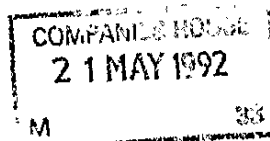


WIMPEY CONSTRUCTION LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1991



REGISTRATION, LONDON 156617

WIMPEY CONSTRUCTION LIMITED

DIRECTORS

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

D. J. Horner
F. M. Kennedy
R. D. MacIver
W. R. Martin
L. D. Toman
M. J. Wood
A. S. Worthington

REPORT OF THE DIRECTORS

The Directors present their report and the audited accounts for the year ended 31 December 1991.

RESULTS AND DIVIDENDS

The loss on ordinary activities before taxation amounted to £13.3m. After taking credit for group relief and deducting taxation and extraordinary items this resulted in a loss attributable to ordinary shareholders of £33.6m. Interim dividends totalling £30.3m were paid during the year leaving a deficit of £63.9m which has required a transfer from reserves. The Directors do not recommend the payment of a final dividend.

On 24 June 1991, the Group sold its offshore module construction business, SLP Engineering Limited. On 25 July 1991, the Group sold its 50% interest in the offshore fabricator, Brown and Root-Wimpey Highland Fabricators Limited.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries' principal activities are the construction and sale of private housing, the development and sale of land and contracting within the construction industry. During the year the Group decided to significantly curtail the development of its leisure interests.

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 of these accounts. Properties owned by the Group and used in its various activities have been revalued with a resultant surplus of £16.3m credited to the Property Revaluation Reserve. Further details are shown in Note 13 on page 16.

WIMPEY CONSTRUCTION LIMITED
REPORT OF THE DIRECTORS (continued)

DIRECTORS

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

Mr. J. A. Dwyer resigned from the Board on 31 January 1991, and Mr. N. Sherwood resigned from the Board on 27 September 1991. Mr. A. J. Haigh was appointed a Director of the Company on 1 May 1991.

The beneficial interests of the Directors of the Company at 31 December 1991 who were not Directors of the ultimate parent company, George Wimpey PLC, in the shares of the ultimate parent company are shown below:

	Options		Fully Paid Shares	
	31.12.91	1. 1.91	31.12.91	1. 1.91
D. J. Anderson	104,925	43,136	-	-
R. J. Beauprez	65,175	37,173	-	5,305
M. V. Casebourne	44,681	44,681	-	-
A. G. Farmer	31,657	13,541	5,059	5,059
P. J. Grey	13,541	13,541	3,305	3,305
A. J. Haigh	38,903	38,903*	-	-
D. J. Horner	43,965	18,603	2,313	2,313
F. M. Kennedy	118,753	43,874	-	7,115
R. D. MacIver	60,790	35,428	-	-
W. R. Martin	72,640	44,702	2,500	4,634
L. D. Toman	98,596	41,517	1,322	1,322
M. J. Wood	69,092	28,699	8,344	8,334
A. S. Worthington	43,874	43,874	-	-

* 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 at 1 January 1991 or 31 December 1991.

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

WIMPEY CONSTRUCTION LIMITED
REPORT OF THE DIRECTORS (continued)

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.

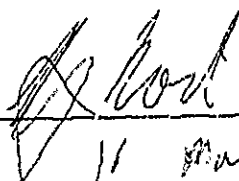
Annually, the Wimpey Group publishes a written Employee Report and video which explains the overall financial and general business situation. These are supplemented by line management reviews at local level.

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

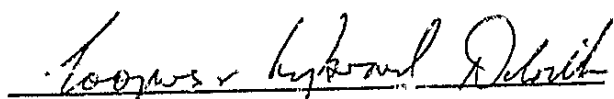

11 March 1992

REPORT OF THE AUDITOR TO THE MEMBERS
OF WIMPEY CONSTRUCTION LIMITED

We have audited the accounts on pages 5 to 25 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 1991 and of the loss of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The accounts do not contain a Statement of Source and Application of Funds required by Statement of Standard Accounting Practice No. 10.



Coopers & Lybrand Deloitte
Chartered Accountants and Registered Auditor
London

Date: 16 March 1992

WIMPEY CONSTRUCTION LIMITED
ACCOUNTING POLICIES

1. BASIS OF CONSOLIDATION

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, except that a Statement of Source and Application of Funds is not included.

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, including house sales completed and land sales, excluding value added tax and inter company trading.

3. PROFIT

Operating profit comprises the results of contracting, private housing development and land sales. 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.

WIMPEY CONSTRUCTION LIMITED
ACCOUNTING POLICIES (continued)

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.

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 in 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.

WIMPEY CONSTRUCTION LIMITED
ACCOUNTING POLICIES (continued)

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.

WIMPEY CONSTRUCTION LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1991

	<u>NOTE</u>	1991 <u>£M</u>	1990 <u>£M</u>
TURNOVER			
The Company and Subsidiaries		1,272.8	1,405.0
Share of Associated Undertakings		55.6	66.8
	2	<u>1,328.4</u>	<u>1,471.8</u>
OPERATING PROFIT	3	17.5	39.8
Interest - Net Payable	4	<u>(0.5)</u>	<u>(12.5)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS		17.0	27.3
Exceptional Items	5	<u>(30.3)</u>	<u>(6.3)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(13.3)	21.0
Taxation	6	<u>(4.8)</u>	<u>(5.7)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(18.1)	15.3
EXTRACORDINARY ITEMS	7	<u>(15.5)</u>	<u>(4.8)</u>
(LOSS)/PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	8	(33.6)	10.5
DIVIDENDS	9	<u>(30.3)</u>	-
RETAINED PROFIT FOR THE YEAR	26	<u>(63.9)</u>	<u>10.5</u>

WIMPEY CONSTRUCTION LIMITED
CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 1991

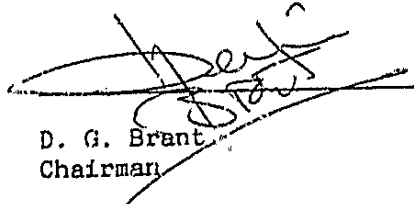
	NOTE	1991 £M	1990 £M
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible Assets	13	61.3	53.8
Investments	15	12.7	16.4
		<u>74.0</u>	<u>70.2</u>
CURRENT ASSETS			
Work in Progress and Stocks	18	391.0	482.9
Debtors	19	299.4	260.6
Cash at Bank and in Hand		17.7	21.6
		<u>708.1</u>	<u>765.1</u>
CREDITORS (Amounts falling due within 1 Year)	20	353.6	387.3
NET CURRENT ASSETS		<u>344.5</u>	<u>377.8</u>
NET ASSETS LESS CURRENT LIABILITIES		418.5	448.0
CREDITORS (Amounts falling due after more than 1 Year)	21	189.9	190.6
PROVISION FOR LIABILITIES AND CHARGES	22	32.5	14.1
NET ASSETS		<u>196.1</u>	<u>243.3</u>
REPRESENTED BY:			
CAPITAL AND RESERVES			
Called Up Share Capital	23	64.0	64.0
Capital Reserve	24	-	69.6
Property Revaluation Reserve	25	16.3	-
Profit and Loss Account	26	115.8	109.7
SHAREHOLDERS' FUNDS		<u>196.1</u>	<u>243.3</u>

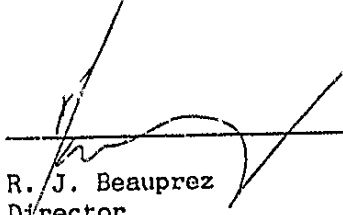
WIMPEY CONSTRUCTION LIMITED
PARENT BALANCE SHEET
AT 31 DECEMBER 1991

	NOTE	1991 £M	1990 £M
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible Assets	14	49.9	23.9
Investments	16	210.1	215.8
		<u>260.0</u>	<u>239.7</u>
CURRENT ASSETS			
Work in Progress and Stocks	18	2.3	2.5
Debtors	19	233.4	259.7
Cash at Bank and in Hand		1.2	0.2
		<u>236.9</u>	<u>262.4</u>
CREDITORS (Amounts falling due within 1 Year)	20	239.0	252.7
NET CURRENT (LIABILITIES)/ASSETS		<u>(2.1)</u>	<u>9.7</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		257.9	249.4
CREDITORS (Amounts falling due after more than 1 Year)	21	168.4	164.1
PROVISION FOR LIABILITIES AND CHARGES	22	4.3	4.8
NET ASSETS		<u>85.2</u>	<u>80.5</u>
REPRESENTED BY:			
CAPITAL AND RESERVES			
Called Up Share Capital	23	64.0	64.0
Property Revaluation Reserve	25	16.3	-
Profit and Loss Account	26	4.9	16.5
SHAREHOLDERS' FUNDS		<u>85.2</u>	<u>80.5</u>

The Accounts on pages 5 to 25 were approved by the Board on

16 March 1992 and signed on its behalf:


D. G. Brant
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.

	1991 £M	1990 £M
2. TURNOVER		
BY GEOGRAPHICAL AREA		
United Kingdom	1,244.4	1,305.5
Europe	48.1	80.9
Far East	14.9	24.6
Middle East	19.1	52.7
Elsewhere	1.9	3.1
	<u>1,328.4</u>	<u>1,471.8</u>
BY ACTIVITY		
Home Building and Land Development	511.0	536.5
Contracting and Building	774.9	901.7
Asphalt, Quarries, Waste and Mining	42.5	33.6
	<u>1,328.4</u>	<u>1,471.8</u>
3. OPERATING PROFIT		
Turnover	1,272.8	1,405.0
Decrease in Stocks	(91.9)	(147.8)
Materials and Services	(1,001.4)	(1,034.5)
Staff Costs (Note 10)	(152.1)	(167.5)
Depreciation (Note 13)	(13.9)	(15.1)
	<u>13.5</u>	<u>40.1</u>
Share of Associates' Profits/(Losses)	4.0	(0.3)
	<u>17.5</u>	<u>39.8</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	1991 <u>£M</u>	1990 <u>£M</u>
3. OPERATING PROFIT (continued)		
The operating profit is wholly related to construction.		
Operating Profit is Stated after Crediting:		
Profit on Sale of Shares in Associate Undertakings	-	2.3
and after Charging:		
Hire of Plant and Equipment	9.2	12.7
Rentals under Leases for Plant on Equipment	3.7	2.9
Loss on Sale of Shares in Associate Undertakings	0.4	-
Auditors' Remuneration and Expenses	0.2	0.3
4. INTEREST - NET PAYABLE		
INTEREST RECEIVABLE	<u>2.3</u>	<u>4.8</u>
INTEREST PAYABLE		
Group Undertakings	(1.7)	(12.4)
Bank Overdraft	(1.1)	(2.0)
Other Loans - Repayable within 5 Years:		
- on maturity	-	(0.9)
- by instalments	-	(1.0)
- Repayable after 5 Years	-	(1.0)
	<u>(2.8)</u>	<u>(17.3)</u>
	<u>(0.1)</u>	<u>(12.5)</u>
5. EXCEPTIONAL ITEMS		
Provision against Housing Land	(25.9)	(25.4)
Reorganisation Costs	(4.4)	-
Profit on Sale of Two Long Term Land Holdings	-	19.1
	<u>(30.3)</u>	<u>(6.3)</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	1991 <u>£M</u>	1990 <u>£M</u>
6. TAXATION CHARGE		
United Kingdom Taxation:		
Corporation Tax	0.8	6.0
Group Relief	2.4	2.4
Deferred Tax	(0.8)	(2.2)
Overseas Taxation:		
Current Tax	1.0	1.5
Deferred Tax	-	(0.2)
	<u>3.4</u>	<u>7.5</u>
Under Provision in respect of Prior Year:		
United Kingdom Taxation:		
Corporation Tax	(0.8)	7.4
Group Relief	1.0	(7.9)
Overseas Taxation	0.3	0.2
Deferred Tax	-	0.2
	<u>3.9</u>	<u>7.4</u>
Taxation - Associate	0.9	(1.7)
	<u>4.8</u>	<u>5.7</u>

United Kingdom tax has been provided at 33.25% (1990 - 35%) on the taxable profit for the year. Deferred tax is calculated at 33% (1990 - 35%) on taxable profit likely to crystallise in the foreseeable future.

7. EXTRAORDINARY ITEMS

Provision for non-performing assets	<u>15.5</u>	<u>4.8</u>
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8. PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS

Dealt with in the Accounts of the Parent Company	18.7	(9.5)
Retained by Subsidiary Undertakings	(52.3)	20.0
	<u>(33.6)</u>	<u>10.5</u>

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

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	1991 £M	1990 £M
9. DIVIDENDS		
Interim	<u>30.3</u>	<u>-</u>
10. EMPLOYEES		
Staff Costs, including Directors, Comprise:		
Salaries and Wages	132.1	147.4
Social Security Costs	12.4	12.9
Other Pensions Costs	7.6	7.2
	<u>152.1</u>	<u>167.5</u>

	Number of Employees	
	1991	1990
The average number of persons employed by the Group was:		
United Kingdom	8,196	9,612
Overseas	692	688
	<u>8,888</u>	<u>10,300</u>

Of the above, 4,049 persons (1990 - 4,453) with total staff costs of £89.9m (1990 - £90.3m) worked for, and their staff costs were ultimately borne by, the Group although they had contracts of employment with other Wimpey Group companies.

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.

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

11. PENSION ARRANGEMENTS (continued)

The pension costs of £7.6m (1990 - £7.2m) 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

Directors' Emoluments Comprise:

Directors other Emoluments including
Contributions to Pension Schemes

1991	1990
<u>£000</u>	<u>£000</u>

1,303	1,000
-------	-------

Ex Gratia Payments to former Directors

30	-
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Emoluments disclosed above (excluding
pension contributions) include
amounts paid to:

The Chairman

124	NIL
-----	-----

The Highest Paid Director

124	38
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The emoluments (excluding pensions contributions) of the Directors 1991 within the following ranges:

Emoluments	Number of Directors	
	1991	1990
Not more than £ 5,000	2	1
£ 10,001 - £ 15,000	-	3
£ 15,001 - £ 20,000	-	1
£ 20,001 - £ 25,000	-	1
£ 25,001 - £ 30,000	1	-
£ 30,001 - £ 35,000	1	1
£ 35,001 - £ 40,000	-	2
£ 40,001 - £ 45,000	-	1
£ 45,001 - £ 50,000	2	1
£ 50,001 - £ 55,000	1	4
£ 55,001 - £ 60,000	3	1
£ 60,001 - £ 65,000	4	-
£ 65,001 - £ 70,000	-	2
£ 70,001 - £ 75,000	1	-
£ 75,001 - £ 80,000	1	-
£ 80,001 - £ 85,000	1	-
£ 85,001 - £ 90,000	1	-
£ 90,001 - £ 95,000	1	-
£ 95,001 - £ 100,000	1	-
£ 100,001 - £ 105,000	1	-
£ 105,001 - £ 110,000	1	-
£ 110,001 - £ 115,000	1	-
£ 115,001 - £ 120,000	1	-
£ 120,001 - £ 125,000	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
Cost						
1 January 1991	3.4	9.1	3.1	1.9	96.7	114.2
Exchange Adjustments	0.1	-	0.1	-	0.1	0.3
Additions	-	0.2	-	-	15.0	15.2
Disposals	(0.2)	(0.3)	(0.9)	(1.4)	(18.7)	(21.5)
31 December 1991	3.3	9.0	2.3	0.5	93.1	108.2
Revaluations	-	15.9	-	0.4	-	16.3
Aggregate Depreciation						
1 January 1991	-	2.9	1.5	0.3	55.7	60.4
Exchange Adjustments	-	-	-	-	(0.1)	(0.1)
Amount Provided for the Year	-	0.3	-	-	13.6	13.9
Eliminated in Respect of Disposals	-	-	-	-	(11.0)	(11.0)
31 December 1991	-	3.2	1.5	0.3	58.2	63.2
Net Book Value						
31 December 1991	3.3	5.8	0.8	0.6	34.9	61.3
Net Book Value						
31 December 1990	3.4	6.2	1.6	1.6	41.0	53.8

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 accounts for the increase shown in the property revaluation reserve in Note 25.

Plant and equipment, having a net book value of £1.1m (1990 - £1.6m), has been acquired under finance leases, and depreciation on these assets of £0.2m (1990 - £0.1m) 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 1991	4.8	0.5	44.8	50.1
Additions	0.1	-	9.3	9.4
Transfers within the Wimpey Group	1.6	-	32.3	33.9
Disposals	-	-	(9.5)	(9.5)
	<u>6.5</u>	<u>0.5</u>	<u>76.9</u>	<u>83.9</u>
31 December 1991				
Revaluations	15.9	0.4	-	16.3
	<u>15.9</u>	<u>0.4</u>	<u>-</u>	<u>16.3</u>
Aggregate Depreciation				
1 January 1991	1.6	0.2	24.4	26.2
Transfers within the Wimpey Group	0.9	-	20.4	21.3
Amount Provided for the Year	0.2	-	10.1	10.3
Eliminated in Respect of Disposals	-	-	(7.5)	(7.5)
	<u>2.7</u>	<u>0.2</u>	<u>47.4</u>	<u>50.3</u>
31 December 1991				
Net Book Value				
31 December 1991	<u>19.7</u>	<u>0.7</u>	<u>29.5</u>	<u>49.9</u>
Net Book Value				
31 December 1990	<u>3.2</u>	<u>0.3</u>	<u>20.4</u>	<u>23.9</u>

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 accounts for the increase shown in the property revaluation reserve in Note 25.

Plant and equipment, having a net book value of £1.1m (1990 - £1.6m), has been acquired under finance leases, and depreciation on those assets of £0.2m (1990 - £0.1m) has been charged in the Profit and Loss Account.

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

15. INVESTMENTS (GROUP)

	Shares	Associates Loans (Net)	Other Investment	Total
	£M	£M	£M	£M
COST OR VALUATION				
1 January 1991	7.7	5.0	3.7	16.4
Exchange Differences	0.2	-	-	0.2
Additions	0.2	0.2	-	0.4
Attributable Profit	3.1	-	-	3.1
Disposals/Repayments	(1.9)	(5.5)	-	(7.4)
31 December 1991	<u>9.3</u>	<u>(0.3)</u>	<u>3.7</u>	<u>12.7</u>
Cost	3.0	(0.3)	3.7	6.4
Attributable Profit	6.3	-	-	6.3
	<u>9.3</u>	<u>(0.3)</u>	<u>3.7</u>	<u>12.7</u>

Other investments' include investments on a recognised stock exchange which cost £3.6m (1990 - £3.6m), and have a market value of £9.0m (1990 - £12.5m).

Net loans of £(0.3m) (1990 - £5.0m) comprise loans to associated undertakings of £0.4m (1990 - £5.7m) and loans from associated undertakings of £0.7m (1990 - £0.7m).

The Group's principal investments are shown on Page 25.

The Group has a 10% holding in the shares of Consortium Developments Limited, an unlisted company.

16. INVESTMENTS (PARENT)

	Shares in Subsidiaries	Shares in Associates	Loans to Associates	Total
	£M	£M	£M	£M
COST OR VALUATION				
1 January 1991	210.0	0.3	5.5	215.8
Additions	1.0	0.2	-	1.2
Disposals/Repayments	(1.0)	(0.4)	(5.5)	(6.9)
31 December 1991	<u>210.0</u>	<u>0.1</u>	<u>-</u>	<u>210.1</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

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 that a provision of £12m is appropriate against the eventual outcome of the contract.

18. WORK IN PROGRESS AND STOCKS

	GROUP		PARENT	
	1991 £M	1990 £M	1991 £M	1990 £M
Dealing Properties Under Construction	1.3	1.4	-	-
Land Development and Construction Costs	383.4	474.0	-	-
Other	6.3	7.5	2.3	2.5
	<u>391.0</u>	<u>482.9</u>	<u>2.3</u>	<u>2.5</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	GROUP		PARENT	
	1991 £M	1990 £M	1991 £M	1990 £M
19. DEBTORS				
Trade	19.3	30.5	4.7	1.8
Amounts Recoverable on Long Term Contracts	40.8	56.0	34.0	48.8
Amounts Owed by Parent and Fellow Subsidiary Undertakings	216.8	152.0	188.3	200.6
Other	10.8	22.1	6.4	8.5
Corporate Tax	11.7	-	-	-
	<u>299.4</u>	<u>260.6</u>	<u>233.4</u>	<u>259.7</u>
Receivable within 1 Year	191.9	195.6	131.3	192.2
Receivable after more than 1 Year:				
Amounts Recoverable on Long Term Contracts	2.1	2.9	2.1	2.5
Amounts Owed by Parent and Fellow Subsidiary Undertakings	100.0	60.0	100.0	65.0
Other	5.4	2.1	-	-
	<u>299.4</u>	<u>260.6</u>	<u>233.4</u>	<u>259.7</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	GROUP		PARENT	
	1991	1990	1991	1990
	£M	£M	£M	£M
20. CREDITORS (Amounts falling due within 1 Year)				
Bank Overdrafts	14.9	1.1	-	1.1
Bank Loans	3.0	15.6	-	-
Amounts Due to Parent and Fellow Subsidiary Undertakings	10.9	11.1	64.1	73.1
Finance Debt	28.8	27.8	64.1	74.2
Other Creditors:				
Payments Received on Account	17.9	38.9	14.0	23.4
Trade Creditors	265.8	256.3	147.9	141.1
Amounts Due to Parent and Fellow Subsidiary Undertakings	11.4	17.2	2.5	6.3
Corporate Taxation	6.9	9.9	-	0.6
Social Security and Other Taxes	6.0	5.6	3.7	3.4
Other	26.8	31.6	6.8	3.7
	<u>363.6</u>	<u>387.3</u>	<u>239.0</u>	<u>252.7</u>
21. CREDITORS (Amounts falling due after more than 1 Year)				
Amount Owed to Parent and Fellow Subsidiary Undertakings repayable within 5 Years	175.0	80.5	163.0	163.0
Amount Owed to Parent Company repayable beyond 5 Years	-	100.0	-	-
External Loans repayable beyond 5 Years having no repayment schedule with no interest payable (1990 : interest payable at 10 %)	0.5	0.5	-	-
Finance Debt	175.5	181.0	163.0	163.0
Other Creditors:				
Payments Received on Account	10.6	6.3	2.1	0.6
Other	3.8	3.3	3.3	0.5
	<u>189.9</u>	<u>190.6</u>	<u>168.4</u>	<u>164.1</u>

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

22. PROVISIONS FOR LIABILITIES AND CHARGES

	Group Other Provisions £M	Deferred Taxation £M	Total £M	Parent Other Provisions £M
1 January 1991	14.1	-	14.1	4.8
Movement on Provisions in the Year				
Provided	28.9	(0.8)	28.1	3.7
Released	(4.0)	-	(4.0)	-
Utilised	(5.7)	-	(5.7)	(4.2)
31 December 1991	<u>33.3</u>	<u>(0.8)</u>	<u>32.5</u>	<u>4.3</u>

	GROUP		PARENT	
	1991 £M	1990 £M	1991 £M	1990 £M
Other Provisions comprises:				
Remedial Work	2.6	3.1	1.8	2.4
Plant Overhaul	1.9	1.9	1.9	1.9
Withdrawal from Operations	12.6	5.0	-	-
Other	16.2	4.1	0.6	0.5
	<u>33.3</u>	<u>14.1</u>	<u>4.3</u>	<u>4.8</u>
Deferred Taxation comprises:				
Accelerated Capital Allowances	-	-	-	1.3
Other Timing Differences	(0.8)	-	-	(1.3)
	<u>(0.8)</u>	<u>-</u>	<u>-</u>	<u>-</u>

If deferred taxation had been provided on the full potential liability basis in respect of accelerated capital allowances, the provision for deferred taxation would have been increased by £0.5m (1990 - £2.5m) for the Group and £0.5m (1990 - NIL) for the Company.

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

	1991 £M	1990 £M
23. CALLED UP SHARE CAPITAL		
Authorised, Allotted, Called Up and Fully Paid 256,000,000 Ordinary Shares shares of 25p each	<u>64.0</u>	<u>64.0</u>
24. CAPITAL RESERVE		
1 January	69.6	69.6
Reclassified to Profit and Loss Account (Note 26)	<u>(69.6)</u>	<u>-</u>
31 December	<u>-</u>	<u>69.6</u>

Capital reserve comprising the surplus of assets over the cost of the acquisitions of subsidiary and associated undertakings acquired in 1987 has been reclassified to Profit and Loss Account.

25. PROPERTY REVALUATION RESERVE

	Parent Company £M	Subsidiary Companies £M	Total £M
1 January 1991	-	-	-
Revaluation in the Year	<u>16.3</u>	<u>-</u>	<u>16.3</u>
31 December 1991	<u>16.3</u>	<u>-</u>	<u>16.3</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.

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

26. PROFIT AND LOSS ACCOUNT

	Parent Company £M	Subsidiary Companies £M	Total £M
1 January 1991			
Exchange Adjustments	16.5	93.2	109.7
Retained Profit for the Year	-	0.4	0.4
Reclassified from Capital Reserve (Note 24)	(11.6)	(52.3)	(63.9)
31 December 1991	-	69.6	69.6
	<u>4.9</u>	<u>110.9</u>	<u>115.8</u>

	GROUP		PARENT	
	1991 £M	1990 £M	1991 £M	1990 £M
27.. CAPITAL COMMITMENTS				
CAPITAL EXPENDITURE				
Contracted but not provided for	-	-	-	-
Authorised but not contracted for	-	17.3	-	12.3

28. OPERATING LEASES

At 31 December 1991 there were the following annual commitments under non-cancellable operating leases

	0.2	0.3	-	-
- expiring within 1 year	2.8	3.1	2.7	2.7
- expiring within 1-5 years	-	0.1	-	-
- expiring after 5 years	<u>3.0</u>	<u>3.5</u>	<u>2.7</u>	<u>2.7</u>

29. CONTINGENT LIABILITIES

There are contingent liabilities in respect of guarantees under building and other agreements entered into in the normal course of business.

WIMPEY CONSTRUCTION LIMITED
NOTES ON THE ACCOUNTS (continued)

30. SUBSIDIARY COMPANIES AND INVESTMENTS
At 31 December 1991

<u>Principal Subsidiary Companies</u>	<u>Activities</u>	<u>Principal Associated Companies</u>	<u>Activities</u>
George Wimpey Australia Pty Ltd Australia	1	Al Futtain-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 Alawi LLC, Oman (65%)	2,3		
Wimpey Homes Holdings Ltd*	1		
Wimpey Major Projects Ltd*	2		
Wimpey Construction Developments Ltd	1		
Wimpey France SA	1		

NOTES

- (i) The subsidiary and associated undertakings listed are those which significantly 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.