

**CORNEY REACH LIMITED**  
**(REGISTERED NUMBER 2326774)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**31 DECEMBER 1996**



## **CORNEY REACH LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996**

The directors present their report and the audited financial statements for the year ended 31 December 1996.

#### **PRINCIPAL ACTIVITIES**

Following McHawk Ltd acquiring all of the issued share capital of the company in 1994 the company's asset, it's site at Chiswick, is now being developed and sold.

#### **REVIEW OF OPERATIONS**

The results of the company are set out on page 4. The directors do not recommend the payment of a dividend (1995 - Nil). The profit for the year was £439,000 (1995 - £523,000) and has been transferred to reserves.

#### **DIRECTORS**

The members of the board who served during the year are:

PT Smith	(appointed 23 April 1996)
GR McCallum	
SG Mills	
AJ Sunter	(appointed 1 July 1995, resigned 30 November 1996)
MJ Freshney	(resigned 22 April 1996)

None of the directors had a beneficial interest in any contract or arrangement of significance to which the company was a party during the year.

#### **DIRECTORS' INTERESTS IN SHARE CAPITAL**

GR McCallum is a director of Alfred McAlpine PLC and his interests are shown in the notes to the financial statements of that company. SG Mills is a director of Alfred McAlpine Homes Limited and his interests are shown in the financial statements of that company. PT Smith is a director of Alfred McAlpine Homes East Limited and his interests are shown in the financial statements of that company.

## **CORNEY REACH LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1996 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of that company for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **PAYMENTS TO SUPPLIERS**

The company agrees payment terms with its suppliers when it enters into binding purchase contracts. The company seeks to abide by the payment terms agreed with suppliers provided that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

#### **AUDITORS**

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

By Order of the Board



SG Mills  
Secretary

20 March 1997

*Price Waterhouse*



## AUDITORS' REPORT TO THE MEMBERS OF CORNEY REACH LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

**PRICE WATERHOUSE**  
**Chartered Accountants**  
**and Registered Auditors**

20 March 1997

# **CORNEY REACH LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>Notes</u>	<u>1996</u> <u>£'000</u>	<u>1995</u> <u>£'000</u>
<b>TURNOVER</b>	2	8,056	12,073
Cost of sales		(7,394)	(10,653)
<b>GROSS PROFIT</b>		662	1,420
Operating costs	3	-	(3)
Other operating income	4	-	58
<b>OPERATING PROFIT</b>		662	1,475
Interest receivable	5	28	-
Interest payable	6	(35)	(523)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2,3	655	952
Taxation on profit on ordinary activities	7	(216)	(429)
<b>RETAINED PROFIT TRANSFERRED TO RESERVES</b>	13	439	523

The movements on reserves are shown in note 13 to the financial statements.

The results for the year includes all recognised gains and losses in the year. There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The notes on pages 6 to 9 form part of the financial statements.

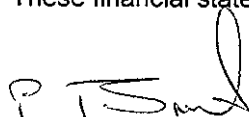
# CORNEY REACH LIMITED

## BALANCE SHEET - 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u> £'000	<u>1995</u> £'000
<b>CURRENT ASSETS</b>			
Stocks	9	14	5,593
Debtors	10	2,659	49
Cash at bank		<u>416</u>	<u>-</u>
		3,089	5,642
<b>CREDITORS (amounts falling due within one year)</b>	11	<u>(6,078)</u>	<u>(9,070)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,989)</u>	<u>(3,428)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Profit and loss account	13	<u>(2,990)</u>	<u>(3,429)</u>
<b>SHAREHOLDERS' DEFICIT</b>	14	<u>(2,989)</u>	<u>(3,428)</u>

The notes on pages 6 to 9 form part of these financial statements.

These financial statements were approved by the Board of Directors on 20 March 1997.



PT Smith  
DIRECTOR

# **CORNEY REACH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996**

### **1 ACCOUNTING POLICIES**

#### **(1) Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **(2) Going Concern**

The financial statements have been prepared on the going concern basis. The basis assumes that the company will continue in operational existence and complete the development of the site at Chiswick. The directors of Alfred McAlpine Developments Limited (formerly Alfred McAlpine Homes Limited) have indicated that they will continue to support the company and to ensure that all external liabilities are met in full.

#### **(3) 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 only.

#### **(4) Turnover**

Turnover represents the value of legally completed house and land sales.

#### **(5) Deferred Taxation**

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

#### **(6) Cash Flow Statement**

The cash flows of the company for the year are included within the consolidated cash flow statement disclosed in the financial statements of Alfred McAlpine PLC. Therefore in accordance with the provisions of Financial Reporting Standard 1, no cash flow statement is required in these financial statements.

#### **(7) Related Party Transactions**

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under FRS 8 (Relation Party Disclosures) as it is a wholly owned subsidiary.

### **2 TURNOVER**

All turnover and operating profits are derived from housebuilding and land sales to external customers in the United Kingdom.

# **CORNEY REACH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)**

### **3 OPERATING COSTS**

	<u>1996</u> £'000	<u>1995</u> £'000
Administrative expenses	-	(1)
Auditors' remuneration	-	(2)
	-	(3)
	=	=

Auditors' remuneration is borne by Alfred McAlpine Homes East Limited.

### **4 OTHER OPERATING INCOME**

	<u>1996</u> £'000	<u>1995</u> £'000
Sale of ground rents	-	58
	=	=

### **5 INTEREST RECEIVABLE**

	<u>1996</u> £'000	<u>1995</u> £'000
Bank	28	-
	=	=

### **6 INTEREST PAYABLE**

	<u>1996</u> £'000	<u>1995</u> £'000
Bank loans and overdrafts repayable within 5 years	35	523
	=	=

### **7 TAXATION**

	<u>1996</u> £'000	<u>1995</u> £'000
UK corporation tax charge at 33% (1995 - 33%)	216	429
	=	=

The tax charge in 1995 relates to a prior year balance no longer deemed to be recoverable. There is no potential deferred tax balance.



# **CORNEY REACH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)**

### **8 DIRECTORS AND EMPLOYEES**

The directors did not receive any remuneration from the company during the period. Other than directors the company has no employees.

### **9 STOCKS**

	<u>1996</u> £'000	<u>1995</u> £'000
Land and work in progress	14	5,593
	<u>          </u>	<u>          </u>

### **10 DEBTORS**

	<u>1996</u> £'000	<u>1995</u> £'000
Amounts falling due within one year:		
VAT recoverable	-	36
Ground rents	13	13
Amounts owed by group companies	<u>2,646</u>	<u>-</u>
	2,659	49
	<u>          </u>	<u>          </u>

### **11 CREDITORS (amounts falling due within one year)**

	<u>1996</u> £'000	<u>1995</u> £'000
Bank loans and overdrafts	-	60
Trade creditors	280	-
Amounts owed to group undertakings	5,582	8,899
Other creditors	-	5
Accruals	-	106
Corporation Tax	<u>216</u>	<u>-</u>
	6,078	9,070
	<u>          </u>	<u>          </u>

# **CORNEY REACH LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1996 (CONTINUED)**

### **12 CALLED UP SHARE CAPITAL**

	<u>1996</u> £	<u>1995</u> £
Authorised, called up and allotted £1 ordinary class	1,000	1,000
	<u>          </u>	<u>          </u>

1 £1 Ordinary 'B' share was issued at par on incorporation, and a further 499 £1 Ordinary 'B' shares and 500 £1 Ordinary 'A' shares were issued at par on 12 October 1993.

### **13 PROFIT AND LOSS ACCOUNT (ADVERSE BALANCE)**

	£'000
At 31 December 1995	(3,429)
Retained profit for the financial year	<u>439</u>
At 31 December 1996	<u>(2,990)</u>

### **14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<u>1996</u> £'000	<u>1995</u> £'000
Profit for the financial year	439	523
Opening shareholders' deficit	<u>(3,428)</u>	<u>(3,951)</u>
Closing shareholders' deficit	<u>(2,989)</u>	<u>(3,428)</u>

### **15 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking of the company is McHawk Limited, a company registered in England.

The smallest group for which financial statements are prepared in which the results of the company are consolidated is Alfred McAlpine Homes Holdings Limited (formerly Alfred McAlpine Developments Limited). A copy of these financial statements can be obtained from the Company Secretary, Alfred McAlpine Homes Holdings Limited, Stratford Court, Cranmore Boulevard, Shirley, Solihull, West Midlands, B90 4QT.

The ultimate parent undertaking is Alfred McAlpine PLC which is incorporated in England. A copy of the financial statements of the ultimate parent company may be obtained from the Company Secretary, Alfred McAlpine PLC, 8 Suffolk Street, London, SW1Y 4HG.