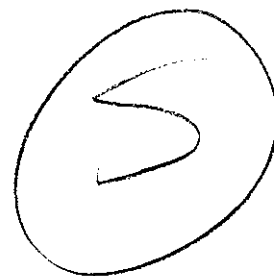
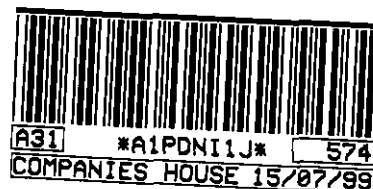


**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**REGISTERED NUMBER 2523343**



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 1998**



**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998**

The directors have pleasure in submitting their report and audited financial statements for the year ended 31 December 1998.

**BUSINESS REVIEW**

The company has not traded during the year, hence no profit and loss account is presented.

**DIRECTORS**

The following directors served during the year:

IM Douglas  
SI Roden

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.

**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 of the company for that 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

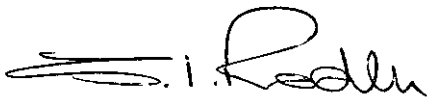
The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding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

**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1998**  
**(CONTINUED)**

**AUDITORS**

Following the merger of Price Waterhouse and Coopers & Lybrand, Price Waterhouse resigned as the company's auditors and the directors appointed PricewaterhouseCoopers to fill the casual vacancy in the office of auditors. PricewaterhouseCoopers have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment and authorising the directors to fix their remuneration was passed by the directors.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'S I Roden', with a stylized flourish at the end.

S I Roden  
DIRECTOR  
14 April 1999

**PricewaterhouseCoopers**  
Cornwall Court  
19 Cornwall Street  
Birmingham B3 2DT  
Telephone +44 (0) 121 200 3000  
Facsimile +44 (0) 121 200 2464  
Direct fax 0121 200 2464

## **AUDITORS' REPORT TO THE MEMBERS OF COMPINE DEVELOPMENTS (WOOTTON) LIMITED**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Directors' Report and Financial Statements, including as described on page 1 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Directors' Report and Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

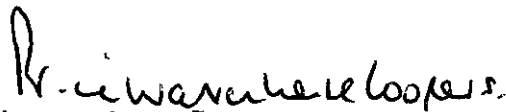
### **Basis of opinion**

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 misstatement, 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 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants  
and Registered Auditors

14 April 1999

**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER		-	96,713
Cost of sales		-	(96,713)
		-----	-----
GROSS PROFIT		-	-
Operating income		-	-
		-----	-----
OPERATING PROFIT		-	-
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION AND RETAINED FOR THE YEAR		-	-
		=====	=====

The notes on pages 7 to 9 form part of these financial statements.

The result for the year includes all recognised gains and losses in the year.

There is no material difference between the results as disclosed in the profit and loss account and results on an unmodified historical cost basis.

**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**BALANCE SHEET**  
**31 DECEMBER 1998**

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CREDITORS: Amounts falling due within one year	3	<u>(17,791)</u>	<u>(17,791)</u>
CAPITAL AND RESERVES			
Called up share capital	4	100	100
Profit and loss account	5	<u>(17,891)</u>	<u>(17,891)</u>
SHAREHOLDERS' FUNDS	6	<u>(17,791)</u>	<u>(17,791)</u>

The notes on pages 7 to 9 form part of these financial statements.

The financial statements and notes were approved by the Board of Directors on 14 April 1999 and signed on their behalf by



SI Roden  
DIRECTOR

**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998**

**1 ACCOUNTING POLICIES**

(a) Basis of Preparation

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

(b) Going Concern

The directors of Alfred McAlpine Homes Midlands Limited have indicated that they will continue to support the company to ensure that all external liabilities are met in full.

(c) Turnover

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

(d) Cash Flow Statement

The cash flows 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 (Revised 1996), no cash flow statement is required in these financial statements.

(e) Fixed Asset Investments

Investments held as fixed assets are valued at cost unless in the opinion of the Directors, there is a permanent diminution in value.

(f) 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 (Related Party Transactions) as it is a wholly owned subsidiary.



**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998**

**2 DIRECTORS AND EMPLOYEES**

No director received any emoluments in the period (1997: Nil). The company had no other employees during the period.

The interests of IM Douglas and SI Roden in the shares of Alfred McAlpine PLC are shown in the notes to the financial statements of Alfred McAlpine Homes Limited and Alfred McAlpine Homes Midlands Limited respectively.

**3 CREDITORS (amounts falling due within one year)**

	<u>1998</u> £	<u>1997</u> £
Amounts owed to group undertakings	17,791	17,791
	<u>17,791</u>	<u>17,791</u>

**4 CALLED UP SHARE CAPITAL**

	<u>1998</u> £	<u>1997</u> £
Authorised:		
500 Ordinary A shares of £1 each	500	500
500 Ordinary B shares of £1 each	500	500
	----- 1,000	----- 1,000
	<u>1,000</u>	<u>1,000</u>
	<u>1998</u> £	<u>1997</u> £
Allotted, called up and fully paid:		
50 Ordinary A shares of £1 each	50	50
50 Ordinary B shares of £1 each	50	50
	----- 100	----- 100
	<u>100</u>	<u>100</u>

**COMPINE DEVELOPMENTS (WOOTTON) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1998**

**5 PROFIT AND LOSS ACCOUNT**

	£
At 1 January 1998 and 31 December 1998	<u>(17,891)</u>

**6 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1998</u>	<u>1997</u>
	£	£
Opening & closing shareholders' funds	<u>(17,791)</u>	<u>(17,791)</u>

**7 ULTIMATE PARENT UNDERTAKING**

The immediate parent undertaking is Alfred McAlpine Homes Midlands Limited, a company registered in England.

The ultimate parent undertaking is Alfred McAlpine PLC, a company registered in England.

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