

Original PAs seen
xm.

2806007

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about this offer you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent financial advisor appropriately authorised under the Financial Services Act 1986.

A copy of this document, which comprises a prospectus in accordance with Sections 56 and 63 of the Companies Act 1985, together with the contracts referred to in paragraph 6 and the consents referred to in paragraphs 9b, 9c and 9d of Appendix 7 of this document have been delivered to the Registrar of Companies in England and Wales for registration as required by Sections 64 and 65 of the Companies Act 1985. ✓

If you have sold or transferred all your shares in Blanchards PLC, please forward this document, at once, to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. Please also notify Independent Registrars Group Limited (whose address is shown on page 3) who will issue a new Form of Acceptance to the purchaser or transferee.

It is emphasised that the DBH Shares are not listed on any stock exchange. No application has been made for the DBH Shares to be admitted to the Official List or dealt in on the Unlisted Securities Market of the London Stock Exchange. However, application has been made to the London Stock Exchange for permission for the DBH Shares to be dealt in under Rule 4.2. It is expected that dealings will commence on 12th April 1995.

OFFER

[Signature]
S. Dean for himself, Director

by

[Signature]
N.S. Saunders, Director
by his agent S. Dean

DEAN & BOWES (HOMES) PLC ✓

[Signature]
C. Alan, Proposed Director
by his agent S. Dean

to acquire the whole of the
issued ordinary share capital

Dean & Bowes (Homes) PLC

of

[Signature]
S. Dean, Director

[Signature]
N.S. Saunders, Director
by his agent S. Dean

BLANCHARDS PLC

The procedures for acceptance of this Offer are set out on page 21. Acceptances should be despatched as soon as possible but in any event so as to arrive not later than 1.00 p.m. on 11th April 1995.

Notice of an Extraordinary General Meeting of Blanchards PLC to be held at 10.00 a.m. on 11th April 1995 is set out on pages 46 and 47. To be valid, the accompanying Form of Proxy to be used at the EGM must be completed in accordance with the instructions printed thereon and returned to be received as soon as possible but in any event so as to arrive no later than 10.00 a.m. on 10th April 1995.



CONTENTS

	<u>PAGE</u>
1. <i>Definitions</i>	2
2. <i>Directors, Proposed Director and Advisors</i>	3
3. <i>Letter from the Chairman of Blanchards PLC</i>	4
4. <i>Offer Letter from Dean & Bowes (Homes) PLC</i>	8
 <u>Appendices</u>	
1. <i>Conditions and Further Terms of the Offer</i>	15
2. <i>Acceptance and Settlement</i>	21
3. <i>Financial Information on the Offeror</i>	22
4. <i>Financial Information on Blanchards</i>	32
5. <i>Pro Forma Statement of the Net Assets of the Offeror following the Completion of the Offer</i>	36
6. <i>Valuation of the DBH Shares</i>	37
7. <i>Additional Information</i>	38
 <i>Notice of Extraordinary General Meeting.</i>	 46

DEFINITIONS

In this document the following expressions shall have the following meanings:-

"Act" means the Companies Act 1985 as amended

"Blanchards" means Blanchards PLC (Registered Number 1075532)

"Blanchards Directors" means Mr Colin Glass, Mr Trevor Barker and Mr Melvyn Levi all of Convention House, St Mary's Street, Leeds, LS9 7DP

"Blanchards Shares" means issued fully paid ordinary shares of 10 pence each of Blanchards at the date hereof

"Code" means the City Code on Takeovers and Mergers

"Conditions Precedent" means the conditions contained in Part A of Appendix 1

"Creditors" means the creditors of Blanchards to whom the offer described in paragraph 16 on page 10 has been made and who are listed in paragraph 2h of Appendix 7

"DBH Directors" means Mr Stephen Dean and Mr Norman Stanley Saunders both of Hemingford House, Glebe Road, Huntingdon, Cambridgeshire PE18 7DX

"DBH Shares" means issued fully paid ordinary shares of 0.5pence each of the Offeror

"EGM" means the extraordinary general meeting of Blanchards to be held at 10.00 a.m. on 11th April 1995

"Form(s)" or "Form(s) of Acceptance" means the Form of Acceptance and Transfer relating to the Offer accompanying this document

"Independent Blanchards Directors" means Mr Melvyn Levi and Mr Trevor Barker both of Convention House, St Mary's Street, Leeds LS9 7DP

"Independent Blanchards Shareholders" means the Shareholders except for Port Cullis Investment Company SA (which holds Blanchards Shares in trust for Mr Melvyn Levi) and Mr Colin Glass

"London Stock Exchange" means The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited

"Lots Road Property" means Units 14 and 15, 92 Lots Road, Chelsea, London SW10

"Offer" means the offer, contained in this document, by the Offeror to acquire Blanchards Shares

"Offeror" means Dean & Bowes (Homes) PLC (Registered Number 2806007)

"Panel" means the Panel on Takeovers and Mergers of The Stock Exchange Building, London, EC2P 2JX

"Proposed Director" means Mr Colin Glass of Convention House, St Mary's Street, Leeds, LS9 7DP

"Receiving Agents" means Independent Registrars Group Limited of Balfour House, 390/398 High Road, Ilford, Essex, IG1 1NQ

"Rule 4.2" means rule 4.2 of the London Stock Exchange

"Shareholders" means a/the holder/s of Blanchards Shares.

DIRECTORS, PROPOSED DIRECTOR AND ADVISORS

Current Board of Directors of the Offeror
Stephen Dean - Chairman ✓
Norman Stanley Saunders F.C.A. P/A
Non-Executive Director

Proposed Board of Directors of the Offeror
Stephen Dean - Chairman
Norman Stanley Saunders - F.C.A.
Non-Executive Director
Colin Glass B.Sc (Econ) F.C.A. - P/A
Non-Executive Director

Secretary and Registered Office:
Norman Stanley Saunders
Hemingford House
Glebe Road
Huntingdon
Cambridgeshire
PE18 7DX

Financial Advisors to Blanchards:
Keith, Bayley, Rogers, & Co.
Members of the London Stock Exchange
and the Securities and Futures Authority
Ebbark House
93-95 Borough High Street
London
SE1 1NL

Solicitors to the Offeror:
Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 4DP

Solicitors to Blanchards:
Teeman Levine
Aire House
Swinegate
Leeds
LS1 4AG

Auditors of the Offeror:
Price Waterhouse
Southgate House
61 Millstone Lane
Leicester
LE1 5QA

Receiving Agents:
Independent Registrars Group Limited
Balfour House
390/398 High Road
Ilford
Essex
IG1 1NQ

Principal Bankers of the Offeror:
Bank of Scotland Plc
14 Friars Lane
Leicester
LE1 5RA

BLANCHARDS PLC

(Registered in England and Wales No. 1075532)

Directors:

M Levi (Chairman)
T. Barker
C. Glass

Registered Office:

Convention House
St. Mary's Street
Leeds LS9 7DP

10th March 1995

To the Shareholders

Dear Shareholder

RECOMMENDED OFFER BY DEAN & BOWES (HOMES) PLC

Background

As you know, the Blanchards Directors have been striving to restore some value to your company's shares. In my statement of 22nd November 1994, which accompanied the annual report for the year ended 30th April 1994, I informed you that the Blanchards Directors were in discussion with the directors of the Offeror. In his letter of the same date, my colleague, Colin Glass, provided Shareholders with some background information on the Offeror. The result of our discussions is the offer for your shares which is set out in this document.

Blanchards no longer has any employees and its sole asset is the Lots Road Property. The accounts for Blanchards for the year ended 30th April 1994 show that Blanchards is insolvent. There has not been any improvement since that date. The Blanchards Directors have agreed, subject to contract and certain conditions, the sale of the Lots Road Property. The price agreed is £105,000 (before deduction of estimated expenses of realisation of £4,000) which is significantly below the book value in Blanchards' balance sheet at 30th April 1994 of £132,000.

Information on the Offeror is set out in the Offer Letter from Dean & Bowes (Homes) PLC commencing on page 8 of this document and in Appendices 3, 5, 6 and 7.

The Offer

The Offer is on the following basis:

1 DBH Share for every 60 Blanchards Shares.

The Offer is conditional on a number of matters, including acceptance of the Offer in respect of at least 75 per cent. of the Blanchards Shares, the approval of the Independent Blanchards Shareholders at the EGM, on a poll, of the offers being made to Colin Glass, Winburn Glass

Norfolk, Chartered Accountants, (in which Colin Glass is a partner) and myself as Creditors and the acceptance by the Creditors of the offer being made to them.

Further details of the Offer are set out in Appendix 1. A valuation of the DBH Shares by Price Waterhouse, Chartered Accountants, is set out in Appendix 6, which shows that the aggregate value of the DBH Shares being offered in respect of all of the Blanchards Shares is approximately £1,737.

The Offer to Creditors

The offer to Creditors is on the basis of 5 DBH Shares for every £20 of debt owed by Blanchards. Further details of the offer to Creditors are set out on pages 10 and 11 of this document.

Extraordinary General Meeting

Each of the Blanchards Directors has an interest in the offer to Creditors. In accordance with the requirements of the Panel, the offers to Colin Glass, Winburn Glass Norfolk and myself, by virtue of our interests in Blanchards Shares and as Creditors (either directly or indirectly), are subject to the approval of the Independent Blanchards Shareholders in general meeting, on a poll. Consequently, the EGM is being convened for 11th April 1995 for the purposes of seeking such approvals. Notice of the EGM is set out on pages 46 and 47 of this document.

Colin Glass and I will abstain from voting at the EGM and are unable to give a recommendation to the Independent Blanchards Shareholders. Trevor Barker, who has been so advised by Keith, Bayley, Rogers & Co., considers the terms of the offers to Colin Glass, Winburn Glass Norfolk and myself to be fair and reasonable so far as the Shareholders are concerned. Accordingly, Trevor Barker recommends shareholders to vote in favour of the resolutions at the EGM.

I WOULD URGE YOU TO READ THIS DOCUMENT CAREFULLY SO THAT YOU UNDERSTAND THE OFFER AND THE OFFERS TO COLIN GLASS, WINBURN GLASS NORFOLK AND MYSELF.

The Future of Blanchards

The Offeror has stated that it has no intention to revive the business of Blanchards.

Following transfer to the Offeror of the Lots Road Property or the proceeds of sale thereof, the Offeror intends to exercise an option it has been granted which requires Colin Glass to acquire the Blanchards Shares held by the Offeror, for nominal consideration. Following exercise of the option, Colin Glass can be required by the Offeror to take all such steps as are open to him as director and shareholder of Blanchards to arrange the orderly liquidation of Blanchards as soon as practicable. In the unlikely event that the liquidation yields a surplus, Colin Glass has undertaken to distribute such surplus among the Shareholders. The effect upon the Offeror of exercising the option would be to remove any deficit which might arise on consolidation of the accounts of Blanchards with those of the Offeror.

The Blanchards Directors are in receipt of no alternative offers and, in the event of the Offer not becoming or being declared unconditional, consider that there is no prospect of any value being restored to the Blanchards Shares in the foreseeable future.

Colin Glass

Colin Glass has been instrumental in ensuring the continued survival of Blanchards and has actively been seeking opportunities to restore some value to the Blanchards Shares since 1989. In consideration for his services in connection with the Offer, the Offeror has agreed to issue to Colin Glass 33,333 DBH Shares upon the Offer becoming or being declared unconditional, at which time he has also agreed to join the board of the Offeror as a non-executive director.

As a result of the arrangements made with Colin Glass in connection with the Offer he has taken no part in the formal discussions of the board of Blanchards regarding the Offer.

Directors' Intentions

Colin Glass and Port Cullis Investment Co SA (the trustee of a trust in which I am interested) have irrevocably agreed to accept the Offer in respect of their interests in 350,000 and 1,251,294 Blanchards Shares respectively. Colin Glass has irrevocably agreed to accept the offer to Creditors in respect of the total debt of £50,100 due to him personally and to Winburn Glass Norfolk. Alpha Acceptances Limited, a company in which Trevor Barker is interested, has irrevocably agreed to accept the offer to Creditors in respect of the £10,000 debt it is owed by Blanchards. I have also irrevocably agreed to accept the offer to Creditors in respect of the £270,601 debt due to me.

Recommendation

The Independent Blanchards Directors have reviewed the Offer carefully. The Independent Blanchards Directors, who have been so advised by Keith, Bayley, Rogers & Co., consider the terms of the Offer and the arrangements with Colin Glass to be fair and reasonable so far as the Shareholders are concerned. Accordingly, the Independent Blanchards Directors recommend Shareholders to accept the Offer. Blanchards Directors or trustees of settlements in which Blanchards Directors are interested have irrevocably undertaken to accept the Offer in relation to shareholdings totalling 1,601,294 Blanchards Shares, representing 19.91 per cent. of the issued share capital of Blanchards.

Tax Matters

General advice concerning the United Kingdom taxation position of Blanchards Shareholders is set out on pages 12 and 44 of this document. Any Shareholder who is in any doubt as to his own taxation position should obtain independent professional advice.

Action to be Taken

Shareholders will be entitled to attend and vote at the EGM. At the EGM each Shareholder, present in person or by proxy, shall have one vote for every Blanchards Share held. A condition of the Offer becoming or being declared unconditional is the passing of the resolutions at the EGM. Accordingly, whether or not Shareholders propose to attend the EGM in person, they are urged to complete and return the accompanying form of proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive not later than 24 hours before the time fixed for the holding of the EGM. The completion and return of a form of proxy will not preclude a Shareholder from attending and voting at the EGM.

In order to accept the Offer Shareholders should complete and return the accompanying Form of Acceptance in accordance with the instructions contained therein as soon as possible and in any event so as to arrive not later than 1.00 p.m. on 11th April 1995.

Yours faithfully
Melvyn Levi
Chairman

DEAN & BOWES (HOMES) PLC

(registered in England and Wales No 2806007)

Directors:

Stephen Dean (Chairman)
Norman Saunders FCA

Registered Office:
Hemingford House
Glebe Road
Huntingdon
Cambridgeshire
PE18 7DX

10th March 1995

To: The Shareholders in Blanchards Plc

Dear Shareholder

INTRODUCTION

1. The recent fortunes of Blanchards have been well documented in its Report and Financial Statements for the year ended 30th April 1994 and for preceding years.
2. Blanchards some years ago sold off a number of subsidiaries, assets and businesses and has since then been left as little more than a shell. It currently owns one substantial asset which is the leasehold of the Lots Road Property. The leasehold of the Lots Road Property was included in Blanchards' annual audited financial statements for the period ended 30th April 1994 as having a net book value of £132,000. That value could be heavily discounted should that asset be realised in a situation where Blanchards is being wound up. The Lots Road Property has not produced any rental income since September 1994 when its last tenant departed. Since that time it has been marketed and an offer, subject to contract, has been accepted at a price of £105,000 (before deduction of estimated expenses of realisation of £4,000).
3. Blanchards' audited financial statements for the period ended 30th April 1994 show extensive liabilities and, therefore, a deficit on Shareholders' funds of £1,105,000.
4. Blanchards is, therefore, insolvent and its continued survival is a result of the efforts of the Blanchards Directors in their negotiations with Blanchards' creditors.
5. The Offeror understands that there have been previous discussions about the future of Blanchards with a number of interested parties in an attempt to secure an offer which holds for the Shareholders and Creditors a better prospect than the insolvent liquidation of Blanchards.
6. As a result of its own discussions with Blanchards the Offeror makes this Offer – further details of which are set out below.

THE OFFEROR'S PLANS FOR BLANCHARDS

7. The Offeror was incorporated in April 1993 to acquire the house building activities carried out by Dean & Bowes (Contracts) Ltd, a shopfitting and refurbishment company. Mr Dean, the Offeror's Chairman, was the Managing Director of Dean & Bowes (Contracts) Limited, and its holding company Dean & Bowes Limited, until 10th February 1994. The Offeror has one subsidiary, Dean Homes Limited, incorporated on 14th October 1994. Dean Homes Limited was acquired as an "off the shelf" company by the Offeror to become the Offeror's trading subsidiary. This will enable the Offeror to operate in the future as a holding company.
8. An Accountants' Report on the Offeror for the period from its incorporation to 6th January 1995 is set out in Appendix 3 of this document. This shows that for the period from 1st January 1994 to 6th January 1995 the Offeror reported a profit on ordinary activities before taxation of £66,867 and had shareholders' funds of £54,926. The DBH Directors are optimistic for the future. It is the proposed strategy of the Offeror to create a broad based housebuilding and building products and services group. The DBH Directors believe that opportunities continue to exist in the niche area of construction services. The DBH Directors believe that the Offeror has sufficient cash resources available to it to fulfil its present intentions of completing and selling its current development sites and acquiring a landbank for future development. Furthermore should the Offeror be successful in its application for permission to deal in its shares under Rule 4.2 (see paragraph 10 below) then the Offeror will have the structure in place to raise funds for additional projects.
9. The business of Blanchards which originally led to its listing has ceased. Blanchards exists solely for the purpose of holding the Lots Road Property, pending a satisfactory resolution of its future. Blanchards has, therefore, no business to continue and the Offeror has no intention to revive the business of Blanchards. The Offeror proposes to use the proceeds of sale of the Lots Road Property in furtherance of its own business and to defray the expenses of this Offer. The Offeror understands that neither Blanchards nor its subsidiaries has any employees so that no arrangements need be made for them.
10. The structure of the transaction is one that offers the following benefit both for the Shareholders and for the Offeror. In the event that the Offer becomes or is declared unconditional it will result in the Offeror having a substantial number of new shareholders who previously held shares in Blanchards. The Offeror has applied for permission for its shares to be dealt in pursuant to Rule 4.2. It is expected that dealings will commence on 12th April 1995. As stated above the Rule 4.2 facility may provide fund raising opportunities for the Offeror and it will also assist the Blanchards Directors to realise their intention of ensuring that the Shareholders and Creditors are offered an opportunity to do better than they would in an insolvent liquidation.

THE OFFER

11. The Offer is to acquire all of the Blanchards Shares for a total number of 133,659 DBH Shares. For every 60 Blanchards Shares held by them, accepting Shareholders will be entitled (upon the Offer becoming or being declared unconditional) to receive one DBH Share. Shareholders will not be allowed to accept in regard to part only of their shareholding in Blanchards.
12. If the number of Blanchards Shares held by an accepting Shareholder is not an exact multiple of 60, that accepting Shareholder will be issued with such number of DBH Shares as he would receive if the number of Blanchards Shares he held was the next lesser multiple of 60.
13. Further Terms of the Offer and the Conditions Precedent are set out in Appendix 1.
14. A valuation of DBH Shares by Price Waterhouse, Chartered Accountants, is set out in Appendix 6. You will note that valuation is at 1.3p for each DBH Share. Therefore the total value of the 133,659 DBH Shares offered as consideration for all of the Blanchards Shares is approximately £1,737. The Offeror has not authorised any dividend in relation to the DBH Shares and the DBH Shares therefore carry no rights to accrued dividend to date.
15. You should be aware that the Offeror has already received irrevocable commitments from Port Cullis Investment Company SA (which holds Blanchards Shares beneficially for Mr Melvyn Levi) and Mr Colin Glass, to accept the Offer in respect of their Blanchards Shares, should the Offer become unconditional. Further details of their commitment are set out on page 6 of this document.

THE POSITION OF BLANCHARDS CREDITORS

16. Due to the very significant amount of debt carried by Blanchards and the Offeror's intention to utilise the proceeds of sale of the Lots Road Property for its own purposes, the Offeror is anxious to secure the support of the Creditors. The Creditors constitute those creditors of Blanchards of which the Blanchard Directors have the details necessary to enable an offer to be made to them. Accordingly, it is a condition of the Offer that each of the Creditors assigns all of its debt to the Offeror. Each Creditor will be offered 5 DBH Shares for every whole £20 of Blanchards debt assigned to the Offeror. If the amount of debt owed by Blanchards to any accepting Creditor is not an exact multiple of £20 that accepting Creditor will be allotted such number of DBH Shares as it would receive if the amount of debt was the nearest multiple of £20. Each Creditor will only be allowed to accept in regard to the whole of the debt owed to it by Blanchards.
17. If the Offer becomes or is declared unconditional the Lots Road Property or the proceeds of its disposal will be transferred to the Offeror in return for the release of all debts of Blanchards which have been assigned to it.

18. You should be aware that the Offeror and Blanchards have as at 10th March 1995 already received irrevocable commitments from those Blanchards Directors who are also Creditors, those Creditors in which any of the Blanchards Directors are interested (see paragraph 2h in Appendix 7) and other Creditors to assign their debt (in aggregate £759,159) to the Offeror (on the terms set out at paragraph 16 above) in the event that the Offer becomes unconditional. Those Creditors (including the Blanchards Directors, and Creditors in which they are interested) will together be entitled to 189,789 DBH Shares in respect of such assignment of their debt. While for the protection of the Offeror acceptance of the offer to Creditors by all of the Creditors is a Condition Precedent, you should note that the Offeror has the right to waive that Condition Precedent.

MR COLIN GLASS

19. Shareholders will be aware of the efforts that Mr Colin Glass, the Finance Director and Secretary of Blanchards, has made to secure some value for the Shareholders. In view of the efforts he has made and of his knowledge of the affairs of Blanchards, the Offeror has agreed that upon completion of the Offer :-
- i) Mr Glass will become a director of the Offeror; and
 - ii) there will be issued to Mr Glass 33,333 fully paid up DBH Shares ("the Finder's Fee").
20. As Blanchards may still be technically insolvent after the Lots Road Property has been transferred to DBH, the Offeror has been granted an option pursuant to which it can require Colin Glass to acquire its Blanchards Shares for a nominal consideration. The Offeror intends to put that option into effect as soon as practicable after the Offer becomes unconditional and the Lots Road Property, or the proceeds of its sale, have been transferred to the Offeror. The recommendations of Keith, Bayley, Rogers, & Co. relating to the grant of that option, and Colin Glass' obligations in regard to Blanchards should the Offeror exercise the option, are set out on pages 5 and 6 of this document.

POST COMPLETION STRUCTURE OF THE OFFEROR

21. In the event that the Offer becomes unconditional (and assuming that all of the Shareholders accept the Offer and all of the Creditors accept the offer made to them), the shareholdings in the Offeror will be as follows:-

	DBH Shares:-	Approximate percentage of issued share capital of the Offeror:-
The existing shareholders*	: 10,250,000	96.62
The Shareholders	: 133,659	1.26
The Creditors	: 191,155	1.81
Finders Fee to Mr Colin Glass**	: 33,333	0.31
TOTAL	: 10,608,147	100.00

*Those shareholders in the Offeror as at the date of the Offer, details of which are set out in paragraph 2b of Appendix 7 of this document.

**Mr Colin Glass is a partner in the firm Winburn Glass Norfolk, which is a Creditor in the amount of £40,100 which represents charges for accountancy and other services. This will entitle Winburn Glass Norfolk to receive 10,025 DBH Shares, which have been aggregated in the 191,155 DBH Shares available to Creditors. Mr Glass is himself a Creditor in the amount of £10,000, which entitles him to receive a further 2,500 DBH Shares, also aggregated in the total DBH Shares available to Creditors. Finally, Mr Glass holds 350,000 Blanchards Shares, which entitles him to receive 5,833 DBH Shares which have been aggregated in the total DBH Shares available to Shareholders.

TAXATION OF CAPITAL GAINS

22. The liability of Shareholders to United Kingdom taxation in respect of capital gains will depend on each person's individual circumstances.

Shareholders should note that no application has been made for clearance under section 138 of the Taxation of Chargeable Gains Act 1992 in respect of the Offer. The position on capital gains tax of each Shareholder is therefore something that each Shareholder should consider carefully.

Whether or not acceptance of the Offer constitutes a disposal or part disposal of Blanchards Shares, a subsequent disposal of all or any of the DBH Shares may in any event constitute a disposal or part disposal for the purposes of United Kingdom taxation of capital gains, depending on individual circumstances.

A Shareholder who is in any doubt about his own tax position or who is subject to taxation in any jurisdiction other than the United Kingdom should consult his own independent professional adviser.

INFORMATION CONCERNING THE OFFEROR

23. Certain information about the Offeror is given earlier in this letter. Further information concerning the Offeror is set out in Appendices 3, 5, 6 and 7.

INFORMATION CONCERNING BLANCHARDS

24. Further information concerning Blanchards is set out in Appendix 4.

TIME LIMITS

25. The Offer will remain open for acceptance only until 1.00 p.m. on 11th April 1995. Please ensure that acceptances are received by that time.

ACCEPTANCE AND SETTLEMENT

26. The procedure for those who wish to accept the Offer is as set out in Appendix 2 and in the Form of Acceptance.
27. Shareholders should note that acceptances will be irrevocable and that it is a term of the Offer that accepting Shareholders warrant, among other things, that their Blanchards Shares are free from all liens, charges, equitable interests and encumbrances.
28. The attention of Shareholders not resident in the United Kingdom, and USA or Canadian or Australian persons resident in the United Kingdom is drawn to Part B, paragraph (vi)(k) of Appendix 1.

GENERAL

29. If the Offer becomes unconditional the Offeror will be able to procure the passing of any class of resolutions at any general meeting of Blanchards.
30. If the Offer becomes unconditional and the Offeror acquires at least 90% of the Blanchards Shares, the Offeror will have the right, pursuant to section 429 of the Act, to acquire compulsorily the remaining Blanchards Shares for the same consideration as that offered under the Offer. The Offeror intends to exercise that right if it becomes available.
31. The Blanchards Shares will be transferred with all rights now or hereafter attaching thereto including rights to receive all dividends and distributions whenever declared, made or paid.

The Offeror urges you to accept this Offer as a means of obtaining shares in a company which are intended to be publicly traded. You will be aware that there have been other attempts to produce some value for you in the past and that these have failed. At present your shares in Blanchards are worthless. There is attached at Appendix 6 a valuation of DBH Shares at 1.3p per share (taking into account the effect of the Offer). As well as that valuation, however, you will also have the possibility of being able to realise your shares in time at a greater value if the Offeror's business activities prove successful. We believe that this is also something of value to you.

Yours faithfully
Stephen Dean,
Chairman
for and on behalf of Dean & Bowes (Homes) PLC.

Appendix 1

Conditions and Further Terms

The following further terms and conditions apply to the Offer.

Except where the context otherwise requires, references in this Appendix and in the Form of Acceptance:

- (a) to the "Offer" include any extension or revision of the Offer;
- (b) to the "Offer becoming unconditional" include references to the Offer being declared unconditional

PART A - CONDITIONS PRECEDENT

The Offer is conditional on:

- (i) valid acceptances being received (and not, where permitted, withdrawn) by 1.00 p.m. on 11th April 1995 in respect of not less than 75% of the Blanchards Shares;
 - (ii) valid confirmations being received (and not, where permitted, withdrawn) by 1.00 p.m. on 11th April 1995 from all of the Creditors that each will assign on the terms of the offer made by the Offeror to the Creditors the full amount of the debt owed to it by Blanchards to the Offeror;
 - (iii) the passing by the Independent Blanchards Shareholders at an Extraordinary General Meeting of Blanchards of the resolutions set out in the notice convening an Extraordinary General Meeting of Blanchards contained on pages 46 and 47 of this document;
 - (iv) no government, governmental, quasi-governmental, supranational, statutory or regulatory body or any trade agency or professional association or court or other person or body in any jurisdiction having, prior to the date when the Offer becomes otherwise unconditional in all respects, instituted, implemented or threatened any action, suit, proceedings or investigation or enquiry or enacted, made or proposed any statute or regulation or order that would or might:
 - a) make the Offer or the acquisition or proposed acquisition of any Blanchards Shares by the Offeror void, illegal or unenforceable or otherwise restrain, prohibit, interfere in the implementation of, or impose additional conditions or obligations with respect to, or otherwise challenge the Offer or the proposed acquisition of Blanchards Shares by the Offeror or its implementation, or any acquisition of Blanchards Shares; or
 - b) result in a delay in the ability of the Offeror or render the Offeror unable to acquire some or all of the Blanchards Shares; and
- all applicable waiting periods during which any such government, governmental, quasi-governmental, supranational, statutory or regulatory body, trade agency or professional association, court or other person or body could institute, implement or threaten any such action, proceedings, suit, investigations or enquiry having expired or been terminated;
- v) all necessary filings having been made and all appropriate waiting periods having expired, lapsed or been terminated, in each case as may be necessary or appropriate in connection with the Offer or the acquisition of Blanchards by the Offeror, under the laws or regulations of any jurisdiction, and all necessary statutory and regulatory obligations in any jurisdiction having been complied with;
 - vi) since 30th April 1994 and prior to the date when the Offer becomes otherwise unconditional, save as announced publicly or published prior to 10th March 1995 being the date of this Offer:
 - a) Blanchards or any of its subsidiaries not having declared, paid or made, or proposed the declaration, paying or making of, any dividend, bonus or other distribution in respect of the Blanchards Shares;
 - b) Blanchards or any of its subsidiaries not having issued, or authorised or proposed the issue of, additional shares of any class, or securities convertible into or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities;
 - c) Blanchards or any of its subsidiaries not having issued, or proposed the issue of, any debenture or incurred or increased any indebtedness or contingent liability;
 - d) Blanchards or any of its subsidiaries not having merged with any body corporate or acquired, or agreed to acquire, or disposed of, or agreed to dispose of, or charged or otherwise encumbered or agreed to charge or encumber any assets (including shares in subsidiaries and trade investments) or made any change in its share or loan capital, or authorised or proposed or announced any intention to propose any merger, acquisition, disposal or change as aforesaid;

- e) no litigation or arbitration proceedings having been instituted or threatened against Blanchards or any of its subsidiaries;
- f) Blanchards or any of its subsidiaries not having entered into any agreement with respect to any of the transactions or events referred to in this condition, or passed any resolution in general meeting to sanction, approve or implement any such issue, acquisition, disposal, change, transaction, agreement, contract or commitment as referred to in items (b), (c) or (d) of this condition;
- vii) since 30th April 1994 there having been no material adverse change in the financial or trading position or prospects of Blanchards or any of its subsidiaries other than arising out of any default by a tenant of the Lots Road Property to comply with its obligations to pay rent due in respect of the Lots Road Property or the departure of a tenant of the Lots Road Property;
- viii) the Offeror not having discovered that the financial or business information publicly disclosed at any time by Blanchards is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make the information contained therein not materially misleading,

the Offeror shall comply with the Code in determining whether the acceptance condition (i) has been satisfied and reserves the right to waive conditions (ii) to (viii) in whole or in part.

PART B - FURTHER TERMS

(i) Acceptance Period

- (a) The Offer will remain open for acceptance until 1.00 p.m. on 11th April 1995 but may be extended subject to paragraph (i)(b) below. If the Offer is revised, it will remain open for acceptance for a period of at least fourteen days following the date on which the revised offer document is posted to the Shareholders. Except with the consent of the Panel, no revised offer document may be posted after 25th April 1995.
- (b) The Offer, whether revised or not, shall not (except with the consent of the Panel) be capable of becoming unconditional after midnight on 9th May 1995 nor of being kept open thereafter, unless it has previously become unconditional, provided that the Offeror reserves the right, with the consent of the Panel, to extend the Offer to a later time(s) and/or date(s). The Offeror may, for the purpose of determining whether the acceptance condition has been satisfied, only take into account acceptances received or purchases of Blanchards Shares made in respect of which all relevant documents required by paragraph (v) below have been received by the Receiving Agents by 1.00 p.m. on 11th April 1995 (or any other time and/or date beyond which the Offeror has stated that the Offer will not be extended and has not withdrawn that statement) or, if the Offer is so extended, such later time(s) and/or date (s) as the Panel may agree. If the Offer is extended beyond midnight on 9th May 1995 acceptances received and purchases made in respect of which the relevant documents are received by the Receiving Agents after 1.00 p.m. on the relevant date may (except where the Code otherwise permits) only be taken into account with the agreement of the Panel.
- (c) If the Offer becomes unconditional, it will remain open for acceptance for not less than fourteen days from the date on which it would otherwise have expired. If the Offer has become unconditional and it is stated that the Offer will remain open until further notice, then not less than fourteen days' notice in writing will be given prior to the closing of the Offer. If a competitive situation arises after a no increase or no extension statement has been made in respect of the Offer the Offeror may, if it has specifically reserved the right to do so at the time such statement was made, withdraw such statement if it announces such withdrawal within four business days after the announcement of the competing offer and notifies Shareholders to that effect in writing which in the case of the Shareholders with registered addresses outside the U.K., will be by announcement in the U.K. The Offeror may choose not to be bound by the terms of a no increase or no extension statement if, having reserved the right to do so, it posts an increased or improved offer which is recommended for acceptance by the Blanchards Directors.
- (d) For the purpose of determining at any particular time whether the acceptance condition has been satisfied, the Offeror shall be entitled to take account only of those Blanchards Shares carrying voting rights which have been unconditionally allotted or issued before that time and the allotment or issue of which Blanchards has notified the Receiving Agent on behalf of the Offeror by written notice, containing all the relevant details, at the address specified in paragraph (iii)(a) below before that time. Telex or facsimile transmission will not be sufficient.

(ii) Announcements

- (a) By 8.30 a.m. on the business day (the "relevant day") following the day on which the Offer is due to expire or becomes or is declared unconditional or is revised or extended or such later time or date as the Panel may agree, the Offeror will make an appropriate announcement. Such announcement will also state (unless otherwise permitted by the Panel) the total number of shares and rights over shares (as nearly as practicable) (i) for which acceptances of the Offer have been received (ii) acquired or agreed to be acquired by or on behalf of the Offeror or any persons deemed to be acting in concert with the Offeror during the course of the Offer Period (see paragraph (vi)(b) below) (iii) held by or on behalf of the Offeror or any persons deemed to be acting in concert with the Offeror prior to the Offer Period and (iv) for which acceptances of the Offer have been received from any person deemed to be acting in concert with the Offeror and will specify the percentage of Blanchards Shares represented by each of these figures. Any decision to extend the date by which the acceptance condition has to be satisfied may be made at any time up to, and will be announced not later than, 9.00 a.m. on the relevant day or such later time or date as the Panel may

agree and the announcement will state the next expiry date unless the Offer is unconditional as to acceptances. In computing the number of Blanchards Shares represented by acceptances and purchases, there may be included or excluded for announcement purposes, subject to paragraph (v) below, acceptances and purchases not in all respects in order or subject to verification.

- (b) In this Appendix, references to the making of an announcement by the Offeror include the release of an announcement by or on behalf of the Offeror to the press.

(iii) Rights of Withdrawal

- (a) If the Offeror having announced the Offer to be unconditional, fails to comply by 3.30p.m. on the relevant day or such later time or date as the Panel may agree with any of the other requirements specified in paragraph (ii)(a) above, any accepting Shareholder may immediately thereafter withdraw his acceptance by written notice signed by such Shareholder (or his agent duly appointed in writing and evidence of whose appointment is produced with the notice) given by post or by hand to the Receiving Agents at Balfour House, 390/398 High Road, Ilford, Essex, IG1 1NQ on behalf of the Offeror. Subject to paragraph (i)(b) above, this right of withdrawal may be terminated not less than eight days after the relevant day by the Offeror confirming, if such is the case, that the Offer is still unconditional and complying with the other requirements specified in paragraph (ii)(a) above. If any such confirmation is given, the first period of fourteen days referred to in paragraph (i)(c) above will run from the date of such confirmation and compliance.
- (b) If by 3.00p.m. on the relevant day, the Offer has not become unconditional, any accepting Shareholder may withdraw his acceptance at any time after such date by written notice received by the Receiving Agents on behalf of the Offeror at the address and in the manner referred to in paragraph (iii)(a) above before the earlier of (i) the time that the Offer becomes unconditional and (ii) the final time for lodgement of acceptances which can be taken into account in accordance with paragraph (i)(b) above. If a no increase or no extension statement has been withdrawn after a competitive situation has arisen in accordance with paragraph (i)(c) above, any Shareholder who accepts the Offer after such statement is made may withdraw his acceptance in the manner referred to in paragraph (iii)(a) above for a period of eight days following the date on which the notice of such withdrawal is posted.
- (c) Except as provided by this paragraph (iii) acceptances shall be irrevocable. In this paragraph (iii) "written notice" (including any letter of appointment, direction or authority) means notice in writing bearing the original signature(s) of the relevant accepting Shareholder(s) or his or their agent(s) duly appointed in writing, evidence of whose appointment is produced with the notice. Telex or facsimile transmission or copies will not be sufficient.
- (iv) Revised Offer
 - (a) Although no such revision is envisaged, if the Offer (in its original or any previously revised form(s)) is revised either in its terms or in the value or form of the consideration offered, the benefit of the revised Offer will, subject as provided in paragraphs (iv)(b) and (c) and (vi)(k) below, be made available to a Shareholder who has accepted the Offer in its original or previously revised form(s) (hereinafter called a "Previous Acceptor"). The acceptance by or on behalf of a Previous Acceptor of the Offer in its original or any previously revised form(s) shall, subject as provided in paragraphs (iv)(b) and (c) and (vi)(k) below, be treated as an acceptance of the Offer as so revised and shall also constitute an authority to any director of the Offeror as his attorney to accept any such revised Offer on behalf of such Previous Acceptor and if such revised Offer includes alternative forms of consideration to make such elections for and/or accept such alternative forms of consideration in such proportion (as nearly as practicable) as those made by such Previous Acceptor in the Form of Acceptance previously executed by him or on his behalf.
 - (b) The deemed acceptance referred to in paragraph (iv)(a) above shall be conditional on a director of the Offeror exercising the authority conferred by that paragraph so as to ensure that, to the extent available under the terms of the revised offer, all such steps are taken on behalf of each Previous Acceptor so as to ensure that such Previous Acceptor receives not less than the same value of consideration as he would have received as a result of his acceptance of the Offer in the form in which it was originally accepted by him or on his behalf. Save as provided in this paragraph (b), the authority conferred by paragraph (iv)(a) above shall not be exercised in respect of any election available under any revised Offer.
 - (c) The deemed acceptance referred to in paragraph (iv)(a) above shall not apply and the authority conferred by that paragraph shall be ineffective to the extent that a Previous Acceptor shall lodge, within fourteen days of the posting of the document pursuant to which the revision of the Offer referred to in paragraph (iv)(a) above is made available to the Shareholders, a form in which he validly elects to receive the consideration receivable by him in some other manner.
 - (d) The authorities and powers of attorney conferred by this paragraph (iv) and any acceptance of a revised Offer and/or election pursuant thereto shall be irrevocable unless and until the Previous Acceptor becomes entitled to withdraw his acceptance under paragraph (iii) above and duly does so.
 - (e) The Offeror reserves the right to treat a valid acceptance of the Offer (in its original or any previously revised form(s)) which is received after the announcement or issue of the Offer in any revised form as a valid acceptance of the revised Offer and such acceptances shall constitute an authority in the terms of paragraph (iv)(a) above mutatis mutandis on behalf of the relevant Shareholder.

(v) Acceptances and Purchases

Except as otherwise agreed by the Panel:

- (a) an acceptance of the Offer will only be counted towards fulfilling the acceptance condition contained in paragraph (i) of Part A of this Appendix if the requirements of Note 4 and, if applicable, Note 6 on Rule 10 of the Code are satisfied in respect of it;
- (b) a purchase of Blanchards Shares by the Offeror will only be counted towards fulfilling the acceptance condition if the requirements of Note 5 and, if applicable Note 6, on Rule 10 of the Code are satisfied in respect of it; and
- (c) before the Offer becomes or is declared unconditional the Receiving Agent will issue a certificate to the Offeror stating the number of acceptances which have been received and the number of Blanchards Shares otherwise acquired which comply with the provisions of this paragraph (v). Copies of such certificate will be sent to the Panel and to Keith, Bayley, Rogers & Co., as soon as possible after this is issued.

(vi) General

- (a) Save with the consent of the Panel, the Offer will lapse unless all the conditions have been fulfilled or (if capable of waiver) waived or, where appropriate, have been determined by the Offeror in its reasonable opinion to be or remain satisfied by midnight on 2nd May 1995 or within 21 days after the date on which the Offer becomes unconditional, whichever is the later.
- (b) The expression "Offer Period" when used in this document means, in relation to the Offer, the period commencing on 10th March 1995 until whichever of the following dates shall be the latest: (i) 11th April 1995, (ii) the date on which the Offer lapses; or (iii) the date on which the Offer becomes unconditional.
- (c) Except with the consent of the Panel, settlement of the consideration to which any Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled as against him.
- (d) The Offer is made on 10th March 1995 and is capable of acceptance thereafter; additional Forms of Acceptance are available from the Receiving Agents.
- (e) If the Offer does not become unconditional, the Form of Acceptance, share certificate(s) and/or other document(s) of title will be returned by post within fourteen days of the Offer lapsing, at the risk of the Shareholders concerned, to the person or agent whose name and address is set out in Box 5 of the Form of Acceptance or, if none is set out, to the first-named holder at the address set out in Box 3 of the Form of Acceptance.
- (f) The instructions, authorities and provisions contained in or deemed to be incorporated in the Form of Acceptance constitute part of the terms of the Offer. Expressions defined in this document have the same meanings when used in the Form of Acceptance unless the context otherwise requires.
- (g) Any omission to despatch this document or any notice required to be despatched under the terms of the Offer to, or any failure to receive the same by, any person to whom the Offer is made, or should be made, shall not invalidate the Offer in any way or create any implication that the Offer has not been made to any such person. The Offer extends to any Shareholder to whom this document, the Form of Acceptance or any related documents may not be despatched or received and such persons may collect copies of those documents from the Receiving Agent.
- (h) All powers of attorney and authorities on the terms conferred by or referred to in this Appendix or in the Form of Acceptance are given by way of security for the performance of the obligations of the Shareholder concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971, except in the circumstances where the donor of such power of attorney or authority is entitled to withdraw his acceptance.
- (i) All communications, notices, certificates, documents of title and remittances to be delivered by or sent to or from Shareholders will be delivered by or sent to or from them (or their designated agents) at their risk.
- (j) The Offer and all acceptances thereof, the Form of Acceptance, the stock transfer form and actions taken or made or deemed to be taken or made under any of the foregoing shall be governed by and construed in accordance with English law.
- (k) i) The making of the Offer in, or to certain persons resident in, jurisdictions outside the United Kingdom and the availability of the DBH Shares to certain persons not resident in the United Kingdom, or who are citizens, residents or nationals of countries outside the United Kingdom, may be affected by the laws of the relevant jurisdictions. Shareholders who are citizens, residents or nationals of jurisdictions outside the United Kingdom should inform themselves about and observe any applicable legal requirements. It is the responsibility of persons who are citizens, residents or nationals of jurisdictions outside the United Kingdom and who wish to accept the Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in that jurisdiction.

- ii) The DBH Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("the Securities Act"), or the relevant Canadian or Australian securities legislation and have not been, and will not be, qualified for sale in the United States, Canada or Australia. Accordingly the DBH Shares are not available to USA, Canadian or Australian persons. The Offeror will not authorise the delivery of any document of title in respect of any DBH Shares falling to be allotted under the Offer to an address in the USA, Canada or Australia or to any person who the Offeror has reason to believe is a USA, Canadian or Australian person.
- iii) Any acceptance of the Offer received from any person who the Offeror has reason to believe is a USA, Canadian or Australian person shall constitute in respect of the DBH Shares to which such acceptor may become entitled pursuant to the Offer, an irrevocable request and authority to the Offeror and/or its agents, as the agent(s) of such shareholder:
 - a) to sell such shares on behalf of such acceptor in the market within 21 days of such shares being allotted;
 - b) to receive the share certificate(s) and/or other document(s) of title in respect of such shares and to execute instrument(s) of transfer in respect of such shares; and
 - c) to remit the net proceeds of such sale (after deducting from them the expenses of sale) as soon as reasonably practicable to the person or agent whose name and address are set out in Box 5 of the Form of Acceptance or, if none is set out, to the first-named holder at the address set out in Box 3 of the Form of Acceptance.
- iv) Neither the Offeror nor Blanchards nor any person acting on behalf of either of them shall have any liability to any person for any loss or alleged loss arising from the price, timing or manner of any sale made pursuant to the authority set out above or otherwise in connection with it.
- v) As used in this document and in the Form of Acceptance:
 - a) "USA" and "United States" means the United States of America, its territories and possessions; and "USA person" means any person who is a national or resident of the USA (including the estate of such person) or a corporation or entity organised under the laws of the USA or any political subdivision thereof other than a branch or agency of a bank or insurance company organised and regulated under US law that is operating outside the USA for valid business reasons as a locally regulated branch or agency engaged in the banking or insurance business and not principally for the purpose of investing in securities not registered under the Securities Act;
 - b) "Canada" means Canada, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof; and "Canadian person" means any person who is a resident of Canada (including the estate of any such person) or corporations, partnerships, trusts or other entities created or organised in Canada;
 - c) "Australia" means Australia, its possessions and territories and all areas subject to its jurisdiction or any political subdivision thereof; and "Australian person" means any person who is a resident of Australia (including the estate of any such person) or corporations, partnerships, trusts or other entities created or organised in Australia.
- vi) Notwithstanding anything to the contrary contained in this document or the Form of Acceptance, the Offeror may make the Offer (with or without giving effect to the foregoing paragraphs of this paragraph (k) including, without limitation, paragraph (k)(ii)) in the USA or to or for the benefit of a USA person pursuant to an exemption under the Securities Act or in accordance with applicable law in Canada or Australia and in this connection the provisions of paragraph vii) c) below shall be varied accordingly.
- vii) The provisions of this paragraph (k) supersede any terms of the Offer inconsistent with it. References in this paragraph (k) to a Shareholder shall include references to the person or persons executing a Form of Acceptance, and in the event of more than one person executing the Form of Acceptance, the provisions of this paragraph (k) shall apply to them jointly and to each of them.
- (l) Any reference in this document and in the Form of Acceptance to 11th April 1995 shall, except in paragraph (vi)(b) above and where the context otherwise requires, be deemed, if the expiry date of the Offer be extended, to refer to the expiry date of the Offer as so extended.
- (m) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or other document(s) of title will be given.
- (n) The Offeror reserves the right to treat acceptances of the Offer as valid if received by or on behalf of it at any place or places determined by it otherwise than as set out herein.
- (o) The Offeror reserves the right to notify any matter to all or any Shareholders with (a) registered address(es) outside the U.K. by announcement in the U.K. and all references in this document to notice in writing (other than in paragraph (iii)(c) above) shall

be construed accordingly.

- (p) If the Offer lapses, it will cease to be capable of further acceptance and Shareholders will cease thereafter to be bound by prior acceptances.

(vii) Form of Acceptance

Each Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the Offeror (so as to bind him/her and his/her personal representatives, heirs, successors and assigns) that:

- (a) the execution of the Form of Acceptance shall constitute an acceptance of the Offer in respect of all of the Blanchards Shares held by such a Shareholder and shown in the register of members of Blanchards;
- (b) the Blanchards Shares in respect of which the Offer is accepted or deemed to be accepted are, if sold, sold with a warranty that they are free from all liens, charges, equitable interests and encumbrances and together with all rights attaching thereto (including the right to all dividends, interest and other distributions whether declared, paid or made before or after the date of the Offer);
- (c) unless such Shareholder advises the Offeror otherwise by completing Box 4 of the Form of Acceptance the Shareholder is not a USA, Canadian or Australian person (as defined in paragraph (vi)(k)(v) above) and is not accepting the Offer on behalf of or with a view to the re-offer, re-sale or delivery of the DBH Shares directly or indirectly in the United States, Canada, or Australia or to a USA, Canadian or Australian person or to any other person whom the Shareholder has reason to believe is purchasing or subscribing for the purpose of such re-offer, re-sale, or delivery and further that the Shareholder is not a person otherwise prevented by legal or regulatory restrictions from applying for DBH Shares nor acting on behalf of such person or persons on a non-discretionary basis;
- (d) the execution of the Form of Acceptance constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms the irrevocable appointment of any director of the Offeror, as such Shareholder's attorney, and an irrevocable instruction to the attorney, to complete and execute all or any form(s) of transfer and/or other document(s) at the attorney's discretion in relation to the Blanchards Shares referred to in the Form of Acceptance above in favour of the Offeror and to deliver such form(s) of transfer and/or other document(s) at the attorney's discretion, together with the certificate(s) and/or other document(s) of title relating to such Blanchards Shares, for registration within six months of the Offer becoming unconditional in all respects or to do all such acts within the terms of paragraph (vi)(k)(iii) above and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the acceptance of the Offer and to vest in the Offeror or its nominee(s) the Blanchards Shares as aforesaid;
- (e) the execution of the Form of Acceptance by a Shareholder constitutes, subject to the Offer becoming unconditional in all respects in accordance with its terms, an irrevocable authority and request from that Shareholder:
 - (i) to Blanchards or its agents, to procure the registration of the transfer of the Blanchards Shares of that Shareholder pursuant to the Offer and the delivery of any share certificate(s) and/or other document(s) of title in respect thereof to the Offeror or as it may direct;
 - (ii) to the Offeror or its agents, to record and act on any instructions with regard to payments or notices which have been entered in the records of Blanchards in respect of such Blanchards Shares;
- (f) if he/she accepts the Offer, he/she shall do all such acts and things as shall be necessary or expedient to vest in the Offeror his/her Blanchards Shares aforesaid;
- (g) he/she agrees to ratify each and every act or thing which may be done or effected by any director of the Offeror or their respective agents or Blanchards or its agents in exercise of any of his/her powers and/or authorities hereunder.

Appendix 2

Acceptance and Settlement

- (a) To accept the Offer you must execute the Form of Acceptance in accordance with the instructions contained therein.

- (b) The completed and signed Form of Acceptance, together with the relative share certificate(s) and/or other documents of title, or evidence thereof, should be sent or delivered by hand to the Receiving Agents, at Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ as soon as possible and in any event so as to arrive not later than 1.00 p.m. on 11th April 1995.

No acknowledgement of receipt of these documents will be given.

- (c) Even if your share certificate(s) and/or other document(s) of title is/are not readily available or is/are lost, you should nevertheless complete and forward the Form of Acceptance and stock transfer form, with any certificates that you may have available, to the Receiving Agents at the above address. You should forward the remaining certificates and/or other documents of title as soon as possible thereafter.

If you have lost one or more of your certificates, the completed Form of Acceptance form should be accompanied by a letter of explanation. At the same time you should write to the Company Secretary of Blanchards for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to Blanchards at the above address. On receipt of a new certificate, it should be lodged with Receiving Agents as above.

Without prejudice to the above conditions the Offeror reserves the right to treat as valid any acceptance of the Offer which is not entirely in order or where not accompanied by the relative certificate(s) and/or other documents of title. If an acceptance is treated as valid in these circumstances, no consideration for the relevant transfer will be issued until any irregularity has been resolved and an acceptable indemnity or subject as mentioned below the certificates delivered.

- (d) The Offer is not capable of being accepted in respect of part only of your holding.

- (e) Subject to the Offer becoming or being declared unconditional in all respects share certificates for the relevant number of DBH Shares will be despatched to accepting Shareholders within 21 days of the later of 11th April 1995 or the date on which the Offer becomes or is declared wholly unconditional or the date of receipt of an acceptance complete in all respects.

APPENDIX 3

Price Waterhouse



The Directors
Dean & Bowes (Homes) PLC
Hemingford House
Glebe Road
HUNTINGDON
Cambridgeshire
PE18 7DX

10th March 1995

Dear Sirs

We have audited the financial statements of Dean & Bowes (Homes) PLC (formerly Dean & Bowes (Homes) Limited) for the period from incorporation to 6 January 1995. The financial information set out below has been prepared from these financial statements to which no adjustments are considered necessary. Our work has been carried out in accordance with the Auditing Guideline "Prospectuses and the reporting accountant".

In our opinion the financial information set out below gives a true and fair view of the profit and of the cash flows of the company for each of the periods stated and the state of affairs of the company at the dates stated.

No financial statements have been prepared and audited for any period subsequent to 6 January 1995. On 7 March 1995 the company re-registered as a public limited company.

PROFIT AND LOSS ACCOUNTS

	53 weeks to 6 January 1995	Period to 31 December 1993
	£	£
TURNOVER	781,047	76,920
Cost of sales	(702,432)	(67,920)
GROSS PROFIT	78,615	9,000
Administrative expenses	(10,084)	(2,505)
OPERATING PROFIT (Note 2)	68,531	6,495
Interest receivable and similar income	-	50
Interest payable and similar charges (Note 3)	(1,664)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	66,867	6,545
Taxation (Note 4)	(16,950)	(1,536)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	49,917	5,009
Dividends (Note 14)	-	(5,000)
AMOUNT TRANSFERRED TO RESERVES (Note 15)	49,917	9
	=====	=====
Earnings per share (note 17)	£49.92	£5.01

All recognised gains and losses are included within the profit and loss account. There are no differences between the profits disclosed in the profit and loss account and those on an unmodified historical cost basis.

The company commenced trading on 28th June 1993.

All activities of the company are continuing.

BALANCE SHEETS

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
FIXED ASSETS		
Tangible fixed assets (note 5)	14,356	-
CURRENT ASSETS		
Stocks and work in progress (Note 6)	285,438	89,982
Debtors (Note 7)	170,232	219,225
Cash at bank and in hand	210,335	-
	<u>666,005</u>	<u>309,207</u>
CREDITORS - Amounts falling due within one year (Note 8)	<u>(617,468)</u>	<u>(304,198)</u>
NET CURRENT ASSETS	<u>48,537</u>	<u>5,009</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>62,893</u>	<u>5,009</u>
CREDITORS - Amounts falling due after one year (Note 9)	<u>(7,117)</u>	<u>-</u>
PROVISION FOR LIABILITIES AND CHARGES (Note 11)	<u>(850)</u>	<u>-</u>
	<u>54,926</u>	<u>5,009</u>
	=====	=====
CAPITAL AND RESERVES		
Called up share capital (Note 12)	1,000	1,000
Share premium account (Note 13)	4,000	4,000
Profit and loss account (Note 15)	49,926	9
	<u>54,926</u>	<u>5,009</u>
	=====	=====

CASH FLOW STATEMENTS

	53 weeks to 6 January 1995 £	Period to 31 December 1993 £
Net cash outflow from operating activities (Note 16(a))	(9,685)	(240,040)
Return on investments and servicing of finance		
Interest received	-	50
Interest paid	(1,664)	-
Dividends paid	(5,000)	-
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	(6,664)	50
Tax paid	(1,636)	-
Investing activities		
Payments to acquire tangible fixed assets	(14,700)	-
	<hr/>	<hr/>
Net cash outflow from investing activities	(14,700)	-
	<hr/>	<hr/>
Net cash outflow before financing	(32,685)	(239,990)
Financing		
Issue of ordinary share capital	-	5,000
Hire purchase finance	9,510	-
Loan from director	279,000	189,500
	<hr/>	<hr/>
Net cash inflow from financing	288,510	194,500
	<hr/>	<hr/>
Increase in cash and cash equivalents (Note 16(b))	255,825 =====	(45,490) =====

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

The following accounting policies have been adopted by the company.

(a) **Accounting convention**

The financial information has been prepared in accordance with applicable accounting standards under the historical cost convention.

(b) **Turnover**

Turnover represents the amount of goods sold, stated net of value added tax. Turnover is attributable to the principal activity of the company and arises in the UK.

(c) **Stocks**

Stocks are stated at the lower of cost and net realisable value.

(d) **Depreciation**

Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Motor vehicles	-	25% pa on the straight line basis
Fixtures and fittings	-	25% pa on the straight line basis

(e) **Leasing and hire purchase**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges are included in creditors.

(f) **Deferred taxation**

Deferred taxation is provided where in the opinion of the directors there is reasonable evidence that such taxation will become payable in the foreseeable future.

2. OPERATING PROFIT

Operating profit is stated after charging

	53 weeks to 6 January 1995 £	Period to 31 December 1993 £
Depreciation	344	-
Auditors' remuneration	3,500	1,000
Directors' remuneration	2,000	-
	=====	=====

3. INTEREST PAYABLE

	53 weeks to 6 January 1995 £	Period to 31 December 1993 £
Hire Purchase	60	-
Bank Overdraft	1,604	-
	=====	=====
	1664	-
	=====	=====

4. TAXATION

	53 weeks to 6 January 1995 £	Period to 31 December 1993 £
Corporation tax charge at 25% based on the result of the period	16,000	1,536
Adjustment to prior period	100	-
Deferred tax	850	-
	<u>16,950</u> =====	<u>1,536</u> =====

5. FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 January 1994	-	-	-
Additions	12,300	2,400	14,700
	<u>12,300</u>	<u>2,400</u>	<u>14,700</u>
At 6 January 1995	12,300	2,400	14,700
	<u>12,300</u>	<u>2,400</u>	<u>14,700</u>
Depreciation			
At 1 January 1994	-	-	-
Charge for the period	294	50	344
	<u>294</u>	<u>50</u>	<u>344</u>
At 6 January 1995	294	50	344
	<u>294</u>	<u>50</u>	<u>344</u>
Net book value			
At 6 January 1995	12,006	2,350	14,356
	<u>12,006</u>	<u>2,350</u>	<u>14,356</u>
At 31 December 1993	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

Included within the cost of motor vehicles held at 6 January 1995 was £10,500 (1993: £Nil) in respect of assets held under finance leases. The depreciation charged was £219.

6. STOCKS AND WORK IN PROGRESS

	6 January 1995 £	31 December 1993 £
Land	-	89,982
Work in progress	120,575	-
Finished stocks	164,863	-
	<u>285,438</u> =====	<u>89,982</u> =====

Construction costs are collated and recharged to this company by Dean & Bowes (Contracts) Limited, a company in which Mr S Dean has an interest.

7. **DEBTORS**

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Trade debtors	165,000	69,225
Other debtors	5,232	150,000
	<hr/>	<hr/>
	170,232	219,225
	=====	=====

8. **CREDITORS – Amounts falling due within one year**

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Other loans	468,500	189,500
Bank overdraft	–	45,490
Dividends	–	5,000
Corporation tax	16,000	1,536
Other creditors	130,575	62,672
Hire purchase (Note 10)	2,393	–
	<hr/>	<hr/>
	617,468	304,198
	=====	=====

The loan of £468,500 as at 6 January 1995 (1993: £189,500) is from Mr S Dean who is a director of the company. The loan is interest free and does not have any fixed repayment terms.

9. **CREDITORS – Amounts falling due after one year**

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Hire purchase (Note 10)	7,117	–
	=====	=====

10. **HIRE PURCHASE – AMOUNTS REPAYABLE**

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Within one year	3,114	–
Between one and five years	9,224	–
Less interest and charges	(2,828)	–
	<hr/>	<hr/>
	9,510	–
	=====	=====
Interest and charges repayable		
Within one year	721	–
Between one and five years	2,107	–
	<hr/>	<hr/>
	2,828	–
	=====	=====

11. DEFERRED TAX

The potential and amount provided for deferred tax at 25% is as follows:

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Accelerated capital allowances	850	-
	=====	=====

12. SHARE CAPITAL

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Authorised, allotted and fully paid:		
Ordinary shares of £1 each	1,000	1,000
	=====	=====

13. SHARE PREMIUM

The share premium arose on the issue of the ordinary shares.

14. MOVEMENT IN SHAREHOLDERS FUNDS

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Opening shareholders funds	5,009	-
Ordinary shares issued during the period	-	5,000
Profit for the period	49,917	5,009
Dividends	-	(5,000)
	-----	-----
Closing shareholders funds	54,926	5,009
	=====	=====

No dividend was declared in the period to 6 January 1995. A dividend of £5 per ordinary share was declared in the previous period.

15. PROFIT AND LOSS ACCOUNT

	<u>6 January 1995</u>	<u>31 December 1993</u>
	£	£
Opening profit and loss account reserves	9	-
Retained profit for the period	49,917	9
	-----	-----
Closing profit and loss account reserves	49,926	9
	=====	=====

16. NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	53 weeks to 6 January 1995 £	Period to 31 December 1993 £
Operating profit	68,531	6,495
Depreciation	344	-
Increase in stocks and work in progress	(195,456)	(89,982)
Decrease/(increase) in debtors	48,993	(219,225)
Increase in creditors	67,903	62,672
Net cash outflow from operating activities	<u>(9,685)</u> =====	<u>(240,040)</u> =====

(b) Analysis of changes in cash and cash equivalents

	6 January 1995 £	31 December 1993 £	Change in year £
Cash at bank and in hand	210,335	-	210,335
Bank overdraft	-	45,490	45,490
	<u>210,335</u> =====	<u>45,490</u> =====	<u>255,825</u> =====

(c) Analysis of changes in financing

	Share capital 6 January 1995 £	Share capital 31 December 1993 £	Loans 6 January 1995 £	Loans 31 December 1993 £
Balance at 1 January 1994	5,000	-	189,500	-
Cash inflows from financing	-	5,000	279,000	189,500
Balance at 6 January 1995	<u>5,000</u> =====	<u>5,000</u> =====	<u>468,500</u> =====	<u>189,500</u> =====

17. EARNINGS PER SHARE

The earnings per share is calculated on a profit of £49,917 (1993: £5,009) using as a divisor 1,000 (1993: 1,000) £1 ordinary shares, being the average number of shares in issue during the period.

18. SUBSEQUENT EVENTS

On 19 January 1995 the company acquired a subsidiary, TayVin 9 Limited which changed its name to Dean Homes Limited on 20 January 1995. The company was incorporated on 14 October 1994 and did not trade prior to 6 January 1995.

On March 6 1995 the authorised share capital of Dean & Bowes (Homes) Ltd was increased from £1,000 to £55,000 divided into 55,000 ordinary shares of £1 each and 25 of these shares were issued to Mr P Holmes for a consideration of £5 per share including a premium of £4 per share.

Also on 6 March 1995 the authorised share capital was sub-divided into 11 million ordinary shares of 0.5 pence each.

On 7 March 1995 the company was re-registered as a public limited company.

Yours faithfully

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

APPENDIX 4

This Appendix contains financial information concerning Blanchards and its subsidiaries which has been extracted by the Directors of Blanchards from the audited financial statements of Blanchards and its subsidiaries audited by Blanchards' auditors Coopers & Lybrand for its financial years ended 30th April 1992, 30th April 1993 and 30th April 1994.

BLANCHARDS PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNTS (as extracted from audited accounts)

	- Years ended 30th April -		
	1994 £000	1993 £000	1992 £000
Administrative expenses	(35)	(44)	(43)
Other operating income - continuing operations	22	43	27
	-----	-----	-----
OPERATING (LOSS) - continuing operations	(13)	(1)	(16)
Interest receivable	-	19	37
Interest payable and similar charges	(42)	(45)	(50)
	-----	-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(55)	(27)	(29)
Tax on ordinary activities	-	-	44
	-----	-----	-----
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO THE SHAREHOLDERS OF BLANCHARDS PLC	(55) =====	(27) =====	15 =====
(LOSS) PER SHARE	(0.7)p =====	(0.3)p =====	0.2p =====

NOTE

The interest receivable for the year ended 30th April 1992 resulted from supplements deriving from Corporation Tax repayments and the tax figure for that year reflected an adjustment to amounts overprovided in prior years.

BALANCE SHEETS
(as extracted from audited accounts)

	The Group 1994 £000	The Company 1994 £000
FIXED ASSETS		
Tangible assets	132	132
investments	-	-
	<u>132</u>	<u>132</u>
CURRENT ASSETS		
Debtors	5	5
Cash at bank and in hand	12	12
	<u>17</u>	<u>17</u>
CREDITORS: amounts falling due within one year	(1,641)	(1,254)
NET CURRENT LIABILITIES	<u>(1,624)</u>	<u>(1,237)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,492) =====	(1,105) =====
CAPITAL AND RESERVES		
Called up share capital	804	804
Share premium account	697	697
Capital reserves	3	-
Profit and loss account	(2,996)	(2,606)
SHAREHOLDERS' FUNDS	<u>(1,492)</u> =====	<u>(1,105)</u> =====

BLANCHARDS PLC
NOTES TO THE FINANCIAL STATEMENTS
30th April 1994
(as extracted from audited accounts)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Despite the attempts to rationalise the company and the group's financial position by disposal of businesses and companies it is apparent that there are insufficient financial resources to meet liabilities. Creditors are generally aware that resources do not exist for settlement of their accounts and the vast majority in value have informally agreed to stay any action to recover their debts in order to allow the Board to fully explore the possibility of making appropriate further arrangements.

In these circumstances, except that all liabilities have been shown to fall due within one year of the balance sheet date, the financial statements of the company and of the group have been prepared on the going concern basis on the assumption that the orderly realisation of the assets will be possible.

It is not considered that the presentation of the financial statements would be materially different, should any other basis of preparation be adopted.

2. PRINCIPAL ACCOUNTING POLICIES

A summary of the more important accounting policies is set out below:-

ACCOUNTING CONVENTION AND ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with the historical cost convention and in accordance with relevant Accounting Standards.

BASIS OF CONSOLIDATION

The group financial statements comprise a consolidation of the company and all its subsidiaries.

TAXATION

The charge or credit for United Kingdom corporation tax included in the financial statements is based on the results for the period. Provision is made for deferred taxation at the expected rate of corporation tax ruling at the date on which the liability is expected to crystallise, except in respect of any timing differences which are likely to continue in the foreseeable future.

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost.

Depreciation on leasehold premises and improvements is provided on a straight line basis over the term of the lease so as to write off the cost over the expected useful lives. The principal annual rates used for this purpose, are:-

	Percentage
Long leasehold land	Nil
Long leasehold buildings	2

GOODWILL

Purchased goodwill, including goodwill arising on consolidation, being the amount by which the investment in subsidiaries exceeds the fair value of net tangible assets at the date of acquisition is written off against reserves in the period.

FOREIGN CURRENCIES

Assets and liabilities expressed in foreign currencies are translated to sterling at rates of exchange ruling at the balance sheet date. Net gains or losses arising on transactions in foreign currencies are included in the profit and loss account.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are recorded at cost, or where in the opinion of the directors there is a permanent diminution in value, at the lower of cost or net asset value.

3. INVESTMENTS

SUBSIDIARY UNDERTAKINGS

The costs of investments in subsidiaries were written off a number of years ago when it was recognised that no value was attached to those investments.

The principal subsidiary undertakings which were generally inactive during the year ended 30th April 1994, all of which are registered in England, were as follows:-

Name of Undertaking	Description of shares held	Proportion of nominal value of issued shares held by Blanchards PLC	Nature of Business
Blanchards Estates Company (Knightsbridge) Limited	Ordinary £1 shares	70%	Non-trading
Blanchard Landscapes Limited	Ordinary £1 shares	80%	Non-trading
Liveford PLC	Founder and Ordinary £1 shares	100%	Non-trading

The principal country of operation of the subsidiaries was Great Britain, except Blanchard Landscapes Limited which operated in Bahrain and Saudi Arabia.

The company owns the whole of the share capital of Liveford PLC whose own group assets and business activities were sold as a result of a decision taken during December 1988. The group financial statements of Liveford PLC reflect a deficiency of capital and reserves at 30th April 1994 amounting to £1,048,000 resulting from its liabilities including a liability due to Blanchards PLC of £641,000. The liabilities at 30th April 1994 of Liveford PLC and its subsidiaries are included in these group financial statements of Blanchards PLC.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR.

	The Group 1994 £000	The Company 1994 £000
Bank loans and overdrafts	16	-
Trade creditors	340	324
Amounts owed to group subsidiary undertakings	-	84
Other creditors, including taxation and social security	286	-
Other creditors	560	561
Accruals and deferred income	439	285
	-----	-----
	1,641	1,254
	=====	=====

Except for £14,000 (group and company) (1993 - £18,000) arising during the last twelve months creditors derive from arrangements made before 30th April 1992 and except for a further £14,000 (group and company) they arise from arrangements made before 30th April 1990.

No group company has received any communication from creditors claiming amounts outstanding from transactions which took place before 30th April 1992 of which it was not already aware at that date and for which adequate provision had not already been reflected in its accounting records and the financial statements at 30th April 1992.

In the circumstances described in the preceding paragraph, the directors consider that they are entitled to believe that it is extremely unlikely that material liabilities exist within the group for which adequate provision has not already been made within the financial statements.

5. SHARE CAPITAL

	Number	Ordinary Shares of 10p each Nominal Value
Authorised at 30th April 1993 and at 30th April 1994	12,000,000	£1,200,000
Allotted, called up and fully paid as at 30th April 1993 and at 30th April 1994	8,039,121	£803,912

6. FINANCIAL COMMITMENTS

There were no capital commitments at 30th April 1994 nor at 30th April 1993.

A lease for property at Heston for a period of fifteen years from 25th March 1989 was entered into for an annual rent of £67,900. The property was obtained for the business of Blanchards Interior Contracts Limited, a company which has previously been sold.

Blanchards Interior Contracts Limited originally occupied the premises on an informal tenancy agreement directly with the landlord at a rental approximately one-half of that required by the formal lease.

Although Blanchards Interior Contracts Limited went into liquidation, following the liquidation of its parent company, the management of Blanchards Interior Contracts Limited purchased the assets from the liquidator and formed a new company which occupy the premises at Heston on the same terms as those enjoyed by Blanchards Interior Contracts Limited.

Blanchards PLC have made attempts to surrender the lease of the Heston property. Although no written surrender documentation has been completed it is understood that the property has been relet and the Company relies on written representations from a company associated with the landlord to this affect. That company has also confirmed that it will not be seeking repayment of rental arrears. No provision has been made in these accounts for arrears of rent.

APPENDIX 5.

PRO FORMA STATEMENT OF THE NET ASSETS OF THE
COMPANY FOLLOWING THE TRANSACTION

Set out below, for the purposes of illustration only, and which, because of its nature, cannot give a complete picture of the financial position of the company, is a pro forma statement of the net assets of the company at 6 January 1995 adjusted to reflect the transaction and which is prepared on the basis of the notes below:

	Dean & Bowes (Homes) PLC	Effect of the transaction £	Pro forma net assets £
Fixed assets			
Tangible fixed assets	14,356	-	14,356
Asset for resale	-	100,000	100,000
Current assets			
Stocks and work in progress	285,438	-	285,438
Debtors	170,232	-	170,232
Cash at bank and in hand	210,335	(59,999)	150,336
	<u>666,005</u>	<u>(59,999)</u>	<u>606,006</u>
Creditors – amounts falling due within one year	(617,468)	-	(617,468)
Net current assets	<u>48,537</u>	<u>(59,999)</u>	<u>(11,462)</u>
Total assets less current liabilities	62,893	40,001	102,894
Creditors – amounts falling due after one year	(7,117)	-	(7,117)
Provision for liabilities and charges	<u>(850)</u>	<u>-</u>	<u>(850)</u>
Net assets	<u>54,926</u> =====	<u>40,001</u> =====	<u>94,927</u> =====

- (i) The net assets of Dean & Bowes (Homes) PLC have been extracted from the audited balance sheet as at 6 January 1995.
- (ii) The effect of the transaction assumes full acceptance by the Shareholders and Creditors and comprises two elements:
 - The Lots Road Property is disclosed as an asset for resale in view of the intention of Blanchards and Dean & Bowes (Homes) PLC to sell the property as soon as is practical. It is included at the amount of a professional valuation, £100,000 as at 7 March 1995 undertaken on an open market basis by Robert Bruce & Partners.
 - The costs of the proposed transaction have been projected to be £60,000 and these have been reduced by £1 on the assumption that Dean & Bowes (Homes) PLC exercises its option to dispose of Blanchards PLC.
- (iii) A pro forma profit and loss account has not been presented because no trading activities will be acquired by Dean & Bowes (Homes) PLC.

Price Waterhouse

APPENDIX 6



The Directors
Dean & Bowes (Homes) PLC
Hemingford House
Glebe Road
HUNTINGDON
Cambridgeshire
PE18 7DX

10th March 1995

Dear Sirs

We have undertaken a valuation of the company's shares in connection with the offer to acquire the entire issued share capital of Blanchards PLC ("the Offer") in accordance with your instructions dated 27 February 1995.

In our opinion, assuming that the Offer had become unconditional at 10 March 1995, the value of one ordinary share in Dean & Bowes (Homes) PLC at that date would have been 1.3 pence.

Yours faithfully

PRICE WATERHOUSE

APPENDIX 7 ADDITIONAL INFORMATION

1. INCORPORATION AND SHARE CAPITAL

- a.i) ✓ The Offeror was incorporated and registered in England and Wales on 1st April 1993 under the Act with the registered number 2806007 as a private limited company with the name Ichnolite Limited;
- ii) The Offeror changed its name to Dean & Bowes (Homes) Limited with effect from 24th May 1993;
- iii) The Offeror was re-registered as a public limited company on 7th March 1995 pursuant to the Act;
- iv) The principal legislation under which the Offeror operates is the Act and the regulations made thereunder.
- b. The authorised share capital of the Offeror is £55,000 divided into 11 million 0.5 pence ordinary shares of which 10,250,000 (with a nominal value of £51,250) have been issued and are fully paid.
- c. If the Offer is accepted by 100 per cent of the Shareholders and 100 per cent of the Creditors accept the offer made to them the issued share capital (including the Finder's Fee) will be 10,608,147 ordinary shares of 0.5 pence each.
- d. On incorporation the authorised share capital of the Offeror was £100 divided into 100 ordinary shares of £1 each, of which two were issued as nil paid subscription shares held by Gerard Fitzsimons and Michael Thomas Womack.
- e. On 28th June 1993 the authorised share capital of the Company was increased from £100 to £1000 divided into 1,000 ordinary shares of £1 each. On that date a further 990 shares were allotted to Mr Stephen Dean and 8 shares were allotted to Dean & Bowes Limited (to which both incorporation shares had been transferred). The subscription price in each case was £5 per share (including a premium of £4 per share).
- f. On 26th August 1994 Dean & Bowes Limited transferred its shareholding of 10 shares into the beneficial ownership of Mr Stephen Dean for a consideration of £5 per share.
- g. On 6th March 1995 the Offeror's authorised share capital was increased from £1,000 to £55,000 divided into 55,000 ordinary shares of £1 each and 25 shares in the Offeror were issued to a Mr Peter Holmes for a consideration of £5 per share (including a premium of £4 per share).
- h. On 6th March 1995 £4,100 (being the amount then standing to the credit of the Offeror's share premium account) and £46,125 (being part of the amount then standing to the credit of the Offeror's profit and loss account) was used to capitalise the sum of £50,225 into 50,225 fully paid up ordinary shares of £1 each which were allotted pro rata to the existing shareholders.
- i. On 6th March 1995 the Offeror's authorised share capital was sub-divided into 11 million ordinary shares of 0.5 pence each.
- j. On 6th March 1995 Mr Stephen Dean transferred 1,000,000 of his shares in the Offeror to each of:-
- i) Mrs Christine Dean, his wife;
- ii) The Andrew Kenneth Dean Accumulation and Maintenance Trust (of which Mr Stephen Dean is Trustee and of which Andrew Kenneth Dean (Mr Stephen Dean's son) is the sole beneficiary);
- iii) The Russell Stephen Dean Accumulation and Maintenance Trust (of which Mr Stephen Dean is Trustee and of which Russell Stephen Dean (Mr Stephen Dean's son) is the sole beneficiary);
- iv) The Sarah Amie Dean Accumulation and Maintenance Trust (of which Mr Stephen Dean is Trustee and of which Sarah Amie Dean (Mr Stephen Dean's daughter) is the sole beneficiary);
- k. There are no options existing over any DBH Shares.

2. DIRECTORS AND OTHER INTERESTS

- a. The directors of the Offeror are Mr Stephen Dean and Mr Norman Stanley Saunders both of Hemingford House, Glebe Road, Huntingdon, Cambs PE18 7DX. It is proposed that on the Offer becoming unconditional Mr Colin Glass of Convention House, St Mary's Street, Leeds, LS9 7DP shall be appointed a director of the Offeror.
- b. As at 9th March 1995 (the latest practicable date prior to publication of this document) the interests of the DBH Directors in the issued share capital of the Offeror, as required to be notified to the Offeror pursuant to sections 324 and 328 of the Act or which are required to be entered in the register of directors' interests maintained under section 325 of the Act or which are interests of a person connected with a Director (within the meaning of section 346 of the Act) and the existence of which is known to or could with reasonable diligence be ascertained by that Director were as follows:

	Number of DBH Shares	Approximate Percentage
S Dean	6,000,000	58.536
Mrs Christine Dean*	1,000,000	9.756
Andrew Kenneth Dean*	1,000,000	9.756
Russell Stephen Dean*	1,000,000	9.756
Sarah Amie Dean*	1,000,000	9.756

*Mrs Christine Dean is the wife of Mr Stephen Dean. Andrew Kenneth, Russell Stephen, and Sarah Amie Dean are the children of Mr Stephen Dean and the beneficiaries of the various trusts set out above.

The other shareholder in the Offeror is a Mr Peter Holmes who owns 250,000 DBH Shares (approximately 2.44% of the Offeror's issued share capital).

- c. If the Offer is accepted by 100 per cent of the Shareholders and 100 per cent of the Creditors accept the offer made to them the beneficial interests of the DBH Directors and the Proposed Director and persons connected with them (within the meaning of Section 346 of the Act) in the issued share capital of the Offeror are expected to be:

	Number of DBH Shares	Approximate Percentage
S Dean	6,000,000	56.56
Mrs Christine Dean	1,000,000	9.43
Andrew Kenneth Dean	1,000,000	9.43
Russell Stephen Dean	1,000,000	9.43
Sarah Amie Dean	1,000,000	9.43
Colin Glass*	41,666	0.39

*Colin Glass is a partner in the firm of Winburn Glass Norfolk who are Creditors in the amount of £40,100 and will be entitled to 10,025 DBH Shares (equivalent to 0.09% of the Offeror's issued share capital). Mr Glass' interest in those shares has not been aggregated in the above figure.

- d. There are no existing or proposed service contracts between any of the DBH Directors or any Blanchards Director and the Offeror or Blanchards or any of their subsidiaries which have more than 12 months left to run.
- e. Save as regards Mr Glass' Finder's Fee the emoluments of the DBH Directors and the Proposed Director will not be varied as a consequence of the Offer becoming unconditional or any associated transaction.
- f. Save as disclosed in paragraph 2b above, the DBH Directors have not been notified nor are they aware that any person has, directly or indirectly, a notifiable interest in 3 per cent or more of any class in the issued share capital of the Offeror.
- g. Save as disclosed in paragraph 2c above, immediately following acceptance of the Offer there will be no notifiable holdings of 3 per cent or more in the issued ordinary share capital of the Offeror.

- h. The following is a list of the Creditors:-

	Amount owed £
Melvyn Levi†	270,601
Mercantile Credit Company Limited†	241,009
Coopers & Lybrand†	169,587
Winburn Glass Norfolk*†	40,100
Norton Rose†	12,112
Alpha Acceptances Limited***†	10,000
Colin Glass*†	10,000
Allied Provincial Securities Limited†	5,750
Nat West Registrars	5,464

*Mr Colin Glass is a partner in the firm Winburn Glass Norfolk

**Mr Trevor Barker is a shareholder and director of Alpha Acceptances Limited. Alpha Acceptances Limited will be entitled to receive 2,500 DBH Shares in respect of the debt owed to it by Blanchards.

†These Creditors have given the irrevocable undertakings referred to on page 11 of this document.

- i. The following are details of the beneficial interests of the Blanchards Director and persons connected with them (within the meaning of Section 346 of the Act) in the issued share capital of Blanchards:-

	Number of Blanchards Shares	Percentage
Mr Melvyn Levi	1,251,294	15.57
Mr Colin Glass	350,000	4.35

- j. Save as disclosed in paragraph 2b, above and paragraphs 15 and 16 on page 10, and 18 on page 11 of this document neither Blanchards nor any subsidiary of Blanchards nor the Shareholders nor any of the Blanchards Directors nor the DBH Directors nor any members of any of their immediate families nor any related trusts nor any person acting in concert with any of these persons or with the Offeror, nor any bank, stockbroker, financial or other professional advisor to Blanchards nor any person controlling or controlled by, or under the same control as such bank, stockbroker, financial or other professional advisor (excluding exempt market makers) nor any pension fund of Blanchards or of any subsidiary of Blanchards nor any person who has irrevocably committed to assign his debt to the Offeror pursuant to the offer to Creditors or to accept the Offer nor any fund manager (excluding exempt fund managers) connected with Blanchards nor any person who has an arrangement of the kind referred to in Note 6(b) on Rule 8 of the Code with Blanchards or with any person who is an associate of Blanchards (within the meaning of parts (1), (2), (3) and (4) of the definition of "associate" contained in the Code), controls or is interested, directly or indirectly, in any DBH Shares or in any securities convertible into, rights to subscribe for or options in respect of such DBH Shares and securities, nor has any such person dealt for value therein in the last 12 months.
- k. Save as disclosed in paragraphs 2i above and 6a below and, paragraphs 15 and 16 on page 10 and paragraph 18 on page 11 neither the Offeror nor any subsidiary of the Offeror nor Blanchards nor any subsidiary of Blanchards, nor any of the DBH Directors nor any of the Blanchards Directors, nor any member of any of their immediate families nor any related trusts nor any persons acting in concert with any of these persons, nor any bank, stockbroker, financial or other professional advisor of the Offeror or Blanchards, nor any person controlling, controlled by, or under the same control as any such bank, stockbroker, financial or other professional advisor, (excluding exempt market makers) nor any subsidiary of Blanchards nor any pension fund of Blanchards or a subsidiary of Blanchards, nor any person who has irrevocably committed to assign his debt pursuant to the offer to Creditors or to accept the Offer nor any fund manager connected with Blanchards (excluding exempt fund managers) nor any person who has an arrangement of the kind referred to in Note 6(b) on Rule 8 of the Code with Blanchards or with any person who is an associate of Blanchards (within the meaning of parts (1), (2), (3) and (4) of the definition of "associate" contained in the Code), owns or controls or is interested, directly or indirectly, in any Blanchards Shares or in any securities convertible into, rights to subscribe for or options in respect of such Blanchards Shares or securities, nor has any such person dealt for value therein in the last 12 months.

3. BLANCHARDS DIRECTORS

- a. The Blanchards Directors are:-

Melvyn Levi, Trevor Barker and Colin Glass (also the Secretary) all of Convention House, St Mary's Street, Leeds, LS9 7DP.

4. SUMMARY OF THE ARTICLES OF ASSOCIATION

The Articles of Association of the Offeror include provisions to the following effect:-

(i) Rights attaching to DBH Shares

The following is a description of the rights attaching to DBH Shares based on the Articles and English law. This description does not purport to be complete and is qualified in its entirety by the full terms of the Articles.

(a) Voting

Subject to disenfranchisement in the event of (i) non-payment of calls or other monies due and payable in respect of DBH Shares or (ii) non-compliance with a statutory notice requiring disclosure as to beneficial ownership of DBH Shares, and, without prejudice to any special rights previously conferred and subject to any special terms as to voting upon which any shares may be issued or may for the time being be held and to any other provisions of the Articles, on a show of hands every shareholder who is present in person at a general meeting of the Offeror shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every DBH Share held.

(b) Dividends

Subject to the Act, the Offeror at a general meeting may declare dividends to be paid to shareholders according to their rights and priorities in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the board of Directors of the Offeror ("the Board"). Except insofar as the rights attaching to, or the terms of issue of, any DBH Share otherwise provide, all dividends shall be declared according to the amounts paid-up or credited as paid up on the shares and apportioned and paid pro rata according to the amounts paid-up or credited as paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Board may from time to time pay to the shareholders such interim dividends as appear to the Board to be justified by the position of the Offeror. Any dividend unclaimed after a period of 12 years from the date it became due for payment shall be forfeited and shall revert to the Offeror.

The Board may retain any dividend and bonus on shares on which the Offeror has a lien. The Board, with the Offeror's approval may offer bonus shares instead of cash.

(c) Distribution of assets on liquidation

On a winding-up, the liquidator may, with the sanction of an extraordinary resolution of the Offeror and subject to and in accordance with the Act, divide among the shareholders in specie or kind the whole or any part of the assets of the Offeror, subject to the rights of any shares which may be issued with special rights or privileges.

(d) Transferability of DBH Shares

All of the DBH Shares will until the Act otherwise permits be in registered form. Any shareholder may freely transfer all or any of his DBH Shares by an instrument of transfer in writing in any usual form or in any other form which the Board may approve. The Board may, in its absolute discretion and without assigning any reason therefore, decline to register any transfer of any DBH Share which is not fully paid. There is no restriction on the registration of a duly stamped transfer of fully paid DBH Shares provided the transfer (a) is lodged with the Offeror, accompanied by the relevant share certificate and such other evidence of ownership as the Board may reasonably require (b) is only in respect of one class of share and (c) is, in the case of a transfer to joint holders, in favour of not more than four transferees. If any of the above conditions are not complied with, the Board has discretion whether or not to register the transfer in question.

(e) Modification of rights

Subject to the Act, the special rights attached to any class of shares for the time being issued may from time to time (whether or not the Offeror is being wound-up) be modified or abrogated with the written consent of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the issued shares of that class at which a quorum of two or more persons holding or representing by proxy not less than one-third of the issued shares of that class is present. The special rights conferred upon the holders of any shares or class of share shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be modified by the creation or issue of further shares ranking pari passu therewith or the purchase by the Offeror of any of its own shares.

(f) Changes in Capital

Subject to any special rights conferred on the holders of any shares or class of shares, the Offeror may by special resolution issue redeemable shares. Subject to the provisions of the Act and to any special rights previously conferred on the holders of any existing shares, any share may be issued with such special rights or such restrictions as the

Offeror may determine by ordinary resolution. The Offeror may by ordinary resolution increase its share capital, consolidate and divide its share capital into shares of a larger amount, sub-divide its share capital into shares of a smaller amount (subject to the provisions of the Act) and cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its authorised share capital by the amount of the shares so cancelled.

The Offeror may also, subject to the requirements of the Act, purchase its own shares.

(g) Untraced Shareholders

Subject to various notice requirements, the Offeror may sell any shares of a member or person entitled thereto who is untraceable, if during a period of 12 years, at least three dividends in respect of the shares in question have become payable and the cheques or warrants for all amounts payable to such member or person in respect of his shares have remained uncashed and the Offeror has received no indication of the existence of such member or person. The net proceeds of sale shall belong to the Offeror but the member or person who had been entitled to the shares shall become a creditor of the Company in respect of those proceeds.

(h) Non-UK Shareholders

There are no limitations in the Memorandum or Articles on the rights of non-UK shareholders to hold, or exercise voting rights attaching to, DBH Shares.

(i) Sanctions on Shareholders

A holder of DBH Shares loses his rights to vote in respect of DBH Shares if and for so long as he or any other person appearing to be interested in those shares fails to comply with a request by the Offeror under the Act requiring him to give particulars of any interest in those DBH Shares within the stated period. In the case of shareholdings representing 0.25 per cent, or more, in nominal amount, of the share capital of the Offeror then in issue, or any class thereof, the sanctions which may be applied by the Offeror include not only disenfranchisement but also the withholding of the right to receive payment of dividends and other monies payable on, and restrictions on transfers of, the DBH Shares concerned.

(j) Rights of Pre-emption

Unless the Offeror directs in general meeting any new shares proposed to be issued not comprising part of the authorised share capital of the Offeror at the date of this Offer shall be offered first pro-rata to existing shareholders.

(ii) Directors

The Directors (other than those holding executive office with the Offeror or any subsidiary of the Offeror) shall be paid by way of fees for their services at such rate and in such proportions as the Board may resolve, a sum not exceeding an aggregate of such amount as the Offeror may by ordinary resolution determine or, in the case of such Directors who are resident outside the UK, such extra remuneration as the Board may determine. Any Director who holds executive office or who performs duties outside the ordinary duties of a Director, may be paid such remuneration or extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine.

The Directors shall also be paid all expenses properly incurred by them in attending meetings of the Offeror or of the Board or otherwise in connection with the business of the Offeror.

A Director who is in any way, whether directly or indirectly, interested in any contract or proposed contract with the Offeror shall declare the nature of his interest in accordance with the Act.

A Director shall not vote, and shall not be counted in a quorum, in respect of any contract, arrangement or proposal in which he has a material interest (otherwise than by virtue of shares or debentures or other securities of the Offeror), except that this prohibition shall not apply to:

- (a) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Offeror or any of its subsidiaries;
- (b) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Offeror or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any contracts or arrangements by a Director to participate in the underwriting or sub-underwriting of any offer of shares, debentures, or other securities of the Offeror for subscription;

- (d) any contract or arrangement concerning any other company (not being a company in which the Director owns one per cent or more) in which he is interested directly or indirectly whether as an officer, shareholder, creditor or otherwise howsoever. A company shall be deemed to be a company in which a Director owns one per cent or more if and so long as he is (either directly or indirectly) the holder of or beneficially interested in one per cent or more of any class of the equity share capital of such company or of the voting rights available to members of such company. For the purpose of this paragraph, there shall be disregarded any shares held by a Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director is interested only as a unit holder; and
- (e) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefits scheme or employees' benefit scheme which relates both to Directors and employees of the Offeror or any of its subsidiaries under which he may benefit;

and the Offeror may in general meeting at any time suspend or relax any such prohibitions or ratify any transaction not duly authorised by reason of a contravention of a prohibition.

Subject to the provisions of the Act, and provided that he has disclosed to the Board the nature and extent of any material interest of his, a Director notwithstanding his office may be a party to, or otherwise interested in, any transaction or arrangement with the Offeror or in which the Offeror is otherwise interested, may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Offeror or in which the Offeror is otherwise interested and shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit. Any Director may act by himself or by his firm in any professional capacity (other than auditor) and he or his firm shall be entitled to remuneration as if he were not a Director.

The provisions of Section 293 of the Act as to the retirement of Directors on reaching 70 apply to the Offeror.

The Directors are not required to hold qualification shares.

At each annual general meeting of the Offeror one-third (or the nearest number to but not greater than one-third) of the Directors shall retire from office by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. The Offeror may from time to time by ordinary resolution appoint any person to be a Director. The Directors may also from time to time appoint one or more Directors but any Director so appointed shall retire at or at the end of the next annual general meeting of the Offeror but shall then be eligible for re-election and any Director who so retires shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

The Board may from time to time appoint one or more Directors to be the holder of any executive office for such period and on such terms as it decides. A Director so appointed shall cease to hold such office when the Board terminates his appointment or when he ceases to be a Director of the Offeror.

(iii) Borrowing Powers

The Articles provide that the aggregate principal amount from time to time remaining undischarged of all moneys borrowed by the Offeror (exclusive of intra-group borrowings) shall not, without the previous sanction of an ordinary resolution of the Offeror, exceed an amount equal to the greater of (a) £2,000,000 and (b) three times the Adjusted Capital and Reserves (as defined in the Articles) of the Offeror.

5. SUBSIDIARIES

- a. The Offeror has one wholly owned subsidiary: Dean Homes Limited. Dean Homes Limited is registered in England and Wales and is incorporated and operates in England. It has an issued share capital of £100 and its principal activity is house building. Its registered office is Merlin Place, Milton Road, Cambridge, CB4 4DP

6. MATERIAL CONTRACTS

- a. The following contract, not being a contract entered into in the ordinary course of business, has been entered into by the Offeror within the period of two years immediately preceding the date hereof and is or may be material. That contract is the Option Deed dated 10th March 1995 granted to the Offeror by Mr Colin Glass for the Offeror to require Mr Colin Glass to purchase all of the shares in Blanchards held at the time of exercise of the Option by the Offeror for a total price of £1. Mr Glass further undertakes in that Deed to take all such steps as are open to him as director and shareholder of Blanchards to liquidate Blanchards, if required by the Offeror, and hold any proceeds of liquidation in trust for the Shareholders. The Offeror has agreed to indemnify Blanchards in respect of new liabilities incurred by Blanchards in the period between the Offeror obtaining control of Blanchards and the disposal of Blanchards pursuant to the Option. The Offeror has agreed with Mr Glass to be responsible

for the reasonable and proper liquidation expenses of Blanchards up to £10,000.

- b. There are no contracts, not being contracts entered into in the ordinary course of business, which have been entered into by Blanchards or any subsidiary of Blanchards within the period of two years immediately preceding the date hereof which are or may be material.

7. LITIGATION

- a. There are no legal or arbitration proceedings (including such proceedings which are pending or threatened of which the DBH Directors are aware) involving the Offeror which may have or have had during the 12 months preceding the date of this document a significant effect on the financial position of the Offeror.
- b. There are no legal or arbitration proceedings (including such proceedings which are pending or threatened of which the Blanchards' Directors are aware) involving Blanchards which may have or have had during the 12 months preceding the date of this document a significant effect on the financial position of Blanchards.

8. TAXATION

When paying a dividend the Offeror is not required to withhold tax at source from such payments. However when a dividend is paid the Offeror has to account to the Inland Revenue for an amount of advance corporation tax ("ACT") at a rate of one quarter of the dividend paid.

An individual shareholder who is resident for tax purposes in the UK is entitled to a tax credit in respect of dividends that he receives. The associated tax credit is currently equal to one quarter of the amount of the dividend paid. A UK resident individual shareholder who is not liable to income tax (for example because any income is covered by allowances), can claim a repayment of the tax credit from the Inland Revenue. For a UK resident individual shareholder who is liable to income tax at the lower or basic rate, the tax credit will satisfy his liability to income tax on the aggregate of the dividend and the tax credit. A UK resident individual shareholder who is liable to higher rate income tax on all or any part of the aggregate of the dividend and the associated tax credit will, to that extent, have to account to the Inland Revenue for the difference between the lower and higher rates of tax (i.e. 20 per cent).

9. MISCELLANEOUS

- a.
 - i) There has been no material change in the financial or trading position of the Offeror since 6th January 1995 the date to which the last audited accounts have been prepared.
 - ii) There has been no material change in the financial or trading position of Blanchards (save in relation to the cessation of rental income, and the departure of the tenant, from the Lots Road Property) or its subsidiaries since 30th April 1994 the date to which the last audited consolidated accounts have been prepared.
- b. ✓ Price Waterhouse, Chartered Accountants, have given and not withdrawn their written consent to the issue of this document with the inclusion of their report and valuation and their name and the references thereto in the form and context in which they appear.
- c. ✓ Keith, Bayley, Rogers & Co., have given and not withdrawn their written consent to the issue of this document with the inclusion of their recommendations and their name and the references thereto in the form and context in which they appear.
- d. ✓ Messrs Robert Bruce & Partners, Estate Agents and Valuers, have given and not withdrawn their written consent to the issue of this document with the inclusion of their valuation and their name and the references thereto in the form and context in which they appear.
- e. The DBH Shares will be in registered form.
- f. The principal place of business of the Offeror is Hemingford House, Glebe Road, Huntingdon, Cambridgeshire PE18 7DX.
- g. The Offeror's registrars are Independent Registrars Group Limited, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ.
- h. The auditors of the Offeror are Price Waterhouse of Southgate House, 11 Millstone Lane, Leicester, LE1 5QA.
- i. The financial information relating to the Offeror contained in this document does not constitute statutory accounts within the meaning of Section 240 of the Act. Full accounts of the Offeror in respect of the 53 weeks ended 6th January 1995 have been delivered to the Registrar of Companies in England and Wales. Price Waterhouse, Chartered Accountants, of Southgate House, 11 Millstone Lane, Leicester, LE1 5QA have issued a report under Section 235 of the Act in respect of that set of accounts which did not contain a statement under Section 237(2) or (3) of the Act. The reports attached to those accounts were unqualified.
- j. The Offeror is currently a close company as defined in the Income and Corporation Taxes Act 1988. The Directors believe that the Offeror will be a close company as so defined, following acceptance of the Offer.

- k. Save as disclosed at paragraph 6a above with respect to Mr Colin Glass and pursuant to the offer being made to Creditors referred to at paragraph 16 on page 10 and 18 on page 11 above there are no existing arrangements or understandings between the Offeror its subsidiary or any person acting in concert with either of them and any of the directors, recent directors, shareholders or recent shareholders of Blanchards having any connection with or dependence upon the Offer.
- l. Save as disclosed at paragraph 6a above there are no existing arrangements or understandings as a result of which the Blanchards Shares to be acquired pursuant to the Offer will be transferred to any other persons.
- m. The expenses of this Offer shall be borne by the Offeror. Reference has already been made at paragraph 19 on page 11 of this document to the arrangements involving Mr Colin Glass whereby he will receive 33,333 DBH Shares by way of a finder's fee. It is anticipated that the expenses of the Offer will total approximately £60,000 (exclusive of VAT and disbursements). The Offeror has borne all of its preliminary expenses which totalled approximately £300 (exclusive of VAT).
- n. As the Offer does not involve the subscription of DBH Shares for cash, the DBH Directors are of the opinion that there is no minimum amount to be raised for the purposes set out in paragraph 2 of Schedule 3 to the Act.
- o. The Offeror's requirements for working capital and for money to repay money borrowed to repay preliminary expenses are to be provided out of a facility which has been arranged with the Bank of Scotland of £1,000,000.
- p. Each of the DBH Directors accepts responsibility for the information contained in this document except that which relates to Blanchards or the Blanchards Directors. To the best of the knowledge and belief of the DBH Directors (who have taken all reasonable care to ensure that such is the case) the information for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- q. Each of the Blanchards Directors accepts responsibility for the information contained in this document relating to Blanchards and himself. To the best of the knowledge and belief of the Blanchards Directors (who have taken all reasonable care to ensure that such is the case) the information for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.
- r. Save as disclosed in paragraph 6a above there are no arrangements of the kind referred to in Note 6(b) of Rule 8 of the Code which exist between the Offeror or any person acting in concert with the Offeror or between Blanchards or any person who is an associate (within the meaning of paragraph (1), (2), (3) and (4) of the definition of "associate" contained within the Code) of Blanchards, and any other person.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Offeror and at the offices of Teeman Levine, Aire House, Swinegate, Leeds LS1 4AG during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted) while the Offer remains open for acceptance:

- a. the Memorandum and Articles of Association of the Offeror and of Blanchards;
- b. the audited consolidated accounts of Blanchards and its subsidiaries for the years ended 30th April 1993 and 30th April 1994;
- c. the audited accounts of the Offeror for the periods ended 31st December 1993 and 6th January 1995;
- d. the material contract referred to in paragraph 6a above;
- e. the written consents referred to in paragraphs 9b, 9c and 9d above;
- f. the irrevocable commitments referred to on pages 10 and 11 of this document;
- g. the report of Price Waterhouse, Chartered Accountants' on the value of the DBH Shares forming Appendix 6 of this document;
- h. letter containing recommendations from Keith, Bayley, Rogers, & Co.;
- i. the report of Price Waterhouse, Chartered Accountants forming Appendix 3 of this document.

Dated 10th March 1995. ✓

NOTICE OF EXTRAORDINARY GENERAL MEETING

BLANCHARDS PLC

NOTICE is hereby given that an Extraordinary General Meeting of the Company will be held at Convention House, St Mary's Street, Leeds, LS9 7DP on the 11th day of April 1995 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

THAT:-

1. The offer to Mr Melvyn Levi as a creditor of the Company from Dean & Bowes (Homes) PLC as described in the Offer to shareholders of Blanchards dated 10th March 1995 be and hereby is approved.
2. The offer to Mr Colin Glass and to Messrs Winburn Glass Norfolk (in which Mr Colin Glass is a partner) as creditors of the Company from Dean & Bowes (Homes) PLC as described in the Offer to shareholders of Blanchards dated 10th March 1995 be and hereby is approved.

BY ORDER OF THE BOARD

Colin Glass
Secretary

Dated this 10th day of March 1995.

Registered Office:

Convention House
St Mary's Street
Leeds, LS9 7DP

NOTES:

1. Voting on both resolutions will be conducted on a poll and neither Port Cullis Investment Company SA (which holds Blanchards Shares in trust for Mr Melvyn Levi) nor Mr Colin Glass will be entitled to vote on either resolution in order to comply with the requirements of the Panel on Takeovers and Mergers for dispensation from Rule 16 of the City Code on Takeovers and Mergers as set out in the Offer dated 10th March 1995.
2. A Member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and vote on a poll in his place. A proxy need not also be a member of Blanchards.
3. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
4. In the case of a corporation the Form of Proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or a duly authorised officer of the corporation.
5. To be effective, the Form of Proxy together with any power of attorney or other authority under which it is executed or a notarially certified copy thereof must be sent to Independent Registrars Group Limited, Balfour House, 390/398 High Road, Ilford, Essex IG1 1NQ so as to arrive no later than 10.00a.m. on 10th April, 1995.
6. Completion of a Form of Proxy will not affect the right of a holder of Blanchards Shares to attend and vote at the Meeting.

2806007

ROBERT BRUCE & PARTNERS

ESTATE AGENTS
& VALUERS

90/100 SYDNEY STREET,
LONDON SW3 6NJ

Telephone 071-351 6767 (Sales)

071-351 6770 (Rentals)

Fax 071-351 6448

Partners

R.D. DOXFORD

A.J.C. COLVIN

Associate Partners

M.P.C. WOOD

G.O. COWPER-COLES

A. T-W-FIENNES

Consultant

W. CARTER ARICS

RDD/DD

8th March 1995

The Directors
Blanchards Plc
Convention House
St Marys's Street
LEEDS
LS9 7DP

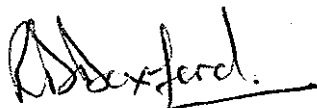
Dear Sirs

Property Valuation as at 7 March 1995

We refer to our valuation of 92 Lots Road, Chelsea set out in a letter dated 7 March 1995 addressed to you.

We hereby consent to the publication of our valuation and our name and references thereto in the form and consent in which they appear in the Offer Document proposed to be issued by Dean & Bowes (Homes) Plc in connection with its proposed purchase of the entire issued share capital of Blanchards Plc.

Yours faithfully,



For and on behalf of
Robert Bruce & Partners

Keith, Bayley, Rogers & Co.
Ebbark House
93 - 95 Borough High Street
London Bridge
London SE1 1NL

Telephone: 0171-827 9988
 0171-378 0657
Facsimile: 0171-403 3536
Telex: 888437
DX 93401 Christopher Street EC2

2806007
KBR
KEITH BAYLEY
Member of the London Stock Exchange
Member of The Securities and Futures Authority

Corporate Finance
A. H. Drummon
John Clark
Derek Crowhurst

Ref: DC\consent.dc

9th March 1995

The Directors
Dean & Bowes (Homes) Plc
Hemingford House
Glebe Road
Huntingdon
CAMBS PE18 7DX

The Directors
Blanchards PLC
Convention House
St Mary's Street
LEEDS LS9 7DP

Gentlemen

**Offer by Dean & Bowes (Homes) Plc to acquire the whole of the
issued share capital of Blanchards PLC**

We refer to the offer document dated 9th March 1995 issued by
Dean & Bowes (Homes) Plc in connection with the above offer ("the
Offer Document").

We hereby consent to the issue of the Offer Document with the
inclusion therein of our recommendations and our name and
references thereto in the form and context in which they appear.

Yours faithfully
For and on behalf of
Keith, Bayley, Rogers & Co.


A H Drummon

806007

Southgate House
61 Millstone Lane
Leicester LE1 5QA

Telephone: 0116-262 0000
Telex: 884657 PRIWAT G
Telecopier: 0116-253 2697

Price Waterhouse



10 March 1995

PRIVATE AND CONFIDENTIAL

The Directors
Dean & Bowes (Homes) plc
Hemingford House
Glebe Road
HUNTINGDON
Cambridgeshire
PE18 7DX

Gentlemen

We hereby consent to the issue of the offer by Dean & Bowes (Homes) plc to acquire the whole of the issued share capital of Blanchards plc with the inclusion therein of our report dated 10 March 1995 and our letter dated 10 March 1995 in the form and context in which they are included. A copy of the offer initialled by us for the purpose of identification is attached.

Yours faithfully

PRICE WATERHOUSE

JSL/DSP

original seen
; checked
for

POWERNSS.DBH

2806007

POWER OF ATTORNEY
of
NORMAN STANLEY SAUNDERS

BY THIS POWER OF ATTORNEY made the *Sixth* day of March One thousand nine hundred and ninety-five I NORMAN STANLEY SAUNDERS of Jubilee Lodge North East, Park Lane, Knebworth, Hertfordshire, SG3 8QD hereby irrevocably appoint Stephen Dean of The Paddocks, Hemingford Road, St Ives, Cambridgeshire (hereinafter called "the Attorney") to be my true and lawful attorney with full power and authority in my name and on my behalf to do sign or execute all acts documents or deeds as may be necessary or desirable in connection with an offer to be made by Dean & Bowes (Homes) Limited for the entire issued share capital of Blanchards plc (including without limitation the signing as my agent of any prospectus issued in connection with that matter) and all related matters

I HEREBY UNDERTAKE to ratify and confirm any act or document whatsoever that the Attorney shall do or lawfully cause to be done by virtue of this Power of Attorney and to indemnify him against all costs and expenses properly incurred by him under it

The authority of the Attorney under this Power of Attorney shall cease on the expiry of three months from today's date

IN WITNESS whereof the Attorney has executed this instrument as a Deed in manner hereinafter appearing and it has been delivered by him or on his behalf on the day and year first above written

SIGNED as a Deed by)
NORMAN STANLEY SAUNDERS)
in the presence of :-)

N. S. Saunders

Gerard Higgins

Solicitor

Cambridge

original seen
checked pin

2806007

66 The Fairway
Leeds
West Yorkshire
LS17 7PD

Mr S Dean
Dean & Bowes (Homes) PLC
Hemingford House
Glebe Road
Huntingdon
Cambridgeshire
PE18 7DX

9 March 1995

Dear Mr Dean

Please accept this letter as my authorisation for you to sign the document containing the offer to acquire the whole of the issued ordinary share capital of Blanchards PLC as my agent in accordance with Section 64(1)(a) of the Companies Act 1985.

Yours sincerely



COLIN GLASS.