

**WIMPEY CONSTRUCTION LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**31 DECEMBER 1992**



**REGISTRATION, LONDON 156617**

## WIMPEY CONSTRUCTION LIMITED

### DIRECTORS

D. G. Brant - Chairman  
D. J. Anderson  
R. J. Beauprez  
M. Blacker  
M. V. Casebourne  
A. G. Farmer  
P. J. Grey

A. J. Haigh  
D. J. Horner  
F. M. Kennedy  
R. D. MacIver  
W. R. Martin  
I. M. Ross  
L. D. Toman  
M. J. Wood

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### REPORT OF THE DIRECTORS

The Directors present their Report and the audited accounts for the year ended 31 December 1992.

### RESULTS AND DIVIDENDS

The loss on ordinary activities before taxation amounted to £17.0m. After deducting taxation and extraordinary items this resulted in a loss attributable to ordinary shareholders of £24.0m. Interim dividends totalling £23.0m were paid during the year leaving a deficit of £47.0m which has required a transfer from reserves. The Directors do not recommend the payment of a final dividend.

### PRINCIPAL ACTIVITIES

The Company and its subsidiaries' principal activities are house building and contracting within the construction industry.

On 2 December 1992, as a result of a restructuring within the Wimpey group, the Group acquired interests in George Wimpey Canada Investments Limited, Wimpey Asphalt Hong Kong Limited, Wimpey Severokamen AS and Wimpey Minerals Ireland Limited. Details of the Group's principal subsidiary companies and investments are shown in Note 29 of these accounts.

### FIXED ASSETS

No significant changes in the Group's fixed assets have occurred other than acquisitions and disposals in the ordinary course of business which are shown in Note 13 and Note 15 of these accounts.

### DIRECTORS

The names of the Directors of the Company are shown above.

Mr. A. S. Worthington resigned from the Board on 31 May 1992 and Mr. M. J. Wood resigned from the Board on 29 January 1993. Mr. M. Blacker and Mr. I. M. Ross were appointed Directors of the Company on 22 September 1992.

**WIMPEY CONSTRUCTION LIMITED**  
**REPORT OF THE DIRECTORS (continued)**

**DIRECTORS (continued)**

The beneficial interests of the Directors of the Company at 31 December 1992 who were not Directors of the ultimate parent company, George Wimpey PLC, in the shares of the ultimate parent company are shown below:

	Options		Shares	
	<u>31.12.92</u>	<u>1.1.92</u>	<u>31.12.92</u>	<u>1.1.92</u>
D. J. Anderson	102,047	104,925	-	-
R. J. Beauprez	100,255	65,175	-	-
M. Blacker	43,951	40,312 *	-	- *
M. V. Casebourne	44,681	44,681	-	-
A. G. Farmer	31,657	31,657	5,059	5,059
P. J. Grey	47,714	13,541	3,305	3,305
A. J. Haigh	44,483	38,903	-	-
D. J. Horner	44,483	43,965	2,313	2,313
F. M. Kennedy	121,421	118,753	-	-
R. D. MacIver	64,696	60,790	-	-
W. R. Martin	114,961	72,640	500	2,500
I. M. Ross	66,619	64,339 *	-	- *
L. D. Toman	95,755	98,596	1,322	1,322
M. J. Wood	62,088	69,092	6,344	8,344

\* Date of Appointment

The options were granted under the terms of the George Wimpey PLC Savings Related and Executive Share Option Schemes.

No Director held any beneficial interest in the shares of the Company during the year.

No Director was materially interested during the year in any contract which was significant in relation to the business of the Company.

**EMPLOYEE INVOLVEMENT**

The Group complies with the Wimpey Group Policy that there should be effective communications with employees. This is achieved through normal face to face discussion at the work place, a group in-house journal (bi-monthly), the use of notice boards and other means including bulletins and newsletters.

Consultation processes extend beyond day to day manager-employee relationships to briefing sessions in small groups and local consultative committees, as well as membership of appropriate employers' organisations through which consultation takes place with operatives' representatives.

Annually, the Wimpey Group publishes a written Employee Report and Video which explains the overall financial and general business situation. These are supplemented by line management reviews at local level.

**WIMPEY CONSTRUCTION LIMITED**  
**REPORT OF THE DIRECTORS (continued)**

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**EMPLOYMENT OF DISABLED PERSONS**

The Group's policy relating to the employment of disabled persons, as stated below, was applied during the year.

Applications for employment by disabled persons are fully and fairly considered having regard to the aptitudes and abilities of each applicant. Efforts are made to enable any employee who becomes disabled during employment to continue their career with the Group. Training, career development and promotion of disabled persons is, as far as possible, identical to that of other employees who are not disabled.

By Order of the Board

  
\_\_\_\_\_  
Secretary

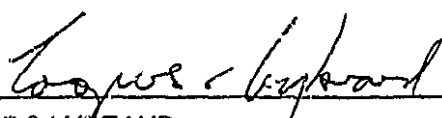
24th March 1993

REPORT OF THE AUDITORS TO THE MEMBERS  
OF WIMPEY CONSTRUCTION LIMITED

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We have audited the accounts on pages 5 to 22 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and of the Group at 31 December 1992 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
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COOPERS & LYBRAND  
Chartered Accountants and Registered Auditors  
London

DATE: 24 March 1993

## **WIMPEY CONSTRUCTION LIMITED**

### **ACCOUNTING POLICIES**

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#### **1. BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost basis of accounting incorporating the revaluations of certain properties and include the accounts of the parent company, all its subsidiary undertakings and interests in joint ventures and associates made up to the end of the financial year.

The accounts have been prepared in accordance with approved accounting standards. The Company is a wholly owned subsidiary of George Wimpey PLC and the cash flows of the Group are included in the consolidated cash flow statement of George Wimpey PLC. Consequently the Group is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cash flow statement.

#### **2. TURNOVER**

Turnover comprises the total value of construction work executed during the year, amounts received on management contracts funded by the clients and other sales as invoiced and includes house sales completed, excluding value added tax and intra-group company trading.

#### **3. PROFIT**

Operating profit comprises the results of contracting and private housing development. It includes the results attributable to contracts completed and long term contracts in progress where the outcome of the contract can be assessed with reasonable certainty and after making provision for foreseeable losses. Claims are only brought into account when the amounts have been received or certified for payment.

#### **4. DEPRECIATION**

Depreciation is provided on the original cost of assets in equal annual instalments on the bases set out below:

Freehold Buildings and Long Leaseholds in excess of 50 years	Over 50 years
Short Leaseholds	Over the period of the lease
Plant and Equipment	Over the expected useful life of the assets ranging mainly from 3 to 12 years

#### **5. TAXATION**

Provision is made for tax on taxable profits and also for deferred tax if there is reasonable probability that it may be required in the foreseeable future.

#### **6. WORK IN PROGRESS AND STOCKS**

Land, estate development and property development stock-in-trade is valued at the lower of cost and net realisable value.

Other stock comprises materials, equipment and goods for resale valued at the lower of cost and net realisable value. Cost includes appropriate overheads.

**WIMPEY CONSTRUCTION LIMITED**  
**ACCOUNTING POLICIES (continued)**

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**7. LONG TERM CONTRACTS**

The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts.

The amount of long term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in stocks and work in progress as long term contract balances.

Payments in excess of recorded turnover and long term contract balances are included in creditors as payments received on account on long term contracts.

The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included with either provisions for liabilities and charges or creditors, as appropriate.

**8. JOINT VENTURES**

The Group's net investment in its joint ventures is shown in the balance sheet under headings appropriate to the nature of the business of each joint venture. Investments are included at net asset value.

**9. EXCHANGE RATES**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date and trading results are translated at average rates for the year.

Exchange differences arising on investments, related loans and intra group currency loans, are taken to reserves. All other exchange differences are taken to the Profit and Loss Account.

**10. RETIREMENT BENEFITS**

Contributions to Wimpey Group pension schemes in respect of current service and the cost of augmenting existing pensions are charged against profits based on the actuarial assessment of the long term funding requirements.

**11. FINANCE LEASES**

Assets acquired by means of finance leases are capitalised as tangible fixed assets at fair value as if purchased outright. Obligations under finance leases are reported as finance debt and the related finance charges are reported as interest payable.

**12. GOODWILL**

Goodwill arising on consolidation is written off to reserves in the year in which it arises.

**WIMPEY CONSTRUCTION LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1992**

	<u>NOTE</u>	<u>1992</u> <u>£M</u>	<u>1991</u> <u>£M</u>
<b>TURNOVER</b>			
The Company and Subsidiaries		1,032.8	1,272.8
Share of Associated Undertakings		15.5	55.6
	2	<u>1,048.3</u>	<u>1,328.4</u>
<b>OPERATING PROFIT</b>	3	5.6	17.5
Interest - Net Receivable/(Payable)	4	<u>2.0</u>	<u>(0.5)</u>
<b>PROFIT ON ORDINARY ACTIVITIES</b> <b>BEFORE EXCEPTIONAL ITEMS</b>		7.6	17.0
Exceptional Items	5	<u>(24.6)</u>	<u>(30.3)</u>
<b>LOSS ON ORDINARY</b> <b>ACTIVITIES BEFORE TAXATION</b>		(17.0)	(13.3)
Taxation	6	<u>(2.2)</u>	<u>(4.8)</u>
<b>LOSS ON ORDINARY</b> <b>ACTIVITIES AFTER TAXATION</b>		(19.2)	(18.1)
<b>EXTRAORDINARY ITEMS</b>	7	<u>(4.8)</u>	<u>(15.5)</u>
<b>LOSS ATTRIBUTABLE TO</b> <b>ORDINARY SHAREHOLDERS</b>	8	(24.0)	(33.6)
<b>DIVIDENDS</b>	9	<u>(23.0)</u>	<u>(30.3)</u>
<b>DEFICIT FOR THE YEAR</b>	25	<u>(47.0)</u>	<u>(63.9)</u>



**WIMPEY CONSTRUCTION LIMITED**  
**CONSOLIDATED BALANCE SHEET**  
**AT 31 DECEMBER 1992**

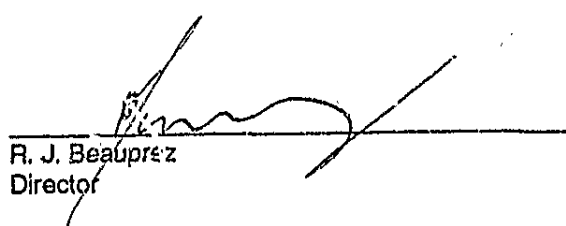
<b>ASSETS EMPLOYED</b>	<b>NOTE</b>	<b>1992 £M</b>	<b>1991 £M</b>
<b>FIXED ASSETS</b>			
Tangible Assets	13	91.5	61.3
Investments	15	9.9	12.7
		<u>100.4</u>	<u>74.0</u>
Debtors due after more than 1 Year	19	21.7	107.5
<b>CURRENT ASSETS</b>			
Work in Progress and Stocks			
Debtors	18	382.1	391.0
Cash at Bank and in Hand	19	247.6	191.9
		52.3	17.7
CREDITORS (Amounts falling due within 1 Year)	20	682.0	600.6
<b>NET CURRENT ASSETS</b>		<u>475.2</u>	<u>363.6</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>206.8</u>	<u>237.0</u>
CREDITORS (Amounts falling due after more than 1 Year)		328.9	418.5
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	21	94.7	189.9
<b>NET ASSETS</b>	22	44.6	32.5
<b>REPRESENTED BY:</b>		<u>189.6</u>	<u>196.1</u>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	23	64.0	64.0
Property Revaluation Reserve	24	16.1	16.3
Profit and Loss Account	25	109.5	115.8
<b>SHAREHOLDERS' FUNDS</b>		<u>189.6</u>	<u>196.1</u>

**WIMPEY CONSTRUCTION LIMITED**  
**PARENT BALANCE SHEET**  
**AT 31 DECEMBER 1992**

	<u>NOTE</u>	<u>1992</u> <u>£M</u>	<u>1991</u> <u>£M</u>
<b>ASSETS EMPLOYED</b>			
<b>FIXED ASSETS</b>			
Tangible Assets	14	45.1	49.9
Investments	16	344.2	210.1
		<u>389.3</u>	<u>260.0</u>
Debtors due after more than 1 Year	19	<u>23.3</u>	<u>102.1</u>
<b>CURRENT ASSETS</b>			
Work in Progress and Stocks	18	2.0	2.3
Debtors	19	133.0	131.3
Cash at Bank and in Hand		2.3	1.2
		<u>137.3</u>	<u>134.8</u>
CREDITORS (Amounts falling due within 1 Year)	20	<u>250.3</u>	<u>239.0</u>
<b>NET CURRENT LIABILITIES</b>		<u>(113.0)</u>	<u>(104.2)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>299.6</u>	<u>257.9</u>
CREDITORS (Amounts falling due after more than 1 Year)	21	201.1	168.4
PROVISION FOR LIABILITIES AND CHARGES	22	<u>5.0</u>	<u>4.3</u>
<b>NET ASSETS</b>		<u><u>93.5</u></u>	<u><u>85.2</u></u>
<b>REPRESENTED BY:</b>			
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	23	64.0	64.0
Property Revaluation Reserve	24	16.1	16.3
Profit and Loss Account	25	13.4	4.9
<b>SHAREHOLDERS' FUNDS</b>		<u><u>93.5</u></u>	<u><u>85.2</u></u>

The accounts on pages 5 to 22 were approved by the Board on 24<sup>th</sup> March 1993 and signed on its behalf:

  
D. G. Braht  
Chairman

  
R. J. Beauprez  
Director

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS**

**1. PARENT COMPANY**

The Company's ultimate parent company is George Wimpey PLC, which is incorporated in Great Britain.

**2. TURNOVER**

**BY GEOGRAPHICAL AREA**

	1992 <u>£M</u>	1991 <u>£M</u>
United Kingdom	962.5	1,244.4
Europe	31.9	48.1
Far East	11.4	14.9
Middle East	39.9	19.1
Elsewhere	2.6	1.9
	<u>1,048.3</u>	<u>1,328.4</u>

**BY ACTIVITY**

Home Building and Land Development	384.7	511.0
Contracting and Building	618.4	774.9
Asphalt, Quarries, Waste and Mining	45.2	42.5
	<u>1,048.3</u>	<u>1,328.4</u>

**3. OPERATING PROFIT**

Turnover	1,032.8	1,272.8
Decrease in Stocks	(8.9)	(91.9)
Materials and Services	(859.6)	(1,001.4)
Staff Costs (Note 10)	(148.4)	(152.1)
Depreciation (Note 13)	(11.2)	(13.9)
	<u>4.7</u>	<u>13.5</u>
Share of Associates' Profits	0.9	4.0
	<u>5.6</u>	<u>17.5</u>

The operating profit is wholly related to construction.

Operating Profit is Stated after Charging:

Auditors' Remuneration and Expenses	0.2	0.2
Hire of Plant and Equipment	12.3	9.2
Rentals under Leases for Plant and Equipment	4.1	3.7
Loss on Sale of Shares in Associate Undertakings	-	0.4
	<u>-</u>	<u>-</u>

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

	1992 £M	1991 £M
<b>4. INTEREST - NET RECEIVABLE/(PAYABLE)</b>		
INTEREST RECEIVABLE		
Group Undertakings	19.0	19.7
Other	0.8	2.3
	<u>19.8</u>	<u>22.0</u>
INTEREST PAYABLE		
Group Undertakings	(15.4)	(21.4)
Bank Overdraft	-	(1.1)
Bank Loans - Repayable after 5 Years	(1.8)	-
Other	(0.6)	-
	<u>(17.8)</u>	<u>(22.5)</u>
	<u>2.0</u>	<u>(0.5)</u>
<b>5. EXCEPTIONAL ITEMS</b>		
Provision against Housing Land	(14.0)	(25.9)
Redundancy and Reorganisation Costs	(7.3)	(4.4)
Provisions for Reversal of Interest Swaps	(3.3)	-
	<u>(24.6)</u>	<u>(30.3)</u>
<b>6. TAXATION CHARGE</b>		
United Kingdom Taxation:		
Corporation Tax	1.4	0.8
Group Relief	5.8	2.4
Deferred Tax	(0.8)	(0.8)
Overseas Taxation:		
Current Tax	1.1	1.0
	<u>7.5</u>	<u>3.4</u>
Under Provision in respect of Prior Year:		
United Kingdom Taxation:		
Corporation Tax	(4.1)	(0.8)
Group Relief	4.0	1.0
Overseas Taxation	-	0.3
Deferred Tax	(5.2)	-
	<u>2.2</u>	<u>3.9</u>
Taxation - Associate	-	0.9
	<u>2.2</u>	<u>4.8</u>

United Kingdom tax has been provided at 33% (1991 - 33.25%) on the taxable profit for the year. Deferred tax is calculated at 33% (1991 - 33%) on taxable profit likely to crystallise in the foreseeable future.

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

	1992 £M	1991 £M
<b>7. EXTRAORDINARY ITEMS</b>		
Loss on Transfer of Subsidiary Companies	4.8	-
Provision for non performing assets	-	15.5
	<u>4.8</u>	<u>15.5</u>

During the year, as a result of a restructuring within the Wimpey group, the Group transferred various interests in subsidiary companies to other entities within the Wimpey group. The £4.8m shown above reflects the surplus of the fair value of the net tangible assets transferred over the transfer consideration.

**8. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS**

Dealt with in the Accounts of the Parent Company	31.0	18.7
Retained by Subsidiary Undertakings	(55.0)	(52.3)
	<u>(24.0)</u>	<u>(33.6)</u>

In accordance with the provisions of Section 230 of the Companies Act 1985 a separate profit and loss account for Wimpey Construction Limited is not presented.

**9. DIVIDENDS**

Interim	<u>23.0</u>	<u>30.3</u>
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**10. EMPLOYEES**

Staff Costs, including Directors, Comprise.

Salaries and Wages	129.0	132.1
Social Security Costs	12.2	12.4
Other Pensions Costs	7.2	7.6
	<u>148.4</u>	<u>152.1</u>

	Number of Employees	
	1992	1991
The average number of persons employed by the Group was:		
United Kingdom	7,349	8,196
Overseas	1,490	692
	<u>8,839</u>	<u>8,888</u>

Of the above, 3,576 persons (1991 - 4,049) with total staff costs of £85.2m (1991 - £89.9m) worked for, and their staff costs were ultimately borne by, the Group although they had contracts of employment with other Wimpey Group companies.

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**11. PENSION ARRANGEMENTS**

The Group is a participating member of the Wimpey Staff Pension Scheme which is a contributory defined benefits plan to provide pension and death benefits for the Group's employees. The assets of the plan are held in separate trustee administered funds. The trustee is Wimpey Pensions Trustees Limited. Contributions to the scheme are based on pension costs across the UK Group as a whole and have been assessed in accordance with the advice of a qualified actuary. The most recent actuarial valuation of the plan at 6 April 1990 showed that accrued liabilities were adequately funded on a discontinuance basis and an accrued rights basis.

The pension costs of £7.2m (1991 - £7.6m) are charged to the Profit and Loss Account so as to spread the cost of pensions at a substantially level percentage of payroll costs over the normal expected service lives of employees.

Full details relating to the actuarial valuation of this scheme can be found in the Financial Statements of the ultimate parent company, George Wimpey PLC.

**12. EMOLUMENTS OF DIRECTORS**

	<u>1992</u> <u>£000</u>	<u>1991</u> <u>£000</u>
Directors' Emoluments Comprise:		
Other Emoluments	1,166	1,113
Pension Contributions	101	190
Ex Gratia Payments to former Directors	58	30
	<u>1,325</u>	<u>1,333</u>

Emoluments disclosed above (excluding pension contributions) include amounts paid to:

The Chairman and Highest Paid Director	162	124
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The emoluments (excluding pensions contributions) of the Directors fell within the following ranges:

	<u>1992</u>	<u>1991</u>
Emoluments		
Not more than £ 5,000	1	2
£ 15,001 - £ 20,000	1	-
£ 35,001 - £ 40,000	1	-
£ 40,001 - £ 45,000	-	1
£ 50,001 - £ 55,000	-	1
£ 55,001 - £ 60,000	2	-
£ 65,001 - £ 70,000	1	2
£ 70,001 - £ 75,000	3	1
£ 75,001 - £ 80,000	1	3
£ 80,001 - £ 85,000	1	4
£ 85,001 - £ 90,000	1	-
£ 90,001 - £ 95,000	1	-
£100,001 - £105,000	2	-
£110,001 - £115,000	-	1
£120,001 - £125,000	-	1
£160,001 - £165,000	1	-

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**13. TANGIBLE FIXED ASSETS (GROUP)**

	Investment Properties £M	Freeholds £M	Short Leaseholds £M	Long Leaseholds £M	Plant & Equipment £M	Total £M
<b>Cost</b>						
1 January 1992	3.3	9.0	2.3	0.5	93.1	108.2
Exchange Adjustments	0.1	-	0.5	-	0.8	1.4
Additions	-	0.7	-	0.5	11.2	12.4
Disposals	(1.0)	-	(0.1)	-	(13.1)	(14.2)
Companies Acquired	-	16.0	-	-	46.2	62.2
31 December 1992	2.4	25.7	2.7	1.0	138.2	170.0
<b>Revaluations</b>						
1 January 1992	-	15.9	-	0.4	-	16.3
Surpluses/Reductions	-	-	-	-	-	-
31 December 1992	-	15.9	-	0.4	-	16.3
<b>Aggregate Depreciation</b>						
1 January 1992	-	3.2	1.5	0.3	58.2	63.2
Exchange Adjustments	-	-	0.4	-	0.8	1.2
Amount Provided for the Year	-	0.5	-	-	10.7	11.2
Eliminated in Respect of Disposals	-	-	(0.1)	-	(9.2)	(9.3)
Companies Acquired	-	2.4	-	-	26.1	28.5
31 December 1992	-	6.1	1.8	0.3	86.6	94.8
<b>Net Book Value</b>						
31 December 1992	2.4	35.5	0.9	1.1	51.6	91.5
<b>Net Book Value</b>						
31 December 1991	3.3	21.7	0.8	0.6	34.9	61.3

Valuations of substantially all of the Group's owned and used properties in the UK were carried out as at 31 December 1991. The valuations were carried out in accordance with Statements of Assets Valuation Practice and Guidance Notes published on behalf of the Royal Institute of Chartered Surveyors. The basis of valuation is open market value for the existing use, the valuations being carried out by a Chartered Surveyor, an employee of Wimpey Property Division in consultation with Gooch & Wagstaff, Chartered Surveyors. The surplus of valuation over book value was £16.3m and this, net of the associated depreciation, is reflected in the property revaluation reserve in Note 24.

Plant and equipment, having a net book value of £1.5m (1991 - £1.1m), has been acquired under finance leases, and depreciation on these assets of £0.4m (1991 - £0.2m) has been charged in the Profit and Loss Account.

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**14. TANGIBLE FIXED ASSETS (PARENT)**

	Freeholds £M	Long Leaseholds £M	Plant & Equipment £M	Total £M
Cost				
1 January 1992	6.5	0.5	76.9	83.9
Additions	0.1	-	5.5	5.6
Transfers within the Wimpey Group	-	-	(0.1)	(0.1)
Disposals	-	-	(8.4)	(8.4)
31 December 1992	6.6	0.5	73.9	81.0
Revaluations				
1 January 1992	15.9	0.4	-	16.3
Surpluses/Reductions	-	-	-	-
31 December 1992	15.9	0.4	-	16.3
Aggregate Depreciation				
1 January 1992	2.7	0.2	47.4	50.3
Transfers within the Wimpey Group	-	-	(0.2)	(0.2)
Amount Provided for the Year	0.3	0.1	8.4	8.8
Eliminated in Respect of Disposals	-	-	(6.7)	(6.7)
31 December 1992	3.0	0.3	48.9	52.2
Net Book Value				
31 December 1992	19.5	0.6	25.0	45.1
Net Book Value				
31 December 1991	19.7	0.7	29.5	49.9

Valuations of substantially all of the Company's owned and used properties in the UK were carried out as at 31 December 1991. The valuations were carried out in accordance with Statements of Assets Valuation Practice and Guidance Notes published on behalf of the Royal Institute of Chartered Surveyors. The basis of valuation is open market value for the existing use, the valuations being carried out by a Chartered Surveyor, an employee of Wimpey Property Division in consultation with Gooch & Wagstaff, Chartered Surveyors. The surplus of valuation over book value was £16.3m and this, net of the associated depreciation, is reflected in the property revaluation reserve in Note 24.

Plant and equipment, having a net book value of £0.9m (1991 - £1.1m), has been acquired under finance leases, and depreciation on these assets of £0.2m (1991 - £0.2m) has been charged in the Profit and Loss Account.



**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**15. INVESTMENTS (GROUP)**

	ASSOCIATES			
	Shares £M	Loans (Net) £M	Other Investments £M	Total £M
1 January 1992	9.3	(0.3)	3.7	12.7
Exchange Differences	(0.7)	0.1	-	(0.6)
Additions	3.7	(2.5)	-	1.2
Attributable Profit	(0.6)	-	-	(0.6)
Disposals/Repayments	(0.1)	-	(3.7)	(3.8)
31 December 1992	11.6	(2.7)	-	8.9
Cost	7.3	(2.7)	-	4.6
Attributable Profit	4.3	-	-	4.3
	11.6	(2.7)	-	8.9

Net loans of £(2.7m) (1991 - £(0.3m)) comprise loans to associated undertakings of £0.5m (1991 - £0.4m) and loans from associated undertakings of £3.2m (1991 - £0.7m).

The Group's principal investments are shown in Note 29.

**16. INVESTMENTS (PARENT)**

	Shares in Subsidiaries £M	Shares in Associates £M	Loans from Associates £M	Total £M
NET BOOK VALUE				
1 January 1992	210.0	0.1	-	210.1
Additions	137.2	-	(2.5)	134.7
Provisions	(0.6)	-	-	(0.6)
31 December 1992	346.6	0.1	(2.5)	344.2
31 December 1992 - Cost	347.2	0.1	(2.5)	344.8
- Provision	(0.6)	-	-	(0.6)

The company's principal investments are shown in Note 29.

**17. JOINT VENTURE**

The Group is a 10% participant in Trans Manche Link (TML), the unincorporated joint venture building the Channel Tunnel for Eurotunnel PLC. TML and Eurotunnel have a number of significant unresolved issues regarding the contract works. Until these matters are resolved, the final result of this contract cannot be determined with any certainty. TML has recorded losses in its accounts reflecting Eurotunnel's failure to date to approve and pay contractual claims and variation orders for work being carried out for Eurotunnel by TML. After taking advice, TML remain of the opinion that payment for this work is recoverable from Eurotunnel such that a loss should not be incurred on conclusion of the contract. Having regard to this, the timing of payment and the ongoing uncertainty surrounding the contractual claims and variation orders for additional work, the directors have decided to make an appropriate provision against the eventual outcome of the contract.

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

	GROUP		PARENT	
	1992 £M	1991 £M	1992 £M	1991 £M
<b>18. WORK IN PROGRESS AND STOCKS</b>				
Dealing Properties Under Construction	6.5	1.3	-	-
Land Development and Construction Costs	343.2	383.4	-	-
Other	32.4	6.3	2.0	2.3
	<u>382.1</u>	<u>391.0</u>	<u>2.0</u>	<u>2.3</u>
<b>19. DEBTORS</b>				
Receivable within 1 Year:				
Trade	26.3	14.4	1.9	4.7
Amounts Recoverable on Long Term Contracts	43.2	38.7	29.2	31.9
Amounts Owed by Parent and Fellow Subsidiary Undertakings	146.4	116.8	99.1	88.3
Other	15.4	10.3	2.7	6.4
Corporate Taxation	16.3	11.7	0.1	-
	<u>247.6</u>	<u>191.9</u>	<u>133.0</u>	<u>131.3</u>
Receivable after more than 1 Year:				
Trade	16.6	4.9	-	-
Amounts Recoverable on Long Term Contracts	4.8	2.1	3.3	2.1
Amounts Owed by Parent and Fellow Subsidiary Undertakings	-	100.0	20.0	100.0
Other	0.3	0.5	-	-
	<u>21.7</u>	<u>107.5</u>	<u>23.3</u>	<u>102.1</u>
	<u>269.3</u>	<u>299.4</u>	<u>156.3</u>	<u>233.4</u>

Following the introduction of UITF Abstract 4, debtors receivable after more than one year have been disclosed separately on the face of the balance sheet. The 1991 figures have been restated accordingly.

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

	GROUP		PARENT	
	1992 £M	1991 £M	1992 £M	1991 £M
<b>20. CREDITORS (Amounts falling due within 1 Year)</b>				
Bank Overdrafts	12.8	14.9	-	-
Bank Loans	3.4	3.0	-	-
Amounts Due to Parent and Fellow Subsidiary Undertakings	78.2	10.9	70.4	64.1
Finance Debt	94.4	28.8	70.4	64.1
Other Creditors				
Payments Received on Account	45.8	17.9	23.9	14.0
Trade Creditors and Accruals	255.9	265.8	130.9	147.9
Amounts Due to Parent and Fellow Subsidiary Undertakings	33.1	11.4	12.0	2.5
Corporate Taxation	14.5	6.9	-	-
Social Security and Other Taxes	5.6	6.0	4.3	3.7
Other	27.9	26.8	8.8	6.8
	<u>475.2</u>	<u>363.5</u>	<u>250.3</u>	<u>239.0</u>
<b>21. CREDITORS (Amounts falling due after more than 1 Year)</b>				
Amounts Due to Parent and Fellow Subsidiary Undertakings Repayable within 5 Years	89.0	-	198.2	163.0
Amounts Owed to Parent Company Repayable beyond 5 Years	-	175.0	-	-
External Loans Repayable beyond 5 Years having no Repayment Schedule with no Interest Payable	0.5	0.5	-	-
Finance Debt	89.5	175.5	198.2	163.0
Other Creditors:				
Payments Received on Account	2.9	10.6	2.9	2.1
Other	2.3	3.8	-	3.3
	<u>94.7</u>	<u>189.9</u>	<u>201.1</u>	<u>168.4</u>

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**22. PROVISIONS FOR LIABILITIES AND CHARGES**

	GROUP			PARENT
	Other Provisions £M	Deferred Taxation £M	Total £M	Other Provisions £M
1 January 1992	33.3	(0.8)	32.5	4.3
Movement on Provisions in the Year				
Provided	26.9	(6.0)	20.9	8.8
Released	-	-	-	-
Utilised	(16.6)	-	(16.6)	(8.1)
Companies Acquired	7.8	-	7.8	-
31 December 1992	<u>51.4</u>	<u>(6.8)</u>	<u>44.6</u>	<u>5.0</u>

	GROUP		PARENT	
	1992 £M	1991 £M	1992 £M	1991 £M
Other Provisions comprises:				
Remedial Work	6.8	2.6	2.8	1.8
Plant Overhaul	2.8	1.9	1.7	1.9
Withdrawal from Operations	5.5	12.6	-	-
Contract Losses	25.4	12.0	-	-
Other	10.9	4.2	0.5	0.6
	<u>51.4</u>	<u>33.3</u>	<u>5.0</u>	<u>4.3</u>
Deferred Taxation comprises:				
Accelerated Capital Allowances	-	-	-	-
Other Timing Differences	(6.8)	(0.8)	-	-
	<u>(6.8)</u>	<u>(0.8)</u>	<u>-</u>	<u>-</u>

If deferred taxation had been provided on the full potential asset/liability basis, the asset for deferred taxation would have been increased to £19.0m (1991 - £6.0m) for the Group and £2.0m (1991 - £0.5m liability) for the Company.

**23. CALLED UP SHARE CAPITAL**

	1992 £M	1991 £M
Authorised, Allotted, Called Up and Fully Paid 256,000,000 Ordinary Shares Shares of 25p each	<u>64.0</u>	<u>64.0</u>

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

**24. PROPERTY REVALUATION RESERVE**

	Parent Company £M	Subsidiary Companies £M	Total £M
1 January 1992	16.3	-	16.3
Transfer from Profit and Loss	(0.2)	-	(0.2)
	<u>16.1</u>	<u>-</u>	<u>16.1</u>
31 December 1992	<u>16.1</u>	<u>-</u>	<u>16.1</u>

The Property Revaluation reserve comprises surpluses on the revaluation of properties classified as tangible assets. The sale of properties at their revalued amounts would not give rise to a potential liability to tax (1991 : NIL).

**25. PROFIT AND LOSS ACCOUNT**

	Parent Company £M	Subsidiary Companies £M	Total £M
1 January 1992	4.7	110.9	115.8
Exchange Adjustments	0.3	3.1	3.4
Retained Profit/(Deficit) for the Year	8.0	(55.0)	(47.0)
Goodwill	-	37.1	37.1
Transfer to Property Revaluation Reserve	0.2	-	0.2
	<u>13.4</u>	<u>96.1</u>	<u>109.5</u>
31 December 1992	<u>13.4</u>	<u>96.1</u>	<u>109.5</u>

During the year, as a result of a restructuring within the Wimpey group, the Group acquired various interests in subsidiary companies from other entities in the Wimpey group. The £37.1m shown above reflects the net surplus of the fair value of the net tangible assets transferred over the transfer consideration, and comprises:

	George Wimpey Canada Limited £M	Other Companies £M	Total £M
Fair Value of Net Tangible Assets	86.4	19.6	106.0
Transfer Consideration	60.4	8.5	68.9
	<u>26.0</u>	<u>11.1</u>	<u>37.1</u>

**WIMPEY CONSTRUCTION LIMITED**  
**NOTES ON THE ACCOUNTS (continued)**

	GROUP		PARENT	
	1992 £M	1991 £M	1992 £M	1991 £M
<b>26. CAPITAL COMMITMENTS</b>				
CAPITAL EXPENDITURE				
Contracted but not Provided For	NIL	NIL	NIL	NIL
Authorised but not Contracted For	NIL	NIL	NIL	NIL
<b>27. OPERATING LEASES</b>				
At 31 December 1992 there were the following annual commitments under non-cancellable operating leases				
- Expiring within 1 Year	0.4	0.2	-	-
- Expiring within 1-5 Years	2.9	2.8	2.7	2.7
- Expiring after 5 Years	-	-	-	-
	<u>3.3</u>	<u>3.0</u>	<u>2.7</u>	<u>2.7</u>
<b>28. CONTINGENT LIABILITIES</b>				
There are contingent liabilities in respect of guarantees under building and other agreements entered into in the normal course of business.				

## 29. SUBSIDIARY COMPANIES AND INVESTMENTS

At 31 December 1992

<u>Principal Subsidiary Companies</u>	<u>Activities</u>	<u>Principal Associated Companies</u>	<u>Activities</u>
George Wimpey Australia Pty Ltd Australia	1	Al Futtaim-Wimpey (Pte) Ltd UAE (Issued Capital Dirhams 40,000,000) (49%)	2
George Wimpey (Caribbean) Ltd Trinidad	2	Wimpey Tishman Ltd* (Issued Capital £1,000) (50%)	2
George Wimpey International Ltd*	2	Wimpey Wessex Water Ltd* (Issued Capital £100,000) (50%)	2
Wimpey Alawi LLC, Oman (65%)	2,3		
Wimpey Homes Holdings Ltd*	1		
Wimpey Major Projects Ltd*	2		
Wimpey Construction Developments Ltd*	1		
Wimpey France SA France	1		
George Wimpey Canada Ltd Canada	1, 2, 3		
Wimpey Minerals Ireland Ltd Ireland	3		
Wimpey Asphalt Hong Kong Ltd (80%) Hong Kong	3		
Wimpey Severokamen AS (33%) Czech Republic	3		

### NOTES

- (i) The subsidiary and associated undertakings listed are those which materially affect the amount of the profit or the assets of the Group.
- (ii) In all cases the Group's interest is in the equity share capital.
- (iii) The issued capital of associated undertakings comprises ordinary equity shares. Debt securities are not in issue.
- (iv) All subsidiary undertakings are wholly owned except where indicated. The Group's interest in associated undertakings is stated against each company.
- (v) Shares of those undertakings marked with an asterisk are held directly by the parent company. Otherwise shares are held by subsidiary undertakings.
- (vi) Except where indicated, all undertakings are incorporated in Great Britain and registered in England.

### KEY TO ACTIVITIES

- 1. Home Building and Property Development.
- 2. Contracting and Engineering.
- 3. Asphalt, Quarries, Waste Management and Mining.