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Company No. 1152419

ALFRED McALPINE DEVELOPMENTS LIMITED
(Formerly Alfred McAlpine Homes Holdings Limited)

ACCOUNTS

YEAR ENDED 31st OCTOBER 1990



Touche Ross & Co.
Hill House
1 Little New Street
London
EC4A 3TR

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ALFRED McALPINE DEVELOPMENTS LIMITED

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ALFRED McALPINE DEVELOPMENTS LIMITED

DIRECTORS AND OFFICERS

CHAIRMAN

G.D.W. Odgers MA, MBA

DIRECTORS

E.W. Grove	(Deputy Chairman)
G.R. McCallum BSc (Econ), FCA	(Managing Director)
R.J. McAlpine FCI0B	
T.F. Wilson FRICS*	

SECRETARY

B. Bassett FCCA

REGISTERED OFFICE

Arden House
Oakenshaw Road
Shirley
Solihull
West Midlands B90 4QY

AUDITORS

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

BANKERS

Bank of Scotland
The Royal Bank of Scotland PLC

* Non Executive Director
T.F. (Tom) Wilson FRICS, who is the Senior Partner of St Quintin, Chartered
Surveyors, has extensive knowledge and experience of the property industry.

REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the audited accounts for the year ended 31st October 1990.

1. PRINCIPAL ACTIVITIES

Alfred McAlpine Homes Holdings Limited changed its name on 20th February 1990 to Alfred McAlpine Developments Limited. The principal activity of the group of companies is housing development within the United Kingdom.

2. REVIEW OF OPERATIONS

Alfred McAlpine's housing business is based on four regional operations in England and Wales, each trading under the name Alfred McAlpine Homes. The company is active in all market segments, from first-time buyer properties through to luxury homes. A development arm, Alfred McAlpine Projects, is responsible for the acquisition of long-term housing land.

The recession, which has devastated the UK housing market, gathered momentum in the southern half of England and in Wales through 1990 and moved gradually north to affect Cheshire, Lancashire and Yorkshire by the middle of the year. Accordingly, the Homes Division pursued and developed its strategy of maintaining tighter control on work-in-progress, reducing its overheads and improving product quality.

In part, the result showed through with an increase in units built and sold from 1100 to 1203, but the impact of the reductions in our selling prices necessary to maintain sales and cash flow, together with significant write-downs in land values (£7,087,000), resulted in trading losses in three areas of operation.

Our drive for quality, however, received industry endorsement when five of our site managers won awards under the National House Building Council's Top 100 Awards scheme, with four Commendations.

Homes Midlands has once again produced substantial profit against the background of a market that became progressively weaker through the year. The strong land bank provided a sound base for the company to increase unit output by almost one third and the cash flow thus generated allowed for the acquisition of a number of attractively priced land holdings. This puts the operation in a good position for the future.

Homes East performed relatively well in its area of operation. However, the profit generated by two major developments in Essex and Hertfordshire was insufficient to compensate for losses in the Suffolk and Norfolk markets, which were the weakest areas of all.

The newest company in the Division, Homes Southern, had a particularly difficult year but, in reorganising its marketing programme, it has laid the foundations for future growth when effective demand in this affluent area of the country recovers.

Between them, Homes East and Homes Southern increased their output very substantially over the previous year, despite the prevailing thin demand and quite apart from the benefits arising from the merger of Homes South with the two Regions which is referred to below.

REPORT OF THE DIRECTORS

2. REVIEW OF OPERATIONS (continued)

Homes North, with a new but experienced management team, overcame a number of major technical problems on its existing developments. The company is now in better shape and is well placed to meet future demand for quality housing in the North-West.

Alfred McAlpine Projects made a useful profit in the year. The company is currently involved in a number of ventures aimed at providing development land on advantageous terms for the Division's housebuilding programme, or for land trading in the future.

Changes in management and structure within the Homes Division were introduced in the second half of the year. Homes South, formerly at Mitcham, Surrey, where the headquarters of the Homes Division was also based, was closed because the level of business activity had diminished markedly. The Divisional Headquarters was transferred to Solihull in the West Midlands. The territory previously served by Homes South was divided between Homes East and Homes Southern and when the market within the M25 shows signs of recovery these two companies will be better able to take advantage of development opportunities that arise. The closure of all operations at Mitcham, moreover, brought the senior management of the Division together in one central geographical location and will produce substantial overhead cost savings in the future.

The structure now in place is geared to profitable and efficient operation when the economy recovers. Present indications give some support for the view that the housing market is unlikely to deteriorate further. Interest rate reductions, moreover, will in due course lead to improved demand. In the meantime, the Homes Division is refining its product range which should in time generate a much improved return.

3. 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 £1,664,000 (1989 - profit of £18,633,000).

During the year the company paid an interim dividend of £3,939,000 (1989 - £3,000,000). The directors do not recommend the payment of a final dividend (1989 - £3,200,000). The loss after dividends of £5,299,000 (1989 - profit of £8,077,000) has been transferred from reserves.

4. DIRECTORS

The present members of the Board are shown on page 1. Messrs. G.D.W. Odgers and G.R. McCallum were appointed directors of the Company on 25th June 1990 and 14th September 1990 respectively. Messrs. T. Scurr and P.J. Davies resigned on 29th June 1990 and 1st November 1990 respectively.

Mr E.W. Grove owns 42% of the share capital of a company which owns a one-third holding in Valentine Park Limited, a related company. 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.

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ALFRED McALPINE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

5. FIXED ASSETS

The movements on fixed assets are shown in notes 11 and 12 to the accounts on pages 16, 17 and 18.

6. DONATIONS

Charitable donations made during the year amounted to £7,000 (1989 - £15,000). No political donations were made.

7. EMPLOYEES

The Group continues with its policy of providing employees with appropriate information in a systematic way so as to encourage their active interest in the success of the business and to stimulate their personal job satisfaction.

Applications for employment by disabled persons are considered where they have the necessary abilities and skills for the position. If an employee becomes disabled during employment with the Group, every effort is made to retrain that employee for a position appropriate to his or her abilities.

8. AUDITORS

Touche Ross & Co. have confirmed their willingness to accept re-appointment for a further term in accordance with the provisions of the Companies Act 1985.

By Order of the Board

Secretary
21st February 1991

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ALFRED McALPINE DEVELOPMENTS LIMITED

REPORT OF THE DIRECTORS

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ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st OCTOBER 1990

	Notes	1990 £000's	1989 £000's
TURNOVER	1	<u>143,333</u>	<u>146,471</u>
GROSS PROFIT		20,282	30,794
Operating costs	2	<u>9,300</u>	<u>8,535</u>
OPERATING PROFIT		10,982	22,259
Interest receivable	3	381	575
Interest payable	4	<u>(5,940)</u>	<u>(4,201)</u>
PROFIT BEFORE EXCEPTIONAL ITEM		5,423	18,633
Exceptional item:			
Group companies	5	(4,516)	-
Related companies	5,6	<u>(2,571)</u>	<u>-</u>
		<u>(7,087)</u>	<u>-</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(1,664)	18,633
Tax on (loss)/profit on ordinary activities	7	<u>(279)</u>	<u>6,763</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,385)	11,870
Minority interest		25	56
Extraordinary items	8	<u>-</u>	<u>2,351</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,360)	14,277
Dividends	10	<u>(3,939)</u>	<u>(6,200)</u>
(LOSS)/PROFIT TRANSFERRED (FROM)/TO RESERVES	20	<u>(5,299)</u>	<u>8,077</u>

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ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET

AT 31st OCTOBER 1990

	Notes	1990 £000's	1989 £000's
FIXED ASSETS			
Tangible assets	11	1,755	2,111
Investments	12	<u>6,474</u>	<u>45</u>
		8,229	2,156
CURRENT ASSETS			
Stocks	13	107,217	112,442
Debtors	14	11,065	11,909
Investments	15	38	197
Cash at bank and in hand		<u>8,047</u>	<u>8,371</u>
		126,367	132,919
CREDITORS: Amounts falling due within one year	16	<u>(77,973)</u>	<u>(76,312)</u>
NET CURRENT ASSETS		<u>48,394</u>	<u>56,607</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		56,623	58,763
CREDITORS: Amounts falling due more than one year	17	(6,610)	(1,965)
PROVISIONS FOR LIABILITIES AND CHARGES	18	-	-
MINORITY INTEREST		-	(25)
		<u>50,013</u>	<u>56,773</u>
CAPITAL AND RESERVES			
Called up share capital	19	13,542	13,542
Share premium account	20	23,657	23,657
Profit and loss account	20	<u>12,814</u>	<u>19,574</u>
		<u>50,013</u>	<u>56,773</u>

These accounts and notes were approved by the Board of Directors on 21st February 1991.

E. W. W. W.
[Signature]

} Directors

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ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED BALANCE SHEET

AT 31st OCTOBER 1990

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		<u>50,013</u>	<u>56,773</u>

These accounts and notes were approved by the Board of Directors on 21st February 1991.

E. Egan
[Signature]

} Directors



ALFRED McALPINE DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET

AT 31st OCTOBER 1990

	Notes	1990 £000's	1989 £000's
FIXED ASSETS			
Investments	12	1	1
CURRENT ASSETS			
Debtors	14	38,485	41,393
CREDITORS: Amounts falling due within one year	16	-	(3,200)
NET CURRENT ASSETS		<u>38,485</u>	<u>38,193</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		38,486	38,194
CREDITORS: Amounts falling due after more than one year	17	-	-
PROVISIONS FOR LIABILITIES AND CHARGES	18	-	-
		<u>38,486</u>	<u>38,194</u>
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	19	13,542	13,542
Share premium account	20	23,657	23,657
Profit and loss account	20	<u>1,287</u>	<u>995</u>
		<u>38,486</u>	<u>38,194</u>
		=====	=====

} Directors

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ALFRED McALPINE DEVELOPMENTS LIMITED

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 31st OCTOBER 1990

	1990 £000's	1989 £000's
SOURCE OF FUNDS		
(Loss)/profit before taxation	(1,664)	18,633
Extraordinary item	-	2,923
Adjustment for items not involving the movement of funds:		
Loss retained by related companies	3,927	622
Depreciation	546	510
Provision on fixed asset investment	11	3
(Profit)/loss on disposal of fixed assets	<u>(31)</u>	<u>6</u>
	<u>4,453</u>	<u>1,141</u>
TOTAL GENERATED BY OPERATIONS	2,789	22,697
Proceeds of fixed asset disposal	<u>253</u>	<u>1,122</u>
	3,042	23,819
APPLICATION OF FUNDS		
Purchase of fixed assets	412	1,120
Purchase of investment	125	1
Expenses of merger	-	700
Purchase of business	1,461	731
Taxation paid	5,285	7,860
Dividend paid	<u>7,139</u>	<u>12,375</u>
	(14,422)	(22,787)
	(11,380)	1,032
MOVEMENT IN WORKING CAPITAL		
Decrease /(increase) in stocks	5,225	(13,443)
(Increase)/decrease in debtors	(1,229)	1,205
Decrease in current asset investments	159	26
Increase in creditors	<u>809</u>	<u>3,926</u>
	<u>4,964</u>	<u>(8,286)</u>
	(6,416)	(7,254)
	=====	=====
MOVEMENT IN NET LIQUID FUNDS		
Decrease in cash at bank and in hand balances	(324)	(5,549)
Increase in bank loans and overdrafts	<u>(6,092)</u>	<u>(1,705)</u>
	(6,416)	(7,254)
	=====	=====



ALFRED McALPINE DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31st OCTOBER 1990

(a) Basis of consolidation

The Group accounts are prepared on the historical cost convention and include the accounts of the holding company, its subsidiaries and the Group's share of the results of related companies. Related companies 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.

(b) Goodwill

Goodwill arising on acquisitions is charged directly to reserves.

(c) 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 & fittings	10%
Office machinery	20%
Leasehold premises	Over term of lease
Computer equipment	25%
Freehold property	2%

(d) 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 is expensed directly to the profit and loss account, and is therefore not included in the value of stocks in the balance sheet.

(e) Turnover

Turnover represents the value of legally completed house and land sales. It includes the proportion of turnover of related companies attributable to the Group.

(f) Land options

Option payments made to secure future land purchase opportunities are written off on a straight line basis over the length of the option period. All options are reviewed annually by the directors to establish whether or not any further amortisation needs to be provided.

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ALFRED McALPINE DEVELOPMENTS LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31st OCTOBER 1990

(g) Deferred taxation

Deferred taxation is provided on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future. Provision is made at the tax rates applicable to the period when it is anticipated that the timing differences will reverse.

(h) Investments

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

(i) Pensions

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

NOTES TO THE ACCOUNTS

ALFRED McALPINE DEVELOPMENTS LIMITED

YEAR ENDED 31st OCTOBER 1990

1. 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 related companies amounting to £8,559,000 (1989 - £6,312,000).

2. OPERATING COSTS

	1990 £000's	1989 £000's
Administration costs	9,777	8,654
Other operating income	<u>(477)</u>	<u>(119)</u>
	9,300	8,535
	=====	=====

3. INTEREST RECEIVABLE

Interest from banks	173	330
Other	<u>208</u>	<u>245</u>
	381	575
	=====	=====

4. INTEREST PAYABLE

Bank loans and overdrafts repayable within five years	5,849	3,839
Fellow subsidiary	-	142
Other	<u>91</u>	<u>220</u>
	5,940	4,201
	=====	=====

5. EXCEPTIONAL ITEM

Provision for write down in land values in group companies	4,516	-
Provision against carrying value of certain related companies	<u>2,571</u>	<u>-</u>
	7,087	-
	=====	=====

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



ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

	1990 £000's	1989 £000's
6. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
is after charging:		
Directors' emoluments (note 9)	329	266
Depreciation of tangible fixed assets	546	510
Auditors' remuneration	147	120
Hire of plant and machinery	300	224
(Profit)/loss on disposal of tangible fixed assets	(31)	6
Share of losses of related companies:		
before exceptional item	1,356	-
exceptional item	<u>2,571</u>	<u>-</u>
	3,927	622
	=====	=====

7. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 35% (1989 - 35%)	753	7,859
Related companies	(1,068)	(219)
Deferred taxation	89	(831)
Prior years' adjustments	<u>(53)</u>	<u>(46)</u>
	(279)	6,763
	=====	=====

The tax credit is not proportional to the loss for the year due to the incidence of disallowable expenditure and adjustments for related companies.

8. EXTRAORDINARY ITEM

1989 - Surplus on disposal of subsidiary after taxation of £572,000	-	2,351
	=====	=====

9. DIRECTORS AND EMPLOYEES

(a) Directors' emoluments:		
Executive remuneration	329	233
Pension contribution	<u>-</u>	<u>33</u>
	329	266
	=====	=====

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ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

9. DIRECTORS AND EMPLOYEES (continued)

	1990 £000's	1989 £000's
Emoluments excluding pension contributions:		
Chairman	-	-
	=====	=====
Highest paid director	182	144
	=====	=====
Number of other directors in the scale:	No.	No.
£ 0 - £ 5,000	3	9
£ 5,001 - £ 10,000	-	1
£ 30,001 - £ 35,000	1	-
£100,001 - £105,000	1	-
£105,001 - £110,000	-	1
	=====	=====
(b) Employee costs during the year including directors:	1990 £000's	1989 £000's
Wages and salaries	6,237	4,855
Social security costs	566	462
Pension costs	-	29
	=====	=====
	6,803	5,346
	=====	=====
Average number employed during the year, including directors:	No.	No.
Sales	95	88
Production	87	64
Administration	152	144
	=====	=====
	334	296
	=====	=====



NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

(c) Directors' Interests

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

E.W. Grove at 1st November 1989 and at 31st October 1990 - 12,566,789 Ordinary 'A' Shares

On 20th November 1989 G.R. McCallum and P.J. Davies were granted options over 189,585 and 270,836 ordinary shares in the Company at a price of 116p per ordinary share.

The shareholdings of G.D.W. Odgers, E.W. Grove, R.J. McAlpine, G.R. McCallum and P.J. Davies in the ultimate holding company Alfred McAlpine PLC are shown in the notes to the accounts of that company. No other directors had any shareholding in the ordinary share capital of Alfred McAlpine PLC or of the Company during the year or at 31st October 1990.

10. DIVIDENDS

		1990 £000's	1989 £000's
- interim	- Ordinary 'A'	3,376	3,000
	- Ordinary	563	-
- proposed final	- Ordinary 'A'	-	1,280
	- Ordinary	-	1,920
		<u>3,939</u>	<u>6,200</u>
		=====	=====

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ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

11. TANGIBLE FIXED ASSETS

	Land and buildings £000's	Plant and equipment £000's	Total £000's
(a) Group			
Cost:			
At 1st November 1989	566	2,508	3,074
Additions	28	384	412
Disposals	(12)	(532)	(544)
At 31st October 1990	582	2,360	2,942
Depreciation:			
At 1st November 1989	64	899	963
Provided during the year	8	538	546
Disposals	(1)	(321)	(322)
At 31st October 1990	71	1,116	1,187
Net book value at 31st October 1990	511	1,244	1,755
Net book value at 31st October 1989	502	1,609	2,111
The net book value of land and buildings comprises:			
Freehold	159		
Long leasehold	352		
	511		

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

12. FIXED ASSETS - INVESTMENTS

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
(a) Unlisted investments in subsidiaries	-	-	1	1
(b) Unlisted investments in related companies	6,463	23	-	-
(c) Listed investments	<u>11</u>	<u>22</u>	<u>-</u>	<u>-</u>
	<u>6,474</u>	<u>45</u>	<u>1</u>	<u>1</u>
	=====	=====	=====	=====
(a) Unlisted investments in subsidiaries:	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>

The principal subsidiaries are:
 Alfred McAlpine Homes South Limited
 Alfred McAlpine Homes East Limited
 Alfred McAlpine Homes Midlands Limited
 Alfred McAlpine Homes Southern Limited (85%)
 Alfred McAlpine Homes North Limited
 Alfred McAlpine Projects Limited

All subsidiaries, whose principal activity is housing development, are wholly owned, unless otherwise indicated and incorporated in Great Britain.

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

(b) Unlisted investments in related companies	Group		Company	
	Shares at cost £000's	Loans £000's	Net post acquisition reserves £'000's	Total £000's
At 1st November 1989	1	-	22	23
Additions	125	-	-	125
Share of losses	-	-	(2,859)	(2,859)
Less share of profits distributed as dividends	-	-	(45)	(45)
Transfer from current assets	-	7,761	-	7,761
Reclassification	<u>-</u>	<u>-</u>	<u>1,458</u>	<u>1,458</u>
At 31st October 1990	<u>126</u>	<u>7,761</u>	<u>(1,424)</u>	<u>6,463</u>

NOTES TO THE ACCOUNTS

ALFRED McALPINE DEVELOPMENTS LIMITED

YEAR ENDED 31st OCTOBER 1990

12. FIXED ASSETS - INVESTMENTS (continued)

The principal related companies are:

McHawk Limited

St. Anne's Village Limited

Paycause Limited (33%)

Valentine Park Limited (33%)

Bishops Park Limited

Fairpine Limited

Compine Limited

Showpine Limited

Havpine Limited

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

During the year the Group acquired the controlling interest in a related company and as such the wholly owned subsidiary is fully consolidated in the Group accounts.

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
(c) Listed investments at cost	<u>11</u>	<u>22</u>	-	-
13. STOCKS				
Housing land and work in progress	107,217 =====	112,442 =====	- =====	- =====
14. DEBTORS				
Amounts falling due within one year:				
Trade debtors	3,516	1,733	-	-
Amounts owed by group companies	37	2	-	-
Amounts owed by subsidiaries	-	-	38,139	39,389
Amounts owed by related companies	511	7,050	-	-
Taxation	3,535	1,462	346	4
Prepayments and accrued income	251	531	-	-
Other debtors	1,966	1,131	-	-
Dividends receivable	-	-	-	2,000
	<u>9,816</u>	<u>11,909</u>	<u>38,485</u>	<u>41,393</u>
Amounts falling due after more than one year:				
Trade debtors	<u>1,249</u>	-	-	-
	<u>11,065</u> =====	<u>11,909</u> =====	<u>38,485</u> =====	<u>41,393</u> =====



NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

15. INVESTMENTS

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
Unlisted investments	38	197	-	-
	=====	=====	=====	=====

16. CREDITORS

Amounts falling due within one year:

Bank loans and overdrafts	27,639	21,547	-	-
Trade creditors	10,873	8,854	-	-
Amounts owed to group companies	466	1,044	-	-
Amounts owed to related companies	-	239	-	-
Accruals and deferred income	7,220	5,753	-	-
Taxation and social security creditors	9,336	9,776	-	-
Other creditors	22,439	25,899	-	-
Proposed dividend	-	3,200	-	3,200
	77,973	76,312	-	3,200
	=====	=====	=====	=====

Bank borrowings of £27,639,000 (1989 - £21,547,000) and other creditors for land purchases of £18,844,000 (1989 - £22,065,000) are secured by fixed or floating charges over the assets of certain subsidiaries.

17. CREDITORS

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
Amounts falling due after more than one year:				
Corporation tax	-	1,965	-	-
Other creditors	6,610	-	-	-
	6,610	1,965	-	-
	=====	=====	=====	=====

Included within other creditors are £6,610,000 (1989 - £Nil) of land creditors secured on assets of certain subsidiaries.

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ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
Deferred tax	(718)	(805)	-	-
	=====	=====	=====	=====
	Provided		Group Unprovided	
	1990 £'000	1989 £'000	1990 £'000	1989 £'000
Deferred taxation				
Accelerated capital allowances	(22)	5	(21)	-
Short term timing differences	(696)	(810)	(145)	-
	(718)	(805)	(166)	-
	=====	=====	=====	=====
				Deferred taxation £000's
Movement in the year				
At 1st November 1989				(805)
Charge to profit and loss account				89
Adjustment in respect of prior years				(2)

At 31st October 1990				(718)
				=====



ALFRED McALPINE DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

19. CALLED UP SHARE CAPITAL

	1990 £000's	Group and Company 1989 £000's
Authorised:		
34,333,123 ordinary shares of 25p each	8,583	8,232
21,666,877 ordinary 'A' shares of 25p each	<u>5,417</u>	<u>5,417</u>
	14,000	13,649
	=====	=====
Allotted and fully paid:		
32,500,316 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
	=====	=====

The authorised share capital was increased on 19th December 1989 by £351,351 to £14,000,000 to allow for the introduction of the Executive Share Option Scheme approved by shareholders on 8th June 1989.

On 20th November 1989 options were granted to directors and employees over 1,092,091 ordinary shares at an exercise price of 116p per ordinary share.

The ordinary 'A' shares carry the right to receive a preferential dividend of £3,000,000 in each of the financial years ending 31st October 1989 and 31st October 1990. The ordinary and ordinary 'A' shares rank equally for any further dividend declared.



NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

20. RESERVES

Group and
Company
£000's

Share Premium Account

At 1st November 1989 and at 31st October 1990 23,657
=====

Profit and Loss Account

	Group		Company	
	1990 £000's	1989 £000's	1990 £000's	1989 £000's
At 1st November 1989	19,574	12,928	995	1,084
Expenses of merger	-	(700)	-	-
Retained (loss)/profit for year	(5,299)	8,077	292	(89)
Goodwill on acquisition	(1,461)	(731)	-	-
At 31st October 1990	12,814 =====	19,574 =====	1,287 =====	995 =====

21. CAPITAL COMMITMENTS

Contracted for	- =====	- =====	- =====	- =====
Authorised	- =====	- =====	- =====	- =====

22. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees of bank loans to and land purchase commitments of certain related companies up to a maximum of £7,571,000 (1989 - £14,378,000). At 31st October 1990 the borrowings of the related companies amounted to £15,300,000 (1989 - £3,767,000) and the land purchase commitment was £Nil (1989 - £9,475,000).

23. PROFIT OF THE PARENT COMPANY

As permitted by Section 288(7) of the Companies Act 1985, the profit and loss account of the Company is not presented as part of these accounts. The consolidated profit for the financial year includes a profit of £4,231,000 (1989 - £6,111,000) which is dealt with in the accounts of the Parent Company.



NOTES TO THE ACCOUNTS

YEAR ENDED 31st OCTOBER 1990

24. SUBSEQUENT EVENT

Subsequent to the year end a contingent liability for guarantees in respect of the borrowings of a related company, Paycause Limited, crystallised as the borrowings of that company were not refinanced. Consequently borrowings of the Group and the amounts due from related companies has increased by £1,309,000.

The principal asset of Paycause Limited is certain land for which planning permission is yet to be obtained. The directors of Paycause Limited anticipate that a planning decision will be made within the next twelve months. If planning permission were never to be obtained then the net realisable value of such land may limit the ability of the related company to repay the amounts due and necessitate a write down of the carrying value of the amounts owed by the related company.

25. 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 holding company. Details of the scheme are provided in the notes to the accounts of Alfred McAlpine PLC.

26. ULTIMATE HOLDING COMPANY

The ultimate holding company is Alfred McAlpine PLC which is incorporated in Great Britain.