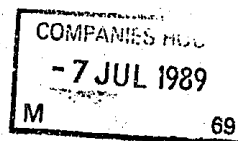


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WEDGWOOD HOUSING ASSOCIATION LIMITED

ACCOUNTS

31st DECEMBER 1988



WEDGWOOD HOUSING ASSOCIATION LIMITED

Directors

Christopher J.S. Johnson
Robert L. Johnson
George Stonier

Notice of meeting

Notice is hereby given to ordinary shareholders that the annual general meeting of the company will be held at the registered office of the company at Barlaston, Stoke-on-Trent, Staffordshire, on Tuesday 2nd May 1989 for the following purposes:

- 1 To receive the directors' report and accounts for the year ended 31st December 1988 together with the auditors' report.
- 2 To re-elect a director.
- 3 To reappoint the auditors and to authorise the directors to fix their remuneration.

Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. Such a proxy need not be a member of the company.

By order of the Board

Secretary
Barlaston
Stoke-on-Trent
10th April 1989

WEDGWOOD HOUSING ASSOCIATION LIMITED

Directors' report

To be submitted at the annual general meeting to be held on 2nd May 1989.

Activities

The company is engaged in the business of property ownership.

Significant events

During the year 14 houses were sold by the company to the tenants many of whom are employees of Josiah Wedgwood & Sons Limited. The gross value proceeds yielded £363,150. These sales represent approximately 25% of the assets of the company.

Profit and dividends

The accounts for the year to 31st December 1988 show a profit on ordinary activities before taxation of £209,000 (31st December 1987 - £22,000). The profit attributable to the shareholders was £209,000 compared with £11,000 for the previous twelve months.

The directors do not recommend the payment of a dividend.

Directors and directors' interests

Sir Arthur Bryan (retired 8th April 1988)
Christopher J. S. Johnson
Robert L. Johnson
George Stonier

None of the directors hold any shares in the company in their own right.

WEDGWOOD HOUSING ASSOCIATION LIMITED

Directors' report continued

There are shown below the directors' interests in the share capital of the company's ultimate holding company:

	<u>Waterford Stock Units</u>			
	<u>At 31st December 1988</u>		<u>At 1st January 1987</u>	
	<u>Beneficial</u>	<u>Non-Beneficial</u>	<u>Beneficial</u>	<u>Non-Beneficial</u>
Christopher J.S. Johnson	67,915	-	65,822	365,982
Robert L. Johnson	67,972	-	65,910	-
George Stonier	30,653	-	29,330	365,982

365,982 stock units held in a trustee capacity are duplicated in the above table.

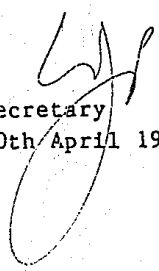
Waterford Stock Units each comprise 1 Waterford Glass Group plc ordinary share of IR£0.05 and 1 non-voting income share of £0.01 each of Waterford Wedgwood Holdings plc.

Mr. George Stonier retires by rotation and offers himself for re-election.

Auditors

At the company's last annual general meeting, Peat Marwick McLintock were reappointed auditors of the company. A resolution concerning their reappointment as auditors is to be proposed at the forthcoming annual general meeting.

By order of the Board


Secretary
10th April 1989

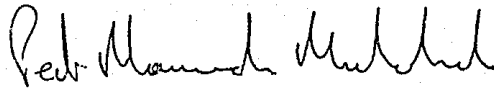
WEDGWOOD HOUSING ASSOCIATION LIMITED

Auditors' report

to the members of Wedgwood Housing Association Limited.

We have audited the accounts on pages 5 to 12 in accordance with approved auditing standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st December 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Peat Marwick McLintock

Birmingham
10th April 1989

WEDGWOOD HOUSING ASSOCIATION LIMITED

Accounting policies

Accounting convention

The accounts of the company are based on historical cost except in the case of the freehold properties which are included at valuation.

Fixed assets and depreciation

Land is included at cost while freehold properties are at valuation. Depreciation is not provided.

Deferred taxation

Deferred taxation is provided in respect of chargeable gains on revaluation of property. No provision is made if in the opinion of the directors the taxation in question will not become payable in the foreseeable future.

WEDGWOOD HOUSING ASSOCIATION LIMITED

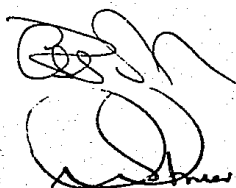
Profit and loss account
Year to 31st December 1988

		Year to 31st December 1988 £'000	Year to 31st December 1987 £'000
	note		
Rents receivable		29	40
Release of pre-emption affecting properties at Barlaston Park Estate		4	5
Total income		33	45
External charges		14	17
Depreciation	6	4	6
Operating profit		15	22
Exceptional item	2	194	-
Profit on ordinary activities before taxation	3	209	22
Taxation	5	-	11
Retained profit for the year	10	209	11

WEDGWOOD HOUSING ASSOCIATION LIMITED

Balance sheet
31st December 1988

		31st December 1988 £'000	31st December 1987 £'000
	note		
Tangible assets	6	337	435
Debtors: amounts owed by group companies		482	116
prepayments and accrued income		1	1
other debtors		-	1
Current assets		483	118
Creditors: amounts owed to parent company		2	1
accruals and deferred income		1	10
taxation		14	4
Creditors: amounts falling due within one year		17	15
Net current assets		466	103
Total assets less current liabilities		803	538
Creditors: amounts falling due after more than one year	7	42	53
Total net assets		761	485
Called up share capital	8	4	4
Revaluation reserve	9	278	352
Profit and loss account	10	479	129
Total capital and reserves		761	485



)
) Directors

WEDGWOOD HOUSING ASSOCIATION LIMITED

Source and application of funds
Year to 31st December 1988

	Year to 31st December 1988 £'000	Year to 31st December 1987 £'000
Source of funds		
Profit on ordinary activities before taxation	209	22
Profit on disposal of fixed assets	(194)	-
Depreciation	4	6
Disposal of fixed assets	361	-
Total funds generated	380	28
Application of funds		
Additions to fixed assets	6	6
Movement in group indebtedness	365	21
Decrease in creditors falling due after more than one year	-	1
Movement in debtors less creditors	8	(8)
Taxation paid	1	8
Total funds applied	380	28

WEDGWOOD HOUSING ASSOCIATION LIMITED

Notes to the accounts

1 Employee costs

No persons are employed by the company.

2 Exceptional item

31st December 1988 £'000	31st December 1987 £'000
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Exceptional profit resulting from the disposal of houses

194	-
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3 Profit on ordinary activities before taxation

31st December 1988 £'000	31st December 1987 £'000
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Profit before taxation has been arrived at after charging:
Auditors' remuneration

1	1
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4 Directors' emoluments and interests

None of the directors received any remuneration during the year (31st December 1987 - fnil).

No director had a material interest in any significant contract entered into by the company.

5 Taxation

31st December 1988 £'000	31st December 1987 £'000
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U.K. corporation tax at 35% based upon the taxable profit for the year

5	11
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Adjustment relating to prior year

(5)	-
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-	11
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WEDGWOOD HOUSING ASSOCIATION LIMITED

Notes to the accounts continued

6	Tangible assets	Freehold land and buildings £'000
	At cost or valuation 1st January 1988	460
	Additions	6
	Disposals at valuation	(179)
	Surplus on revaluation	50
	At cost or valuation 31st December 1988	337
	At cost	14
	At valuation	323
	Depreciation 1st January 1988	25
	Charge for the period	4
	Disposals	(12)
	Surplus on revaluation	(17)
	Depreciation 31st December 1988	-
	Net book value 31st December 1988	337
	Net book value 31st December 1987	435

Capital commitments authorised or committed at 31st December 1988 were nil, (31st December 1987 - nil).

During the year the cost of improvements to freehold buildings were depreciated on a straight line basis over three years. At the end of the year these improvements have been included in the properties valuation.

On 31st December 1988 Messrs. Louis Taylor & Sons valued the properties at £322,800. The valuation was at open market value on the basis of existing use, but restricted to 40% of capital value.

The net book value based on historical cost of tangible assets stated at valuation in the accounts is as follows:

	31st December 1988 £'000	31st December 1987 £'000
At cost	62	62
Depreciation	43	41
	19	21

WEDGWOOD HOUSING ASSOCIATION LIMITED

Notes to the accounts continued

7	Creditors: amounts falling due after more than one year	31st December 1988 £'000	31st December 1987 £'000
	Amount due to parent company	42	42
	Taxation	-	11
		42	53

The long term loan from the parent company is interest free and has no fixed repayment terms.

8	Called up share capital	31st December 1988 Authorised £	Issued £	31st December 1987 Authorised £	Issued £
	Ordinary shares of £1 each	5,000	3,635	5,000	3,635

The issued share capital consists of fully paid up shares.

9	Revaluation reserve	£'000
	At 1st January 1988	352
	Disposals of property during the year	(141)
	Surplus on revaluation during the year	67
	At 31st December 1988	278

10	Profit and loss account	£'000
	At 1st January 1988	129
	Retained profit for the year	209
	Release from revaluation reserve on disposal of property	141
	At 31st December 1988	479

WEDGWOOD HOUSING ASSOCIATION LIMITED

Notes to the accounts continued

11 Contingent liabilities

The company has a contingent liability not provided for in these accounts as follows:

under a group registration joint and several liability for value added tax due by other group companies. At 31st December 1988 this contingent liability amounted to £4,292,000 (31st December 1987 - £3,176,000).

12 Deferred taxation

The amount of deferred taxation is as detailed below:

	Provided in accounts		Full potential liability	
	31st	31st	31st	31st
	December	December	December	December
	1988	1987	1988	1987
	£'000	£'000	£'000	£'000
Chargeable gains on revaluation of property	-	-	-	77

13 Ultimate holding company

The directors consider Waterford Glass Group plc, a company incorporated in the Republic of Ireland, to be the ultimate holding company.

14 Approval of accounts

These accounts were approved by the directors on 10th April 1989.
