the Group's proportionate share of turnover of associated undertakings amounting to £8,931,000 (1990 - £8,559,000).

3 OPERATING COSTS

	<u>1991</u> £'000	<u>1990</u> £'000
Group:		
Administration costs	8,133	9,777
Other operating income	<u>(187)</u>	<u>(477)</u>
	<u>7,946</u>	<u>9,300</u>

4 INTEREST RECEIVABLE

	<u>1991</u> £'000	<u>1990</u> £'000
Group:		
Interest from banks	123	173
From associated undertakings	215	-
Other	<u>54</u>	<u>208</u>
	<u>392</u>	<u>381</u>

5 INTEREST PAYABLE

	<u>1991</u> £'000	<u>1990</u> £'000
Group:		
Bank loans and overdrafts wholly repayable within five years	5,249	5,849
Other	<u>153</u>	<u>91</u>
	<u>5,402</u>	<u>5,940</u>

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

6 EXCEPTIONAL ITEMS

	<u>1991</u> £'000	<u>1990</u> £'000
Group:		
Provision for write down in land values in group undertakings	-	4,516
Provision against carrying value of certain associated undertakings	-	<u>2,571</u>
	-	7,087
	-	-

Exceptional items represent provisions against the carrying value of land at certain of the group's sites and against investments in associated undertakings which have been eroded by adverse market conditions.

7 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION is stated after charging/(crediting):

	<u>1991</u> £'000	<u>1990</u> £'000
Directors' emoluments (note 10)	309	329
Depreciation of tangible fixed assets	491	546
Auditors' remuneration	117	147
Hire of plant and machinery	198	300
Loss/(profit) on disposal of tangible fixed assets	25	(31)
Profit arising on disposal of land and options to an associated undertaking	(1,142)	-
	-	-
Share of losses of associated undertakings:		
Before exceptional item	1,134	1,356
Exceptional item	-	<u>2,571</u>
	1,134	3,927
	-	-

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

8 TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>1991</u> £'000	<u>1990</u> £'000
Group:		
Corporation tax at 33½% (1990 - 35%)	800	753
Associated undertakings	(274)	(1,068)
Deferred taxation	(70)	89
Prior year adjustments	(429)	(53)
	<u>27</u>	<u>(279)</u>

The tax credit arising in 1990 is not proportional to the loss for the year due to the incidence of disallowable expenditure and adjustments for associated undertakings.

9 EXTRAORDINARY ITEM

	<u>1991</u> £'000	<u>1990</u> £'000
Provision against amounts owed by associated undertaking	3,500	-
Less: tax relief	(1,000)	-
	<u>2,500</u>	<u>-</u>

The provision against the amount due from an associated undertaking, Paycause Limited, has been made to reflect the fact that amounts due from that company may not be recoverable as a result of the reduction in the net realisable value of Paycause's sole asset, a site at Chester, for which planning permission has been refused by the Department of the Environment.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

10 DIRECTORS AND EMPLOYEES

	<u>1991</u> £'000	<u>1990</u> £'000
Directors' emoluments	309	329
Emoluments excluding pension contributions:		
Chairman and highest paid director	170	182

	<u>1991</u> Number	<u>1990</u> Number
Number of other directors in the scale:		
£0 - £5,000	3	3
£5,001 - £10,000	1	-
£30,001 - £35,000	-	1
£100,001 - £105,000	-	1
£125,001 - £130,000	1	-

	<u>1991</u> £'000	<u>1990</u> £'000
Employee costs during the year including directors:		
Wages and salaries	5,793	6,237
Social security costs	495	566
Pension costs	-	-
	6,288	6,803

Average number of employees during the year, including directors:

	<u>Number</u>	<u>Number</u>
Sales	91	95
Production	76	87
Administration	138	152
	305	334

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

11 DIVIDENDS

	<u>1991</u> £'000	<u>1990</u> £'000
Interim:		
Ordinary 'A'	-	3,376
Ordinary	-	563
Proposed final:		
Ordinary 'A'	-	-
Ordinary	-	-
	-	3,939

12 TANGIBLE FIXED ASSETS

GROUP	<u>Land and buildings</u> £'000	<u>Plant and equipment</u> £'000	<u>Total</u> £'000
<u>Cost</u>			
At 31 October 1990	582	2,360	2,942
Additions	176	448	624
Disposals	(52)	(301)	(353)
At 31 October 1991	706	2,507	3,213
<u>Depreciation</u>			
At 31 October 1990	71	1,116	1,187
Provided during the year	11	480	491
Disposals	(7)	(195)	(202)
At 31 October 1991	75	1,401	1,476
<u>Net book value</u>			
At 31 October 1991	631	1,106	1,737
At 31 October 1990	511	1,244	1,755

The net book value of land and buildings comprises:

Freehold	159
Long leasehold	<u>472</u>
	631

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

13 FIXED ASSET INVESTMENTS

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Shares in subsidiary undertakings	-	-	1	1
Unlisted investments in associated undertakings	7,589	6,463	-	-
Other participating interests	11	11	-	-
	7,600	6,474	1	1

Shares in subsidiary undertakings:

The principal subsidiaries are:

Alfred McAlpine Homes East Limited
 Alfred McAlpine Homes Midlands Limited
 Alfred McAlpine Homes Southern Limited
 Alfred McAlpine Homes North Limited
 Alfred McAlpine Projects Limited

All subsidiary undertakings, whose principal activity is housing development, are wholly owned and incorporated in Great Britain.

The investments in subsidiaries within the Group are held by an intermediate parent undertaking, Alfred McAlpine Homes Limited which is incorporated in Great Britain.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

13 FIXED ASSET INVESTMENTS (CONTINUED)

Unlisted Investments in associated undertakings:

<u>Group</u>	Shares at cost £'000	Loans less provisions £'000	Net post acquisition reserves £'000	Total £'000
At 31 October 1990	126	7,761	(1,424)	6,463
Additions	1,000	4,443	-	5,443
Share of losses	-	-	(817)	(817)
Provisions against amounts owed	-	(3,500)	-	(3,500)
At 31 October 1991	1,126	8,704	(2,241)	7,589

During the year, the Group acquired a 50% interest in the share capital of Ampwyn Developments Limited and a further 17% interest in the share capital of Valentine's Park Limited.

The principal associated undertakings are:

McHawk Limited	Fairpine Limited
St Anne's Village Limited	Compine Developments Limited
Paycause Limited (33%)	Showpine Limited
Valentine Park Limited	Havpine Limited
Bishops Park Limited	Ampwyn Developments Limited

All companies, whose principal activities are housing and general development, are incorporated in Great Britain and, unless otherwise indicated, the Group has a 50% shareholding.

Other participating interests:

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Listed shares at cost	11	11	-	-

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

14 STOCKS

	<u>Group</u> 1990		<u>Company</u>	
	<u>1991</u>	<u>Restated</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Land and work in progress	95,317	114,689	-	-

15 DEBTORS

	<u>Group</u> 1990		<u>Company</u>	
	<u>1991</u>	<u>Restated</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	9,439	2,945	-	-
Amounts owed by group undertakings	2	37	-	-
Amounts owed by subsidiary undertakings	-	-	38,139	38,139
Amounts owed by associated undertakings	1,490	511	-	-
Corporation tax recoverable	-	-	346	346
Deferred taxation (Note 19)	818	718	-	-
Prepayments and accrued income	1,033	251	-	-
Other debtors	<u>1,391</u>	<u>1,966</u>	-	-
	14,173	6,428	38,485	38,485
Amounts falling due after more than one year:				
Trade debtors	<u>1,748</u>	<u>1,249</u>	-	-
	15,921	7,677	38,485	38,485

16 INVESTMENTS

	<u>Group</u>		<u>Company</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
	£'000	£'000	£'000	£'000
Unlisted investments	38	38	-	-

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

17 CREDITORS (amounts falling due within one year)

	Group		Company	
	1991	1990	1991	1990
	£'000	Restated £'000	£'000	£'000
Bank loans and overdrafts	38,830	27,639	-	-
Other loans	3,942	8,778	-	-
Trade creditors	9,099	10,873	-	-
Amounts owed to group undertakings	352	466	-	-
Accruals and deferred income	8,264	7,017	-	-
Corporation tax payable	376	6,294	-	-
Taxation and social security creditors	1,348	225	-	-
Other creditors	<u>20,283</u>	<u>22,439</u>	-	-
	82,494	83,731	-	-

Bank borrowings of £38,830,000 (1990 - £27,639,000) and other creditors for land purchases of £17,139,000 (1990 - £18,844,000) are secured by fixed and floating charges over the assets of certain subsidiaries.

Other loans are secured by charges over showhome properties.

18 CREDITORS (amounts falling due after more than one year)

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Amounts owed to group undertakings	10,000	-	10,000	-
Other creditors	<u>3,194</u>	<u>6,610</u>	-	-
	13,194	6,610	10,000	-

On 31 October 1991 the company entered into a loan agreement with Alfred McAlpine PLC to borrow £10,000,000 at terms subordinated to existing bank facilities, and secured by a charge over the assets of Alfred McAlpine Developments Limited and its subsidiaries. The loan is interest-bearing and repayable in 2001.

Included in other creditors are amounts due for land purchases of £3,035,000 (1990 - £Nil) which are secured on assets of certain subsidiaries.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

19 PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Deferred tax asset (Note 15)	(818)	(718)	-	-

Group analysis of provided and potential deferred tax:

	Provided		Unprovided	
	1991	1990	1991	1990
	£'000	£'000	£'000	£'000
Deferred taxation:				
Accelerated capital allowances	30	(22)	(134)	(21)
Other short-term timing differences	(848)	(696)	(814)	(145)
	(818)	(718)	(948)	(166)

Movement in the year:

At 31 October 1990	(718)
Credit to profit and loss account	(70)
Adjustment in respect of prior years	(30)
At 31 October 1991	(818)

It has been assumed that, in future years, group relief will be made available by the parent undertaking to enable this deferred tax asset to be recovered.

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

20 CALLED UP SHARE CAPITAL

	<u>Group and Company</u>	
	<u>1991</u>	<u>1990</u>
	£'000	£'000
Authorised:		
34,333,123 Ordinary shares of 25p each	8,583	8,583
21,666,877 Ordinary 'A' shares of 25p each	<u>5,417</u>	<u>5,417</u>
	14,000	14,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
32,500,315 ordinary shares of 25p each	8,125	8,125
21,666,877 Ordinary 'A' shares of 25p each	<u>5,417</u>	<u>5,417</u>
	13,542	13,542
	<u> </u>	<u> </u>

Share options

Share options in respect of ordinary shares have been granted to senior executives and are exercisable as follows:

<u>Exercisable by</u>	<u>Exercise price</u>	<u>1991</u> <u>Number</u>	<u>1990</u> <u>Number</u>
20 November 1999	116p	574,587	1,091,091
		<u> </u>	<u> </u>

No options were granted or exercised in the year. The reduction in outstanding options in the year is in respect of options surrendered on termination of employment.

21 RESERVES

	<u>Group and company</u> £'000
Share premium account	
At 31 October 1990 and 31 October 1991	<u>23,657</u>

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

22 PROFIT AND LOSS ACCOUNT

	<u>Group</u> <u>1991</u> £'000	<u>Company</u> <u>1991</u> £'000
At 31 October 1990	12,814	1,287
Prior year adjustment	(1,674)	-
As restated	11,140	1,287
Retained loss for the year	(3,146)	-
At 31 October 1991	7,994	1,287

The prior year adjustment above reflects the change in accounting policies set out in Note 1(7) and 1(8).

Cumulative goodwill arising on acquisitions written off to the profit and loss account in respect of subsidiary undertakings amounts to £2,963,000 (1990 - £2,963,000).

23 CAPITAL COMMITMENTS

	<u>Group</u>		<u>Company</u>	
	<u>1991</u> £'000	<u>1990</u> £'000	<u>1991</u> £'000	<u>1990</u> £'000
Authorised not contracted for	-	-	-	-
Contracted for	-	-	-	-
	-	-	-	-

24 CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees of bank loans to, and land purchase commitments of, certain associated undertakings up to a maximum of £2,637,000 (1990 - £7,571,000). At 31 October 1991 the borrowings of the associated undertakings amounted to £10,709,000 (1990 - £15,300,000) and the land purchase commitment was £Nil (1990 - £Nil).

25 PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by section 230 of the Companies Act 1985, Alfred McAlpine Developments Limited has not presented its own profit and loss account. The profit of Alfred McAlpine Developments Limited, after taking account of dividends from subsidiary undertakings, was £Nil (1990 - £4,231,000).

ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS - 31 OCTOBER 1991 (CONTINUED)

26 PENSION COSTS

The Group is a member of the Alfred McAlpine Retirement Benefits Plan (1973) which is a defined benefit pension scheme operated by the ultimate parent undertaking. Details of the scheme are provided in the notes to the accounts of Alfred McAlpine PLC.

27 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Alfred McAlpine PLC which is registered in Great Britain.

A copy of the group accounts of the ultimate parent undertaking may be obtained from The Company Secretary, Alfred McAlpine PLC, Hooton, South Wirral, Cheshire L66 7ND.