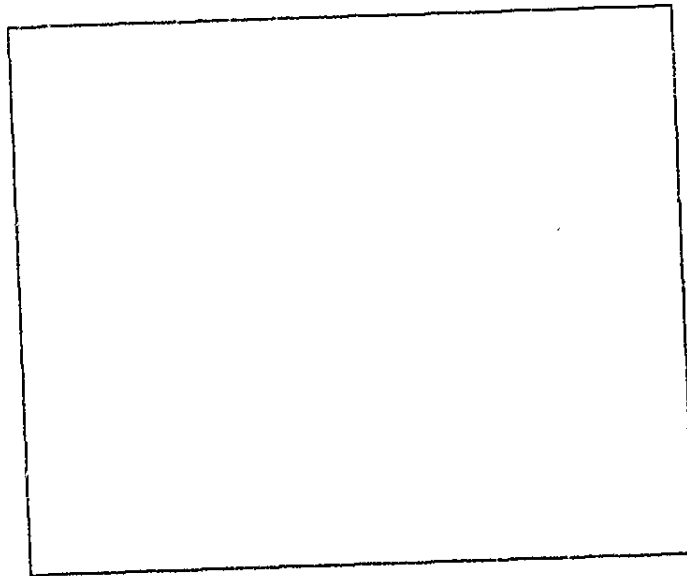


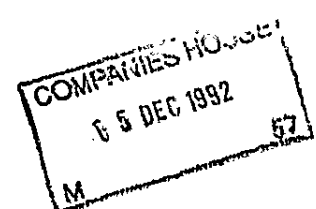
71 7658

A & J Mucklow Group plc



R E P O R T A N D A C C O U N T S

1992



CONTENTS

Highlights and Results in Brief	One
Chairman's Statement	Two
Review of Group Activities	Four
Five Year Record	Twelve
Management and Professional Advisers	Thirteen
Directors' Report	Fourteen
Auditors' Report	Sixteen
Accounts	Seventeen
Notice of Meeting	Thirty-Three
Form of Proxy	Thirty-Five
Shareholders' Diary	Thirty-Seven



DIRECTORS' REPORT

Substantial shareholdings

The following shareholders have notified the company of an interest of 3% or more in the Ordinary share capital of the company as at 30th June 1992:

Mrs M A Hickman 3,399,362 shares (3.48%)
 M & G Investment Management Limited 7,352,632 shares (7.53%)
 Fidelity International Limited 4,105,000 shares (4.20%)
 Bank of Scotland Nominees (Save & Prosper) Limited 5,461,250 shares (5.59%)
 AMP Asset Management Plc 5,177,776 shares (5.30%)

So far as the directors are aware no person other than those mentioned above had an interest of 3% or more in the Ordinary share capital of the company at 30th June 1992 or at 22nd September 1992.

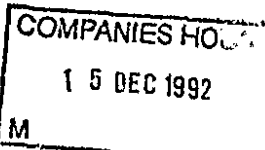
Properties

A professional revaluation of the Group's industrial and commercial properties was carried out by Debenham Tewson Cheshire at 30th June 1992.

This revaluation has been incorporated in the accounts resulting in a decrease of £5.168m in the industrial/commercial portfolio revaluation reserve.

Close company provisions

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.



Auditors

The auditors, F E Sidaway Son & Co, have expressed their willingness to continue in office. A resolution will be proposed at the Annual General Meeting, in accordance with the Companies Act 1985, to reappoint them and to authorise the directors to fix their remuneration.

By order of the board

Derick Bromley *Secretary*

Haden Cross, Haden Cross Drive, Cradley Heath,
 Warley, West Midlands B61 7JB

14th October 1992

AUDITORS' REPORT

to the Members of A & J Mucklow Group plc

We have audited the financial statements on pages seventeen to thirty-two inclusive in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 30th June 1992 and of the profit and cash flows of the group for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

F E Sidaway Son & Co
 Chartered Accountants
 Registered Auditor

14th October 1992

Warley
 West Midlands



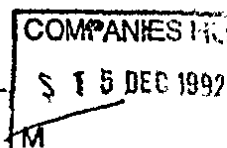
PARENT COMPANY BALANCE SHEET

at 30th June 1992

<i>Employment of funds</i>	Notes	1992 £000	1991 £000
Investment in subsidiary undertakings	23	126,082	94,795
Recoverable advance corporation tax		3,790	6,997
Current assets			
Debtors	14	1	1
Cash		—	2
		<u>1</u>	<u>3</u>
Creditors: Amounts falling due within one year	15	10,280	9,300
Total assets less current liabilities		<u>119,593</u>	<u>92,495</u>
Creditors: Amounts falling due after more than one year	16	66,066	11,066
		<u>53,527</u>	<u>51,429</u>
<i>Source of funds</i>			
Issued share capital	18	25,085	25,085
Capital reserve	20	1,788	945
Capital redemption reserve	21	1,750	1,750
Revenue reserve	22	24,904	23,649
		<u>53,527</u>	<u>51,429</u>

Albert J Mucklow
G C Evans

Approved by the Board on 14th October 1992



The notes attached are an integral part of the accounts.



*CONSOLIDATED
BALANCE SHEET*

COMPANIES HOUSE
15 DEC 1992
M

at 30th June 1992

<i>Employment of funds</i>	Notes	1992 £000	1991 £000
Tangible fixed assets	12	205,066	189,000
Current assets			
Stocks and work in progress	13	6,070	6,805
Debtors	14	4,719	2,733
Cash		19,228	18,149
		30,017	27,687
Creditors: Amounts falling due within one year	15	15,678	19,925
Net current assets		14,339	7,762
Total assets less current liabilities		219,405	196,762
Creditors: Amounts falling due after more than one year	16	66,066	41,066
Provisions for liabilities and charges	17	964	512
		152,375	155,184
<i>Source of funds</i>			
Issued share capital	18	25,085	25,085
Revaluation reserve	19	93,458	98,926
Capital reserve	20	4,180	3,218
Capital redemption reserve	21	1,750	1,750
Revenue reserve	22	27,902	26,205
		152,375	155,184

Albert J Mucklow
G C Evans

Approved by the Board on 14th October 1992

The notes attached are an integral part of the accounts.



BRIEF HISTORY OF A & J MUCKLOW GROUP

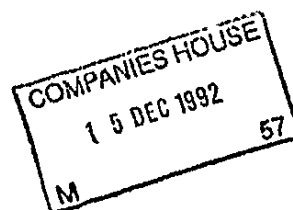
The Company's history began in 1933 in the West Midlands when the present Chairman's uncle Albert and his late father Jothan entered into partnership to build houses. It was at the time of the Depression; nevertheless, the business prospered (and its reputation grew) on the basis of supplying remarkably high quality housing at reasonable prices. So much so, that to this day the advertising columns of the local press can regularly be seen to specify "Mucklow Built" as an undoubted selling point in respect of house property in the West Midlands area. The aim to provide high quality at reasonable prices has remained the Company's key policy to the present day.

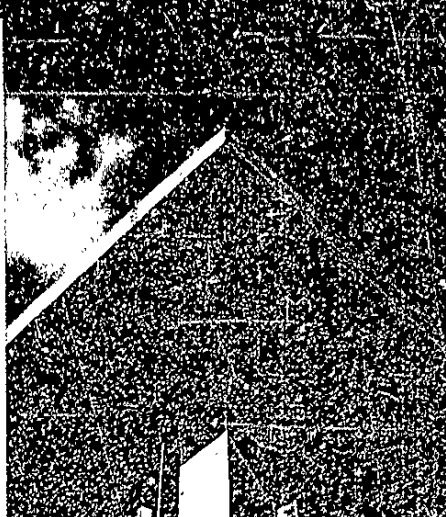
During World War II, when house building virtually had to be suspended, the Company contributed to the war effort by carrying out major earth moving contracts to build aerodromes. After the war, house building recommenced. Up to the present time the business has built well over 20,000 homes.

In 1962 the Company "went public" and obtained its Stock Exchange quotation. During the intervening years the emphasis increasingly changed from the original house building activity to that of developing and investing in industrial estates. The Group is now the largest owner of industrial estates in the West Midlands and its contribution to the economy of the region is as landlord to some 700 commercial and industrial tenants on 43 estates in the Midlands. The Board's current policy is to extend the Group's activities outside its traditional West Midlands base, and approximately 20% by value of the Group's property investment portfolio is now located in the South East of the country.

Despite the expansion of the business, a "family" atmosphere is still present. The children, grandchildren and great grandchildren of the two founders now number more than 30 and most of them are shareholders. In total, the Mucklow family today still owns a substantial proportion of the Group's Ordinary share capital.

The Group has for more than 20 years had an unbroken record of profit and dividend increases.



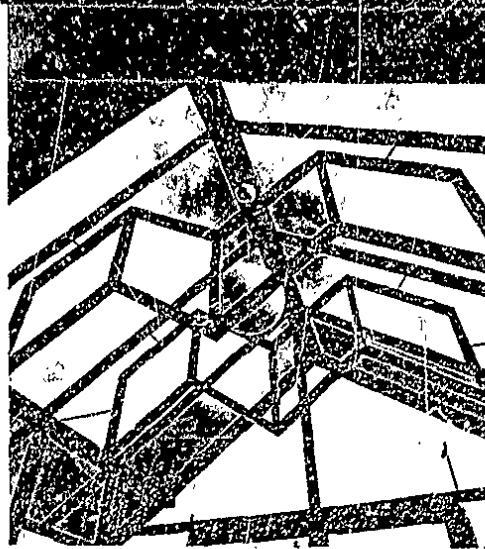


HIGHLIGHTS OF YEAR

- Pre-tax profit £10.846m against £10.771m
- Dividend up 5% to 5.925p per share
- Property portfolio valued at £204.565m
- Balance Sheet strength: Year end borrowings £66m; Cash balances £19m

RESULTS IN BRIEF

	1992	1991
<i>Revenue</i>	£m	£m
Gross rentals	15.63	14.24
Profit before tax	10.85	10.77
Profit after tax	7.52	8.25
<i>Capital</i>		
Total assets	235.08	216.69
Net assets	152.38	155.18
Net borrowings	46.84	22.92
<i>Per Ordinary share</i>	p	p
Earnings	7.66	8.11
Net dividend	5.925	5.613
Net asset value	155	158



CHAIRMAN'S STATEMENT

Results for the year

The Group's pre-tax profit for the year ended 30th June 1992 was £10.85m compared with £10.77m in the previous twelve months.

Your directors recommend a final net dividend of 3.103p on the Ordinary Shares which, together with the interim dividend already paid, will make a total of 5.925p for the year and is an increase of 5% over that for last year.

The net asset value per Ordinary Share at 30th June 1992 shown in these accounts was 155p which compares with 158p for the previous year.

Property Investment and Development

The industrial and commercial property market has remained weak throughout the year and whilst we continued to gain some benefit from rent reviews and new lettings this has been more than offset by an increase in the level of vacant space.

The vacancy level rose substantially during the year from 580,000 sq.ft. to 1,155,000 sq.ft. reflecting tenant failures and non-renewal of leases. A considerable proportion of this vacant space has arisen at Saltley, which is the largest of our factory estates covering an area of some 50 acres. Here, as I reported a year ago, a number of leases have expired and we are engaged in redevelopment of some 250,000 sq.ft. of space. During the second half of the year under review a further 220,000 sq.ft. became vacant and it is intended that in due course this will also be redeveloped. We are optimistic about the long-term future of the Saltley Estate which is situated in an improving location approximately one and a half miles from Birmingham City Centre and close to Spaghetti Junction. It will benefit in due course from access onto the city's new Heartlands Spine Road (scheduled to open in 1996) which will run alongside the estate and it also enjoys the more distant prospect of having Birmingham's mooted new inter-city railway station built directly opposite it by the turn of the century.

Construction work is well under way on the redevelopment of the 250,000 sq.ft. first phase of Saltley. Construction is also now complete at Wednesbury (62,000 sq.ft. pre-let) and Tipton (21,000 sq.ft. first phase).

During the year we acquired the freehold of our West Bromwich and Derby Trading Estate for a total consideration of £0.8m. The estates cover an area of 11.9 acres and were previously held on long leases.

On the commercial property side the 10,000 sq.ft. office building in Frederick Road, Edgbaston, acquired in the previous year, has now been let to the Secretary of State for

Health In my interim statement I mentioned that three office developments had been purchased in Exeter (19,000 sq.ft.), Nottingham (43,000 sq.ft.) and Weybridge (11,000 sq.ft.). In the second half year we purchased a further three new fully let office properties. These were at Bromsgrove (12,000 sq.ft.), Northampton (10,000 sq.ft.) and Solihull (21,000 sq.ft.). The total monies expended to date on all of the above purchases including the Frederick Road offices amounts to £18.82m and they produce an initial annual rental income of £1.87m.

Construction work has now commenced on the first phase (23,000 sq.ft.) of our Bristol Road, Edgbaston office development, and I am pleased to report that the first building of 8,000 sq.ft. has been pre-let to Lloyds Bank Plc.

As a final comment in this section shareholders may be interested in the photographs and brief details of all of our office property shown on pages five to eleven of this Report and Accounts.

Revaluation of properties

A professional valuation of the Group's industrial and commercial properties was carried out by Delbenham, Tewson, Cheshire at 30th June 1992. The properties were valued at £204.565m and this resulted in a reduction in the revaluation reserve of £5.468m. These figures have been incorporated in the accounts.

The Group's other properties, including its stock of undeveloped residential land, have also been revalued by Delbenham, Tewson, Cheshire; these gave rise to a surplus of £10.12m over balance sheet values. In accordance with the policy followed in previous years, these figures have not been incorporated in the accounts.

Housebuilding

This activity showed little improvement, and continued at more or less the same low level as the previous year.

Finance

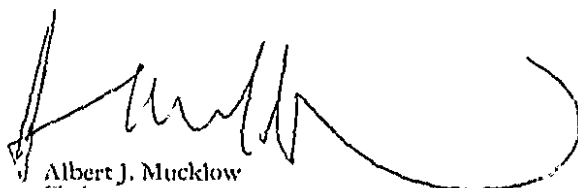
On 16th April this year we issued an additional tranche of £30m of our existing 11½% First Mortgage Debenture Stock 2014; this was placed with institutions at a price of £104.4 per cent and produced proceeds of £30.8m net of expenses. This money has been used to repay our existing variable rate borrowings and will be available to finance further property acquisitions and developments.

Prospects

There are few positive signs of when the current recession might end. Against this uncertain background it is difficult to predict the likely outcome for the current year. However, the financial position of the group remains strong, and I am optimistic about our medium and long term prospects.

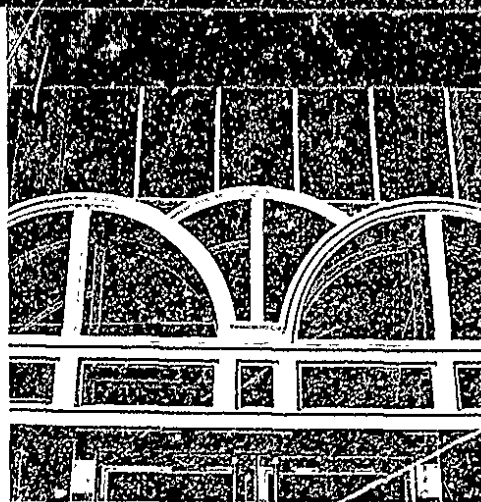
Directors and Staff

I would like to thank all my colleagues in the Company for their loyal and enthusiastic work and support, without which these results could not have been achieved.



Albert J. Mucklow
Chairman

14th October 1992



REVIEW OF GROUP ACTIVITIES

The principal activity of the group is investment in and development of industrial and commercial property.

While geographically the group's traditional base has been the West Midlands, it is also the board's policy to broaden the group's presence elsewhere in the U.K.; and currently some 20% of the property portfolio is located outside the West Midlands, mainly in the South East of the country.

The group's portfolio of fully developed properties totalling 5.514m square feet of Industrial and Commercial space was producing a gross annual income, at 30th June 1992, at a rate of £16.2m.

Rent reviews and lease renewals on the group's properties during the following four years will arise as follows:

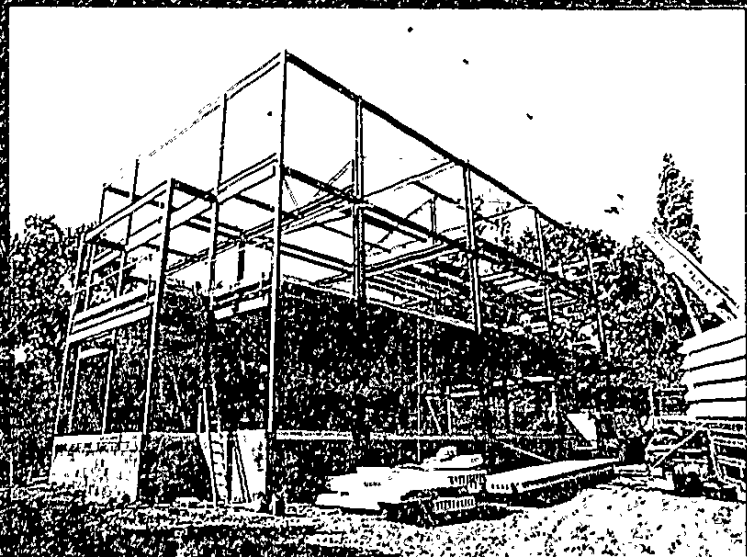
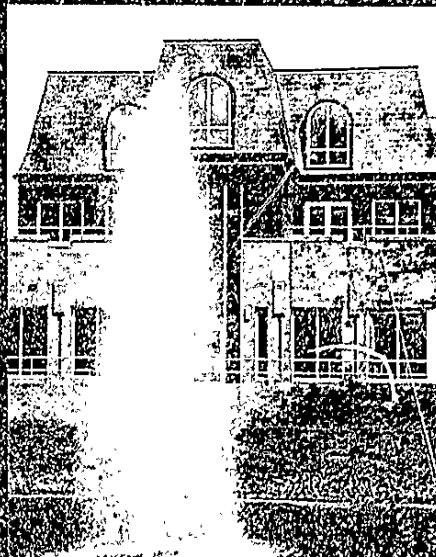
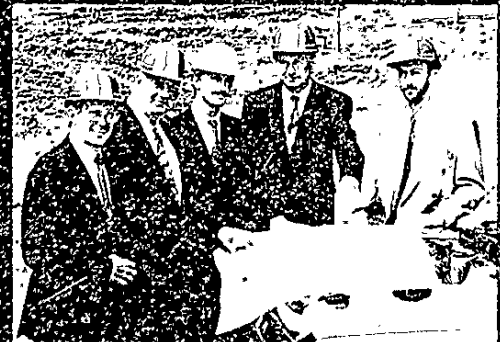
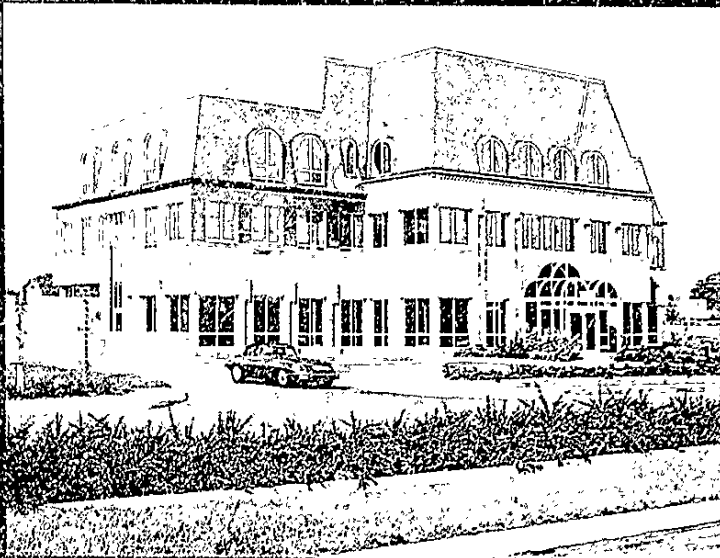
Current year	850,000 sq.ft.
1993/1994	950,000 sq.ft.
1994/1995	700,000 sq.ft.
1995/1996	650,000 sq.ft.

Trading estates

The Company now owns 49 industrial estates, the bulk of which are in the West Midlands, many occupying prime sites around the intersections of the M1, M5, M6 and M42 motorways, the central point of the country's motorway system. In total they establish A & J Mucklow Group plc as the largest owner of factory estates in the Midlands. One other estate is located in Lancashire, adjacent to the M6 motorway, and five estates are located in the South East of the country, at Horsham, Crawley, Farnham, Oxford and Bedford.

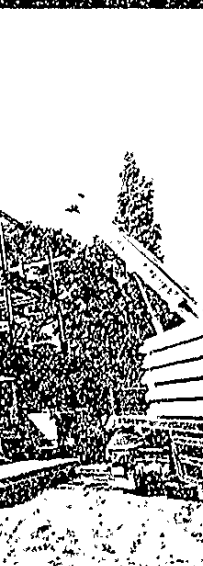
The present total area of the trading estates is 332 acres, of which 314 acres are freehold and 18 acres long leasehold. The area of fully developed industrial buildings at the June 1992 year-end was 5.323m square feet, mainly in the form of modern single-storey factories and warehouses built to a high specification on prime sites. Currently the group has some 700 tenants.

The level of vacant space in the developed portfolio (inclusive of 250,000 sq.ft. in course of redevelopment at Saltley) amounted to 1,155,000 sq.ft. at 30th June 1992. In addition, at that date 21,000 sq.ft. of new space was completed and this has now been reserved by a future tenant. At the year-end the industrial land held for development was sufficient to accommodate in total a further 297,000 sq.ft. of factory space.



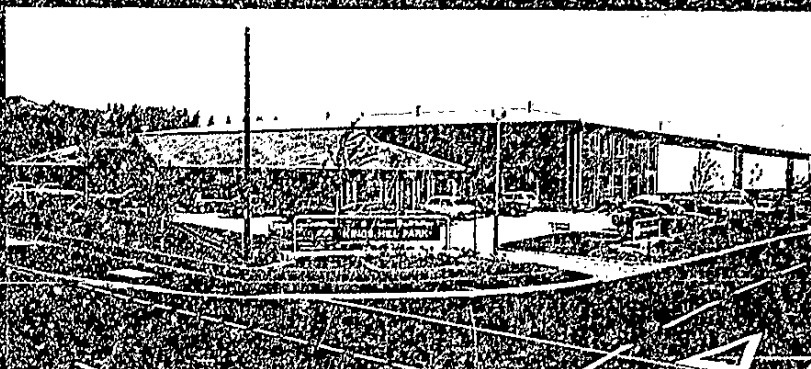
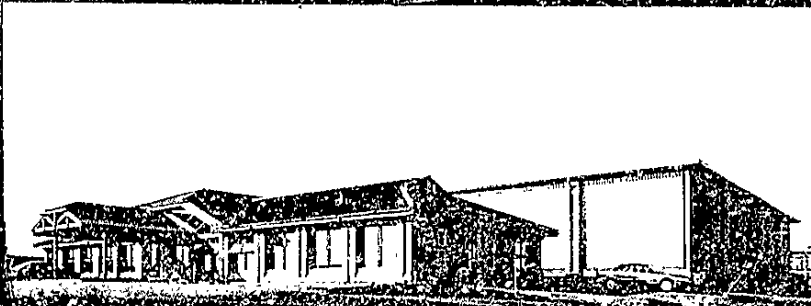
- 1-2. Concorde House, Trinity Park, Solihull.
24,000 sq. ft., leased to Birmingham International Airport.
3. Edgbaston Park, Birmingham.
Site meeting with representatives of Lloyds Bank.
4. Edgbaston Park — Firs House, under construction,
pre-let to Lloyds Bank.
5. Edgbaston Park — artists impression of Elm House.



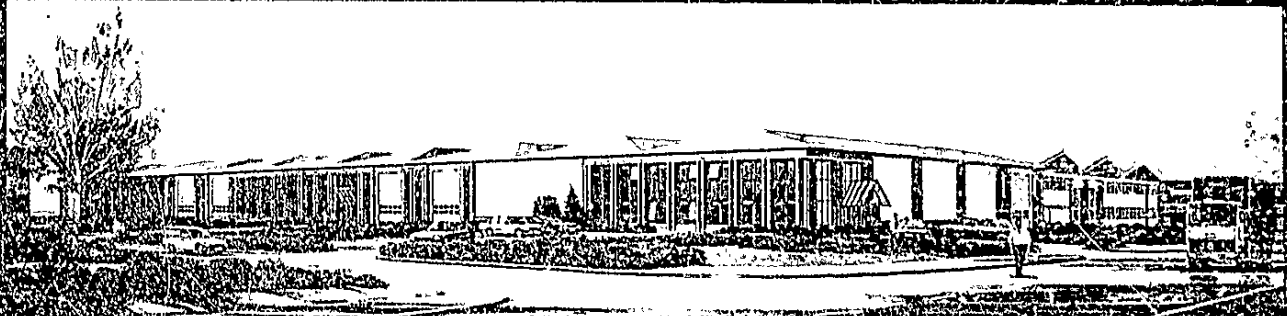
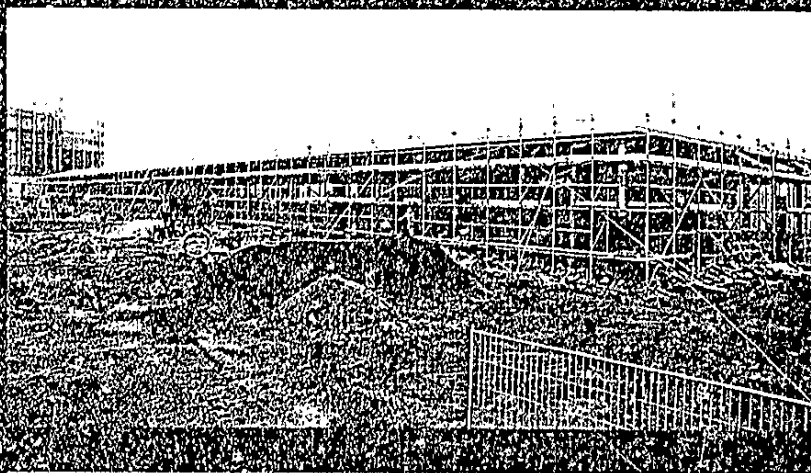


VIEW OF GROUP ACTIVITIES

sq. ft.	Completed buildings at 6.6.92	Under construction or to be built
Heath	137	
by Heath	418	
	21	
	22	
	26	
	171	
	79	
wen (No. 1)	98	
wen (No. 2)	28	
	16	
	628	155
pton	113	
	1,070	
ingham	150	
am	62	
	210	
ampton	80	
ce	55	
an	127	
erley Hill	17	
ingham	54	
rove (No. 1)	75	
rove (No. 2)	61	
irmingham	17	
irmingham	41	
am	36	
m	97	
	37	
	53	
gham	50	
omwich	280	
ingham	16	
	77	109
m	37	
each	20	
	9	
m	68	
	170	
owen	52	
gham		33
irmingham	29	
am	67	
gham	55	
	101	
ley	159	
	40	
	50	
	77	
	59	
	<u>5,323</u>	<u>267</u>
— 000 sq. ft.		
ton, Birmingham	19	
	18	
hire	13	
Edgbaston, Birmingham	12	
ron, Birmingham		50
Easton, Birmingham	10	
	19	
gham	43	
ge	11	
	12	
ampton	10	
	24	
	<u>191</u>	<u>50</u>
	<u>5,514</u>	<u>317</u>



- 1-2 Bloomfield Park, Tipton, West Midlands
21,000 sq. ft. leased to Dana Holdings
- 3 Kings Hill Business Park, Wednesbury
62,000 sq. ft. fully let
- 4 Saldley Business Park, Birmingham — part
of the major redevelopment work currently
being carried out.
- 5 Saldley Business Park artists impression of
the completed scheme.



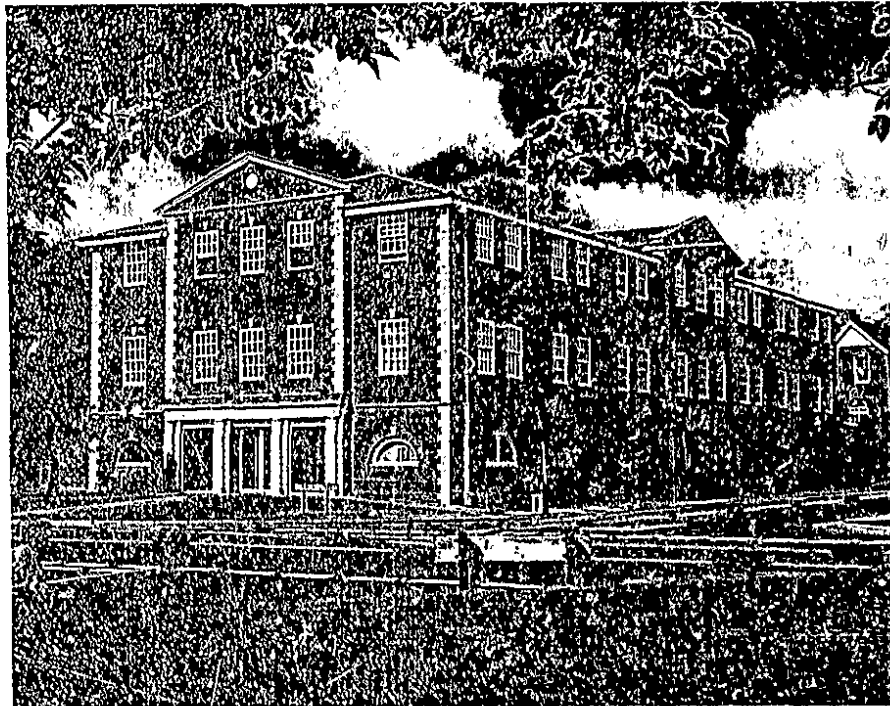


REVIEW OF GROUP ACTIVITIES

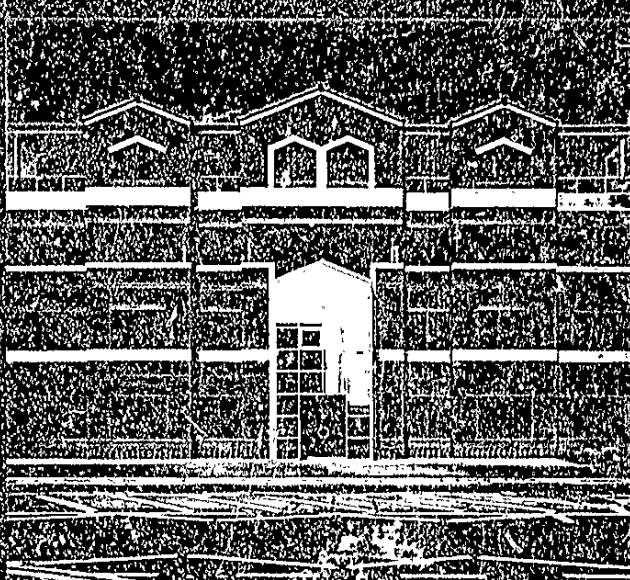
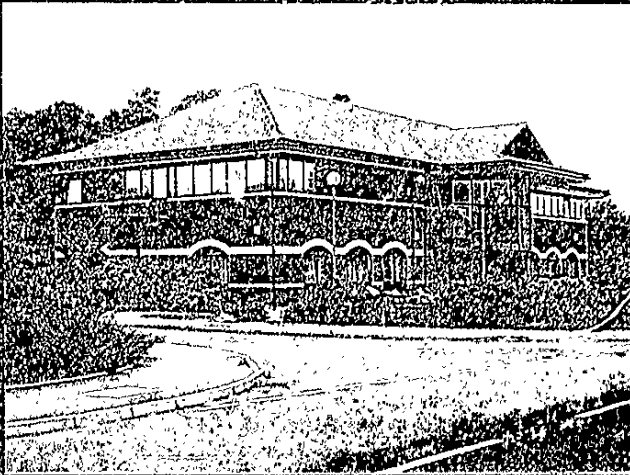
Commercial properties

The Company now owns 11 completed office properties, all located on prime sites; 10 of these are fully let, the other property is currently unlet — this is at Farnborough (13,000 sq.ft.). The total developed area is 191,000 sq.ft.

During the year the 10,000 sq.ft. office building in Frederick Road, Edgbaston (acquired in the previous year) was let to the Secretary of State for Health. In addition, six complete and fully let office developments were purchased during the 12 months under review. These were at Nottingham (43,000 sq.ft.), Exeter (19,000 sq.ft.), Weybridge (11,000 sq.ft.), Bromsgrove (12,000 sq.ft.), Northampton (10,000 sq.ft.) and Solihull (24,000 sq.ft.). Construction has now commenced on the 23,000 sq.ft. first phase of the 50,000 sq.ft. proposed development at Bristol Road, Edgbaston; of this, one building of 8,000 sq.ft. has been pre-let to Lloyds Bank Plc.



St. Johns, Bromsgrove
12,000 sq.ft. Let to National Westminster Bank and Pearl Assurance



1. The Cloisters, Edgbaston, Birmingham.
19,000 sq. ft. leased to Apricot Computers.

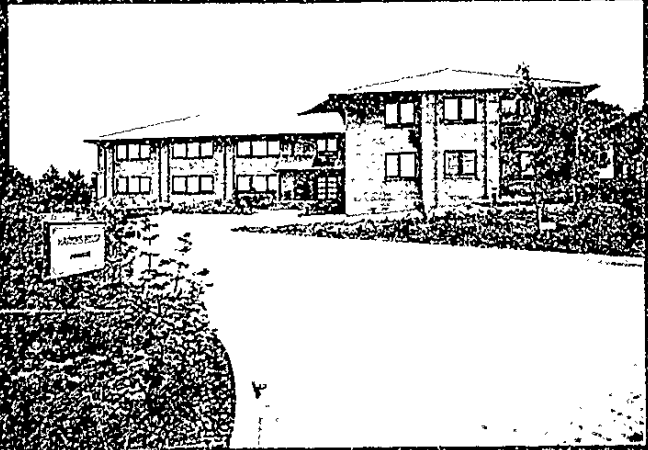
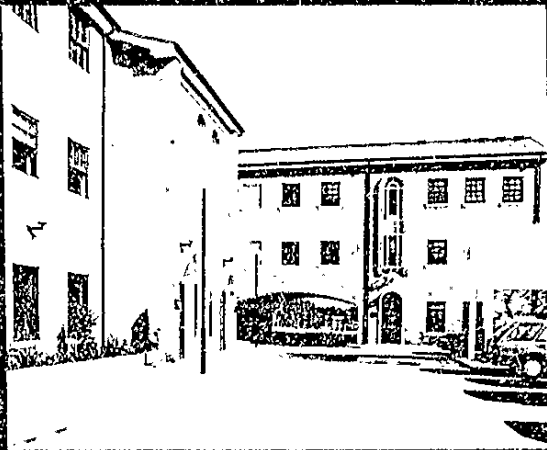
2. St. Georges Business Centre, Weybridge.
11,000 sq. ft. let to Mercuri International (UK).

3. York House, Farnborough.
15,000 sq. ft. available to lease.

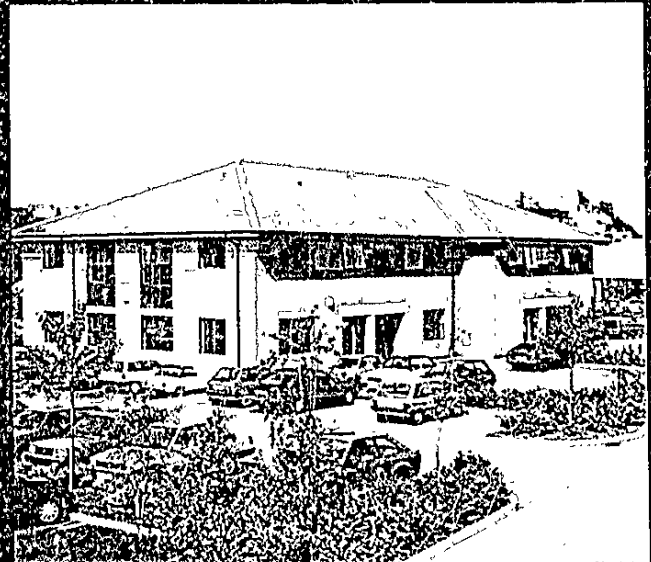
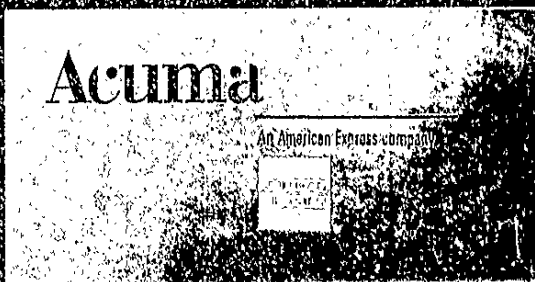
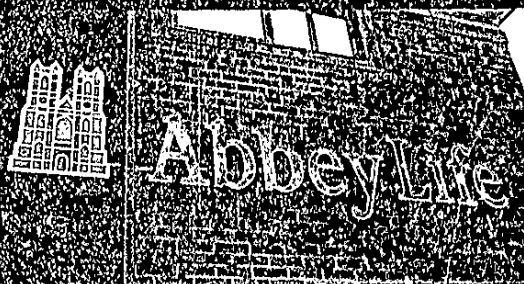
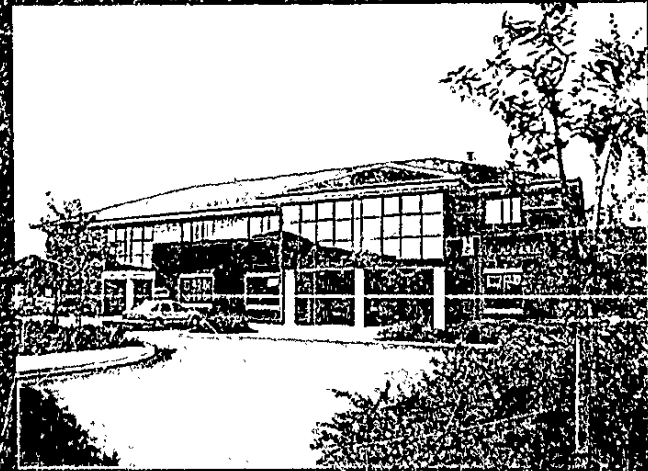
4. 38 George Road, Edgbaston, Birmingham.
8,500 sq. ft. let to the Secretary of State for the Environment.

5. Frederick Road, Edgbaston, Birmingham.
10,000 sq. ft. let to the Secretary of State for Health.





1. **Dukes Gate, Chiswick**—18,000 sq. ft., fully let. Tenants include Barnard Marcus & Co.
2. **Pine's Hill, Exeter**—19,000 sq. ft., leased to the Secretary of State for the Environment.
- 3-4. **Castlebridge Office Village, Nottingham**—43,000 sq. ft. Tenants include: Abbey Life Assurance, Acuma, Friends Provident, Hill Samuel, Kilsons/Impey and McClaren Dick.
- 5.





FIVE YEAR RECORD

Year to 30th June

	1992	1991	1990	1989	1988
	£000	£000	£000	£000	£000
<i>Revenue</i>					
Gross rentals	15,627	14,237	12,649	10,667	8,727
Turnover	3,022	3,498	3,687	5,537	4,951
Profit before taxation	10,846	10,771	10,520	9,038	7,558
Profit after taxation	7,515	8,246	7,755	6,822	5,142
<i>Capital</i>					
Ordinary shareholders funds	151,700	154,509	149,658	136,953	92,628
Investment properties	204,627	188,495	185,285	165,859	111,995
<i>Per Ordinary share</i>					
Earnings	7.66 p	8.11 p	7.58p	6.49 p	5.15 p
Net dividend	5.925p	5.643p	5.13p	4.455p	3.712p
Net asset value	155p	158p	143p	141p	88p



MANAGEMENT AND PROFESSIONAL ADVISERS

Directors

Albert J Mucklow A.C.I.S.

Trevor Mucklow

Allan J Mucklow

G Clive Evans

Peter M Petherbridge

Chairman. Age 56. Joined Company 1956.
Appointed Chairman in 1976.

Non Executive Director since 1977. Age 62.
Joined Company 1952.

Non Executive Director since 1977. Age 57.
Joined Company 1957.

Director. Age 54. Director since 1984.
Joined Company 1954.

Non Executive Director. Appointed September
1990. Age 45. Solicitor practising
as P M Petherbridge & Co.

Company Secretary

Derick Bromley A.C.I.S.

Merchant Bankers

S G Warburg & Co Ltd
2 Finsbury Avenue,
London EC2M 2PA

Senior Management

Stephen Murphy B.Sc., F.R.I.C.S.

Property Development

David Folkes M.C.I.O.B.

House Building

Rupert J Mucklow B.Sc.

Property Investment

David Rampling

Property Lettings

Solicitors

Lyon Clark

Daviot House, Lombard Street West,
West Bromwich,
West Midlands B70 8EL

P M Petherbridge & Co.

Haden Cross, Haden Cross Drive,
Cradley Heath, Warley,
West Midlands B64 7JB

Registered Office

Haden Cross, Haden Cross Drive,
Cradley Heath, Warley,
West Midlands B64 7JB
Registered number 717658

Stockbrokers

S G Warburg Securities
1 Finsbury Avenue,
London EC2M 2PA

Auditors

F E Sidaway Son & Co
Chartered Accountants
Rowley Regis, Warley,
West Midlands B65 0JA

Smith Keen Cutler

Exchange Buildings,
Stephenson Place,
Birmingham B2 4NN

Bankers

Midland Bank plc
Corporate Banking Centre,
178 Birmingham Road,
West Bromwich,
West Midlands B70 6QG

Registrars and Transfer Office

Barclays Registrars Ltd
Boorne House,
34 Beckenham Road,
Beckenham, Kent BR3 4TU



DIRECTORS' REPORT

The directors present their annual report and audited accounts for the year ended 30th June 1992.

Results

The profit earned and the dividends paid and proposed are set out in detail in the consolidated profit and loss account and notes. The net profit before taxation for the year was £10,846,349 and the taxation charge was £3,331,071.

Review of business

The group's activities are reviewed on page four.

Ordinary dividends

On 1st July 1992 an interim dividend of 2.822p per share was paid which together with the tax credit was equivalent to a gross dividend of 3.763p per share. A final dividend of 3.103p per share is proposed which together with the tax credit is equivalent to a gross dividend of 4.137p per share. The total dividend for the year will be 5.925p per share and with tax credits referred to above will be the equivalent of a gross dividend of 7.9p per share.

The final dividend, if confirmed, will be paid on 4th January 1993 to shareholders on the register at the close of business on 12th November 1992.

Share capital

The agenda for the Annual General Meeting incorporates a resolution to renew for a further year the authority to purchase the company's own shares (both ordinary and preference) within certain limits.

Debenture issue

A further tranche of £30m 11½% First Mortgage Debenture Stock 2014 was issued at the price of £104.319 per cent in April 1992.

Future prospects

The future prospects are commented on in the Chairman's statement.

Principal activities

The principal activity of the group is industrial and commercial property investment and development. There are additional property investment interests in flats and residential ground rents. The trading interests are in building and estate development.

Donations

No political contributions were made during the year and donations to charities amounted to £1,110 (1991: £1,715).



DIRECTORS' REPORT

Directors

The present Board is shown on page thirteen and all the directors listed were in office throughout the year.

Mr P M Petherbridge is in business on his own account under the style of P M Petherbridge & Co., and that organisation has provided legal services to the Company and receives fees from the Company in the normal course of business. The fees paid during the current year under review amounted to £154,843 (VAT exclusive).

Mr P M Petherbridge retires by rotation and being eligible offers himself for re-election

Other than Mr P M Petherbridge no directors had any interest during the year in any contract of significance in relation to the group's business.

The two executive directors have five year rolling service contracts with the group.

The Company purchases Directors' and Officers' insurance to cover the indemnity to such directors and officers given under the Company's Article No. 152 (as permitted by Section 137 of the Companies Act 1989).

Directors' shareholdings

Particulars of the directors' shareholdings, as defined by Section 324 of the Companies Act 1985, in the share capital of the company are as follows:

	Ordinary shares	
	at 30.6.92	at 30.6.91
Albert J Mucklow	2,352,820(a)	2,451,280(a)
T Mucklow	2,895,824(b)	2,895,824(b)
Allan J Mucklow	3,869,454	4,167,914
P M Petherbridge	13,766	13,766
G C Evans	282,808(c)	282,808(c)

The holdings marked (a), (b) and (c) included non-beneficial interests in 1,068,000, 971,056 and 68,000 Ordinary shares respectively.

The non-beneficial holdings include shares held as a Trustee of the pension fund as follows:

	1992	1991
Ordinary shares	68,000	68,000

There were no movements in any of the directors' shareholdings between 1st July 1992 and 22nd September 1992.



DIRECTORS' REPORT

Substantial shareholdings

The following shareholders have notified the company of an interest of 3% or more in the Ordinary share capital of the company as at 30th June 1992:

Mrs M A Hickman 3,399,362 shares (3.48%)
M & G Investment Management Limited 7,352,632 shares (7.53%)
Fidelity International Limited 4,105,000 shares (4.20%)
Bank of Scotland Nominees (Saye & Prosper) Limited 5,461,250 shares (5.59%)
AMP Asset Management Plc 5,177,776 shares (5.30%)

So far as the directors are aware no person other than those mentioned above had an interest of 3% or more in the Ordinary share capital of the company at 30th June 1992 or at 22nd September 1992.

Properties

A professional revaluation of the Group's industrial and commercial properties was carried out by Debenham Tewson Chesshire at 30th June 1992.

This revaluation has been incorporated in the accounts resulting in a decrease of £5.168m in the industrial/commercial portfolio revaluation reserve.

Close company provisions

The company is not a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

The auditors, F E Sidaway Son & Co, have expressed their willingness to continue in office. A resolution will be proposed at the Annual General Meeting, in accordance with the Companies Act 1985, to reappoint them and to authorise the directors to fix their remuneration.

By order of the board

Derick Bromley *Secretary*

Haden Cross, Haden Cross Drive, Cradley Heath,
Warley, West Midlands B64 7JB

14th October 1992

AUDITORS' REPORT

to the Members of A & J Mucklow Group plc

We have audited the financial statements on pages seventeen to thirty-two inclusive in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 30th June 1992 and of the profit and cash flows of the group for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

F E Sidaway Son & Co
Chartered Accountants
Registered Auditor

14th October 1992

Warley
West Midlands



*CONSOLIDATED
PROFIT AND LOSS
ACCOUNT*

for the year ended 30th June 1992

	Notes	1992 £000	1991 £000
Gross rentals	2	15,627	14,237
Property outgoings		(608)	(491)
Rental income		15,019	13,746
Turnover	3	3,022	3,498
Cost of sales		(1,528)	(2,238)
Trading profit		1,494	1,260
Administration expenses		(1,925)	(1,560)
Operating profit		14,588	13,446
Investment income	4	1,234	1,449
Interest payable	5	(4,976)	(4,124)
Profit on ordinary activities before taxation	6	10,846	10,771
Taxation	8	3,331	2,525
Profit on ordinary activities after taxation before extraordinary item		7,515	8,246
Extraordinary item	9	—	10,546
Profit for the year		7,515	18,792
Dividends	10	5,818	5,543
Retained profit	22	1,697	13,249
Earnings per share	11	7.66p	8.11p

The notes attached are an integral part of the accounts.



CONSOLIDATED BALANCE SHEET

at 30th June 1992

	Notes	1992 £000	1991 £000
<i>Employment of funds</i>			
Tangible fixed assets	12	205,066	189,000
Current assets			
Stocks and work in progress	13	6,070	6,805
Debtors	14	4,719	2,733
Cash		19,228	18,149
		30,017	27,687
Creditors: Amounts falling due within one year	15	15,678	19,925
Net current assets		14,339	7,762
Total assets less current liabilities		219,405	196,762
Creditors: Amounts falling due after more than one year	16	66,066	41,066
Provisions for liabilities and charges	17	964	512
		152,375	155,184
<i>Source of funds</i>			
Issued share capital	18	25,085	25,085
Revaluation reserve	19	93,458	98,926
Capital reserve	20	4,180	3,218
Capital redemption reserve	21	1,750	1,750
Revenue reserve	22	27,902	26,205
		152,375	155,184

Albert J Mucklow
G C Evans

Approved by the Board on 14th October 1992

The notes attached are an integral part of the accounts.



*PARENT COMPANY
BALANCE SHEET*

at 30th June 1992

<i>Employment of funds</i>	Notes	1992 £000	1991 £000
Investment in subsidiary undertakings	23	126,082	94,795
Recoverable advance corporation tax		3,790	6,997
Current assets			
Debtors	14	1	1
Cash		—	2
		<u>1</u>	<u>3</u>
Creditors: Amounts falling due within one year	15	10,280	9,300
Total assets less current liabilities		119,593	92,495
Creditors: Amounts falling due after more than one year	16	66,066	41,066
		<u>53,527</u>	<u>51,429</u>
<i>Source of funds</i>			
Issued share capital	18	25,085	25,085
Capital reserve	20	1,788	945
Capital redemption reserve	21	1,750	1,750
Revenue reserve	22	24,904	23,649
		<u>53,527</u>	<u>51,429</u>

Albert J Mucklow

G C Evans

Approved by the Board on 14th October 1992

The notes attached are an integral part of the accounts.



*CONSOLIDATED
CASH FLOW
STATEMENT*

for the year ended 30th June 1992

	Notes	1992 £000	1991 £000
Net cash inflow from operating activities	(a)	14,159	14,543
Net cash inflow from extraordinary item		—	14,600
Returns on investments and servicing of finance			
Interest received		1,234	1,449
Interest paid		(4,343)	(4,124)
Dividends paid		(5,543)	(5,398)
Net cash outflow from returns on investments and servicing of finance		(8,652)	(8,073)
Corporation tax paid		(5,511)	(5,547)
Investing Activities			
Purchase of property		(24,799)	(4,462)
Sales of property		83	4,280
Purchase of plant and vehicles		(62)	(98)
Sale of plant and vehicles		18	28
Net cash outflow from investing activities		(24,760)	(252)
Net cash (outflow) inflow before financing		(24,764)	15,271
Financing			
Issue of debenture stock	(d)	30,000	—
Repayment of term loan	(d)	(5,000)	—
Premium on debenture less costs		843	—
Redemption of share capital:			
Par value of shares redeemed	(d)	—	(1,725)
Premium and costs on redemption		—	(6,814)
Net cash inflow (outflow) from financing		25,843	(8,569)
Net cash inflow	(b)	1,079	6,702



*NOTES TO THE
CONSOLIDATED CASH
FLOW STATEMENT*

for the year ended 30th June 1992

(a) Reconciliation of operating profit to net cash inflow from operating activities	1992 £000	1991 £000
Operating profit	14,588	13,446
Depreciation charges	102	107
Loss on sale of tangible fixed assets	8	1
Decrease in stocks	736	1,921
Increase in debtors	(1,313)	(553)
Increase in creditors	38	112
Net cash inflow from operating activities	<u>14,159</u>	<u>14,543</u>

(b) Analysis of changes in cash and cash equivalents during the year

Balance at 1st July 1991	18,119	11,347
Net cash inflow	<u>1,679</u>	<u>6,722</u>
Balance at 30th June 1992	<u>19,223</u>	<u>8,140</u>

(c) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1992 £000	1991 £000	Change in year £000
Cash at bank and in hand	278	1	277
Short term deposits and investments	<u>18,950</u>	<u>18,143</u>	<u>802</u>
	<u>19,228</u>	<u>18,149</u>	<u>1,079</u>

(d) Analysis of changes in financing during the year

	1992		1991	
	Share capital £000	Debentures and loans £000	Share capital £000	Debentures and loans £000
Financing at 1st July 1991	25,085	41,066	26,810	41,066
Cash inflows (outflows) from financing	<u>—</u>	<u>25,000</u>	<u>(1,725)</u>	<u>—</u>
Financing at 30th June 1992	<u>25,085</u>	<u>66,066</u>	<u>25,085</u>	<u>41,066</u>



MUCKLOW

NOTES TO THE ACCOUNTS

1 Statement of accounting policies

Basis

The group accounts incorporate the accounts of the company and all subsidiary undertakings made up to the coterminous date of 30th June 1992.

The accounting policies adopted in the preparation of the accounts are consistent with previous years.

The accounts are prepared in compliance with section 230 and schedule 4 of the Companies Act 1985 and applicable Accounting Standards.

A separate profit and loss account is not prepared for the company as permitted by Section 230 of the Companies Act 1985.

Accounting convention

The financial statements have been prepared under the historic cost convention modified by the revaluation of certain properties.

Trading profit

In the building division credit is taken for profit:

On sales, when the final balance of the purchase price has been received.

On contracts, a proportion of profit appropriate to the stage of completion of the contract.

Interest

Interest payable to outside institutions considered attributable to the financing of industrial/commercial developments is capitalised in so far as the resultant book value is not likely to exceed the current market value. Interest is capitalised for a maximum period down to the earlier of the following dates:

- (i) six months after practical completion
- (ii) the development is substantially first let.

Stocks and work-in-progress

Land

Land for and in course of development is stated at the lower of cost or estimated value.

House ground rents are included at estimated value.

Construction

Houses and flats under construction and completed and materials on site are included at the lower of cost or net estimated realisable value.

Factories under construction and materials on site are included at the lower of cost or net estimated realisable value.

Investment properties

Assets are included in this category when it is the intention to hold the property for long-term investment purposes.

Properties produced by the building and estate division are transferred at amounts which include a commercial rate of profit. The profit arising is credited to capital reserve.

Costs include interest attributable to the financing of industrial/commercial developments.

In accordance with SSAP 19 all of the investment properties are valued annually and are included in the accounts at valuation and the variation is transferred to revaluation reserve. No depreciation or amortisation is provided in respect of freehold and long leasehold properties. The directors consider that their policy, in this respect, results in the accounts giving a true and fair view.



NOTES TO THE ACCOUNTS

1 Statement of accounting policies (continued)

Depreciation

Plant and motor vehicles

These assets are depreciated on a straight line basis over the estimated useful lives.

Government Grants

Capital grants received relating to the cost of building investment properties are deducted from the cost of fixed assets. This accounting treatment is considered appropriate in order to present a true and fair view of the investment in non-depreciating assets.

Taxation

Allowances applicable to industrial buildings and plant are deducted to arrive at taxable profit and no provision is made for deferred taxation resulting from these tax allowances.

Tax on chargeable gains arising on disposals is charged against the surpluses realised.

Pensions

The pension cost charged to the profit and loss account is such as to spread the cost of pensions over the working lives of employees who are scheme members.

2 Gross rentals

	1992	1991
	£000	£000
Factory estates	15,546	14,132
Flats, offices, shops, etc.	78	102
House ground rents and improved ground rents	3	3
	<u>15,627</u>	<u>14,237</u>

3 Turnover

Turnover represents amounts invoiced by the group wholly within the United Kingdom excluding inter-company items and value added tax.

House building, estate development and land sales	<u>3,022</u>	<u>3,498</u>
---	--------------	--------------

4 Investment income

Interest on short term deposits and investments	1,216	1,425
Dividends	2	15
Mortgage interest	16	9
	<u>1,234</u>	<u>1,449</u>



NOTES TO THE ACCOUNTS

5 <i>Interest payable</i>	1992	1991
	£000	£000
Debenture Stocks	4,821	4,187
Bank loans and overdrafts:		
repayable within 5 years	556	42
repayable wholly or partly in 5 years or more	—	761
	<u>5,377</u>	<u>4,990</u>
The total has been allocated as follows:		
charged to revenue	4,976	4,124
charged to cost of properties in the course of development	401	663
charged against pension fund surplus	—	203
	<u>5,377</u>	<u>4,990</u>
6 <i>Profit on ordinary activities</i>		
(a) The profit on ordinary activities before taxation arose as follows:		
Investment property division	8,699	8,638
Trading and estate development	913	684
Investment income	1,234	1,449
	<u>10,846</u>	<u>10,771</u>
(b) The related net assets were:		
Investment property division	127,812	134,218
Trading and estate development	5,645	3,968
Investments	18,912	16,998
	<u>152,375</u>	<u>155,184</u>
(c) Profit on ordinary activities is stated after charging the following:		
Hire of plant and machinery	16	25
Depreciation	102	107
Directors' emoluments	197	187
Auditors' remuneration	23	22



NOTES TO THE ACCOUNTS

<i>* Information regarding directors and employees</i>	1992	1991
	£000	£000
(a) Directors' emoluments (excluding pension contributions)		
Fees	30	32
Management remuneration	167	155
	<u>197</u>	<u>187</u>
The chairman's emoluments (and highest paid director) were	101	95
	<u>1992</u>	<u>1991</u>
Other directors' emoluments fell within the following ranges:		
£0 - £5,000	1	2
£5,001 - £10,000	—	2
£10,001 - £15,000	2	—
£15,001 - £20,000	—	1
£20,001 - £25,000	1	—
(b) Staff numbers and costs		
The average number of persons employed by the group (including directors) during the year was as follows:		
Management	5	5
Administration	5	5
Property management	7	6
Construction and sales	13	16
Total employees	<u>30</u>	<u>32</u>
The aggregate payroll costs were as follows:		
Wages and salaries	620	587
Social security costs	58	53
Pension costs	65	100
	<u>743</u>	<u>740</u>

(c) Pension arrangements

The group operates a defined benefit pension scheme which is administered by Trustees and is separate from the group.

The fund is open to qualifying permanent staff and certain ex-employees have preserved pension rights.

A complete valuation of the scheme will be undertaken by independent qualified actuaries at least every three years. Annual contributions to the scheme will be paid in accordance with their recommendations. Pension contributions made in the year ended 30th June 1992 amounted to £65,553 (1991: £100,000).

The most recent valuation of the scheme was undertaken as at 30th June 1991. At that date the market value of the assets of the pension fund amounted to £2.989m and this was sufficient to cover 110% of the value of the benefits that had accrued to members after allowing for future expected increases in earnings. Proposals for the surplus include reduced contributions.

The valuation method used is technically known as the "aggregate method". The assumptions which have the most significant effect on the results of the valuation are:

Investment return	2%
Pay increases	1%
Pension increases (dependent on class of member)	4.8%-7%



NOTES TO THE ACCOUNTS

8 <i>Taxation</i>	1992 £000	1991 £000
Taxation based on profit for the year:		
Corporation tax at 33% (1991: 33.75%)	3,331	3,505
Tax on franked investment income	—	4
Prior year adjustment for advance corporation tax	—	(981)
	<u>3,331</u>	<u>2,525</u>
The tax charge for the year has been reduced by:		
Accelerated capital allowances	(32)	(40)
Industrial buildings allowances	681	(74)
Interest capitalised	401	663
	<u>1,050</u>	<u>549</u>
9 <i>Extraordinary item</i>		
Net surplus refunded by a group pension scheme on completion of winding up less attributable taxation	<u>—</u>	<u>10,546</u>
10 <i>Dividends</i>		
On 4.9% net (formerly 7%) Cumulative Preference shares	33	33
On Ordinary shares		
Interim of 2.822p per share (1991: 2.565p)		
paid 1st July 1992	2,755	2,505
Proposed final of 3.103p per share (1991: 3.078p)	3,030	3,005
	<u>5,818</u>	<u>5,513</u>
11 <i>Earnings per share</i>	1992	1991
Calculated in accordance with SSAP 3 on the basis of 97,641,384 (1991: 101,307,746) Ordinary Shares and earnings of £7,482,203 (1991: £8,212,582)	<u>7.66p</u>	<u>8.11p</u>



NOTES TO THE ACCOUNTS

12 *Turnable fixed assets*

	Industrial/ Commercial properties £000	Other properties £000	Plant and vehicles £000	Total £000
At cost or valuation less aggregate depreciation at 1st July 1991	188,435	60	505	189,000
Additions	22,641	10	62	22,713
Grants received	(1,029)	—	—	(1,029)
Deficit on revaluation	(5,168)	—	—	(5,168)
Disposals	—	(22)	(26)	(48)
Depreciation	—	—	(102)	(102)
At 30th June 1992	<u>204,579</u>	<u>48</u>	<u>439</u>	<u>205,066</u>
Comprising:				
At valuation	204,565	—	—	204,565
At cost	11	48	1,126	1,185
Aggregate depreciation	—	—	(687)	(687)
	<u>204,579</u>	<u>48</u>	<u>439</u>	<u>205,066</u>
Industrial/commercial properties:		Freehold £000	Leasehold £000	Total £000
At cost or valuation		<u>183,404</u>	<u>21,275</u>	<u>204,579</u>

Certain freehold and leasehold properties were valued at 30th June 1992 on an open market basis by Debenham Tewson Cheshire.

On an historical cost basis properties which have been revalued would be included at the following amounts:

	1992 £000	1991 £000
Freehold	90,322	71,195
Leasehold	<u>14,501</u>	<u>11,355</u>
	<u>104,823</u>	<u>82,550</u>



NOTES TO THE ACCOUNTS

13 Stocks and work in progress	1992	1991
	£000	£000
Land	3,679	3,586
House ground rents	12	12
Houses and flats under construction and completed	2,355	3,205
Factories and offices under construction	27	6
	<u>6,073</u>	<u>6,809</u>
Deduct deposits received in respect of sale of houses	<u>3</u>	<u>1</u>
	<u>6,070</u>	<u>6,805</u>
Composed of:		
Raw materials and consumables (including land)	3,317	3,191
Work in progress	970	1,360
Finished stocks	<u>1,783</u>	<u>2,254</u>
	<u>6,070</u>	<u>6,805</u>

14 Debtors	1992		1991	
	Group	Company	Group	Company
	£000	£000	£000	£000
Trade debtors	4,355	1	2,455	1
Prepayments and accrued income	128	—	170	—
Mortgages	<u>236</u>	<u>—</u>	<u>108</u>	<u>—</u>
	<u>4,719</u>	<u>1</u>	<u>2,733</u>	<u>1</u>

The mortgages are repayable on disposal of the secured properties.

15 Creditors, amounts falling due within one year				
Trade creditors	2,231	17	4,943	40
Other creditors	26	—	527	—
Accruals	2,533	2,533	1,931	1,900
Social security	1	—	—	—
Corporation tax	1,674	1,945	3,850	1,850
Rents in advance	3,428	—	3,164	—
Proposed dividends	<u>5,785</u>	<u>5,785</u>	<u>5,510</u>	<u>5,510</u>
	<u>15,678</u>	<u>10,280</u>	<u>19,925</u>	<u>9,300</u>



NOTES TO THE ACCOUNTS

16 <i>Creditors: amounts falling due after more than one year</i>	1992	1991
	£000	£000
6¼ per cent First mortgage debenture stock 1989/94	675	675
7½ per cent First mortgage debenture stock 1990/95	391	391
13¼ per cent First mortgage debenture stock 2000/05	5,000	5,000
11½ per cent First mortgage debenture stock 2014	60,000	30,000
Midland Bank plc loan	—	5,000
	<u>66,066</u>	<u>41,066</u>

a) Debenture Stocks

The 11½% First Mortgage Debenture Stock 2014 is secured by first legal mortgages on the freehold and leasehold properties and by a first floating charge on the undertaking and all the property assets and rights present and future including any uncalled capital of A & J Mucklow (Properties) Limited, a wholly owned subsidiary undertaking of the company.

A further tranche of £30m 11½% First Mortgage Debenture Stock 2014 was issued at the price of £104.319 per cent in April 1992.

The other debenture stocks are secured on certain other freehold properties.

The debenture stocks are redeemable at par on the later of their respective redemption dates or at the company's option on or after the earlier of such dates. The company may purchase stock at any time in the market or by tender.

Sufficient stock has been repurchased and cancelled to fulfil the respective sinking fund obligations in respect of the 6¼% debenture stock and 7½% debenture stock for the whole period to the dates of final repayment in 1994 and 1995. There are no mandatory sinking fund requirements in respect of the 13¼% and the 11½% debenture stocks.

b) Bank Loans

The Midland Bank plc Sterling LIBOR loan of £5m was repaid on 24th April 1992.

17 <i>Provisions for liabilities and charges</i>	1992	1991
	£000	£000
Provisions for construction of roads and sewers and for work to complete and remedy houses and factories		
Balance at 1st July 1991	512	529
Charge (Credit) during the year	452	(17)
Balance at 30th June 1992	<u>964</u>	<u>512</u>



NOTES TO THE ACCOUNTS

18 Share capital	1992		1991	
	Authorised £000	Issued and fully paid £000	Authorised £000	Issued and fully paid £000
675,000 4.9% net (formerly 7%)				
Cumulative Preference shares of £1	675	675	675	675
97,611,381 Ordinary shares of 25p	24,410	24,410	24,410	24,410
19,658,616 Ordinary shares of 25p	4,915	—	1,915	—
	<u>30,000</u>	<u>25,085</u>	<u>30,000</u>	<u>25,085</u>
19 Revaluation reserve			1992 £000	1991 £000
Accumulative surplus on revalued investment properties without any provision for taxation				
At 1st July 1991			98,926	101,651
Transfer to capital reserve in respect of properties realised			—	2,308
			<u>98,926</u>	<u>99,326</u>
Deficit on revaluation			(5,468)	(400)
At 30th June 1992			<u>93,458</u>	<u>98,926</u>

In the event of disposal of these properties at an amount equal to the revaluation the tax on chargeable gains under present legislation would not exceed £3.4m.

20 Capital reserve	1992		1991	
	Group £000	Company £000	Group £000	Company £000
At 1st July 1991	3,218	945	349	945
Premium on debenture issue				
less costs	843	843	—	—
Surplus on realisation of:				
Flats	59	—	98	—
Factories:				
Excess (net) over valuation	—	—	414	—
Transfer from revaluation reserve	—	—	2,308	—
Inter-company profit on assets held for investment	60	—	49	—
At 30th June 1992	<u>4,180</u>	<u>1,788</u>	<u>3,218</u>	<u>945</u>



NOTES TO THE ACCOUNTS

21 Capital redemption reserve	1992		1991	
	Group £000	Company £000	Group £000	Company £000
At 1st July 1991 and 30th June 1992	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>	<u>1,750</u>
22 Revenue reserve				
At 1st July 1991	26,205	23,649	21,515	18,316
Redemption of share capital	—	—	(8,568)	(8,568)
Transfer to subsidiary undertakings	—	(226)	—	(552)
Costs on debenture issue	—	—	(1)	(1)
Taxation adjustments	—	1,412	10	780
Retained profit for year	<u>1,697</u>	<u>69</u>	<u>13,249</u>	<u>13,674</u>
At 30th June 1992	<u>27,902</u>	<u>24,904</u>	<u>26,205</u>	<u>23,649</u>
23 Investment in subsidiary undertakings			1992 £000	1991 £000
Shares				
At cost			391	391
At valuation			9,245	9,245
Inter-company accounts			<u>116,446</u>	<u>85,159</u>
			<u>126,082</u>	<u>94,795</u>
24 Contingent liabilities				
The contingent liabilities at 30th June 1992 were:				
Of a subsidiary undertaking to an insurance company in respect of bonds for the performance of road-making obligations				
			<u>12</u>	<u>34</u>

All bank overdrafts of the group are secured by interlocking cross guarantees given by the company and the subsidiary undertakings.



NOTES TO THE ACCOUNTS

25 <i>Capital commitments</i>	1992 £000	1991 £000
-------------------------------	--------------	--------------

The amount of outstanding commitments for capital expenditure contracted for but not provided for in the consolidated balance sheet	3,979	2,163
The amount of capital expenditure authorised in addition to the above commitments	<u>2,819</u>	<u>5,450</u>

26 *Subsidiary undertakings*

A & J Mucklow Group plc has the following principal subsidiary undertakings, all of which are registered in England and wholly owned by the Company except where indicated.

INDUSTRIAL PROPERTY INVESTMENT

Barr's Industrial Limited
A & J Mucklow (Birmingham) Limited
A & J Mucklow (Investments) Limited
A & J Mucklow (Properties) Limited
Belfont Homes (Birmingham) Limited*

TRADING AND ESTATE DEVELOPMENT

A & J Mucklow & Co Limited
A & J Mucklow (Homes) Limited
A & J Mucklow (Joint Developments) Limited
A & J Mucklow (Lancashire) Limited
A & J Mucklow (Estates) Limited
A & J Mucklow Finance Limited

* Wholly owned by A & J Mucklow (Estates) Limited.

RESIDENTIAL PROPERTY INVESTMENT

Kumclow Investments Limited



NOTICE OF MEETING

Notice is hereby given that the Thirty-first Annual General Meeting of the Company will be held at The Chamber of Commerce, Edgbaston, Birmingham B15 3DH on Tuesday, 10th November 1992 at 11.00 am for the following purposes:

As Ordinary Business

- 1 To receive the statement of accounts for the year ended 30th June 1992 and the reports of the directors and auditors thereon.
- 2 To declare a final dividend on the Ordinary Shares of 3.103p per share for the year ended 30th June 1992.
- 3 To re-elect Mr Peter M Petherbridge, who retires by rotation, as a director.
- 4 To reappoint the auditors and authorise the directors to fix their remuneration.
- 5 To transact any other ordinary business of the Company.

As Special Business

To consider and if thought fit to pass the following resolution which will be proposed as a special resolution.

Special Resolution

- 6 That the Company be authorised to make market purchases up to the date of the next Annual General Meeting (within the meaning of section 163 of the Companies Act 1985) of, and to cancel, up to 9,764,138 Ordinary Shares of 25p each and up to 675,000 Preference Shares of £1 each in its capital at a price of:
 - (a) in respect of Ordinary Shares not more than 5 per cent above the average of the middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the 10 business days prior to making the purchases and not less than 25p per share (in each case exclusive of expenses); and
 - (b) in respect of Preference Shares not more than 5 per cent above the average of the middle market quotations for such shares as derived from the London Stock Exchange Daily Official List for the 10 business days prior to making the purchases and not less than 50p per share (in each case exclusive of expenses).

By order of the board

Derick Bromley *Secretary*

Registered Office:

Haden Cross, Haden Cross Drive
Cradley Heath, Warley
West Midlands B64 7JB

14th October 1992



NOTICE OF MEETING

Any member of the Company entitled to attend and vote at the meeting may appoint another person or persons as his/her proxy to attend and vote instead of him/her. A proxy need not be a member of the Company.

Accompanying this notice (for Ordinary Shareholders only) is a two-way form of proxy and this proxy should be completed and returned to the Company's registrars at Barclays Registrars Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive not later than 48 hours before the time fixed for the meeting. Completion of a proxy will not prevent a member from attending the meeting if subsequently he/she is able to do so.

Preference shareholders are reminded that under the Company's Articles of Association they are not entitled to vote at the above meeting. The report and accounts are sent to all debenture stockholders of the Company but holders of debenture stock are not entitled to vote at the above meeting.

The following documents will be available for inspection at the registered office of the Company on any weekday (except Saturdays) during normal business hours from the date of the foregoing notice until the date of the Annual General Meeting:—

- 1 A statement of all transactions of each director and of their declarable family interests in each class of the share capital and debentures of the Company and its subsidiaries.
- 2 Copies of relevant service contracts of certain directors.

Such documents will also be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

The final dividend, if approved, will be paid on 4th January 1993 to all Ordinary Shareholders on the register on 12th November 1992.



FORM OF PROXY FOR ANNUAL GENERAL MEETING

I/We, the undersigned, being (a) holder(s) of Ordinary shares of A & J Mucklow Group plc, hereby appoint the Chairman of the meeting*, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on Tuesday, 10th November 1992, and at any adjournment thereof and to vote as shown below in respect of the resolutions.

	For†	Against†
Resolution No. 1—Adoption of directors' report and accounts for year ended 30th June 1992	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 2—Declaration of final dividend	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 3—Re-election of Mr P M Petherbridge	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 4—Reappointment of auditors and authorisation of directors to fix their remuneration	<input type="checkbox"/>	<input type="checkbox"/>
Resolution No. 6—Authorisation of market purchases by the Company of its own shares	<input type="checkbox"/>	<input type="checkbox"/>

Signed

Dated this day of, 1992

Name
(BLOCK CAPITALS PLEASE)

Address

NOTES:

- * Delete if it is desired to appoint any other person and insert his/her name and address. A Proxy need not be a member of the Company.
- 1 Please indicate how you wish your Proxy to vote by inserting a tick in the appropriate box opposite each resolution. If no indication is given your Proxy will be deemed to have the authority to vote or abstain at his/her discretion.
- 2 In the case of a corporation this Proxy should be under its common seal or under the hand of an attorney or a duly authorised officer.
- 3 In the case of joint holders this Proxy may be signed by any one holder.
- 4 Completion of this Proxy does not prevent a member from attending and voting in person.
- 5 The Proxy should be completed and lodged with the Company's Registrars, Barclays Registrars Limited, not less than 48 hours before the time of the relevant meeting.

2nd FOLD

BUSINESS REPLY SERVICE
Licence No. MB 122

2



BARCLAYS REGISTRARS LIMITED
Bourne House,
34 Beckenham Road,
BECKENHAM,
Kent,
BR3 4BR.

1st FOLD

3rd FOLD AND TUCK IN



SHAREHOLDERS' DIARY

Annual General Meeting	November 1992
Results	
Announcement of six months to 31st December 1992	March 1993
Preliminary announcement of year to 30th June 1993	September 1993
Dividends	
Final dividend 1992 — announced	September 1992
— payable	January 1993
Interim dividend 1993 — announced	March 1993
— payable	July 1993