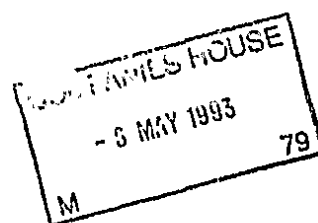


ALFRED McALPINE FINANCE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 OCTOBER 1992

COMPANY REGISTRATION NUMBER: 179667



ALFRED McALPINE FINANCE LIMITED

31 OCTOBER 1992

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ALFRED McALPINE FINANCE LIMITED

31 OCTOBER 1992

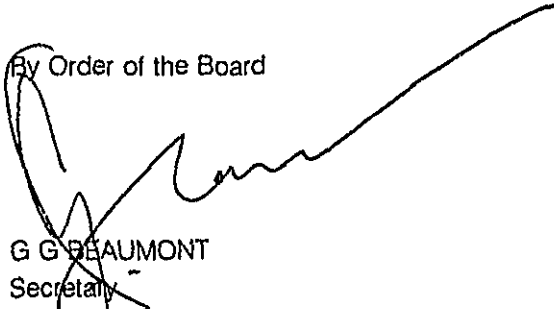
Hooton
South Wirral
Cheshire
L66 7ND

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting will be held at Hooton, South Wirral, Cheshire on 7 April 1993.

- 1 To receive and consider the report of the directors and the accounts for the year ended 31 October 1992.
- 2 To re-appoint Price Waterhouse as auditors of the Company and to authorise the directors to fix their remuneration.
- 3 To transact any other ordinary business.

By Order of the Board


G G BEAUMONT
Secretary
24 February 1993

ALFRED McALPINE FINANCE LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited accounts for the year ended 31 October 1992.

1 PRINCIPAL ACTIVITIES

The principal activity of the company is finance and investment management.

2 PROFIT AND DIVIDENDS

The loss for the year attributable to shareholders amounted to £3,784,000 (1991 - £2,669,000). The directors do not recommend the payment of a dividend (1991 - Nil).

3 DIRECTORS

Directors who have served during the year are:

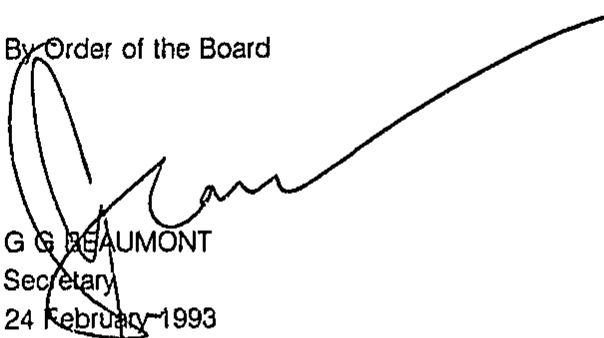
K Lever	(appointed 11 April 1992)
R J McAlpine	(resigned 6 May 1992)
R A Carss	(resigned 27 April 1992)
A S Pike	(appointed 27 April 1992)

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.

4 AUDITORS

Price Waterhouse have confirmed their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By Order of the Board



G G BEAUMONT
Secretary
24 February 1993

Price Waterhouse



**REPORT OF THE AUDITORS TO THE MEMBERS OF
ALFRED McALPINE FINANCE LIMITED**

We have audited the accounts on pages 4 to 10 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 October 1992 and of the loss 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 Auditor

24 February 1993

ALFRED McALPINE FINANCE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 1992**

	<u>1992</u> £000	<u>1991</u> £000
Operating costs (Note 1)	(5)	(24)
	<hr/>	<hr/>
OPERATING LOSS	(5)	(24)
Income from shares in subsidiary undertakings	17	54
Interest receivable (Note 2)	4,546	1,818
Interest payable (Note 3)	(9,157)	(5,373)
Amounts written off investments	<hr/> -	<hr/> (332)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 4)	(4,599)	(3,857)
Taxation on loss on ordinary activities (Note 5)	<hr/> 815	<hr/> 1,188
LOSS FOR THE FINANCIAL YEAR TRANSFERRED FROM PROFIT AND LOSS ACCOUNT (Note 13)	(3,784)	(2,669)
	<hr/>	<hr/>

The notes on pages 6 to 10 form part of these accounts.

ALFRED McALPINE FINANCE LIMITED

BALANCE SHEET AT 31 OCTOBER 1992

	<u>1992</u>		<u>1991</u>	
	£000	£000	£000	£000
FIXED ASSETS				
Investments (Note 7)		27,300		27,300
CURRENT ASSETS				
Debtors (Note 8)	30,023		23,271	
Investments (Note 9)	30,012		-	
Cash at bank and in hand	<u>492</u>		<u>7,406</u>	
	60,527		30,677	
CREDITORS: Amounts falling due within one year (Note 10)	<u>(95,418)</u>		<u>(61,922)</u>	
NET CURRENT LIABILITIES		<u>(34,891)</u>		<u>(31,245)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		(7,591)		(3,945)
PROVISIONS FOR LIABILITIES AND CHARGES (Note 11)		<u>(138)</u>		<u>-</u>
		(7,729)		(3,945)
		<u> </u>		<u> </u>
CAPITAL AND RESERVES				
Called up share capital (Note 12)		1		1
Profit and loss account (Note 13)		<u>(7,730)</u>		<u>(3,946)</u>
		(7,729)		(3,945)
		<u> </u>		<u> </u>

These accounts and notes were approved by the Board of Directors on 24 February 1993.


K. Lever
DIRECTOR

The notes on pages 6 to 10 form part of these accounts.

ALFRED McALPINE FINANCE LIMITED

ACCOUNTING POLICIES

(a) Accounting convention

The accounts are prepared under the historical cost convention and have been prepared in accordance with applicable accounting standards.

(b) Deferred taxation

Provision is made at anticipated rates for taxation deferred as a result of accelerated capital allowances and timing differences where there is a reasonable probability that the taxation will become payable in the foreseeable future.

(c) Statement of cash flows

A statement of group cash flows is contained in the accounts of the ultimate holding company, Alfred McAlpine Plc.

ALFRED McALPINE FINANCE LIMITED

NOTES TO THE ACCOUNTS

1 OPERATING COSTS

	<u>1992</u>	<u>1991</u>
	£000	£000
Administration costs	5	24
	<u>—</u>	<u>—</u>

2 INTEREST RECEIVABLE

Interest from banks	3,226	426
Group undertakings	<u>1,320</u>	<u>1,392</u>
	4,546	1,818
	<u>—</u>	<u>—</u>

3 INTEREST PAYABLE

Group undertakings		
	9,157	5,373
	<u>—</u>	<u>—</u>

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

is after charging:

Auditors' remuneration	1	1
	<u>—</u>	<u>—</u>

5 TAXATION ON LOSS ON ORDINARY ACTIVITIES

Corporation tax at 33.0% (1991 - 34.4%)	(1,655)	(1,188)
Deferred taxation	138	-
Prior years' adjustment	<u>702</u>	<u>—</u>
	(815)	(1,188)
	<u>—</u>	<u>—</u>

The corporation tax credits comprise group relief receivable.

ALFRED McALPINE FINANCE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6 DIRECTORS AND EMPLOYEES

(a) Directors emoluments

None of the directors received any emoluments from the company during the year (1991 - Nil).

(b) Employees

There were no employees during the year other than the directors of the company (1991 - Nil).

(c) Directors' interests in share capital

The shareholding of Mr K Lever in Alfred McAlpine Plc is shown in the notes to the accounts of that company.

7 FIXED ASSETS - INVESTMENTS

	<u>1992</u>
	£000
(a) Shares in subsidiary undertakings at cost less amounts written off	<u>424</u>
(b) Shares in other group undertakings at cost	<u>26,876</u>
Total investments	
At 31 October 1992 and 31 October 1991	27,300
	<hr/>

All subsidiary undertakings are wholly owned and are incorporated in Great Britain.

The principal subsidiary undertakings are:

Alcinous Insurance Company Limited
Alfred McAlpine Assets Limited
Alfred McAlpine Aviation Limited
Marchwell Developments Limited

Consolidated accounts have not been prepared as Alfred McAlpine Finance Limited is a wholly owned subsidiary undertaking.

The investment in shares in other group undertakings do not differ from directors' valuation.

ALFRED McALPINE FINANCE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

8 DEBTORS	<u>1992</u> £000	<u>1991</u> £000
Amounts falling due within one year:		
Amounts owed by subsidiary undertakings	691	1,301
Amounts owed by group undertakings	27,702	20,319
Prepayments and accrued income	419	-
Other debtors	<u>1,210</u>	<u>1,649</u>
	30,022	23,269
Amounts due in more than one year:		
Other debtors	<u>1</u>	<u>2</u>
	<u>30,023</u>	<u>23,271</u>
9 INVESTMENTS		
Short term deposits	<u>30,012</u>	<u>-</u>
10 CREDITORS: Amounts falling due within one year		
Amounts owed to subsidiary undertakings	210	210
Amounts owed to group undertakings	95,206	61,465
Accruals and deferred income	2	2
Taxation and social security creditors	<u>-</u>	<u>245</u>
	<u>95,418</u>	<u>61,922</u>
11 PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred taxation		
Balance at 1 November 1991	-	-
Profit and loss account	<u>138</u>	
Balance at 31 October 1992	<u>138</u>	

ALFRED McALPINE FINANCE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

12 CALLED UP SHARE CAPITAL

Authorised, allotted and fully paid	<u>1992</u> £000	<u>1991</u> £000
Ordinary shares of £1 each	1	1
	<hr/>	<hr/>

13 PROFIT AND LOSS ACCOUNT

	£000
At 1 November 1991	(3,946)
Retained loss for the year	<u>(3,784)</u>
	(7,730)
At 31 October 1992	<hr/>

14 PENSION FUND

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

15 ULTIMATE PARENT UNDERTAKING

Alfred McAlpine Plc, a company registered in England, is the ultimate parent undertaking of the largest group of undertakings for which accounts are drawn up and of which the Company is a member.

Copies of the accounts of Alfred McAlpine Plc may be obtained from the Company Secretary, Alfred McAlpine Plc, Hooton, South Wirral, Cheshire, L66 7ND.