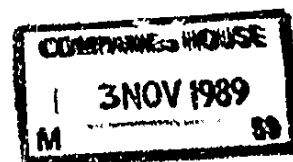


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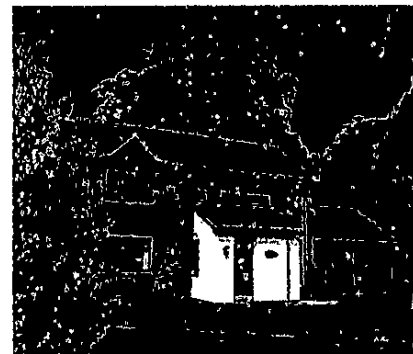
WHELMAR GROUP plc.  
ANNUAL REPORT  
AND ACCOUNTS  
31ST MARCH 1989





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## CHAIRMAN'S STATEMENT

This has been a particularly significant year in the evolution of the group due both to corporate development and improved profitability.

In February 1989, we successfully combined our operations with Wainhomes Group Limited and Lanley Builders Limited, by the acquisition of the entire share capitals of both companies. This satisfied a number of earlier strategic objectives, which were to achieve both geographic and market spread throughout the North West and gain access to a high quality land bank. We also implemented our plan to augment the sheltered housing activity, which is perceived to be an increasingly important sector of the business.

The enlarged group now has a major regional profile and strong locally based management with the skills and commitment to ensure continuing success.

During the year we experienced a strong market and demand for our quality product was buoyant, consequently profits were considerably ahead of the equivalent figures for last year.

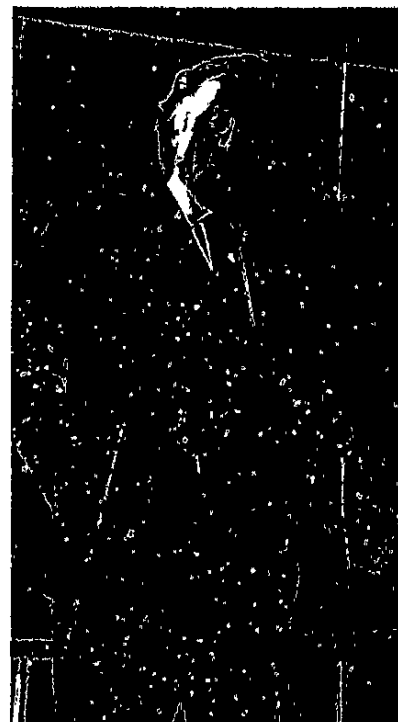
High interest rates will clearly have an impact on the market in general, but with a strong balance sheet we are well positioned to withstand a more difficult climate and remain optimistic about the prospects for the future.

### Acknowledgement

I have been most impressed at the speed with which the directors, senior management, staff and employees have developed a renewed team spirit and have achieved excellent results as a consequence. I am proud to be their Chairman and, on behalf of all the shareholders, I thank them all for their efforts and commitment.



TREVOR. J. HEMMINGS  
Chairman



Whelma Group Ltd

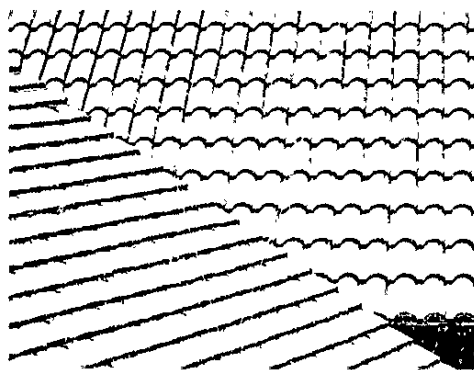
## BUILDING BRITAIN'S HERITAGE



Nothing on our developments happen by accident, for the personality of a property we believe reflects the personality of the developer. Because Whelma believe good design is not only about houses themselves but their relationship to one another and the surroundings, everything is planned to achieve a unique combination and balance of many features with design, landscaping, position, price and individuality. This allows us to justifiably claim to be building Britain's heritage.

In today's world of mass production our claim is to restore some character and individuality to home building. All the house styles on our developments are carefully chosen to blend in with the natural landscape. With the individual in

mind we aim to provide maximum privacy and breathing space. Wherever possible we try never to make any two properties exactly alike.



The Directors have pleasure in presenting their Report and Accounts for the year to 31st March 1989.

**Principal activity and business review**

The principal activity of the group continues to be housebuilding.

On 3rd February 1989, the group acquired the whole of the issued share capitals of Wainhomes Group Limited and Lanley Builders Limited. Further details of these acquisitions can be found in note 1.

The enlarged group's annual turnover has increased by 26% to £48.9m. Pre-tax profit for the year has improved to £7.3m. The return on average capital employed was excellent as a result of tight control of working capital and improved profitability.

The group continues to secure good quality land opportunities for future growth and consequently has three years' supply at the balance sheet date.

In October 1988, the land at Marlston Kings was sold to a new company established and owned equally by the company and its two development consortium partners. In view of the uncertain planning situation involving land in the green belt, the land was sold at the Board's estimate of its net realisable value. The difference between cost and net realisable value is dealt with in the normal way in cost of sales.

Also, on 3rd February 1989 Whelmar Group Limited applied to be re-registered as a public limited company and to change its name to Whelmar Group plc. Registration of the change of name was effected on the 13th March 1989.



# DIRECTORS' REPORT

(continued)

## Directors and their interests

The directors who have been in office during the year were:

T.J. Hemmings (Chairman)  
D. R. Evans  
R. Smith  
I. Q. Jones (resigned 3rd February 1989)  
W. Ainscough (appointed 3rd February 1989)  
J. Cassidy (appointed 3rd February 1989)  
J.J.U. Hayward (appointed 3rd February 1989)

The directors had the following beneficial interests in the share capital of the company at 31st March 1989.

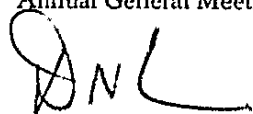
	Class of Share	31st March 1989
T.J. Hemmings	Ordinary	113,333
D.R. Evans	Ordinary	45,000
R. Smith	Ordinary	45,000
I.Q. Jones	—	—
W. Ainscough	Ordinary	220,000
J. Cassidy	—	—
J.J.U. Hayward	—	—

## Tax status

In the opinion of the directors the close company provisions of the Income & Corporation Taxes Act 1970 apply to the company with effect from 3rd February 1989.

## Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Peat Marwick McLintock as auditors to the company will be put to the Annual General Meeting.



D. N. INCE  
Secretary

By order of the Board



**GROUP PROFIT  
AND LOSS  
ACCOUNT**

For the year to  
31st March 1989

	Notes	1989 £000	1988 Restated £000
Turnover		48889	38918
Cost of sales		(36938)	(29559)
Gross profit		11951	9359
Share of profits of associated companies		146	—
Net operating expenses	2	(4532)	(4083)
Operating profit		7565	5276
Interest	3	(407)	(582)
Other income	4	97	215
Profit on ordinary activities before taxation	5	7255	4909
Taxation on profit on ordinary activities	7	(2648)	(1713)
Profit on ordinary activities after taxation	8	4607	3196
Dividends	9	(1057)	(539)
Profit retained		3550	2657

The notes on pages 17 to 30 form part of these accounts





COMPANY

BALANCE

SHEET

At 31st March 1989

	Notes	1989 £000	1988 £000
<b>Fixed assets</b>			
Tangible fixed assets	11	246	253
Investments	12	9141	8808
		9387	9061
<b>Current assets</b>			
Debtors	14	1876	1280
<b>Creditors: amounts falling due within one year</b>	16	(959)	(430)
<b>Net current assets</b>		917	850
<b>Total assets less current liabilities</b>		10304	9911
<b>Creditors: amounts falling due after more than one year</b>	17	(3650)	(3650)
Deferred taxation	18	(2)	(2)
<b>Net assets</b>		6652	6259
<b>Share capital and reserves</b>			
Called up share capital	19	3333	3000
Share premium account	20	1373	1709
Profit and loss account	20	1946	1550
<b>Shareholders' funds</b>		6652	6259

Approved by the Board on 5th June 1989

Directors R. Smith  
W. Ainscough

The notes on pages 17 to 30 form part of these accounts

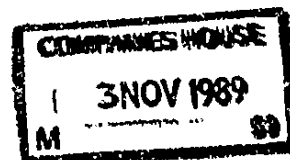


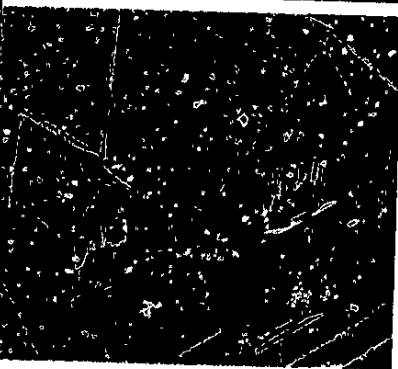
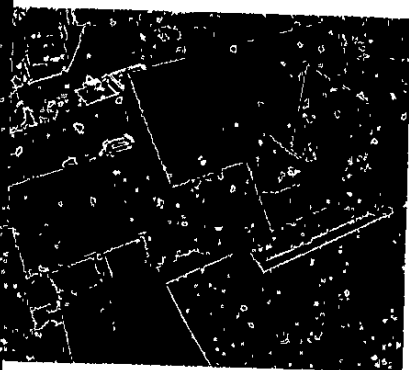
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WHELMAR GROUP plc.  
ANNUAL REPORT  
AND ACCOUNTS  
31ST MARCH 1989









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Whelmar Group plc

## DIRECTORS

## AND ADVISERS

### DIRECTORS :

T. J. Hemmings (Chairman)

D. R. Evans

R. Smith

W. Ainscough

J. Cassidy

J. J. U. Hayward

### SECRETARY :

D. N. Ince

### SOLICITORS :

Maclay Murray & Spens

Erskine House, 68/73 Queen Street, Edinburgh EH2 4NF

Stegles and Mather

Victoria House, 10/12 St Werburgh Street, Chester CH1 2JY

### AUDITORS :

Peat Marwick McLintock

Richmond House, Rumford Place, Liverpool L3 9QY

### FINANCIAL ADVISERS :

Quayle Munro Limited, 42 Charlotte Square, Edinburgh EH2 4HQ

### STOCKBROKERS :

Bell Lawrie Limited

Erskine House, 68 Queen Street, Edinburgh EH2 4AE

### BANKERS :

Bank of Scotland

The Mound, Edinburgh EH1 1YZ

### COMPANY ADDRESSES:

#### WHELMAR GROUP plc.

Whelmar House, The Beeches, Plas Newton Lane, Chester CH2 1PR

Tel: (0244) 310421

#### WHELMAR (CHESTER) LTD.

Whelmar House, The Beeches, Plas Newton Lane, Chester CH2 1PR

Tel: (0244) 310421

#### WAINHOMES LTD.

Bradley Hall Estate, Bradley Lane, Standish, Wigan WN6 0QX

Tel: (0257) 425511



Whelma Group plc  
CHAIRMAN'S  
STATEMENT

This has been a particularly significant year in the evolution of the group due both to corporate development and improved profitability.

In February 1989, we successfully combined our operations with Wainhomes Group Limited and Lanley Builders Limited, by the acquisition of the entire share capitals of both companies. This satisfied a number of earlier strategic objectives, which were to achieve both geographic and market spread throughout the North West and gain access to a high quality land bank. We also implemented our plan to augment the sheltered housing activity, which is perceived to be an increasingly important sector of the business.

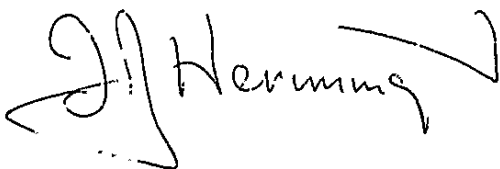
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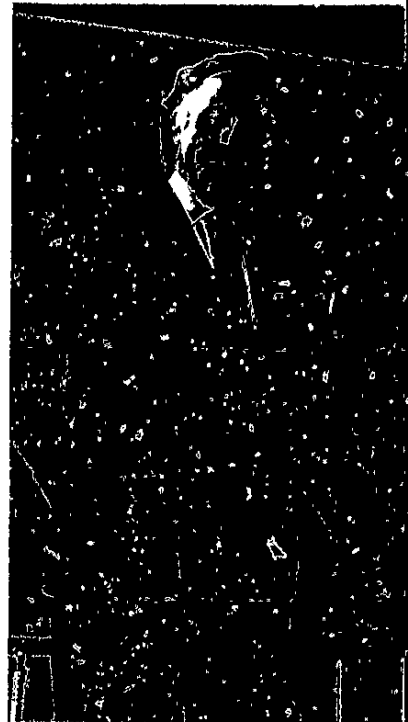
High interest rates will clearly have an impact on the market in general, but with a strong balance sheet we are well positioned to withstand a more difficult climate and remain optimistic about the prospects for the future.

#### Acknowledgement

I have been most impressed at the speed with which the directors, senior management, staff and employees have developed a renewed team spirit and have achieved excellent results as a consequence. I am proud to be their Chairman and, on behalf of all the shareholders, I thank them all for their efforts and commitment.



TREVOR J. HEMMINGS  
Chairman





## CHARACTER BUILDING

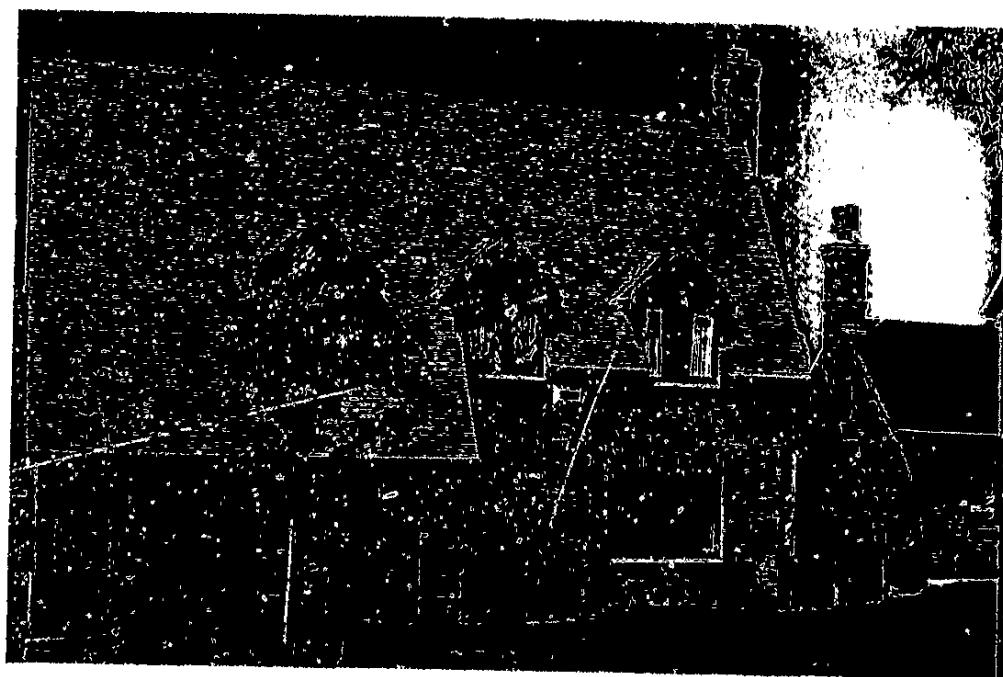
The Whelmar Group are more than just home builders. At the heart of our philosophy is the customer. Our starting point is always the opinions and suggestions of customers. This coupled with careful market research and analysis of current trends keep us ahead, but more importantly gives us valuable insight into all our potential customers expectations - a home of character, designed for individuals.



This of course can mean many things to many people and at Whelmar we begin with the careful selection of prime land in prime locations. The Whelmar homebuilding team will work their special magic to build character into over 40 developments throughout the North West. Their unique blend of design skills and planning resources make the Whelmar group the region's most prominent builder of quality homes.

By operating from two centres, Whelmar in Chester and Wainhomes in Wigan, the group keep in close contact with our developments. This helps retain sensitivity towards local conditions.

Designing the home is only a small part of the plan because the area, position, landscape and environment are all taken into consideration. In building Britain's heritage no detail is too small to be overlooked or left to casual chance. Houses and Bungalows will be grouped informally together in a tastefully landscaped setting. Mature trees, shrubs and hedge rows will be retained where possible in front of a dwelling and returned to former glory. Gently looping rounds and small intriguing avenues off central access roads will be the order of the day. Where the ancient and mighty oak stands proud today, let it remain so tomorrow preserving our heritage for future generations.



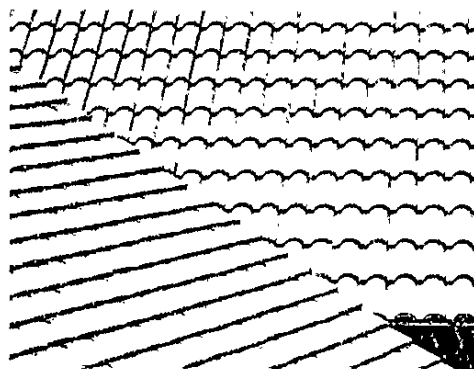
# WILKINSON BUILDING BRITAIN'S HERITAGE



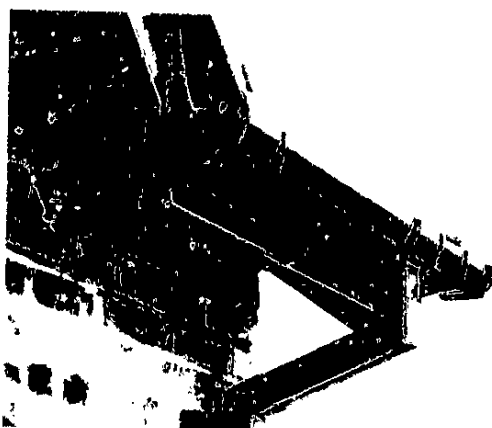
Nothing on our developments happen by accident, for the personality of a property we believe reflects the personality of the developer. Because we believe good design is not only about houses themselves but their relationship to one another and the surroundings, everything is planned to achieve a unique combination and balance of many features with design, landscaping, position, price and individuality. This allows us to justifiably claim to be building Britain's heritage.

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mind we aim to provide maximum privacy and breathing space. Wherever possible we try never to make any two properties exactly alike.



What a Character  
 BUILDING  
 A BRITAIN  
 WITH  
 CHARACTER

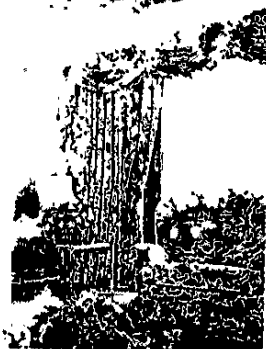


Quality materials are utilised throughout, made to order and exacting standards. Tradesmen, proud of their skills with brick, timber, paint and wire create from these raw materials, the soul of the home, leaving a kaleidoscope of internal choice to the final owner.

Stylish features like piked dormer windows, dramatic timbered elevations and feature porches combine with a variety of brick colour, alternative banding with part through to three quarter rendering. On top, roofs utilise many traditional types of slate, creating an interesting collage of colour and texture.



Providing timber clad vaulted ceilings, open staircases, minstrel galleries, corner fireplaces and a host of other internal features, these craftsmen make the home as distinctively different inside as out.



## DIRECTORS' REPORT

The Directors have pleasure in presenting their Report and Accounts for the year to 31st March 1989.

### Principal activity and business review

The principal activity of the group continues to be housebuilding.

On 3rd February 1989, the group acquired the whole of the issued share capitals of Wainhomes Group Limited and Lanley Builders Limited. Further details of these acquisitions can be found in note 1.

The enlarged group's annual turnover has increased by 26% to £48.9m. Pre-tax profit for the year has improved to £7.3m. The return on average capital employed was excellent as a result of tight control of working capital and improved profitability.

The group continues to secure good quality land opportunities for future growth and consequently has three years' supply at the balance sheet date.

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Also, on 3rd February 1989 Whelmar Group Limited applied to be re-registered as a public limited company and to change its name to Whelmar Group plc. Registration of the change of name was effected on the 13th March 1989.



# DIRECTORS' REPORT

(continued)

## Share capital and dividends

The changes in share capital during the year are shown in note 19 to the accounts which reflects the re-organisation consequent upon the acquisitions made during this year.

A net dividend of £367,759 was declared on 3rd February in respect of the trading period from 1st April 1988 up to 3rd February 1989 on the existing preferred ordinary shares. At this date they were converted into ordinary shares and deferred shares.

This dividend was in substitution for the dividends provided in the articles to be paid on the preferred ordinary shares in respect of periods commencing after 31st March 1988, with the exception of the aggregate net dividend of £75,000 paid on these shares on 30th September 1988.

Also on the 3rd February 1989, a special gross dividend of £1,500,000 was declared in respect of two classes of ordinary shares. This will only become payable in the event of the circumstances arising as further explained in note 22.

No dividend was declared on the ordinary shares in respect of the period up to 3rd February 1989.

A net dividend of £313,910 (47.1p per share) is declared in respect of the ordinary shares in existence after 3rd February 1989 and in respect of the trading period from 3rd February 1989 to 31st March 1989.

The dividend rights of the preference shares are unchanged by the re-organisation, save that the new Articles of Association provide for an earlier redemption as further disclosed in note 19.

## Employee policies

It is group policy to keep employees informed on the current status of the group and its future prospects. The group continues to be concerned for the health, safety and welfare of its employees and to observe the terms of The Health and Safety at Work Act 1974.

## Fixed assets

The Directors are of the opinion that the present value of the group's properties is not significantly different from the book value. Movements on tangible fixed assets are shown in note 11.



Whelan Group plc  
**DIRECTORS'  
REPORT**

**Directors and their interests**

The directors who have been in office during the year were:

T. J. Hemmings (Chairman)  
D. R. Evans  
R. Smith  
I. Q. Jones (resigned 3rd February 1989)  
W. Ainscough (appointed 3rd February 1989)  
J. Cassidy (appointed 3rd February 1989)  
J.J.U. Hayward (appointed 3rd February 1989)

The directors had the following beneficial interests in the share capital of the company at 31st March 1989.

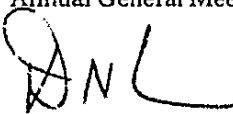
	Class of Share	31st March 1989
T.J. Hemmings	Ordinary	113,333
D.R. Evans	Ordinary	45,000
R. Smith	Ordinary	45,000
I.Q. Jones	-	-
W. Ainscough	Ordinary	220,000
J. Cassidy	-	-
J.J.U. Hayward	-	-

**Tax status**

In the opinion of the directors the close company provisions of the Income & Corporation Taxes Act 1970 apply to the company with effect from 3rd February 1989.

**Auditors**

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the re-appointment of Peat Marwick McLintock as auditors to the company will be put to the Annual General Meeting.

  
D. N. INCE  
Secretary

By order of the Board



Whelmar Group plc

REPORT  
OF THE  
AUDITORS

to the members of  
Whelmar Group Plc.

We have audited the accounts on pages 13 to 30 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31st March 1989 and of the profit and source and application of funds of the group for the year then ended and are properly prepared in accordance with the Companies Act 1985.

5th June 1989

Peat Marwick McLintock  
Chartered Accountants

Richmond House  
1 Rumford Place  
Liverpool L3 9QY



# GROUP PROFIT AND LOSS ACCOUNT

For the year to  
31st March 1989

	Notes	1989 £000	1988 Restated £000
Turnover		48889	38918
Cost of sales		(36938)	(29559)
Gross profit		11951	9359
Share of profits of associated companies		146	-
Net operating expenses	2	(4532)	(4083)
Operating profit		7565	5276
Interest	3	(407)	(582)
Other income	4	97	215
Profit on ordinary activities before taxation	5	7255	4909
Taxation on profit on ordinary activities	7	(2648)	(1713)
Profit on ordinary activities after taxation	8	4607	3196
Dividends	9	(1057)	(539)
Profit retained		3550	2657

The notes on pages 17 to 30 form part of these accounts





GROUP

BALANCE SHEET

At 31st March 1989

	Notes	1989 £000	1988 Restated £000
<b>Fixed assets</b>			
Intangible fixed assets	10	192	144
Tangible fixed assets	11	1248	1102
Investments	12	128	34
		1568	1280
<b>Current assets</b>			
Stocks	13	32038	26902
Debtors	14	1307	3767
Cash at bank and in hand		4681	5384
		38026	36053
<b>Creditors : amounts falling due within one year</b>	16	(22936)	(22487)
<b>Net current assets</b>		15090	13566
<b>Total assets less current liabilities</b>		16658	14846
<b>Creditors : amounts falling due after more than one year</b>	17	(5396)	(6821)
Deferred taxation	18	(23)	-
<b>Net assets</b>		11239	8025
<b>Share capital and reserves</b>			
Called up share capital	19	3333	3333
Share premium account	20	1373	1709
Capital reserve	20	2877	2877
Profit and loss account	20	3656	106
<b>Shareholders' funds</b>		11239	8025

Approved by the Board on 6th June 1989

Directors R. Smith

W. Ainscough

The notes on pages 17 to 30 form part of these accounts



**COMPANY  
BALANCE  
SHEET**

At 31st March 1989

	Notes	1989 £000	1988 £000
<b>Fixed assets</b>			
Tangible fixed assets	11	246	253
Investments	12	9141	8808
		9387	9061
<b>Current assets</b>			
Debtors	14	1876	1280
<b>Creditors: amounts falling due within one year</b>	16	(959)	(430)
<b>Net current assets</b>		917	850
<b>Total assets less current liabilities</b>		10304	9911
<b>Creditors: amounts falling due after more than one year</b>	17	(3650)	(3650)
Deferred taxation	18	(2)	(2)
<b>Net assets</b>		6652	6259
<b>Share capital and reserves</b>			
Called up share capital	19	3333	3000
Share premium account	20	1373	1709
Profit and loss account	20	1946	1550
<b>Shareholders' funds</b>		6652	6259

Approved by the Board on 5th June 1989

Directors R. Smith  
W. Ainscough

The notes on pages 17 to 30 form part of these accounts



**GROUP  
STATEMENT  
OF SOURCE  
AND  
APPLICATION  
OF FUNDS**

For the year ended  
31st March 1989

	1989		1988	
	£000	£000	Restated £000	£000
<b>Source of funds</b>				
Profit on ordinary activities before taxation		7255		4909
Adjustments for items not involving the movement of funds:				
Depreciation adjusted for loss on disposal of fixed assets	254		183	
Share of profits of related companies	(146)		-	
Ground rents capitalised	(48)	60	(51)	132
<b>Total generated from operations</b>		7315		5041
<b>Funds from other sources</b>				
Disposal of tangible fixed assets	178		125	
Other creditors due after more than one year	-		2395	
Release of formation cost provision	-	178	10	2530
<b>Total funds from all sources</b>		7493		7571
<b>Application of funds</b>				
Purchase of tangible fixed assets	578		393	
Creditors due after more than one year	1425		-	
Dividends paid	657		359	
Taxation	1507		1058	
Reorganisation - subsidiary	-		2218	
Merger costs	336	(4503)	-	(4028)
		2990		3543
<b>Increase/(decrease) in working capital</b>				
<b>Reflected in:</b>				
Investment in associated company		297		(74)
Stocks		5136		10657
Debtors		(2741)		84
Creditors		(701)		(10557)
<b>Movement in net liquid funds</b>		1991		110
		999		3433
		2990		3543

The notes on pages 17 to 30 form part of these accounts.



### **Basis of accounting**

The accounts have been prepared under the historical cost convention.

In accordance with Section 228 (7) of the Companies Act 1985 the company's profit and loss account has not been presented.

### **Basis of consolidation**

The consolidated accounts comprise those of the company and all its subsidiaries.

In the particular circumstances of the acquisitions during the year of Wainhomes Group Limited and Lanley Builders Limited, the directors consider it appropriate to consolidate the results of these companies using the principles of merger accounting. Further details of these acquisitions are set out in note 1. The effect is to present these accounts as if Wainhomes Group Limited and Lanley Builders Limited had been combined with Whelmar Group plc, throughout the two year period ended 31st March 1989 covered by these accounts.

The provisions of sections 131-134 of the Companies Act, 1985 apply and accordingly, no share premium arises in respect of the acquisition of Wainhomes Group Limited and Lanley Builders Limited.

### **Associated companies**

The consolidated profit and loss account includes the group share of associated company profits less losses. The post acquisition profits less losses are added to the cost of the investment in the balance sheet.

### **Turnover**

Turnover represents housebuilding sales and excludes sales of undeveloped land and part-exchange properties.

Housebuilding sales are recognised on legal completion of conveyance. Profit is also taken at this time, losses being provided against as identified.

Undeveloped land and part-exchange profits and losses are dealt with in cost of sales.

### **Depreciation**

Depreciation is provided on fixed assets at rates estimated to write off the relevant assets over their expected useful lives. The annual rates used are :

Properties: 2% on a straight line basis.

Plant & equipment : 10% to 25% on a straight line basis.

### **Stock and work in progress**

Stock and work in progress are valued at the lower of cost to the group or net realisable value and include, where appropriate, an element of site overheads.

### **Deferred taxation**

Deferred taxation is provided on significant timing differences if such taxation is expected to become payable in the foreseeable future.

### **Operating leases**

Rentals payable under operating leases are charged to profit and loss over the period of the operating lease.



# NOTES ON THE ACCOUNTS

For the year to  
31st March 1989

## 1. Mergers

(a) On 3rd February 1989, the group acquired the whole of the issued share capital of Wainhomes Group Limited (80,000 ordinary shares of £1 each) for £8,412,000 satisfied by the issue of 220,000 new ordinary shares of £1 each in Whelmar Group plc.

(b) Also on 3rd February 1989, the group acquired the whole of the issued share capital of Lanley Builders Limited (8,000 ordinary shares of £1 each) for £4,333,000 satisfied by the issue of 113,333 new ordinary shares of £1 each in Whelmar Group plc.

(c) The post tax profits of Whelmar Group plc and of the companies acquired both before and after merger were as follows.

	£000
Before merger (from 1st April 1988 to 3rd February 1989)	
Whelmar Group plc	941
Companies acquired	2021
The new group after merger (from the 4th February 1989 to 31st March 1989)	<u>1645</u>
	<u>4607</u>

## 2. Net operating expenses

	1989 £000	1988 Restated £000
Marketing expenses	1451	1289
Administration expenses	3081	2794
	<u>4532</u>	<u>4083</u>

## 3. Interest

Interest payable on :		
Bank loans, overdrafts and other loans repayable wholly within five years	191	313
Other loans	<u>508</u> 699	<u>411</u> 724
Less interest receivable	(292)	(142)
	<u>407</u>	<u>582</u>



NOTES ON  
THE ACCOUNTS

(continued)

	1989 £000	1988 Restated £000
<b>4. Other income</b>		
Ground rent receivable	97	86
Discontinued contracting activity	—	129
	<hr/> 97	<hr/> 215
<b>5. Profit on ordinary activities before taxation</b>		
This is stated after charging:		
Depreciation	237	183
Operating leases	13	13
Hire of plant	781	413
Auditors' remuneration	25	32
	<hr/> No	<hr/> No
<b>6. Employees</b>		
The average number of persons employed by the group excluding subcontractors was	185	175



# NOTES ON THE ACCOUNTS

(continued)

6. (Continued)	1989 £000	1988 Restated £000
Employment costs during the year amounted to:		
Wages and salaries	2239	2185
Social security costs	187	197
Other pension costs	99	80
	2525	2462
Employment costs include the following remuneration of directors:		
Directors fees	7	8
Emoluments for services as directors (including pension contributions)	174	172
Highest paid director	81	83
The Chairman did not receive any emoluments during the year.		
Other directors	No	No
Nil - £8,000	2	1
£35,000 - £45,000	-	2
£80,000 - £85,000	1	-



# NOTES ON THE ACCOUNTS

(continued)

	1989 £000	1988 Restated £000
<b>7. Taxation</b>		
The taxation provision comprises:		
Corporation tax on the profit for the year at 35%	2572	1723
Deferred taxation	24	(10)
Associated companies	52	—
	2648	1713
<b>8. Profit after taxation</b>		
Profit after taxation amounting to £1,403,235 (1988: £1,463,291) has been dealt with in the accounts of the company		
<b>9. Dividends</b>		
Preference:		
10% (1988: 9%) for the year to 31st March 1989	250	225
Preferred ordinary (up to 3rd February 1989)	75	125
Participating dividend payable to preferred ordinary shareholders	368	39
Ordinary shares (from 3rd February 1989)	314	—
On shares in subsidiary relating to the trading period 1st April 1988 to 30th June 1988.	50	150
	1057	539
<b>10. Intangible assets</b>	<b>Group £000</b>	
At 1st April 1988	144	
Ground rents capitalised during the year.	48	
At 1st April 1989	192	





# NOTES ON THE ACCOUNTS

(continued)

## 11. Tangible fixed assets

Group	Leasehold land & buildings £000	Freehold land & buildings £000	Plant & machinery £000	Total cost £000
At 1st April 1988 (As restated)	216	246	930	1392
Additions	—	—	578	578
Disposals	—	—	(334)	(334)
At 31st March 1989	216	246	1174	1636
Depreciation				
At 1st April 1988 (As restated)	—	6	284	290
Provided during the period	3	5	229	237
Disposals	—	—	(139)	(139)
At 31st March 1989	3	11	374	388
Net book value at 31st March 1989	213	235	800	1248
Net book value as 31st March 1988 (As restated)	216	240	646	1102



Whelmar Group plc  
NOTES ON  
THE ACCOUNTS

(continued)

11. (Continued)

Tangible fixed assets

Company	Leasehold land & buildings £000	Freehold land & buildings £000	Plant & machinery £000	Total cost £000
Cost				
At 1st April 1988	—	246	17	263
Additions	—	—	—	—
At 31st March 1989	—	246	17	263
Depreciation:				
At 1st April 1988	—	6	4	10
Provided during the period	—	5	2	7
At 31st March 1989	—	11	6	17
Net book value at 31st March 1989	—	235	11	246
Net book value at 31st March 1988	—	240	13	253



# NOTES ON THE ACCOUNTS

(continued)

## 12. Investments Group

	Loans to subsidiaries £000	Shares in subsidiaries £000	Company total £000	Shares in & loans to associates £000
Cost				
At 1st April 1988	6370	2438	8808	34
Acquisitions (note 1)	-	-	-	-
Additions	-	333	333	94
At 31st March 1989	6370	2771	9141	128
Provisions				
At 31st March 1989	-	-	-	-
Net book value at 31st March 1989	6370	2771	9141	128
Net book value at 31st March 1988	6370	2438	8808	34

The loan stock carries interest at 10% and is redeemable at par at the Company's option after 31st March 1989 and at any time by tender or private bargain at the issuer's option. Any loan stock not so redeemed will be redeemed at par on 31st March 1990.

The principal subsidiaries of the Group are:

	Country of registration	% of Ordinary shares held
Whelmar (Chester) Limited	England	100
Whelmar (North Wales) Limited*	England	100
Whelmar (Lancashire) Limited* (formerly Cleveraim Limited)	England	100
Whelmar Developments Limited *	England	100
Wainhomes Limited	England	100
Wainhomes Group Limited *	England	100
Coronash Properties Limited *	England	100
Wainhomes (Lancashire) Limited (formerly Lanley Builders Limited)	England	100

\* These companies are dormant and have not traded in the year.  
All the above companies are incorporated in the U.K.

The group investments represent the cost of shares plus the post acquisition profits of the following associated companies.

Brentmen Limited  
Crosby Wainhomes Limited (dormant)  
Paycause Limited



NOTES ON  
THE ACCOUNTS

(continued)

Group		Company	
	1988		
1989	Restated	1989	1988
£000	£000	£000	£000

**13. Stocks**

The main categories of stocks are:

Housebuilding:

Land - with planning permission	19556	15077	-	-
- awaiting planning permission	1083	3370	-	-
Construction work in progress	11040	7486	-	-
Part-exchange properties	359	969	-	-
	32038	26902	-	-

**14. Debtors**

Trade debtors	730	899	23	-
Amounts owed by subsidiaries	-	-	1853	1267
Amounts owed by associated companies	295	-	-	-
Other debtors	282	2854	-	-
Advance corporation tax	-	13	-	13
Deferred taxation (note 18)	-	1	-	-
	1307	3767	1876	1280

**15. Borrowings and loans**

Fixed term bank loan repayable by instalments:

Between two and five years	2500	1800	-	-
In five years or more	2500	1850	-	-
	5000	3650	-	-

Bank loans and overdrafts are secured by fixed and floating charges over all the assets of the company and of its subsidiaries. The fixed term loan is repayable by instalments commencing 1st April 1990.



# NOTES ON THE ACCOUNTS

(continued)

	Group		Company	
	1989	1988	1989	1988
	£000	Restated £000	£000	£000
<b>16. Creditors: amounts falling due within one year.</b>				
Trade creditors	5508	6266	-	-
Corporation tax	2812	1895	196	136
Advance corporation tax due	213	78	146	78
Other taxes and social security costs	121	318	-	-
Proposed dividend	439	39	439	39
Land creditors	7132	7077	-	-
Accruals	6633	5013	147	-
Bank overdraft	31	1733	31	177
Related company	39	41	-	-
Hire purchase obligations	8	27	-	-
	22936	22487	959	430

## 17. Creditors: amounts falling due after more than one year

Land creditors	392	3120	-	-
Bank loans	5000	3650	-	-
Hire purchase	4	19	-	-
Due to subsidiaries	-	-	3650	3650
Other creditors	-	32	-	-
	5396	6821	3650	3650



NOTES ON  
THE ACCOUNTS

(continued)

## 18. Deferred taxation

	Group £000	Company £000
At 1st April 1988 (Restated)	(1)	2
(Credit)/Charge for year in profit & loss account	24	-
At 31st March 1989	23	2

The group has provided in full for deferred taxation, calculated on the liability method.

	Group		Company	
	1989	1988	1989	1988
	£000	(Restated) £000	£000	£000
Difference between accumulated depreciation and capital allowances	19	7	2	2
Other short term timing differences	4	(8)	-	-
	23	(1)	2	2



# NOTES ON THE ACCOUNTS

(continued)

	1989		1988 Not restated	
	Authorised £	Issued & fully paid £	Authorised £	Issued & fully paid £
<b>19. Share capital</b>				
Cumulative redeemable preference shares of £1 each (non voting)	2,500,000	2,500,000	2,500,000	2,500,000
Cumulative convertible preferred ordinary shares of £1 each	—	—	400,000	400,000
Ordinary shares of £1 each	701,754	666,666	116,667	100,000
Deferred shares of £1 each	166,667	166,667	—	—
<b>At 31st March 1989</b>	<b>3,368,421</b>	<b>3,333,333</b>	<b>3,016,667</b>	<b>3,000,000</b>

The following changes in share capital arose consequent upon the merger referred to in note 1 above with effect from 3rd February 1989.

- (i) The compulsory redemption of the cumulative redeemable preference shares was accelerated by one year, so that this will take place in three equal tranches at 31st March 1991, 1992, and 1993, unless redeemed earlier on a listing being obtained for the ordinary shares or at the option of the company.
- (ii) The cumulative convertible preferred ordinary shares were converted into 233,333 ordinary shares and 166,667 deferred shares.
- (iii) The ordinary shares are divided into four classes which rank pari passu save only for pre exemption rights on transfers, the right to a special dividend (see note 22), and the right of one class of ordinary shares to appoint a director. A total of 333,333 new ordinary shares were issued pursuant to the merger referred to in note 1 above.



# NOTES ON THE ACCOUNTS

(continued)

	Share premium £000	Profit & loss £000	Capital reserve £000
<b>20. Reserves</b>			
<b>Group</b>			
As previously reported:			
Whelmar Group plc	1709	(710)	
Wainhomes (Lancashire) Limited (formerly Lanley Builders Limited – see note (i))	–	702	
Wainhomes Group Limited (see note (ii))	–	359	2877
	1709	351	2877
Merger reserve arising on consolidation (see note (iii))	–	(245)	
As restated	1709	106	2877
Retained profit for year	–	3550	
Share issue costs	(336)	–	–
	1373	3656	2877
<b>Company</b>			
As at 1st April 1988	1709	1550	
Retained profit for the year			
Share issue costs	(336)	396	
	1373	1946	

(i) An adjustment to opening profit and loss account reserve has been made in respect of Lanley Builders Limited work in progress at 31st March 1988, which has been revalued using the accounting policy adopted by Whelmar Group plc.

(ii) Prior to the merger the annual accounting reference date of the Wainhomes Group Limited was the 30th June. Consequently, the reserves at 31st March 1988 are derived from unaudited management accounts.

(iii) The merger reserve arises from the business combination as detailed in note 1.





## NOTES ON THE ACCOUNTS

(continued)

### 21. Pension commitments

The group operates a contributory defined benefit pension scheme covering the majority of its permanent employees, including those incoming from Wainhomes Limited and Lanley Builders Limited. The scheme funds are administered by trustees and are independent of the group's finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary. The group's contributions are charged against profits in the year in which contributions are made.

An interim actuarial valuation was carried out during September 1987 and at that time there was no unfunded pension liability.

### 22. Contingent liabilities

- (i) The group has issued indemnity for performance bonds to an amount of £2,628,546.
- (ii) A special gross dividend up to a maximum of £1,500,000 is to be paid to 'A' and 'B' ordinary shareholders upon receipt of planning permission on the land at Marlston Kings.
- (iii) Guarantees in respect of an associated company £1,425,444.
- (iv) Other £185,000.

### 23. Commitments

The future minimum lease payments relating to a non-cancellable operating lease of property to which the group was committed as at 31st March 1989 amounted to £156,250, of which £12,500 is payable within 1 year. Commitments under this operating lease expire in more than five years.



## NOTICE OF MEETING

Notice is hereby given that the 3rd Annual General Meeting of the Members of the company will be held at Whelmar House

The Beeches  
Plas Newton Lane  
Chester.

at 12.00 noon on Friday 7th July 1989 for the transacting of the following business.

1. To receive and, if thought fit, to adopt the Report and Accounts for the year ended 31st March 1989.

(Resolution 1)

2. To re-appoint Peat Marwick McLintock as auditors for the ensuing year and to authorise the Directors to fix their remuneration .

(Resolution 2)

3. To transact such other ordinary business as may properly be transacted at the Annual General Meeting

By order of the Board

D.N.INCE  
SECRETARY

Dated; 15th June 1989

**REGISTERED OFFICE :**

Whelmar House,  
Plas Newton Lane,  
Chester. CH2 1PR.



## NOTICE OF MEETING

(continued)

### Notes :

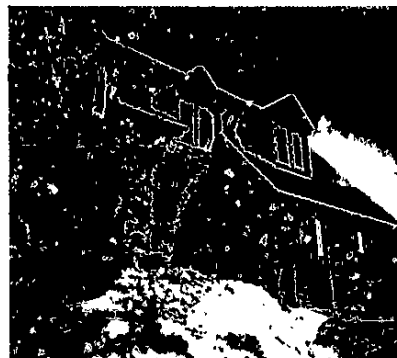
1)

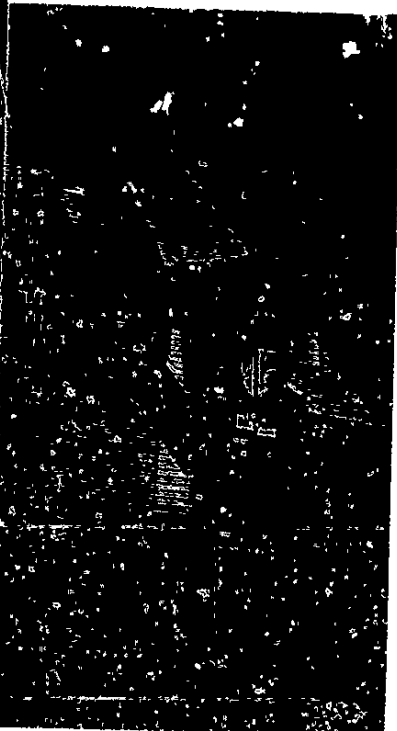
This notice is being sent to all shareholders of the company. Only ordinary shareholders are entitled to attend or be represented at the meeting and to vote on the resolution. Cumulative redeemable preference shareholders are also entitled to attend or be represented at the meeting but may not vote.

2)

Every holder of ordinary shares entitled to attend and vote at the meeting may appoint a proxy, who need not be a member of the company, to attend and, on a poll, to vote instead of him or her. Every holder of cumulative redeemable preference shares entitled to attend the meeting may appoint a proxy who need not be a member of the company, to attend instead of him or her. A form of proxy for use at the meeting is enclosed. To be effective, forms of proxy must be deposited at the registered office of the company at Whelmar House, Plas Newton Lane, Chester CH2 1PR not less than forty eight hours before the meeting.







Whelmar Group plc.