

**Marchwiel Investments Limited**  
**(Registered Number: -1401298)**

**Directors' Report and Accounts**

**For the Year Ended 31 December 2004**



# **Marchwiel Investments Limited**

## **Annual Report For The Year Ended 31 December 2004**

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# **Marchwiel Investments Limited**

## **Directors' Report For The Year Ended 31 December 2004**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2004.

### **Principal activity**

The Company's principal activity during the year was to act as an intermediate parent Company. No change to this activity is anticipated in the foreseeable future.

### **Results and dividends**

The profit for the year after taxation amounted to £395,000 (2003: £143,000). The Directors recommend the payment of a dividend of £1,000,000 (2003: £nil).

### **Directors and their interest**

The directors who held office during the year and subsequently were as follows:

AM Nominees Limited  
AM Secretaries Limited  
D Lavelle (appointed 4 October 2004)

The directors had no interest in the shares of the Company at any point during the year. The interest of Mr D Lavelle, who is also a director of the ultimate parent company, Alfred McAlpine plc, is shown in the annual report of that company. The other directors did not hold any interest in Alfred McAlpine plc at any point during the year.

### **Statement of Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors are required to prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently in the year as explained under note 1 'Principal accounting policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

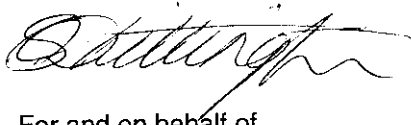
## **Marchwiel Investments Limited**

### **Directors' Report For The Year Ended 31 December 2004** (Continued)

#### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the board



For and on behalf of  
AM Secretaries Limited  
**Secretary**

29 June 2005

# **Independent Auditors' Report To The Members Of Marchwiel Investments Limited**

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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.

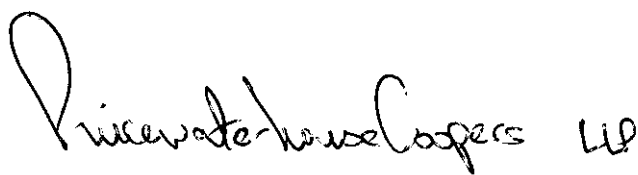
## **Basis of audit opinion**

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 at 31 December, 2004, of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London

29 June 2005

## Marchwiel Investments Limited

### Profit And Loss Account For The Year Ended 31 December 2004

	<i>Note</i>	2004 £'000	2003 £'000
Net foreign currency movement		21	(77)
Other operating income		28	-
Operating profit / (loss)	3	49	(77)
Interest receivable from group undertakings		1,980	1,895
Interest payable to group undertakings		(1,487)	(1,613)
<b>Profit on ordinary activities before taxation</b>		<b>542</b>	<b>205</b>
Taxation on profit on ordinary activities	4	(147)	(62)
<b>Profit on ordinary activities after taxation</b>		<b>395</b>	<b>143</b>
Dividends paid	5	(1,000)	-
<b>(Loss) / retained profit for the financial year</b>	10, 11	<b>(605)</b>	<b>143</b>

All activities of the Company were continuing. All other expenses of the Company were borne by the ultimate parent company (Note 3).

There are no differences between the result as stated in the profit and loss account and the historical cost result.

### Statement Of Total Recognised Gains And Losses For The Year Ended 31 December 2004

	2004 £'000	2003 £'000
Profit for the financial year	395	143
Revaluation of investments	(9)	414
<b>Total recognised gains relating to the year</b>	<b>386</b>	<b>557</b>

# Marchwiel Investments Limited

## Balance Sheet as at 31 December 2004

	<i>Note</i>	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Investments	6	54,922	54,788
<b>Current assets</b>			
Debtors	7	44,980	43,999
Cash at bank and in hand		-	2
		44,980	44,001
<b>Creditors: Amounts falling due within one year</b>	8	(62,424)	(60,697)
<b>Net current liabilities</b>		(17,444)	(16,696)
<b>Total assets less current liabilities</b>		37,478	38,092
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Revaluation reserve	10	37,383	37,392
Profit and loss account	10	95	700
<b>Equity shareholders' funds</b>	11	37,478	38,092

These financial statements, which comprise the profit and loss account, the balance sheet and the related notes, were approved by the Directors on 29 June 2005 and signed on its behalf by:



For and on behalf of  
AM Nominees Limited  
**Director**

# **Marchwiel Investments Limited**

## **Notes To The Financial Statements For The Year Ended 31 December 2004**

### **1 Accounting Policies**

#### **(a) Accounting convention**

The accounts are prepared under the going concern basis using the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

#### **(b) Statement of cash flows**

A group statement of cash flows is contained in the accounts of the ultimate parent undertaking, Alfred McAlpine plc. Consequently, under the terms of FRS1 (revised) the Company is exempt from the requirement to prepare a cash flow statement.

#### **(c) Investment in foreign subsidiary undertaking**

Differences arising in the retranslation of the investment in a foreign subsidiary undertaking and related net foreign currency borrowings are taken to reserves. When movements in the borrowings exceed the movement in the investment, the net difference is taken to the profit and loss account.

#### **(d) Deferred taxation**

Full provision is made at anticipated rates for taxation deferred as a result of accelerated capital allowances and short term timing differences.

### **2 Directors And Employees**

- (a) None of the directors received any remuneration from the Company during the year (2003: £Nil).
- (b) There were no employees during the period (2003: Nil).
- (c) The directors have no interest in the shares of the Company.
- (d) The Directors have no interest in the share capital of Alfred McAlpine PLC at 31 December 2004.

### **3 Operating Profit / Loss**

Auditors remuneration is met by the ultimate parent undertaking Alfred McAlpine plc.



# Marchwiel Investments Limited

## Notes To The Financial Statements For The Year Ended 31 December 2004

### 4 Taxation On Profit On Ordinary Activities

	2004 £'000	2003 £'000
Amount payable to fellow subsidiaries in respect of Group relief	148	62
Adjustment in respect of prior years	(1)	-
<b>Total current tax charge</b>	<b>147</b>	<b>62</b>
Deferred tax		
Deferred tax charge for the year	9	-
Adjustment in respect of prior years	(9)	-
<b>Total deferred tax charge</b>	<b>-</b>	<b>-</b>
<b>Total tax charge</b>	<b>147</b>	<b>62</b>

The current tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
<b>Profit on ordinary activities before tax</b>	<b>542</b>	<b>205</b>
Tax charge thereon at the standard rate of 30% (2003: 30%)	163	62
Effects of:		
Income not chargeable for tax purposes	(6)	-
Accelerated capital allowances and other timing differences	(9)	-
Adjustments to tax in respect of prior years	(1)	-
<b>Current tax charge for the period</b>	<b>147</b>	<b>62</b>

### 5 Dividends

	2004 £000	2003 £000
Final dividend paid of £10,000 per ordinary share	1,000	-

# Marchwiel Investments Limited

## Notes To The Financial Statements For The Year Ended 31 December 2004

### 6 Investments

	£'000
At 1 January 2004	54,788
Retranslation of foreign currency investments	143
Revaluation	(9)
<b>At 31 December 2004</b>	<b>54,922</b>

The Company owns 98% of the issued ordinary share capital of Alfred McAlpine BV, which is incorporated in the Netherlands.

Consolidated accounts have not been prepared as the results of Marchwiel Investments Limited are included in the consolidated accounts of its ultimate parent company, Alfred McAlpine PLC. Consequently, the information presented relates solely to the Company as an individual undertaking and not to its group.

The historical cost of the investment is £11,234,000.

### 7 Debtors: Amounts due within one year

	2004 £'000	2003 £'000
Amounts owed by group undertakings	44,980	43,999

### 8 Creditors: Amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed to group undertakings	62,002	60,422
Amounts payable to fellow subsidiaries in respect of Group relief	209	62
Accruals and deferred income	213	213
	<b>62,424</b>	<b>60,697</b>

# Marchwiel Investments Limited

## Notes To The Financial Statements For The Year Ended 31 December 2004

### 9 Called Up Share Capital

	2004	2003
	£	£
Authorised, allotted and fully paid		
Ordinary shares of £1 each	100	100

### 10 Reserves

	Revaluation Reserve £'000	Profit and Loss account £'000
At 1 January 2004	37,392	700
Revaluation of investments	(9)	-
Retained loss for the year	-	(605)
At 31 December 2004	37,383	95

The revaluation reserve relates entirely to the revalued amount of the Company's investment in Alfred McAlpine B.V.

### 11 Reconciliation Of Movement In Shareholders' Funds

	2004	2003
	£'000	£'000
Opening shareholders' funds	38,092	37,535
Currency adjustments – foreign currency loan	(122)	(4,056)
Currency adjustments – investments	122	4,056
Revaluation of investments	(9)	414
(Loss) / retained profit for the year	(605)	143
Closing shareholders' funds	37,478	38,092

## **Marchwiel Investments Limited**

### **Notes To The Financial Statements For The Year Ended 31 December 2004**

#### **12 Ultimate Parent Undertaking**

Alfred McAlpine plc 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. The directors consider Alfred McAlpine plc to be the ultimate controlling party.

The Company has taken advantage of the provision in Financial Reporting Standard 8 (Related Party Transactions) exempting it from the requirement to disclose details of transactions with group entities.

Copies of the accounts of Alfred McAlpine plc may be obtained from the Company Secretary, Alfred McAlpine PLC, Kinnaird House, 1 Pall Mall East, London, SW1Y 5AZ.

The ultimate parent company has confirmed its intention to support its subsidiary companies to enable them to settle all inter-company receivables of the company for at least twelve months from the date of signing these financial statements.