NOTICE OF ILLEGIBLE PAGES

Companies House regrets that documents in this company's record have pages which are illegible.

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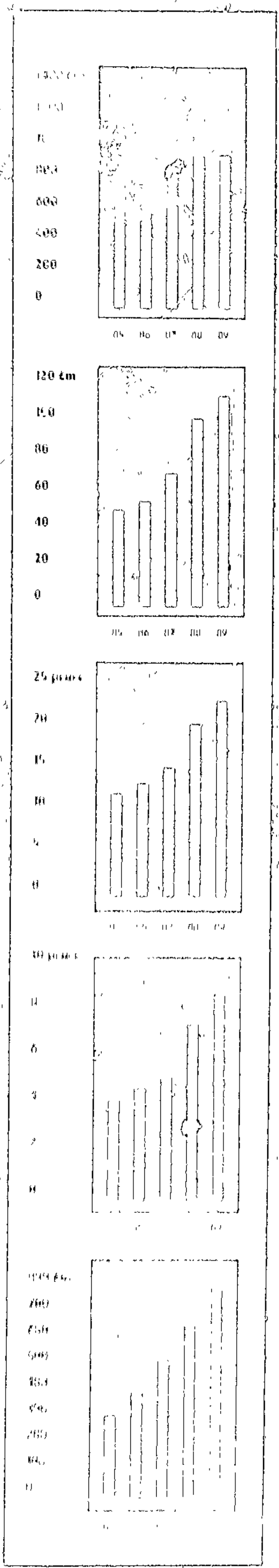
Companies House would like to apologise for any inconvenience this may cause

TAYLOR WOODROW

TAYLOR WOODROW plc

1989 Annual Report



SUMMARY OF FINANCIAL PROGRESS

	1989	1988
Turnover	£1,321.0 million	£1,260.1 million
Overseas		
UK		
Profit before tax	£116.9 million	£105.3 million
Earnings per share	23.7 pence	20.8 pence
Dividends per share	9.0 pence	[illegible] pence
Valuation of investment properties	[illegible] million	[illegible] million

CHAIRMAN'S STATEMENT

Dear Shareholder

In this, my first statement to you as Chairman, it is my pleasure to report that in 1989 your company achieved another year of progress, earning increased profits for the twenty-ninth consecutive year.

The most important elements of that progress may be summarised as:

Turnover	£1,321.1m,	up £61.0m	or 4.8%
Profit before tax	£116.9m,	up £13.6m	or 13.2%
Profit available to shareholders	£70.2m,	up £4.9m	or 7.5%
Earnings per share	23.7p,	up 2.9p	or 13.9%
Net assets per share			260.5p
Recommended final dividend per share			7.25p
Total dividend for the year	9p,	up 1.5p	or 20%

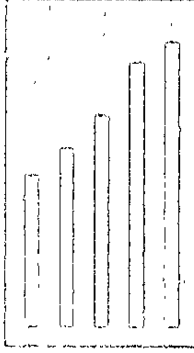
Your Board again proposes to offer shareholders the opportunity to elect to receive all or part of the final dividend in the form of shares. Details of this proposal and two other items of special business which are to be placed before the annual general meeting on 15 June 1990 are detailed in an accompanying circular to shareholders.

1989 was a tough year in which increasing interest rates brought a reduced level of activity in the UK economy. Nevertheless, your company continues to change in response to emerging market opportunities and our established policy of seeking to insulate your company from the volatility of the UK construction market.

In 1989 more than half of group profit came from our property companies working in the UK, North America and Australia. We sold a number of properties which had reached their optimum value but despite this the value of our property portfolio increased by £119.3m to £801.9m. [illegible] our investment in property will be based on a cautious appraisal, but we anticipate continued growth as the [illegible] portfolios yield profits as a result of creative property [illegible] and investment.

Housing profits in 1989 were [illegible] than 1988's due to the impact of high UK mortgage interest rates. Our housing [illegible] North American housing market [illegible] We have [illegible] delivered a creditable profit from our Australian [illegible]

[illegible]



CHAIRMAN'S STATEMENT continued

progress. It is anticipated that the size of construction projects will increase and that our contracts for the Channel Tunnel and the Great Belt Bridge in Denmark are but forerunners of a number of major infrastructure projects.

The Greenham companies performed well and improved their client base. Trading is set to expand into areas not directly associated with the building industry. We shall also seek to expand these activities in Europe and expect a modest growth in the extraction and dredging of aggregates and our ready mix concrete operations.

1990 is likely to be highly challenging. There are tremendous new market opportunities in Europe, both East and West, which will give your team the opportunity of building on its already well-established bridgeheads in mainland Europe to take full advantage of the many opportunities for the group's major operating companies. Taylor Woodrow is becoming a leaner yet multi-faceted organisation but one which will continue to excel in major contracting situations favouring joint ventures.

In 1989, net rents from our property portfolio increased by 25%, a significant indication of the quality of earnings and growth that is familiar to Taylor Woodrow shareholders. With the support of our professional and financial partners, we expect to further expand the portfolio.

The directors of your company hope they may enjoy continued shareholder participation and involvement in our work and I wish to record the tremendous debt we all owe to our team of over 9,000 members working in over 20 countries around the world and to the professional organisations whether they be acting for our clients or for ourselves, our subcontractors, suppliers and of course those most important people of all - our clients.

In 1989 Sir [illegible] Gibb, Robert [illegible] and Sir [illegible], all of whom had played [illegible] and [illegible] roles in shaping Taylor Woodrow, retired from the Board and on your behalf I should like to thank them for their many years of dedicated service to the company and for their continuing [illegible] which [illegible] of the company, founded by Lord Taylor of Hadfield 60 years ago. A company which will [illegible] on the principles of its [illegible] [illegible] teamwork, square dealing and [illegible].

This year we shall all need to work hard together and I very much look forward to your continuing support.

Yours sincerely,

Peter Drew

CHIEF EXECUTIVE'S STATEMENT

Dear Shareholder

I became your Chief Executive on 1 January 1990 with the experience of 35 years' service with Taylor Woodrow.

My task, acting with my team colleagues, is to continue the sound and profitable growth of the group within its four core businesses: construction, trading, housing and property. I also see the challenge of managing change within these businesses, but always based on our policies of fairness, firmness and the insistence on a square deal.

Our success in the past has always been based on the team and it will not surprise you to know that a large part of my job will be the continued development of the skills and enthusiasm of our team members in order to meet these challenges.

The approach to our construction activities will be to remain selective in the work we pursue, but to compete with vigour for those projects which are judged to offer benefits for the group. We are proud to be a founder member of the TransManche-Link consortium which is constructing the Channel Tunnel. Recent media comment has said little about the rapid pace at which the works are proceeding. Tunnelling records are repeatedly being broken and my colleagues and I are greatly encouraged by the present progress.

The group's trading operations, especially those of the Greenham companies, which performed well in 1989, offer scope for further selective expansion in the future and we shall be examining opportunities for the enhancement of their businesses.

Our housing companies, like their UK competitors, experienced a difficult 1989 and 1990 will be no easier. The group's housing operations are, however, carried out in many parts of the world, which reduces the dependence on any one market. We have plans for a careful expansion in our established markets, and intend to continue the purchase of sensibly-priced land for future development.

Property operations enjoyed success in 1989 and we expect continued growth in 1990. UK retailing is facing difficult trading conditions at present, but you will be pleased to learn that the group's property portfolio contains less retail property than a year ago. Equally, the proportion of properties under construction has reduced, which has effectively lessened our exposure to any period of oversupply of commercial property, although I should stress that Taylor Woodrow's policy has always been to develop quality property in areas of strong demand.

We face a period which is expected to be difficult for businesses in general with confidence and [illegible] on [illegible] and [illegible] to [illegible] [illegible] on behalf of all [illegible]

Yours sincerely

The group's multi-disciplined UK construction operations won valuable new business in an increasingly competitive market.

Our UK construction operations range over building, management contracting, civil engineering, design, mechanical and electrical and process contracting, structural steel fabrication, renewable energy projects and a wide spread of specialist activities which support and complement these capabilities.

Building operations provided a valuable flow of business during 1989. Taylor Woodrow Construction Limited and the group's regional contracting subsidiaries were actively engaged on a wide variety of building projects including office and commercial projects – from the major Tricentre II at Swindon, the new HM Land Registry building at Telford, a major office for Skånska A/B at Thomas More Street, projects in the City of London at Whittington Avenue and a major facade retention project in King William Street for Ropemaker Properties Limited, to three major projects in Glasgow City Centre. Plans are in hand to expand the operations of the Scottish subsidiary.

Work underway on Trinity Tower, Thomas More Street, London E1, for Skånska A/B

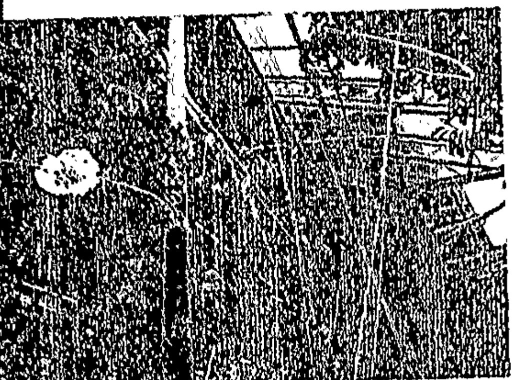
Notable amongst projects for public sector clients were a number of prison facilities for the Property Services Agency, including those at Brinsford and within Featherstone Prison near Wolverhampton. New contracts for the construction of Crown Courts are well underway at Bristol and Northampton.

Repeat orders were obtained from important clients in the retail sector – notably Tesco PLC, BhS/Storehouse plc and Wm. Morrison Supermarkets PLC. Many other important shopping projects were completed, including the new Cascades Shopping Centre, Portsmouth, the Lewis's Department Store conversion, Glasgow and a distribution centre for ASDA Stores Limited near Wakefield.

The continuing new hospital construction programme provided our teams with on-going work at the National Heart and Chest Hospital at Chelsea, at Udstone, Hamilton, at Kingston Hospital, Surrey, and further projects in the North East for the Northern Regional Health Authority; other hospital projects were successfully completed during the year.

Late in 1989 the team was delighted to obtain the contract for the major new Victoria Barracks, Windsor.

Our construction services were in demand for a number of high-tech printing plant and related projects for British Newspaper Printing Corporation at three primary locations. Of these, the plant at Oldham was able to start production four months ahead of programme as a result of round-the-clock 'fast track' working by our specialist team.



The atrium of 8 Salisbury Square, London EC4, an impressive stone-clad office development completed by Taylor Woodrow Construction Limited for City of London Real Property Company Limited.

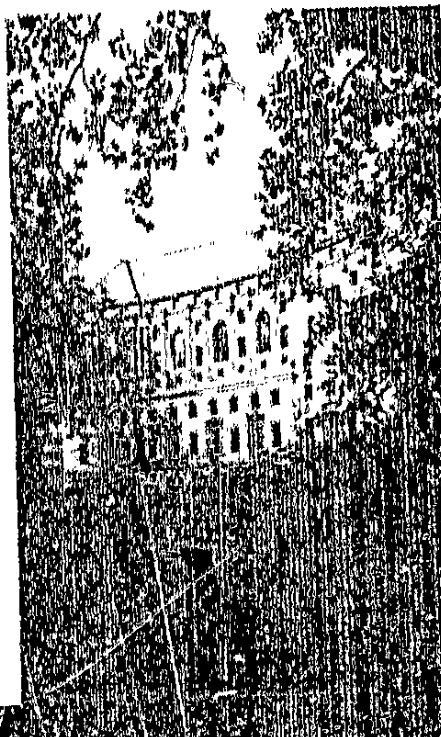
Design Build provided many work opportunities, and projects now completed include a new computer centre for merchant bankers, S G Warburg & Co Limited, facilities for Smithkline Beecham plc and the design brief for the proposed remand centre at Cookham Wood.

Renovation projects continue to represent an important part of the group's construcrion activity. Taylor Woodrow Construction Limited continued the redevelopment of 4 Millbank – a substantial Edwardian building – and carried out many specialised tasks including work for British Telecommunications plc (much of which required a 'fast track' approach).

Myton Limited, with its established reputation as a specialist in this sector, was fully occupied during 1989 and carried out many renovation and store-fitting projects both for new and established clients.

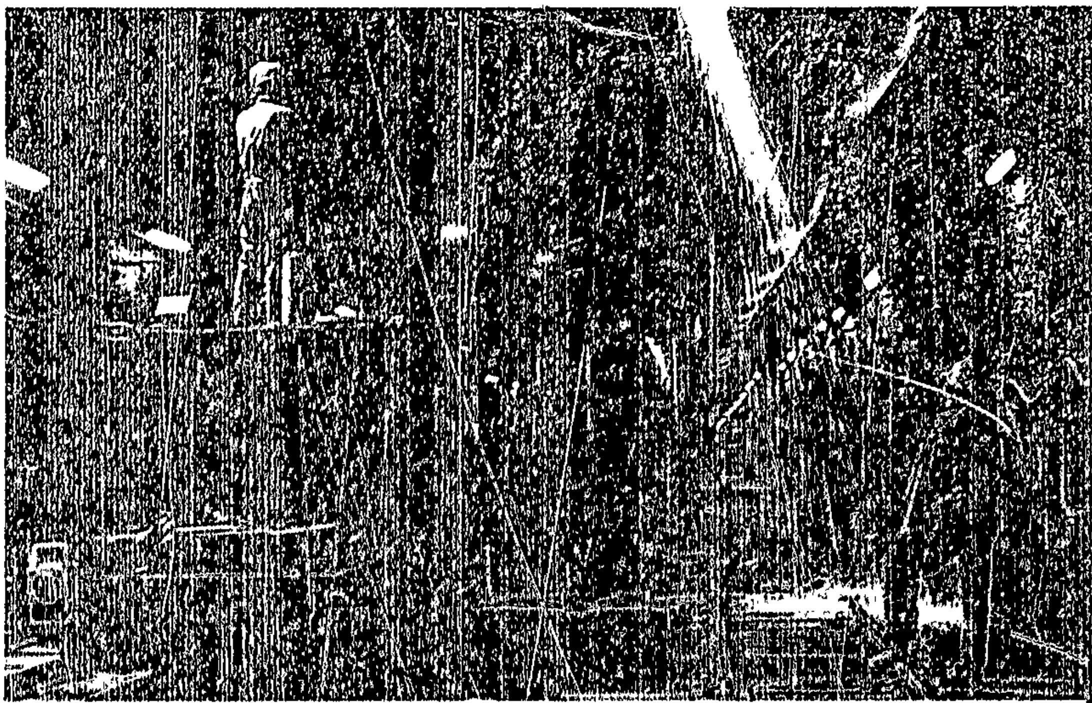
Management Contracting services again met strong demand. Taylor Woodrow Management Contracting Limited completed many important projects during the year including the modernisation of the ticketing system for London Underground Limited and the major conversion of the Imperial War Museum. It followed these successes with important and substantial contracts for the management of the new £150 million Heathrow Express rail link and a £200 million programme of design and management contracts for Thames Water Utilities Limited. The company consequently has a very good order book, including major office developments in London for Kumagai Gumi UK Limited, Goldman Sachs International Limited and the fitting out of the recently renovated Lutyens House for BP International Limited. Work continues on the construction consultancy contract for the Manchester Airport expansion.

Civil Engineering operations continued on a number of major projects. Taylor Woodrow Construction Limited is one of the ten participants in the TransManche-Link construction consortium which is engaged in the construction of the Channel Tunnel. This project made significant progress during the year. On the British side there are three land drives and three seaward tunnel drives, of these the seaward service tunnel had progressed some 14.5 kms under the Channel at the year end and good progress has been maintained since then.



Renovation and fitting out of Lutyens House, London EC2, by Taylor Woodrow Management Contracting Limited

During the year an important contract was obtained for the construction of the 7 km long Storebaelt Western Bridge in Denmark. This project is being undertaken by a consortium of European contractors – in which your team will be playing a vital role – and after the Channel Tunnel is the second largest infrastructure project underway in Europe.



Channel Tunnel/running tunnel marshalling area – erection of overhead cabins. Taylor Woodrow Construction Limited is a partner in the TransManche-Link joint venture.

Another success for the team was the recent award, in joint venture with John Mowlem & Co plc, of the 8 km long extension of London's Dockland Light Railway to Beckton.

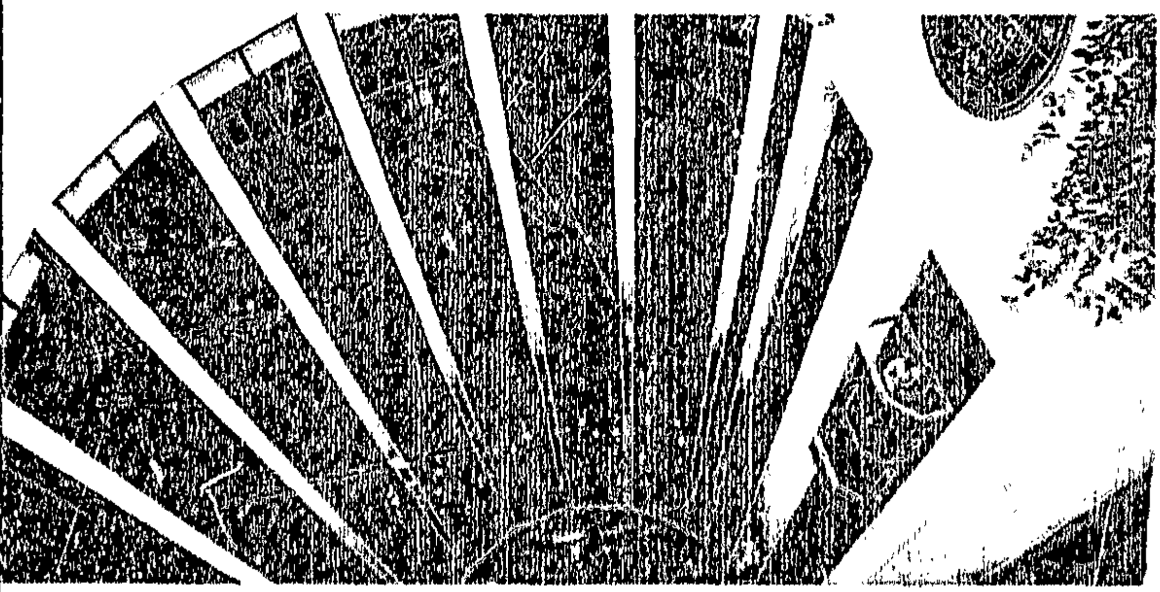
In the vital and expanding market for water resource projects, Taylor Woodrow Construction (Northern) Limited has developed a particular expertise, which was applied successfully to a number of water/effluent treatment works.

Design and Research activities of Taywood Engineering Limited were in great demand during 1989. This company has a first-class reputation for its facilities and expertise, which were applied to such diverse assignments as the design, construction and testing of a 1/10 scale model of the Sizewell 'B' pressurised water reactor containment vessel, the provision of design and architectural services for many commercial and Governmental clients at home and abroad, and a continuing commitment to nuclear technology with a fourth year of operations for the radioactive waste checking laboratory at Winfrith for the Department of the Environment. The company's internationally-reputed cladding test facilities at Southall were further expanded in response to client demand.

Mechanical and Electrical Services of Taymech Limited included assignments at Bromsgrove Hospital and work associated with a very large maintenance hangar at Manchester Airport. A notable success was the award of the HVAC hardware contract for Sizewell 'B' Nuclear Power Station.

Specialist design tasks were also undertaken for new installations, and a preventive maintenance facility was established to service the needs of existing building owners.

The Mining Division of Taylor Woodrow Construction Limited continued the winning of coal from its four opencast coal sites, extracting a total of 1.6 million tonnes during the year. Restoration of the worked-out site at Trecatty, South Wales, was completed during 1989, whilst at Cwmbargoed, also in the Principality, coal handling operations were negotiated for a further term. A new site, at Linton Lane,



The central atrium of Marshal Point, headquarters for Municipal General Insurance (MGI) in Bournemouth, Dorset. Taymech Limited was responsible for the design, construction and commissioning of the complete building services and environmental systems.

Northumberland, was opened during the year and the division is actively pursuing new opportunities at home and in Europe.

Bulk Materials Handling services continued to be provided by Butterley Engineering Limited, which secured an important contract for the design, installation and commissioning of a limestone and gypsum handling plant at Drax coal-fired Power Station – a major project forming part of the UK's expanding flue gas desulphurisation programme.

Energy and Related Activities continued on many fronts. Wind Energy Group Limited, a related company, received orders for the production version of the 33 metre diameter, 300 KW, MS-3 wind turbine, three of which were sold to Italy and one to Northern Ireland. In the USA, the California wind-farm of 24 MS-2 wind turbines continued to perform well; one further version of this model was sold to a Spanish utility.

Opportunities for the expansion of this company are being pursued with vigour.

Offshore and Related Activities were scaled down during the year; the fleet of North Sea vessels of related company Seaforth Maritime Limited was sold in June. Subsequently, the interest of the company's majority shareholder was purchased and the company then sold to the management team.

One of Terresearch Limited's restricted access mini-piling rigs at work on a construction site in High Holborn, London.

Taywood Santa Fe Drilling completed the Rough storage project for British Gas Corporation, and work continued for major petroleum company clients.

Engineering and Management Services provided by Taylor Woodrow Management and Engineering Limited continued to serve many clients including British Nuclear Fuels plc (for whom a design and construction contract for the miscellaneous Beta Gamma waste store at Sellafield was successfully completed).

An important joint venture – Taywood ENSR – was established during the year and received a number of awards for the provision of specialised environmental services, including consulting, engineering, health science and waste management technology.

Taywood Data Graphics continued to develop its facilities for computer-based digitised mapping, an expanding activity, and completed projects for the Ordnance Survey and a number of utility companies. Other projects are in hand.

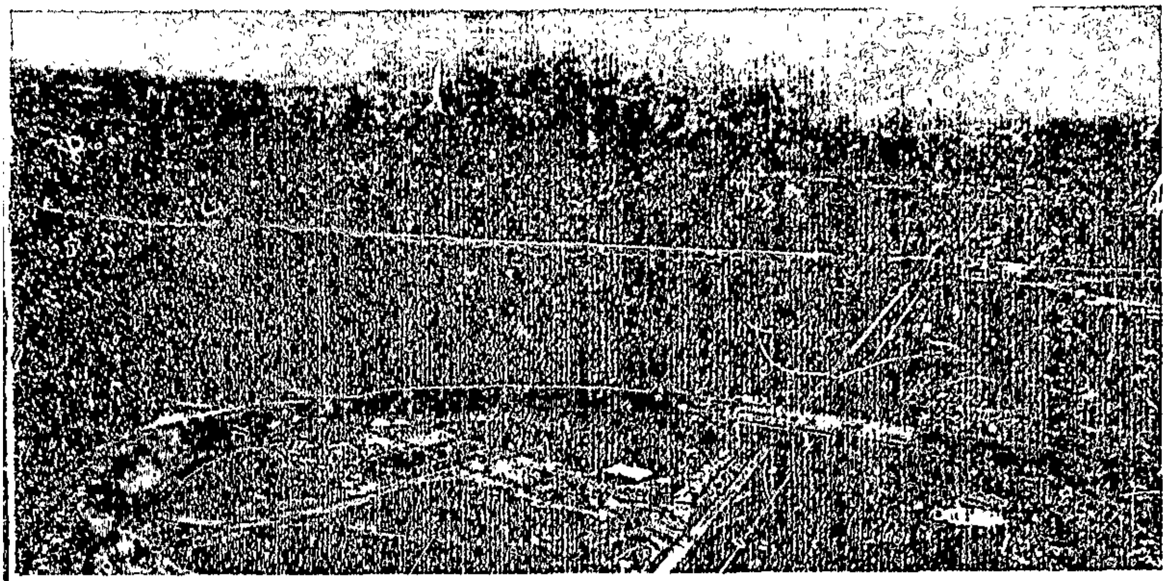
Structural Steelwork services of Octavius Atkinson & Sons Limited were again much in demand. The company fabricated and erected a record 21,000 tonnes of structural steelwork during the year. The company faces the 90's with optimism, it is relocating its fabrication facilities to Flaxby, some 5 miles from the existing works, and construction has already commenced.

Foundation Engineering services of Terresearch Limited were in strong demand and this company enjoyed a year of record progress. Investment in rotary and mini-piling equipment has added to its wide-ranging facilities which also include geotechnical consultancy as well as ground investigation and foundation engineering.

Specialist Finishings subsidiary, Jonathan James Limited, further expanded its business and undertook numerous projects involving external stucco rendering, fibrous plastering, tiling, suspended ceiling work and plasterboard dry lining

Octavius Atkinson & Sons Limited fabricated and erected over 5,000 tonnes of structural steelwork for building 4, part of a three building development at Minster Court, London for Prudential Assurance plc

TAYLOR WOODROW



The North South Toll Expressway in Malaysia will extend over 317 miles. Taylor Woodrow International Limited has been appointed by the concessionaire, Projek Lebuhraya Utara-Selatan Bhd, to provide construction advice.

Despite generally subdued overseas markets, your companies were successful in lifting the volume of work undertaken. A useful level of business and service was maintained in their primary markets, and plans were laid for an expansion in selected territories.

Operations in the Far East were centred on Malaysia. Taylor Woodrow International Limited is construction adviser on the 317 mile North South Toll Expressway project, which made significant progress. Further work for toll booth and plaza construction was recently won.

A major shopping complex in Kuala Lumpur was completed, work continued on the new Penang General Hospital and a number of building contracts were obtained by Teamwork Corporation Sdn Bhd.

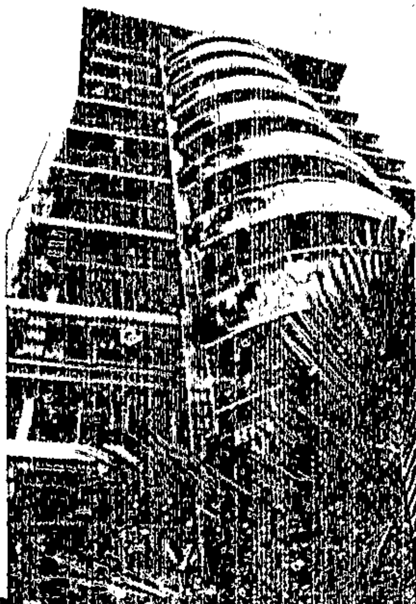
A presence was maintained in Brunei, where progress was made toward completion of an important new water treatment works.

In Bangladesh a notable achievement was the completion, ahead of programme, of a new pharmaceutical factory at Dhaka for Ciba Geigy Bangladesh Limited.

Operations in Australia included the successful completion of a number of small marine civil engineering projects. In neighbouring New Zealand, however, the unsatisfactory economic climate resulted in the suspension by the client of two building projects.

Following its entry into the USSR market, Taylor Woodrow International Limited completed the erection and equipping of three [illegible] clothing factories. These were run up to full production and handed over during the year. Following this success, contracts were won for installations at six synthetic fur fabric factories at various locations in the USSR, followed by the award of design and construct [illegible] Pizza Hut restaurants in Moscow.

A prestige residential development in Brunei built by Teamwork Sdn Bhd for a private client. The scheme incorporates three apartment blocks, a sports centre, a security centre, swimming pool and a shopping mall.



Activities in the Middle East included those in the established market in Oman, where our related company, Taylor Woodrow-Towell Company (LLC) made progress on a mechanical services contract for Petroleum Development Oman LLC. Term maintenance contracts were also renewed for the Royal Yacht Squadron and the Royal Guard Brigade.

In Saudi Arabia a central maintenance facility for the Royal Saudi Air Force at Al Kharj proceeded. The airfield facilities contract in Egypt approached completion.

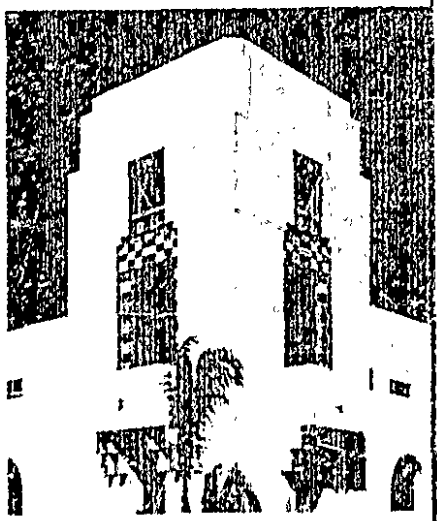
In Sudan, despite difficult conditions, the permanent bridge protection works at Kosti showed good progress. Taysec Construction Limited was awarded additional work in Ghana to extend its road contract to Kintampo in the South and Tamale in the North. A new contract was awarded by the Social Security and National Insurance Trust for the completion of an office block in Accra. In Botswana work was started on a new university facility at Gaborone.

In Europe, the team completed work for the Property Services Agency in Gibraltar and the major waterfront Queensway Quay development moved into the construction phase. On Malta, continued management assistance was provided to the Ministry for Development of Infrastructure for construction of the Marsaxlokk Port project.

Steady progress was made towards completion of the US Embassy project in Georgetown, Guyana.

Construction operations in North America expanded significantly, and in the USA a substantial volume of new work was won.

Airport facilities represent a large part of the order book of Taylor Woodrow Construction Corp; in addition to completing work at Sarasota Airport, Florida, the team also obtained several contracts at John F Kennedy International Airport, New York. At John Wayne Airport in Orange County, California, work progressed on the substantial new terminal building, together with its parking and roadway structures.



Breadleaf palms and Moorish architecture set the tone for the Oceanside Civic Center, California, USA, built by Taylor Woodrow Construction Corp.

Also in California, the Civic Centre at Oceanside neared completion; this will be followed by projects for the construction of a new school of business for California State University at Long Beach, and a Hall of Justice at Riverside, for which contracts were recently awarded.

In the relatively quiet market of Florida, work continued at the 625,000 sq ft Jacksonville Detention Center.

Experience in environmental engineering will be placed to good advantage in a recently-awarded project for an upgrade of a wastewater treatment plant in Hoboken, New Jersey. Projects of this type, as well as detention, medical and institutional projects, have been identified as a source of worthwhile new business for the future.

In Canada, in a quiet year, several valuable building projects were obtained.

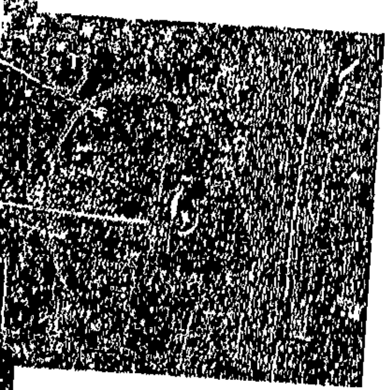
TRADING AND OTHER ACTIVITIES

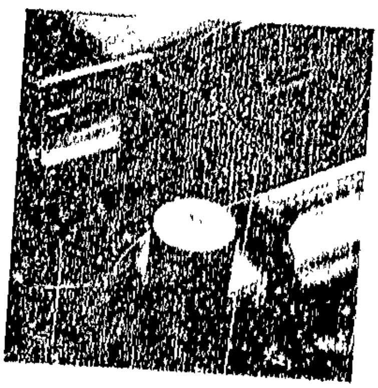
Greenham Trading Limited continued to expand its operations and sales and profits again reached record levels. Strong demand from the construction industry continued during the year, and this was supplemented by expanding sales of clothing, industrial health and hygiene products and video equipment to manufacturing industries.

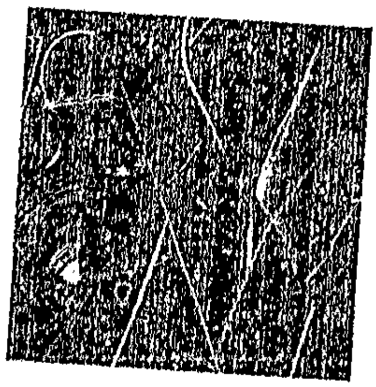
The newly opened branches at Rochester and Sheffield became profitable during the year; there are plans to close existing warehouses in Glasgow and Aberdeen and replace them with larger premises in similar locations. Trade shops will also be increased in size to meet the growing demand for the broad range of products now being sold to a much wider industrial and manufacturing base.

During the year computing systems were up-graded to cater for the specific needs of the company and the speed at which it is expected to grow between now and the turn of the century.

Taylor Woodrow Denmark A/S experienced a difficult year because of the unsatisfactory economic situation in Denmark. The crane hire business, however, performed well, and Greenham Denmark provided a springboard for Greenham Trading Limited's entry into Europe; by the end of its first year of activity this division had achieved success in the protective clothing and industrial health and hygiene products markets. Further European opportunities are also under investigation.







The Ford main dealership of A&S Andrews Limited in West London had an active year, but experienced pressure on its margins.

The insurance broking subsidiary, E&D Taylor (Insurance Brokers) Limited, continued to provide a valuable service to group companies and to its outside clients. Record levels of profit were achieved.

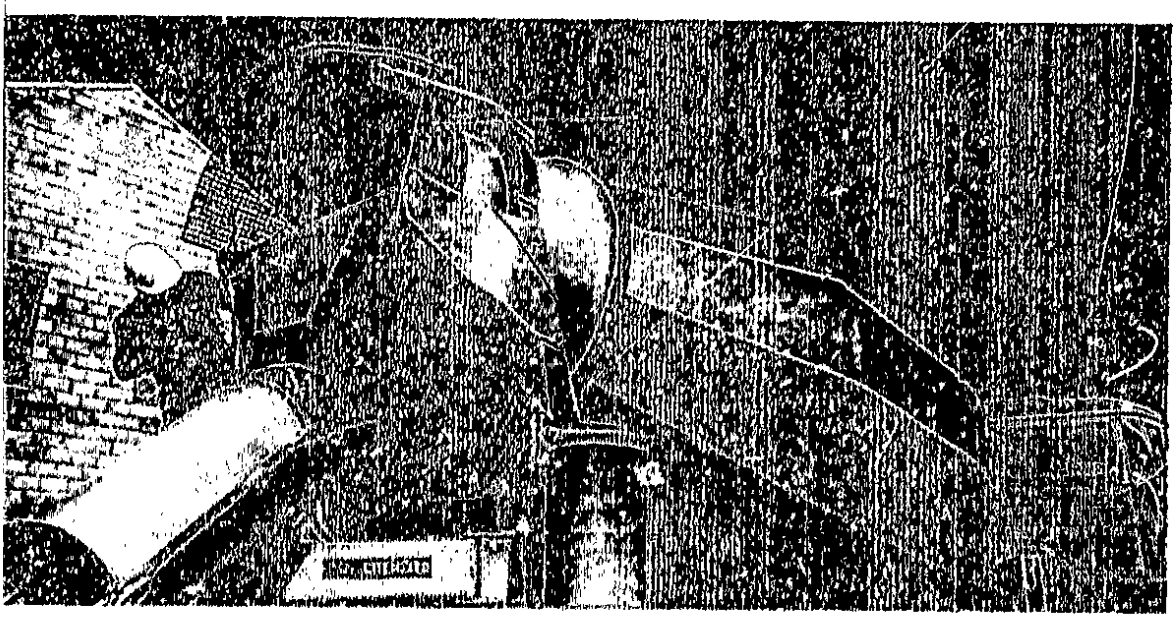
Kadek Press Limited again enjoyed a productive year.

The three wheat and sheep farms in Australia produced useful profits, despite the challenge of adverse climatic conditions late in the growing season, which brought reduced yields.

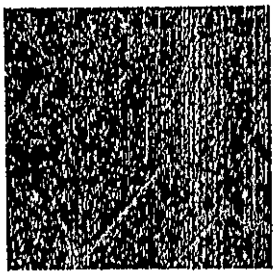
Greenham Construction Materials Limited reaped the benefits of strong demand for sand and gravel in London and the South East. Further gravel-bearing land was acquired in the Midlands and the South East in order to create additional resources for the company's future.

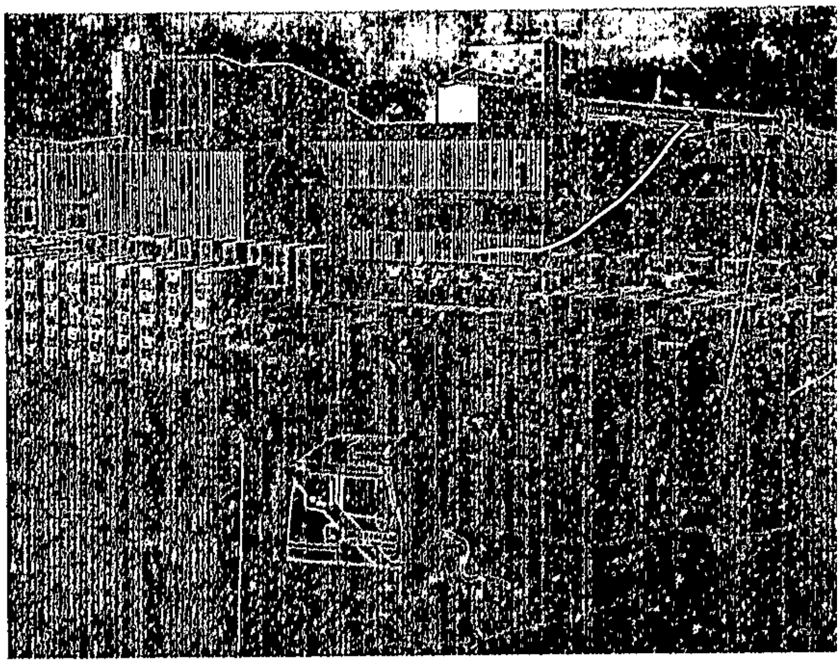
Britannia Aggregates Limited, a related company incorporated in 1989 jointly with Robert Brett & Sons Limited, proved sufficiently successful for the company to place an order for the construction of a new 5,000 tonne capacity suction dredger. This vessel, which is due for delivery in early 1991, will enable this company to expand its sea-dredged aggregate operations. A large site was purchased at Belvedere, strategically located for the Thames Estuary, where a wharf will be constructed for the transhipment of aggregate; the site is large enough to allow for expansion of Greenham Construction Materials Limited's ready mixed concrete and block paving businesses.

The ready mixed concrete division benefited from strong construction activity in Greater London and is seeking to up-grade its plants to cater for the new decade.



Greenham Construction Materials Limited are suppliers of aggregates, ready mixed concrete and precast concrete paving blocks



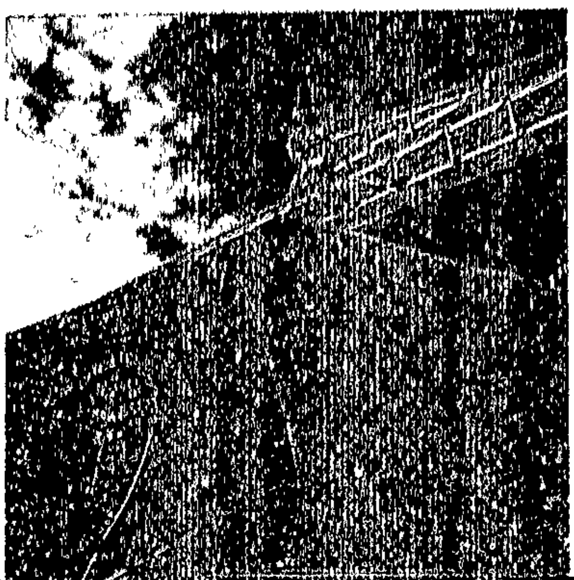


The concrete paving block factory in Kent is now in full production. This fully-automated facility manufactures 'Omega' concrete paving blocks – a product of the highest quality. It now has stock available, and a full order book.

The Fife Sand and Gravel Company Limited continued to perform well.

GB Waste Disposal Limited continued its involvement in the growing market for the han. ing of waste through its waste transfer stations in London. Further sites for transfer stations are under investigation.

Greenham Construction Materials Limited are also waste collection and disposal contractors operating landfill sites in London, Surrey, Hertfordshire and Essex. The company has a fine reputation for land restoration and has received numerous commendations over the years for this.



TAYLOR WOODROW

As foreshadowed in last year's annual report, high UK interest rates brought reduced demand for homes. Taylor Woodrow Homes Limited had anticipated some market downturn and measures were introduced to facilitate economic mortgage interest rates, which stimulated sales at the lower end of the company's product range.

The rate of production has been geared to suit market conditions. Other steps were taken which will allow the company to remain competitive and retain market share.

Towards the end of 1989 the first phase of a new development at Oakwood, Wokingham, was brought to the market. Its range of new house styles met keen buyer interest.

The first phase of the Highland Oaks development situated in a desirable location at Crawley, Sussex, was launched and is now experiencing success.

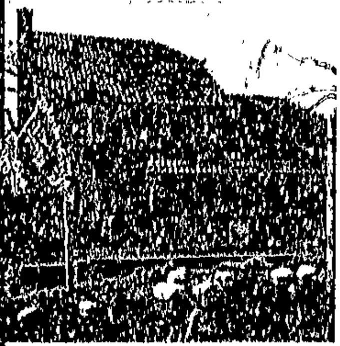
There remains an underlying demand for good quality and economic housing, and Taylor Woodrow Homes Limited is in a position to satisfy this demand.

Land was acquired at Bishops Stortford, Maidstone and Swaffham to provide new outlets where marketing prospects exist. The opportunity was also taken to purchase attractive new sites for long-term development. These sites will be planned in accordance with the company's established practice of caring for the environment, offering the prospect of high quality landscaping schemes and generous amounts of public space.

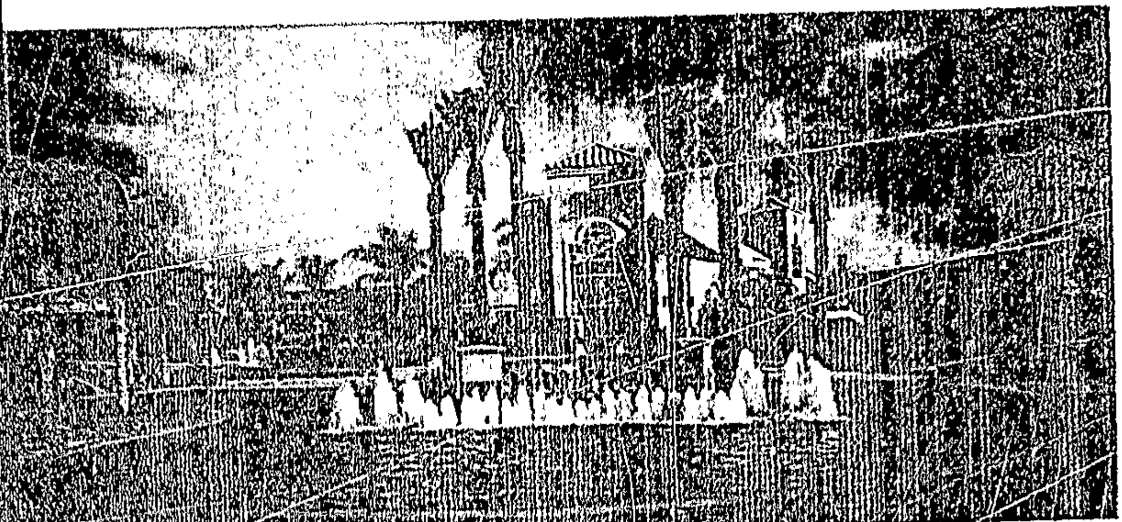
The popular Morgan's Quay and Leander Court development at Teignmouth was selected to receive the Arnold Sayers Award for Group Housing from the Devon Conservation Forum.

In 1989 the housing market in Scotland maintained the improvement which had been witnessed the previous year. The popular Craigends development to the west of Glasgow produced good sales. A further release of land at Craigends will provide continuity at this location.

A good volume of sales was experienced at the company's other sites, in Glasgow and in the north of Scotland.



Model homes at Oakwood, Wokingham, Berkshire (left) and Highland Oaks, Crawley, Sussex (middle) two of Taylor Woodrow Homes Limited's current sites. The award winning Morgan's Quay and Leander Court development is featured below.



The entrance to the recreational facilities at Marina Hills, Orange County, California, USA. Taylor Woodrow Homes California Limited's highly successful planned community.

The group's overseas housing operations are located in the USA, Canada, Western Australia, mainland Spain and the Balearics. Together they made a significant contribution to the group's results for [illegible].

In the USA, Taylor Woodrow Homes California Limited enjoyed strong demand in its communities at the master-planned development at Marina Hills in South Orange County, California. This project is approximately half way through its development and was further enhanced by the opening of a [illegible] recreation facility in December [illegible], featuring a competition pool, lighted tennis courts and a club house.

The [illegible] at [illegible] Hills in [illegible] Rancho California [illegible] [illegible] and made a splendid start [illegible] [illegible].

Taylor Woodrow Homes California [illegible] [illegible]

At [illegible], Nevada, Taylor Woodrow Homes Nevada Limited [illegible] [illegible]

[illegible]

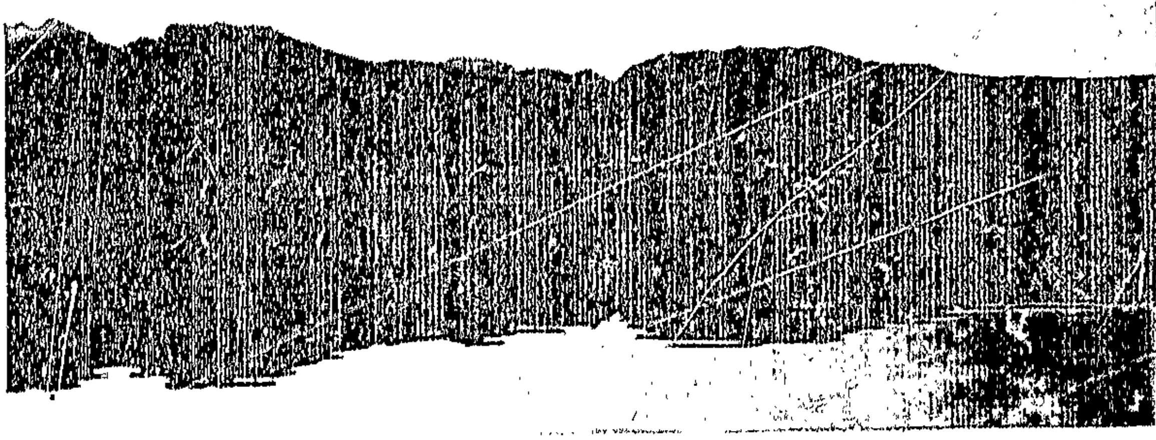
New sites were purchased in Las Vegas; Peccole Ranch, offering some 428 homes, and the other, The Green Valley site of 72 homes fronting onto a golf course.

A further site was purchased at Reno, Nevada, for a joint venture development of approximately 1,000 homes, also overlooking a golf course and with extensive recreation amenities in the surrounding area of Lake Tahoe.

The Meadows planned community at Sarasota, Florida, entered its final phase of development and enjoyed a year of steady sales. Its continuing popularity may be judged from the favourably high level of sales there compared with the local market. In September 1989 the Country Club facilities at the Meadows were sold to the members.

The Florida housing market remains very competitive, but despite this, the development at Windsor Park, Tampa, gained sales momentum.

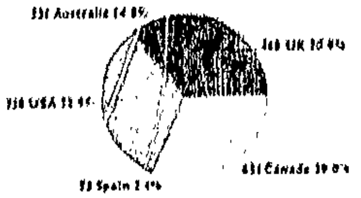
Desert Shores, Nevada, USA.

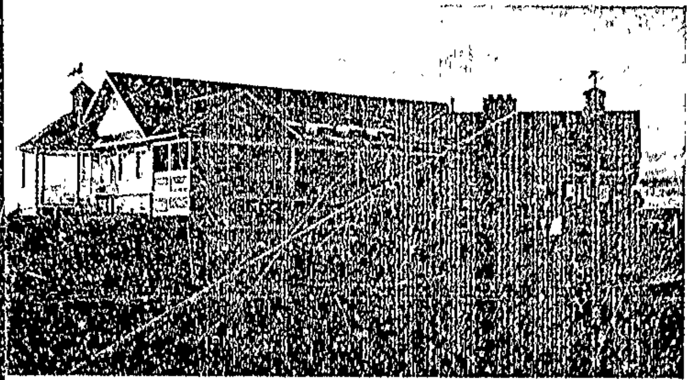


Land was recently purchased within the Jacksonville Golf and Country Club at Jacksonville, Florida. Our Florida company has thus located itself in those areas which are projected to have the most stable growth over the next decade. The team continues to seek opportunities for further land purchases in selected areas of the State.

Fellow-subsidiary Monarch achieved continuing sales from its operations at the Meadows, and at Houston, Texas, but results from its development at Atlanta, Georgia, were adversely affected by the depressed market there.

1989 Housing completions geographical analysis





The Club House at Millcroft, Burlington, Ontario, Canada where Monarch Construction Limited has also built high quality homes.

Monarch's operations in its home territory of Canada produced strong sales and the company earned record profits.

This result was achieved despite tighter markets in Toronto, and the company ended 1989 with a good order book of unclosed sales to be carried through into 1990.

Other markets remained strong and progress was made at Whitby, where the Windsor Collection is scheduled to open in Spring 1990. At Unionville, the luxury Wrenwood project proved successful; the increasingly popular Millcroft community at Burlington further benefited from the completion of all golfing facilities which were fully operational throughout the season.

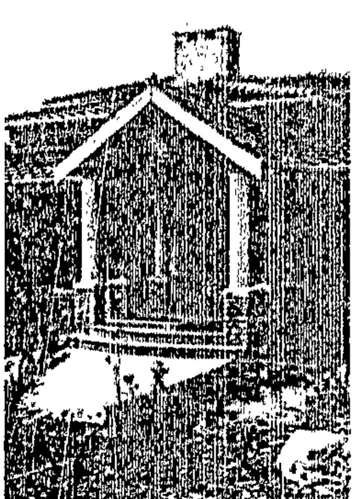
A substantial [illegible] acre project known as Wyldwoods is nearing readiness in Kitchener at the historic community of Doon, and marketing has commenced prior to formal opening in June 1990.

Monarch's projects in Ottawa enjoyed a successful year. In Quebec a 100 acre site at St Lazare was purchased.

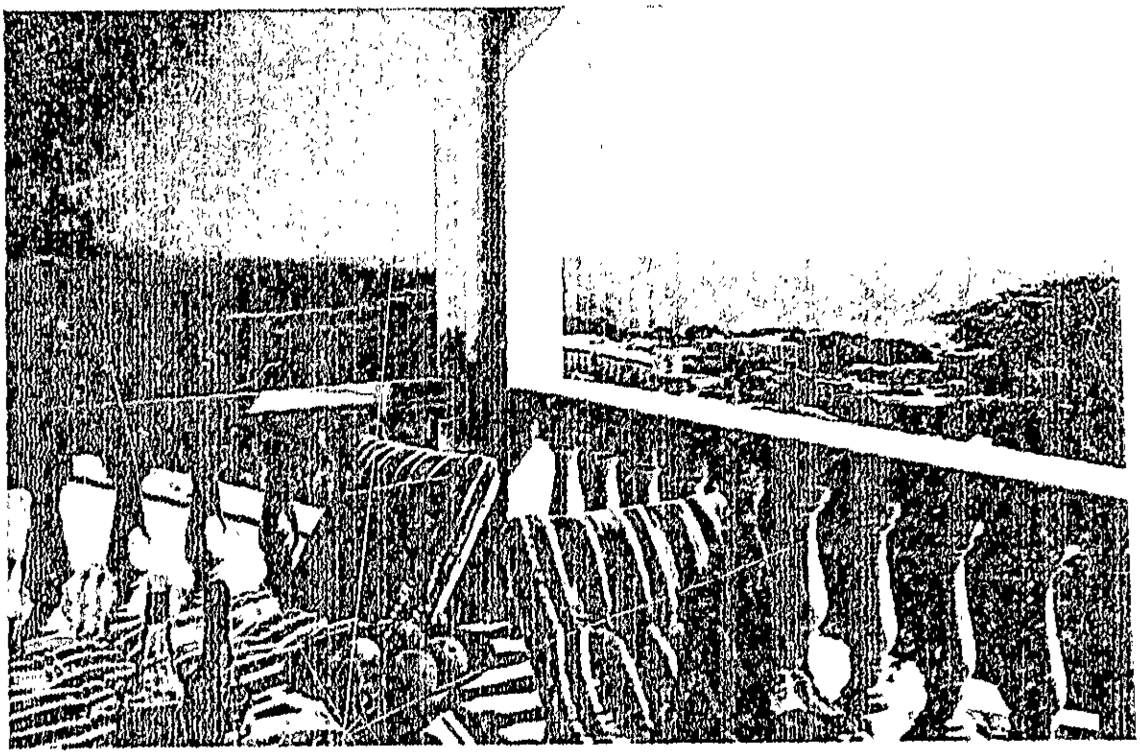
In Western Australia the land development and housing operations of Taylor Woodrow (Western Australia) Pty Limited had a very good year as a result of keen buyer demand in the first half. This demand tapered off towards the end of the year as a result of high interest rates, which had particular effect at the North Shore development of related company North Whitfords Estates Pty Limited.

Additional land was acquired for future development. Master planning is proceeding for a major sub-division to the south of Perth, at Baldivis. Additionally, North Whitfords Estates Pty Limited is progressing the zoning of a [illegible] acre site in Perth's northern corridor.

On mainland Spain, the first phase of Taylor Woodrow de España SA's luxury home schemes at Puerto de la Duquesa was substantially occupied, and a second phase is now nearing completion. Additional land was acquired in the same area for development.



The Grange, a 5-bedroomed luxury executive home on the North Shore development, near Perth, Western Australia jointly developed by Taylor Woodrow and the Corser Corporation



Fabulous views from one of the exclusive apartments at Vistabella, Na Taconera, Mallorca.

Newly-formed TW Homes España SA acquired land at Moraira on the Costa Blanca within the well-established development of Sol Park. 53 two-storey luxury apartments are under construction. Additional land overlooking the harbour at Moraira is being considered for purchase.

On the island of Mallorca, TW Baleares SA completed the first phase of development at Vistabella, Na Taconera, Font de Sa Cala, and is now preparing to start Phase 2. Construction of a further development of luxury apartments at the nearby coastal resort of Canyamel is now underway. Land was also acquired on the island of Menorca, for a scheme of 100 quality apartments at an attractive coastal site overlooking the desirable golf course at Son Park.

1989 brought another year of progress for the group's UK property operations. The portfolio of properties ranges over retail, office, industrial and residential premises, and strong rental growth was experienced.

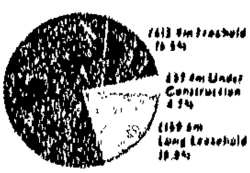
In the retail sector the year was marked by the completion in October of the 275,000 sq ft Cascades Shopping Centre in Portsmouth City Centre, together with 600 car parking spaces. Undertaken in partnership with the City of Portsmouth and British Rail Pension Trustee Company Limited, this development by Taylor Woodrow Chippindale Properties Limited has as anchor tenants BhS/Storehouse plc and Marks and Spencer plc, with extensions to C & A, Littlewoods and Woolworths. Preliminary work has begun on a possible second phase of the development.

During 1989, plans were completed for the extension of the Ankerside Centre at Tamworth, Staffordshire, where work is due to commence in 1990. The overall project will provide 195,000 sq ft of space together with 800 car parking spaces and is being developed in partnership with Tamworth Borough Council.

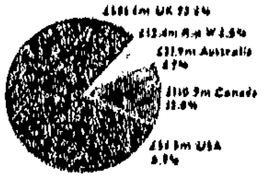
During the year, retail projects were sold at Swanley, Kent and Dorchester, Dorset.

Our retail projects in the UK continued to perform well, although in line with the general economic conditions there was a downturn in the market during the second half of the year. We anticipate an upturn in 1991.

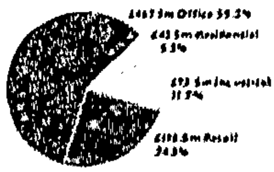
Investment properties tenure analysis

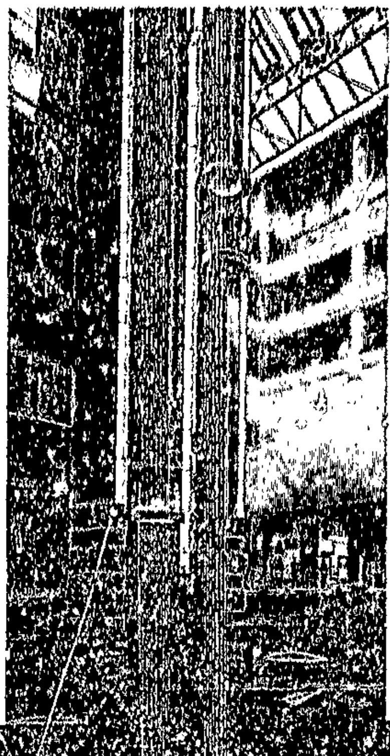


Investment properties geographical location



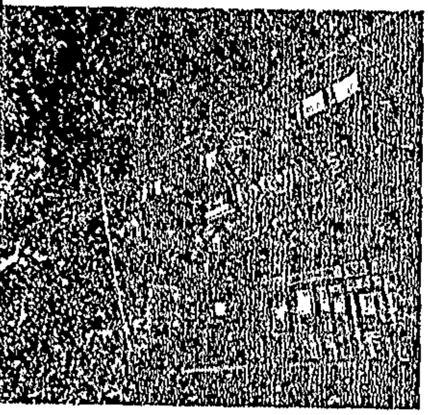
Investment properties analysis of use





The Cascades Shopping Centre developed by Taylor Woodrow Chippindale Properties Limited in partnership with Portsmouth City Council, and built by Taylor Woodrow Construction Limited.

The group's UK office developments made good progress during 1989. All available accommodation at the successful Delta Office Park in Swindon was let and further phases are now under construction. The 120-bedroom Hotel Ibis opened in September 1989. April 1989 had seen the opening of the Delta Tennis Centre by HRH The Princess of Wales. This additional facility was the result of a joint initiative between Taylor Woodrow Property Company Limited, Thamesdown Borough Council and the Lawn Tennis Association.



Also at Swindon, work was completed on the latest phase of the Tricentre project, providing 62,000 net sq ft of additional accommodation for Allied Dunbar Assurance plc. A final phase of a further 62,000 net sq ft is due for completion in November 1990.

A site was acquired in a prime location in the city centre of Bristol, where it is planned to build 2 four-storey office buildings totalling 32,400 net sq ft. Implementation of this project is set to commence early in 1990.

Other sites were secured for a 56,000 net sq ft office development in Brighton and in Glasgow, where a phased development of B1 accommodation totalling in excess of 200,000 sq ft is planned.

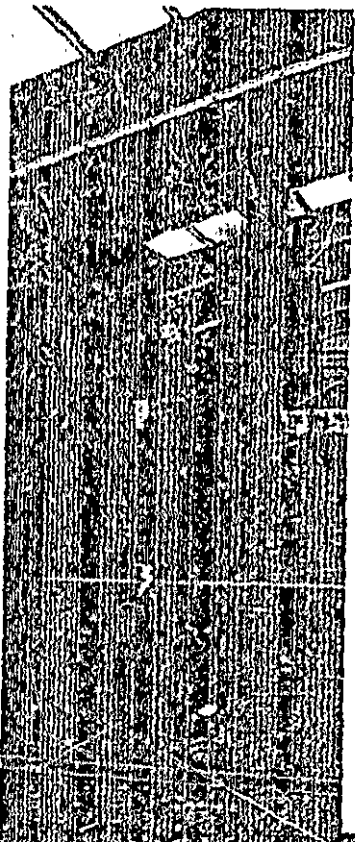
In West London, the company purchased a site at Brentford and also obtained planning consent on its remaining land holding at West Gate, Ealing, for a two-phased development totalling 212,000 sq ft adjoining the successful Amoco House. During the year, the company's other holding at West Gate – the AGB headquarters building – was sold.

In Central London, work continued on the development of the 21,500 net sq ft office building in Mandeville Place W1, where completion is anticipated in January 1990, and a start was made on the development of 20,000 net sq ft at Old Marylebone Road W1.

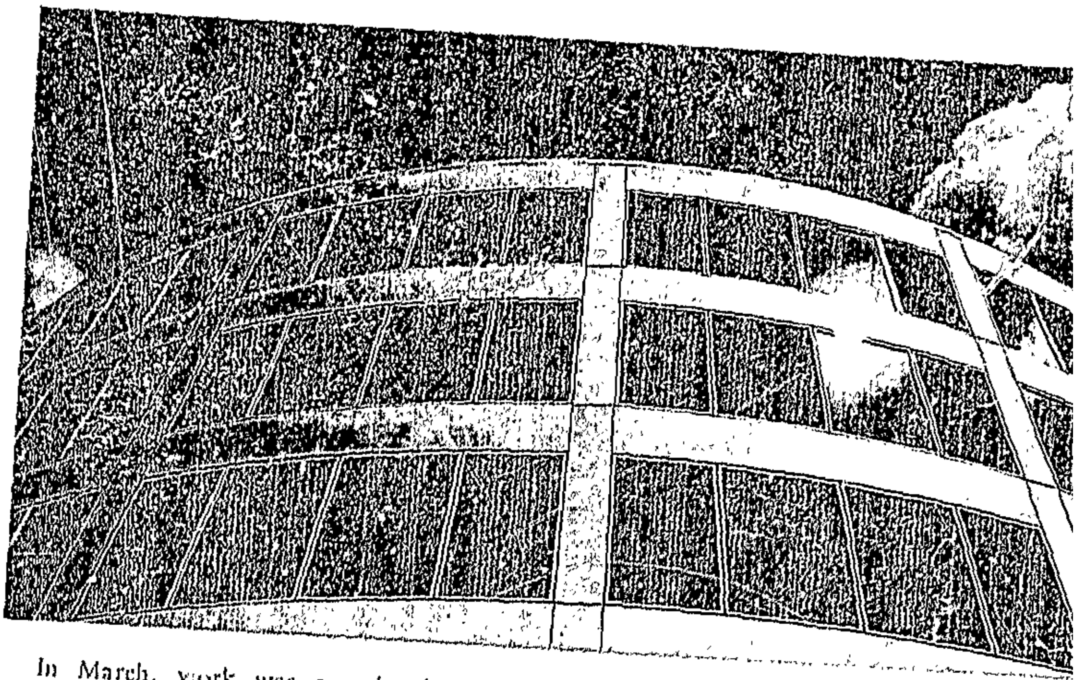
Work began on a six-storey development at Orange Street, in the West End.

Taylor Woodrow Developments Limited sold its recently completed office development at Seven Dials, Covent Garden, profitably.

The office market has generally performed well during the year and rents have continued to increase in most areas where the company is active. For the coming year, there would appear to be continued strong interest in suburban and provincial locations and our team looks to a continuing good performance from this sector of the investment portfolio.



Delta Tennis Centre,
Swindon, Wiltshire.



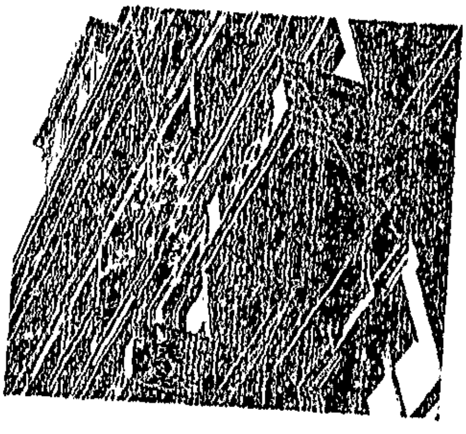
The latest phase of the *Tricentre* project at Swindon in Wiltshire.

In March, work was completed on the 107,000 sq ft distribution warehouse at Belvedere, Kent for Allders Department Stores Limited. The Warrington portfolio of industrial and warehouse accommodation, acquired in 1988, enjoyed an excellent performance, and showed higher than expected rental growth. Progress was made on the development of part of the 60 acres of land acquired with that portfolio, where two significant schemes totalling 182,000 sq ft are underway and further phases are planned to commence in 1990.

In July, Taylor Woodrow Property Company Limited acquired a further industrial portfolio of 926,000 sq ft located in Leeds, Stockport, Nottingham and Yate, Bristol. This is a highly reversionary portfolio, from which our company believes it will see excellent rental growth.

Demand for industrial and warehouse accommodation throughout the UK remains strong, and the overall performance of the sector has outstripped that of retail and office accommodation in 1989.

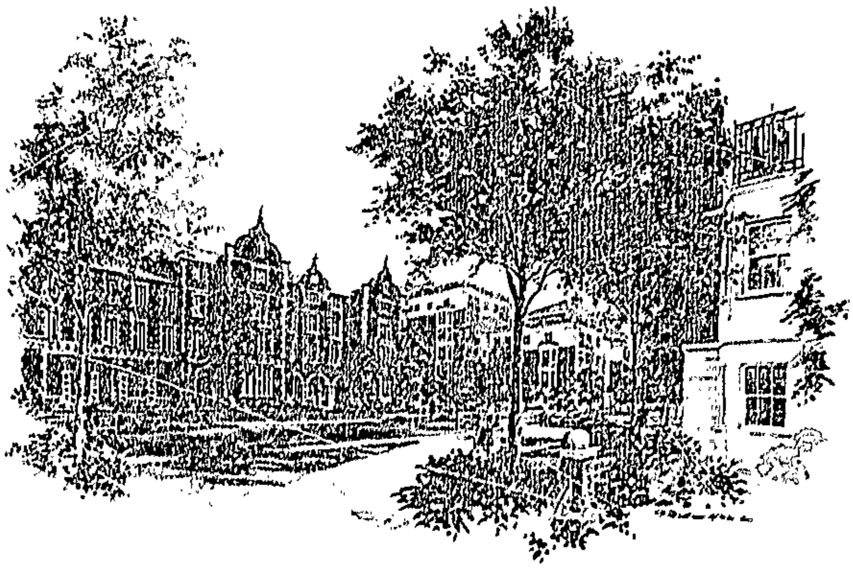
Continuing strong performance is anticipated from industrial property, which underscores the company's strategic move towards greater investment in this sector.



Viscount House, Mandeville Place, London W1, a prestigious office building behind a reconstructed Edwardian façade.

Taylor Woodrow Capital Developments Limited continued its successful programme of Central London residential projects. During the year, work proceeded on Fielding Court, a development in Covent Garden, which will provide 15 apartments, with work due for completion in April 1990. Preliminary work also started on a 26 apartment project at Old Marylebone Road W1, which forms part of the site acquired for office development.

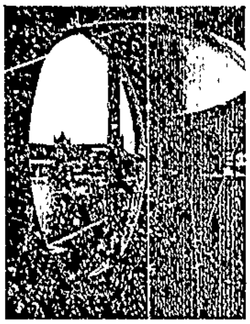
The important St Mary Abbots site of some 5 acres in the heart of Kensington was acquired and planning consent obtained for a total of



165 homes, ranging from single bedroom apartments to five-bedroom town homes. This project will be developed to the highest standards, and represents one of the largest Inner London residential developments for many years. A joint venture has been formed with Mitsui Kensetsu (UK) Limited, a subsidiary of Mitsui Construction Company Limited of Japan, and the phased development of this site will begin early in 1990.

Elsewhere, planning consent was obtained for a development of 67 apartments by the River Aire in Central Leeds. This project will be completed in May 1991.

In support of the Government's initiative to revive the private sector residential letting market, Taylor Woodrow Property Company Limited participated in the launch of Capital Living plc, a Business Expansion Scheme company which will undertake the letting of residential units under the new form of assured tenancies. Following its flotation, the company has invested funds in prime residential property within the M25 boundary, in areas such as Stratford, Sutton and Wembley. These investments are showing a not unsatisfactory return and are letting readily.



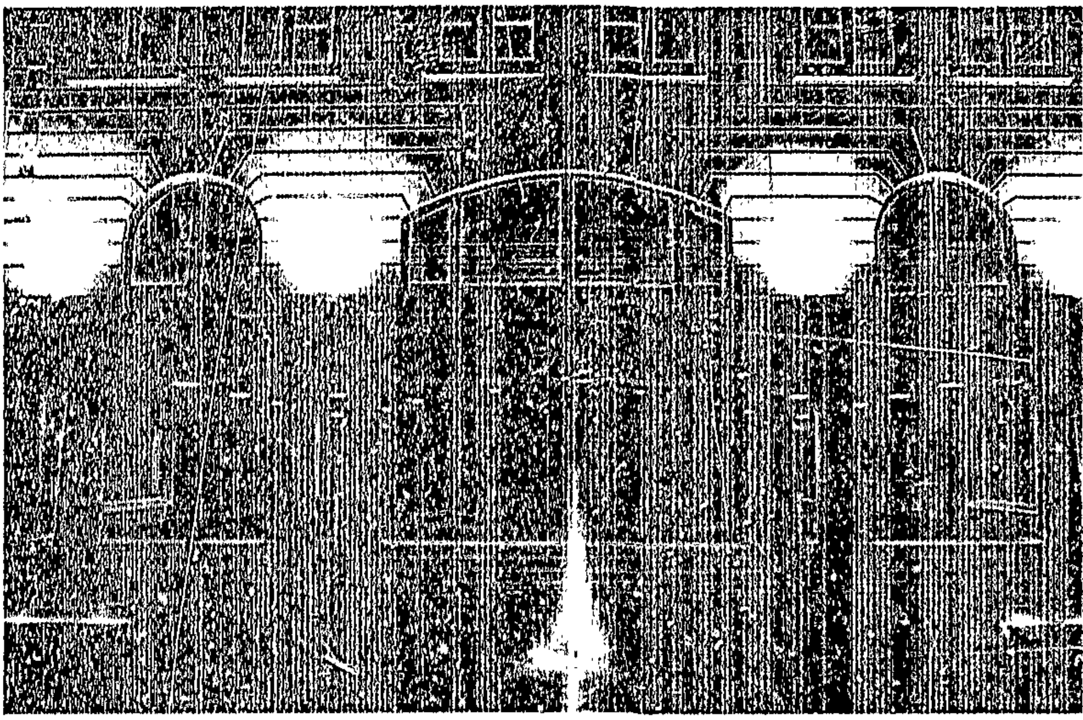
The highly successful St Katharine by the Tower development continued to progress. The first round of rent reviews was completed at International House, and rental growth from other properties at the site continued. During 1989 the opportunity arose for the disposal of the freehold interest in the Tower Hotel site, and this profitable sale was completed towards the end of the year. Marketing of the latest asset on the estate, the prestigious 93,000 sq ft of offices at Devon House is now underway.

The luxury Tower Walk residences were completed and contracts have been exchanged for the sale of one of these properties.

The Guild of World Traders' new Yacht Club has been fitted out and opened its doors early in 1990.

Future plans for the St Katharine's estate include a pilot proposal for housing at the North and East Quay, for which planning applications have been submitted.

The St Katharine's team also continues to examine opportunities for other inner city revitalisation projects in order to apply the expertise gained during the comprehensive redevelopment of the St Katharine's site.



The impressive Devon House offices and Tower Walk residences (below), are recent additions to the St Katharine by the Tower development.

Monarch Development Corporation's shopping center at Eglinton Square, Scarborough, Ontario, Canada has been further upgraded.

In California the economy and real estate market continued to perform strongly and out-perform the rest of the USA. Strong interest both from domestic and offshore investors led to a high level of competition for good investment properties.

Taylor Woodrow (Oak Court) Inc. in partnership with Nakanogumi Corporation, is developing an office building in excess of 200,000 sq ft adjacent to the BART Station at Pleasant Hill. The building has been designed to the highest standards to cater for increasing demand in this rapidly expanding area east of San Francisco, and is being constructed by Taylor Woodrow Construction California Limited.

Significant progress was made on the remodelling of the shopping centre in Chino, east of Los Angeles, and the property will be upgraded and expanded during 1990.

The major mixed-use development at St Francis Place in downtown San Francisco continued to perform strongly. Occupancy rates were high throughout the year, and the long-term prospects for this development are good.

In Florida, the company's four-storey office building at Blue Lagoon, Miami, and Phase I on Telecom Park in Tampa were fully leased to prime tenants.

Negotiations were completed for a substantial expansion of the shopping centre in Lexington, South Carolina, and reached 100% occupancy of an 80,000 sq ft business centre in Houston, Texas. Several land sales were also completed in Atlanta, Georgia.

In Canada, Monarch Development Corporation's industrial developments continued to prosper. Chartwell Shopping Centre experienced a very successful year, and the company's other shopping schemes traded well. The portfolio in this region also encompasses two industrial units which are now under development.

The 140,000 sq ft Herons Hill Phase 3 building in Toronto progressed toward full occupancy, and plans are in hand for the next stage of development of this highly popular site.

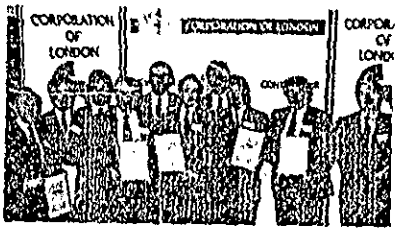
Pre-leasing of Monarch's major new 100,000 sq ft of offices at Toronto Airport Corporate Centre is now underway.

In Australia, the property portfolio returned record profits. The interest held in the Mid-City Centre, Sydney, was sold at the peak of the market, making a strong contribution to profits.

A modern regional shopping centre with a retail area of 200,000 sq ft was purchased at Orange, a city west of Sydney, and is trading strongly. Another regional shopping centre was purchased at Bathurst, also west of Sydney. The well-established shopping centres at Dubbo and Lithgow continued to perform well, and extensions are planned to both centres. In Perth, City Arcade enjoyed full occupation of all shops.

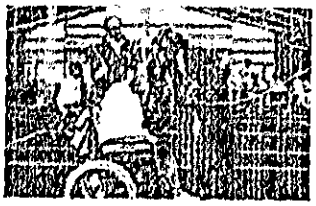
Despite a slowing of consumer spending, the Australian properties performed at above average levels, with rental income well above 1988's figures.

In Tampa, Florida, USA, leasing of the buildings on Telecom Park, Phase I was completed. Phase 2 will commence during the spring of 1990 for leasing by the end of the year.



For the *third successive year* teams from Taylor Woodrow Management Contracting Limited *and* Myton Limited have *received City of London* Considerate Contractor Gold Awards. Pictured at the presentation at the Guildhall are from left to *right* David Skelley (Myton), Des Cashin (project manager for Myton's Angel site), *Paul Turrell* (project manager for TWMC's *Lutyens House* contract), Nick *Gorman* (TWMC), Derek Fryer (TWMC), *Alan* Atkinson (Prudential *Portfolio Managers Fund*), Terry Davis (project manager for TWMC's Peterborough Court contract), Will Allison (*vice president for* Goldman Sachs *International Limited*), Dennis Marsham and John McKenna (TWMC).

During 1989, 118 awards were presented to team members for the completion of 20 years' service; 26 for 30 years' service; 15 for 35 years' service; 5 for 40 years' service; 3 for 45 years' service; 1 for 55 years' service. 54 team members who had completed 25 years' service were invited to join the '25' club.



HRH the Princess of Wales, at the *invitation* of Taylor Woodrow Property Company Limited, recently opened the *Delta Tennis* Centre *near* Swindon. Princess Diana watched by Delta's tennis *development officer*, Neil Allen is seen chatting to a *member* of the Sports Club.

Taylor Woodrow *apprentices* helped to complete foundation work for a 'Trim Trail' at *Havenor* School, Southall, Middlesex. *The trail represents* part of the headmaster's *plan to* make play time a more *constructive element* in the school day. *Pictured* with the Taylor Woodrow team are, standing left, Mark Hughes, site *agent*, and standing *right*, Ernie Bland, apprentice *training* manager.

Barry Smith *from* the Fitness Centre, Southall, *took part* in a spectacular two day mountain adventure on the Isle of Skye *when he joined* a party of *climbers to traverse the* Cullen Ridge. Barry is seen *on the top* of the Cloch Stone.

Taylor Woodrow has 'invested' in a new *property* – a castle. But this castle has several unusual features. It has only one room, *three* walls and is portable. It is a Bouncing *Castle which is* available *for* loan to local communities to use at fetes, *family* days, galas and other festivities.

The Taylor Woodrow Group encompasses many companies operating both in the UK and internationally. During 1989 the group employed an average of 9,202 team members.

The continuing development of employment policies, and effective consultation and communications remains a priority.

Equal opportunity

Entry into and progression within the group are determined solely on the basis of personal merit, effective performance, and the needs of the business. All team members receive equal treatment regardless of sex, marital status, race, nationality, ethnic or national origin, colour or religious beliefs. Nor will the group apply requirements which could adversely affect a person's prospects, unless they can be shown to be necessary for the satisfactory performance of our operations.

Disabled peoples' career prospects, like any other team members', rely solely on their skills and abilities.

Communication of information

Management encourages regular communications with team members and full feedback of information and opinions.

Team members are encouraged to discuss at work group level such matters as safety requirements, accident prevention, skill development, and ways of improving efficiency. The main responsibility for these discussions rests with line management directors and departmental team members.

Team consultation

Group policy is to encourage and promote a better understanding of the issues influencing the group's business. Consultative arrangements have developed to meet the needs and conditions of the various companies. Briefings are also held on group pension arrangements.

For hourly-paid site and other team members for whom there is agreed industrial machinery, negotiation and consultation procedures are incorporated in the appropriate agreements which operate throughout the year.

Training and promotion

We believe that our most valuable asset is our people. They are the essential factor in maintaining our reputation, and we take great care in recruiting and retaining them.

Helping our team members to develop and grow is a fundamental consideration, and we operate a great variety of educational and training schemes.

We place great stress both on traditional and innovative training schemes for young people. The number of young people in training is consistently high.

Health and safety at work

It is our policy, as far as practicable, to ensure the health and safety of those involved in, or otherwise affected by, our activities. All team members are encouraged to familiarise themselves with the safety policy statement applicable to their own company or site, and to observe specific written safety instructions produced by their managers. Team members also receive safety training, with procedures and techniques subject to constant revision and updating.

Dear fellow team member

You will not need me to tell you that 1989 was a tough year for many of us. Now the good news: The special qualities which have made our teamwork a success story for so many years proved their worth against these odds last year with a further step forward in performance.

Pre-tax profits were up £13.6m to just under £117m; dividends increased by 20 per cent and a revaluation of our worldwide property portfolio produced a surplus in excess of £45m.

The fact that, together, we can produce such results, is proof that we have created a strong, broadly-based and well balanced group of companies.

As the leading members of Taylor Woodrow's new management team, Tony Palmer, your Chief Executive, and I have set ourselves the task of guiding the group through a new era of change which is now dawning in the markets we serve.

We are keen to seize new opportunities, sharpen our operational focus and further develop our flexibility and capabilities, but neither of us, as long-standing, well-experienced members of the team, has lost sight of Taylor Woodrow's basic philosophy and humane approach to managing change. The group is, and always has been, deeply involved with people and the environment in which they live and work, but we must all recognise that change is a continuous and demand-driven process; to try to avoid it is to risk becoming fossilised.

There is a need to adapt and reshape the structure and focus of the group, but we are not looking for unexpected or dramatic changes in direction.

Rather, we shall be looking to manage our affairs and tackle emerging challenges better than ever; to go on retraining and redeploying our team members where necessary; to encourage career development, in order to maintain a flexible and responsive outlook and keep ahead of the game.

One of our first tasks has been to identify fresh opportunities for group companies in order to encourage a natural and logical development within our existing operations. We can foresee prospects arising from, among others, increased leisure and recreational activities, the regeneration of our inner cities, the renewal of national infrastructures, growing demand for environmentally efficient, technologically-sophisticated buildings and changing geographic and political boundaries overseas.

We can expect 1990 to be a hard year and the years ahead will see profound changes in world markets, but I know our team – our chief asset – is strong, resourceful, experienced and innovative.

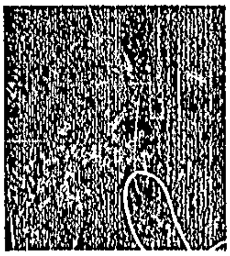
We have a high-quality property portfolio, a broad business base and a range of successful companies operating around the globe. With these considerable strengths we can face the economic uncertainties with confidence.

On behalf of our shareholders and my fellow Board members, may I take this opportunity to say, "Thanks for a job well done in 1989. Now let's build our future together."

Kind regards,

DIRECTORS' BIOGRAPHIES

Lord Taylor of Hadfield DSc (Hon), HFICE, HonFFB, FCIOB
(Founder and Life President)
At the age of 16 Lord Taylor founded Taylor Woodrow. He has been a guiding influence since that time and a Director of Taylor Woodrow Limited (now Taylor Woodrow plc) since its flotation in 1935. In 1979 he relinquished the position of Managing Director and became Life President.



Mr J Topping, FRICS
(Deputy Chairman)
John Topping, who is a chartered surveyor, played a leading role in the establishment and growth of Taylor Woodrow's property development operations. He is a past Chairman of Taylor Woodrow Property Company Limited, and has been a Director of Taylor Woodrow plc since 197[illegible].

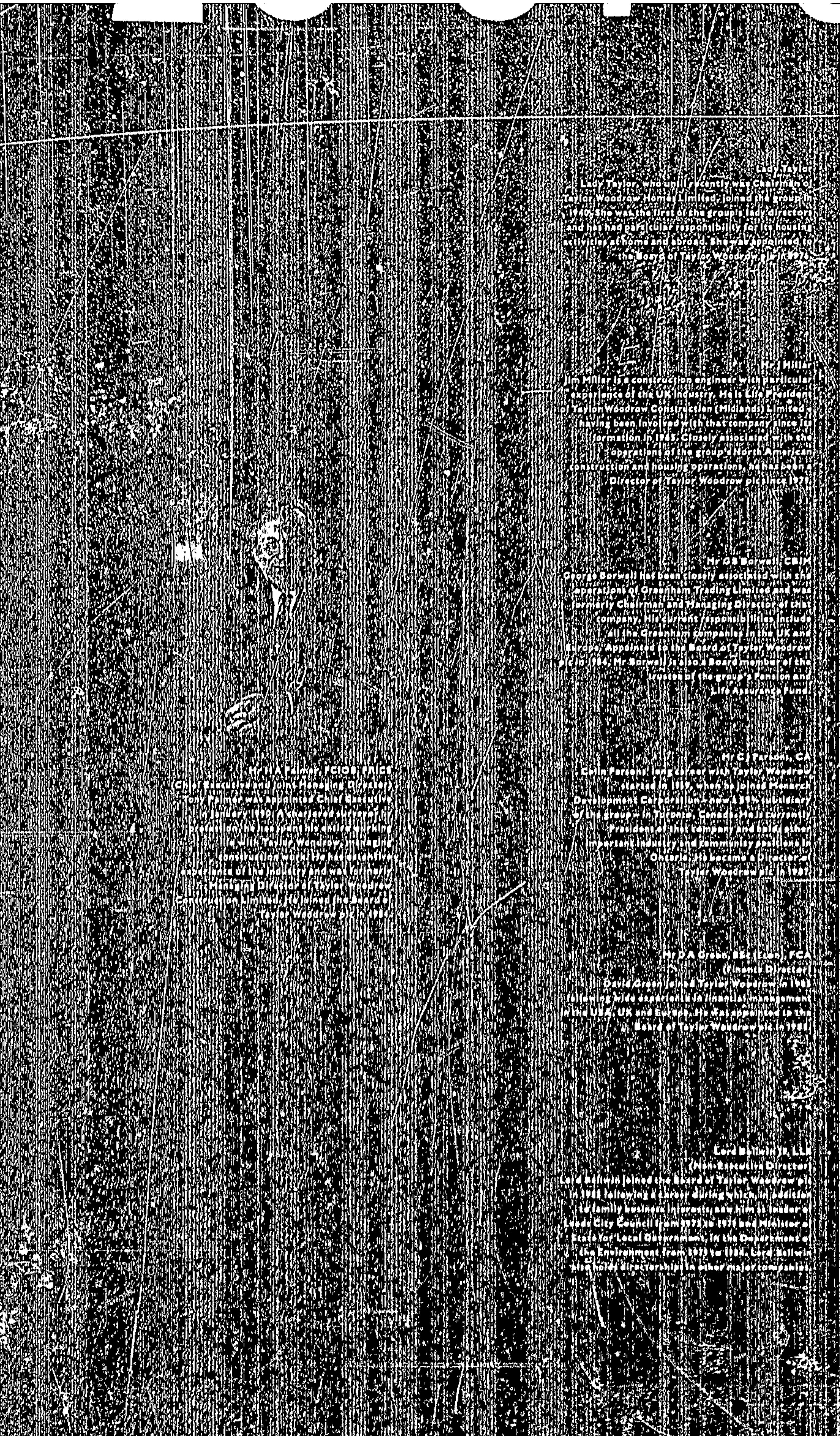
Mr P [illegible]
(Deputy Chairman and Joint Managing Director)
Peter [illegible] joined Taylor Woodrow in [illegible] as a development surveyor. He is Chairman and Managing Director of Taylor Woodrow Property Company Limited and has been responsible for a number of major projects in the UK and overseas including developments in Canada, Bermuda, San Francisco and throughout the south east USA. In [illegible] he became a Director of Taylor Woodrow plc and was appointed a Joint Managing Director in 198[illegible].

Mr W [illegible], MA, CEng, FICE
(Joint Managing Director)
Walter [illegible] is a civil engineer who, in his [illegible] years with Taylor Woodrow, has had extensive experience directing major civil engineering and other projects overseas, notably [illegible] contracts in Dubai and port works in Singapore and Libya. Currently Chairman of Taylor Woodrow International Limited, he joined the Board of Taylor Woodrow plc in 198[illegible] and became a Joint Managing Director in 198[illegible].

Mr R G Smith, FCIOB
Bob Smith's career with Taylor Woodrow has given him experience of construction operations overseas and primarily in the UK. Currently Chairman of Taylor Woodrow Construction Limited, his other main responsibilities have been those of marketing, estimating and contract procurement. He became a Director of Taylor Woodrow plc in 1985.

Mr C E A Hambro
(Non-Executive Director)
Charles Hambro has been a Director of Taylor Woodrow plc since 1962. He is Chairman of Hambros PLC – a leading merchant bank – with which the company has had an association since its early days. He is also Chairman of Guardian Royal Exchange Assurance plc and holds numerous other important directorships.

Mr P R L Drew, OBE
(Chairman)
Peter Drew became Chairman of Taylor Woodrow plc in January 1990. Prior to that date he had conceived and brought to fruition the celebrated St Katharine's Dock development. He remains Chairman and Managing Director of St Katharine by the Tower Limited. He has many connections with the City of London, including associations with Livery companies. Peter Drew has been a Director of Taylor Woodrow plc since 197[illegible].



Mr H A Palmer, FCIOB FRICS
(Chief Executive and Joint Managing Director)

Tony Palmer was appointed Chief Executive in January 1990. A chartered surveyor by profession, he has spent his entire working life with Taylor Woodrow, managing construction work. He has extensive experience of the industry and was formerly Managing Director of Taylor Woodrow Construction Limited. He joined the Board of Taylor Woodrow plc in 1986.

Lady Taylor

Lady Taylor, who until recently was Chairman of Taylor Woodrow Homes Limited, joined the group in 1940. She was the first of the group's lady directors and has had particular responsibility for its housing activities at home and abroad. She was appointed to the Board of Taylor Woodrow plc in 1973.

Mr J Millar

Jim Millar is a construction engineer with particular experience of the UK industry. He is Life President of Taylor Woodrow Construction (Midlands) Limited, having been involved with that company since its formation in 1965. Closely associated with the group's North American construction and housing operations, he has been a Director of Taylor Woodrow plc since 1971.

Mr G B Barwell, CBIM

George Barwell has been closely associated with the operations of Greenham Trading Limited and was formerly Chairman and Managing Director of that company. His current responsibilities include all the Greenham companies in the UK and Europe. Appointed to the Board of Taylor Woodrow plc in 1974, Mr Barwell is also a Board member of the trustees of the group's Pension and Life Assurance Fund.

Mr C J Parsons, CA

Colin Parsons' long career with Taylor Woodrow started in 1959, when he joined Monarch Development Corporation – now a 99% subsidiary of the group – in Toronto, Canada. He is currently President of that company and holds other important industry and community positions in Ontario. He became a Director of Taylor Woodrow plc in 1983.

Mr D A Green, BSc (Econ), FCA
(Finance Director)

David Green joined Taylor Woodrow in 1985 following wide experience in financial management in the USA, UK and Europe. He was appointed to the Board of Taylor Woodrow plc in 1988.

Lord Bellwin, JP, LLD
(Non-Executive Director)

Lord Bellwin joined the Board of Taylor Woodrow plc in 1985 following a career during which, in addition to family business interests, saw him as leader of Leeds City Council from 1975 to 1979 and Minister of State for Local Government in the Department of the Environment from 1979 to 1983. Lord Bellwin also holds directorships in other major companies.

Directors
The Rt Hon Lord Taylor of Hadfield DSc(Hon) HFICE HonFFB FCIOB
Founder and Life President

P R L Drew OBE
Chairman

H A Palmer FCIOB FRICS
Chief Executive and Joint Managing Director

J Topping FRICS
Deputy Chairman

P Hedges
Deputy Chairman and Joint Managing Director

W Hogbin MA CEng FICE
Joint Managing Director

*C E A Hambro

Lady Taylor

J Millar

G B Borwell CBIM

*The Rt Hon Lord Bellwin JP LLB

R G Smith FCIOB

C J Parsons CA (Canadian)

D A Green BSc(Econ) FCA

*Non-executive

Secretary
R I Morbey FCIS

Group solicitor
D B Patterson LLB

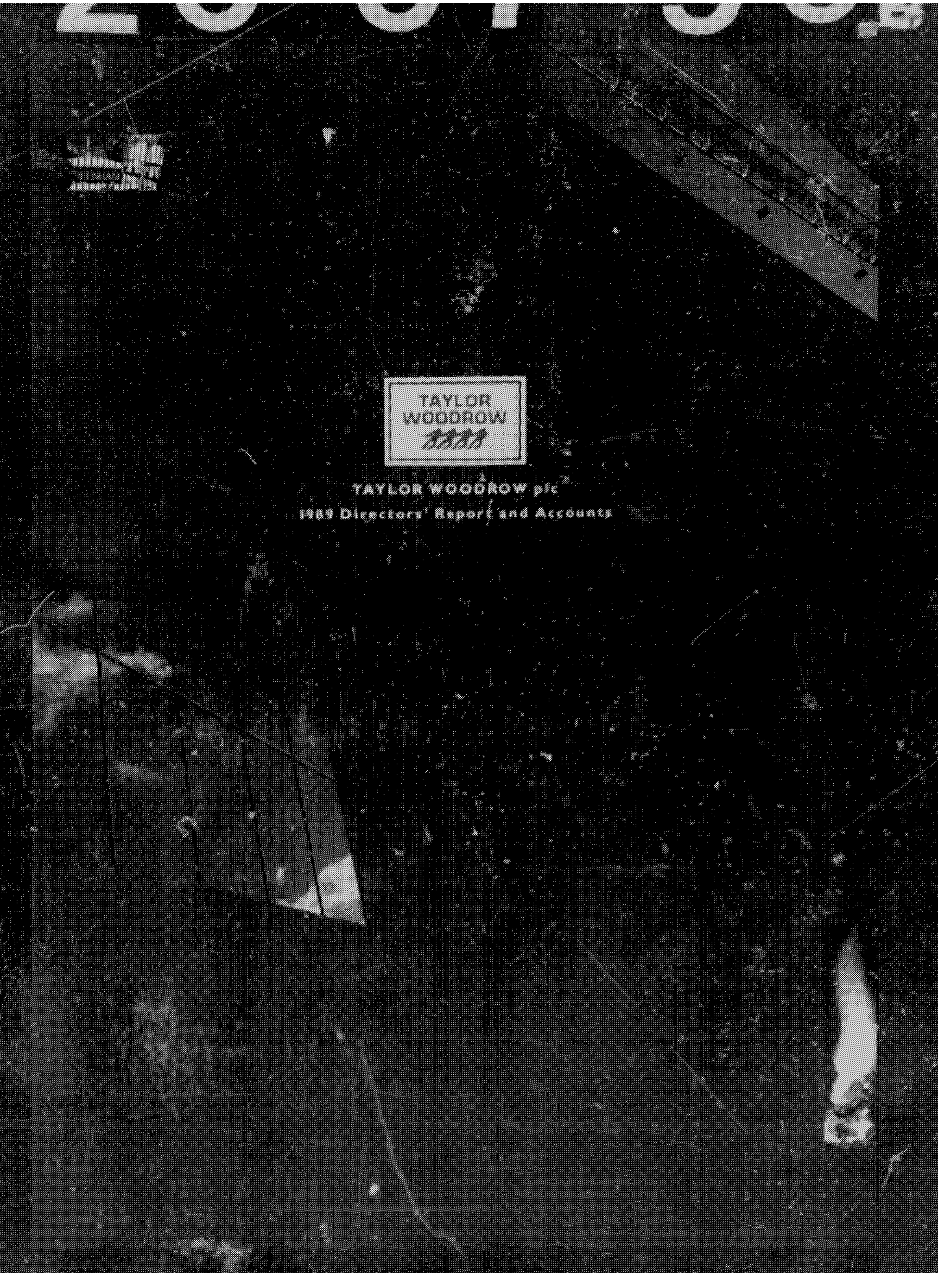
Registrar
D A Storrie

Registered office
10 Park Street London W1Y 4DD

Auditors
Touche Ross & Co
Chartered Accountants

Bankers
Midland Bank plc
Hambros Bank Limited
J Henry Schroder Wagg & Co Limited

Stockbrokers
Hoare Govett Limited



TAYLOR WOODROW

TAYLOR WOODROW plc

1989 Directors' Report and Accounts

 TAYLOR WOODROW plc REPORT OF THE DIRECTORS

to the members for the year ended 31 December 1989

The directors of Taylor Woodrow plc take pleasure in submitting their report, together with the audited accounts for the year ended 31 December 1989.

ACTIVITIES

The company is the holding company of the Taylor Woodrow group of subsidiary and related companies, whose principal activities are those of construction, property development and investment, housebuilding and development, trading and related activities. There have been no significant changes in these activities during the year.

A review of the group's progress and prospects may be found in the statements of the Chairman and the Chief Executive on pages 3 to 5.

PROFITS AND DIVIDENDS

The group's results for the year ended 31 December 1989 are set out in the consolidated profit and loss account on page 43.

	1989 £m	1989 £m	1988 £m	1988 £m
The profit before taxation is		116.9		103.3
The profit for the year available to the members is		70.2		65.3
Interim dividend on ordinary shares of 1.75p per share (1988 – 1.5p adjusted for the 1 for 1 capitalisation issue in 1989)	5.8		4.9	
Proposed final dividend on ordinary shares of 7.25p per share (1988 – 6.0p adjusted as above)	23.9	29.7	19.0	23.9
Profit retained		40.5		41.4

INVESTMENT PROPERTIES AND OTHER FIXED ASSETS

A valuation of the group's investment properties was made as at 31 December 1989 and has been incorporated in the accounts.

Save as disclosed in the accounts, there have been no significant changes in the nature of the fixed assets of the company or any of its subsidiaries.

Summaries of additions to and disposals of investment properties and other fixed assets are shown in notes 10 and 11 on the accounts.

DIRECTORS

The directors of the company at the date of this report are as shown on page 36. All the directors listed held office throughout the year.

Mr R Christie, Mr N Fletcher and Sir Frank Gibb retired from the board on 5 April 1989, 25 August 1989 and 31 December 1989 respectively.

RE-APPOINTMENT OF DIRECTORS

Lord Taylor, Mr H A Palmer, Mr W Hogbin and Mr C E A Hambro, directors, retire by rotation in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment.

Of the retiring directors, Lord Taylor, Mr H A Palmer and Mr W Hogbin have contracts of service with the company expiring on the following dates:

Lord Taylor – 31 December 1992
Mr Palmer – 1 March 1994
Mr Hogbin – 1 March 1994

DIRECTORS' INTERESTS IN SHARE AND LOAN CAPITAL OF THE COMPANY AND ITS SUBSIDIARIES

Taylor Woodrow plc 25p ordinary shares	Fully paid At 31 December 1989	Fully paid At 1 January 1989	On option At 31 December 1989	On option At 1 January 1989
Lord Taylor	254,800	116,314	132,955	71,524
Mr P R L Drew	56,678	26,814	189,108	89,054
Mr H A Palmer	20,000	9,891	104,055	90,926
Sir Frank Gibb	102,468	51,234	145,307	74,961
Mr J Topping	122,928	60,282	127,146	59,907
Mr P Hedges	17,710	8,855	131,416	55,408
Mr W Hogbin	80,219	4,000	111,000	94,127
Mr C E A Hambro	17,248	8,624	–	–
Lady Taylor	438,148	210,488	98,705	43,586
Mr J Millar	60,878	15,996	216,058	102,818
Mr G B Borwell	78,396	45,198	98,080	41,746
Lord Bellwin	16,312	8,000	–	–
Mr R G Smith	65,902	29,165	93,899	49,889
Mr C J Parsons	17,000	7,000	79,632	37,983
Mr D A Green	5,098	1,000	32,876	–
Monarch Development Corporation common shares of no par value				
Lord Taylor	1,051	1,051	–	–
Mr C J Parsons	30,555	23,005	–	–
Mr D A Green	1,000	1,000	–	–

All the directors' interests are held beneficially.

Since 31 December 1989 Mr P R L Drew has acquired 7,868 25p ordinary shares of Taylor Woodrow plc pursuant to the exercise of an option under the Taylor Woodrow group savings-related share option scheme.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 5 on the accounts, no contract of significance subsisted during or at the end of the financial year in which a director of the company is or was materially interested.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company has maintained an insurance policy which provides indemnification to directors and officers of the company in respect of loss arising from any claim or claims made against them jointly or severally by reason of any wrongful act committed or alleged to have been committed by them in connection with the performance of their duties as directors or officers of the company.

SHARE CAPITAL

Changes in the company's issued share capital during the year are set out in note 24 on the accounts.

SUBSTANTIAL INTERESTS

The Norwich Union Life Insurance Society has informed the company that it holds ordinary shares equivalent to 5.92% of the issued capital. Up to 23 April 1990 no changes in these holdings had been notified nor according to the Register of Members did any other shareholder at that date have a holding of 5% or more of the issued capital.

CONTRIBUTIONS FOR POLITICAL AND CHARITABLE PURPOSES

The following contributions, totalling £170,320 made by the group might be considered to have been given for political purposes:

British United Industrialists	£20,000
Conservative & Unionist Party	£150,320

Donations by the group for charitable purposes amounted to £307,706.

AUDITORS

Touche Ross & Co have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

GENERAL

Save for any matters referred to in the annual review, there have been no important events affecting the company or any of its subsidiary companies since the end of the financial year.

The company is not a close company as defined in the Income and Corporation Taxes Act, 1988.

In addition to the ordinary business to be transacted at the annual general meeting on 15 June 1990, the following resolutions will be proposed as special business:

- ordinary resolution to continue the scrip dividend scheme,
- special resolutions to renew the authority for the company to purchase its own shares and for the directors to issue a limited number of shares for cash in certain specified circumstances without first offering them to existing shareholders.

Particulars of these proposals are contained in the circular to shareholders which accompanies copies of the annual report and accounts sent to the company's shareholders. Subject to confirmation at the annual general meeting, the final dividend will be posted to members on Friday 29 June 1990 for payment on Monday 2 July 1990.

By Order of the Board
R I Morbey *Secretary*
23 April 1990

REPORT OF THE AUDITORS

to the members of Taylor Woodrow plc

We have audited the accounts and notes on pages 41 to 60 in accordance with Auditing Standards.

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

Touche Ross & Co
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR
23 April 1990

The following accounting definitions and policies have been used consistently unless otherwise stated in dealing with items which are considered material.

Basis of the accounts

The accounts are prepared under the historical cost convention modified by the revaluation of certain properties. In accordance with the exemption contained in the Companies Act 1985 the company has not presented its own profit and loss account.

Turnover

Turnover comprises the value of contracting work executed during the year, plus sales of private housing and development properties on legal completion, gross rents receivable and the invoiced value of other sales. It includes the group's share of joint venture and related company turnover.

Profit on ordinary activities for the year

The profit for the year includes the result of the year's operations together with residual profits in respect of work done in prior years. Profit on contracts is stated after provision for known losses and contingencies. No credit is taken for claims until the cash is received.

Realised profits or losses on the disposal of tangible assets are included in trading and investment income; such profits are calculated after transfers from revaluation reserves.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs and production overheads where appropriate, and in relation to commercial, industrial and mixed development properties the cost of specific finance.

Fixed assets

Research and development costs are written off as incurred.

The cost of investment properties includes interest capitalised during the construction phase where financed by specific borrowings.

Investment properties are valued annually. Fixed asset properties are valued every three years. Long leasehold properties are defined as those properties with an unexpired lease term of more than 50 years.

Net surpluses on valuations of freehold and long leasehold investment properties are credited to revaluation reserves. Surpluses on valuations of freehold and long leasehold fixed asset properties are credited to revaluation reserves, and any deficits below original cost are written off to profit and loss account.

Depreciation on plant is calculated on a straight line basis to write off the cost over the estimated useful lives which range from 1 to 20 years.

Deferred taxation

Deferred taxation is provided at the latest known tax rates for future liabilities resulting from the difference between the treatment of items in the accounts and their treatment for taxation purposes.

Deferred taxation is provided on the profits of overseas subsidiary and related companies where the local tax charge is at a low rate.

The potential liability to taxation on the surpluses on valuations of properties is not provided for in these accounts except in respect of properties sold since the year end.

Related companies and other investments

A related company is defined as one in which the group has a substantial interest and in whose commercial and financial decisions the group participates.

The group's share of the turnover and results of related companies is shown in the consolidated profit and loss account and attributable post acquisition results are included in retained profits.

Investments in related companies are included in the consolidated balance sheet at cost less premiums including loans plus the appropriate shares of post acquisition results and reserves as disclosed in the latest balance sheets. Related companies are included in the company's balance sheet at the net asset values at the time of acquisition less share of post acquisition losses. Premiums are written off against retained profits.

Other investments are long term investments in companies which do not come within the above definition. They are stated at cost.

Subsidiary companies

Investments are included in the parent company's balance sheet at the net asset values at the time of acquisition less post acquisition losses net of minority interests. Premiums on acquisition are written off against retained profits.

Overseas currencies

Profit and loss accounts of overseas subsidiary and related companies and overseas branches are translated into sterling at average rates. Assets and liabilities are translated at exchange rates ruling at the balance sheet date.

Unrealised exchange differences on share capital, revaluation reserves, pre-acquisition retained profits and inter-company long term loans are taken to revaluation reserves without provision for taxation.

Exchange differences on post acquisition profits in overseas currencies are taken to retained profits.

Pensions

Pension contributions are charged in the accounts so that the expected costs of providing pensions are recognized during the period of team members' service.

Extraordinary Items

Extraordinary items are those material items which derive from events or transactions outside the ordinary activities of the group.

Restatement of 1988 comparative figures

The 1988 comparative figures have been restated to comply with Statement of Standard Accounting Practice No. 9 (Revised).

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1989

	1989 £m	1988 £m	Notes
Turnover	1,321.1	1,260.1	1
Trading and investment income	116.9	101.8	2-6
Share of profits less losses of related companies	–	1.5	
Profit on ordinary activities before taxation	116.9	103.3	1
Taxation	36.9	34.6	7
Profit on ordinary activities after taxation	80.0	68.7	
Minority interests	3.6	3.4	
Profit before extraordinary items	76.4	65.3	
Extraordinary items	6.2	–	8
Profit for the financial year	70.2	65.3	
Dividends	29.7	23.9	9
Profit retained	40.5	41.4	27
Retained by			
The company	29.3	34.6	
Subsidiary companies	12.4	7.8	
Related companies	(1.2)	(1.0)	
	40.5	41.4	

	1989	1988	Notes
Earnings per share (1988 – after adjustment for the capitalisation issue in 1989)	23.7p	20.8p	24

TAYLOR WOODROW plc CONSOLIDATED BALANCE SHEET

at 31 December 1989

	1989 £m	1988 £m	Notes
ASSETS EMPLOYED			
Fixed assets			
Tangible assets			
Investment properties including those in course of construction	801.9	682.6	10
Other	140.4	131.2	11
Investments			
Related and other companies	23.0	16.3	15
	965.3	830.1	
Current assets			
Stocks	346.8	257.3	17
Debtors	237.1	202.1	18
Bank balances and cash	95.8	68.4	
	679.7	527.8	
Creditors falling due within one year	493.2	407.1	19
Net current assets	186.5	120.7	
Total assets less current liabilities	1,151.8	950.8	
FINANCED BY			
Creditors falling due after one year	218.3	135.1	20
Provisions for liabilities and charges	16.5	12.7	23
Minority interests in subsidiaries	59.7	42.9	
	294.5	190.7	
Capital and reserves			
Called up ordinary share capital	82.3	39.6	24
Share premiums	73.4	85.7	25
Revaluation reserves	387.9	367.3	26
Retained profits	313.7	267.5	27
	857.3	760.1	
	1,151.8	950.8	

Taylor of Hadfield *Director*
P R L Drew *Director*
23 April 1990

Taylor of Hadfield

Peter Drew

at 31 December 1989

	1989 £m	1988 £m	Notes
ASSETS EMPLOYED			
Fixed assets			
Investments			
Group companies	314.7	62.0	14
Related and other companies	3.8	3.9	16
	318.5	65.9	
Current assets			
Debtors	337.1	462.3	18
Bank balances and cash	48.9	19.8	
	386.0	482.1	
Creditors falling due within one year	178.8	154.1	19
Net current assets	207.2	328.0	
Total assets less current liabilities	525.7	393.9	
FINANCED BY			
Creditors falling due after one year	156.8	84.9	20
Provisions for liabilities and charges	0.5	0.5	23
	157.3	85.4	
Capital and reserves			
Called up ordinary share capital	82.3	39.6	24
Share premiums	73.4	85.7	25
Revaluation reserves	19.7	19.5	26
Retained profits	193.0	163.7	27
	368.4	308.5	
	525.7	393.9	

Taylor of Hadfield *Director*
P R L Drew *Director*
23 April 1990

Taylor of Hadfield

Peter Drew

TAYLOR WOODROW plc CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the year ended 31 December 1989

	1989 £m	1988 £m
SOURCE OF FUNDS		
Generated by operations		
Trading and investment income	116.9	101.8
Adjustment for items not involving the movement of funds		
Exchange	2.5	0.8
Depreciation	13.7	11.6
Distributions from related companies	2.3	3.2
Disposals of fixed assets, properties and fixed investments	33.8	32.6
	169.2	150.0
From other sources		
Share issues by Taylor Woodrow plc	30.4	4.6
Repayment of loans by related companies	0.6	1.2
Creditors falling due after one year excluding taxation	79.7	89.0
	279.9	244.8
APPLICATION OF FUNDS		
Dividends paid by		
Taylor Woodrow plc	24.8	17.2
Subsidiary companies to minority shareholders	0.2	0.2
Taxation paid	43.1	24.2
Fixed assets and properties	139.2	127.4
Related companies and other investments	16.4	2.6
Premiums on purchase of interests in subsidiaries	0.9	0.2
Change in working capital (excluding liquid funds)		
Debtors	30.0	60.0
Stocks	73.9	74.1
Creditors falling due within one year excluding taxation	(55.6)	(58.6)
	48.3	75.5
	272.9	247.3
CHANGE IN LIQUID FUNDS IN THE YEAR	7.0	(2.5)
LIQUID FUNDS		
31 December 1988 after adjustment for exchange differences	26.0	29.4
Change in the year	7.0	(2.5)
31 December 1989	33.0	26.9

Movements in assets and liabilities have been adjusted for exchange differences. Liquid funds comprise bank balances and cash less bank loans and overdrafts and commercial paper falling due within one year.

1 ANALYSIS OF TURNOVER AND ORDINARY PROFIT BEFORE TAXATION

	Turnover		Profit before taxation	
	1989	1988	1989	1988
By activity	**£m**	£m	**£m**	£m
Contracting	**905.6**	852.5	**16.0**	14.0
Property development and investment	**102.5**	100.2	**68.0**	47.8
including gross rents of	**68.7**	56.9		
Housing	**191.6**	198.3	**25.6**	35.0
Other	**121.4**	109.1	**7.3**	6.5
	1,321.1	1,260.1	**116.9**	103.3
By market				
Australasia	**15.1**	34.5	**15.3**	4.4
Canada	**84.2**	78.0	**17.4**	13.4
Europe	**21.2**	23.5	**0.4**	(0.7)
United States of America	**169.0**	112.5	**(3.7)**	0.4
Rest of the world	**43.4**	43.0	**2.0**	(0.8)
Total overseas	**332.9**	291.5	**31.4**	16.7
United Kingdom	**988.2**	968.6	**85.5**	86.6
	1,321.1	1,260.1	**116.9**	103.3

The group's share of related company turnover included in the above is £35.7m (1988 – £54.6m).

2 TRADING AND INVESTMENT INCOME

	1989	1988
	£m	£m
Turnover of the company and subsidiaries	**1,285.4**	1,205.5
Cost of sales	**(1,115.1)**	(1,044.2)
Gross profit	**170.3**	161.3
Distribution costs	**(5.8)**	(5.7)
Administrative expenses	**(86.5)**	(74.3)
Profit on disposal of properties (including transfers from revaluation reserves of £27.4m; 1988 – £20.7m)	**47.2**	25.5
Other interest receivable and similar income		
Interest	**13.3**	6.1
Interest payable (note 3)	**(21.6)**	(11.1)
	116.9	101.8
Trading and investment income includes		
Rents on investment properties, less outgoings	**40.5**	31.7
And is after charging		
Plant hire	**10.8**	10.0
Auditors' remuneration	**1.0**	0.8

3 INTEREST PAYABLE

	1989 £m	1988 £m
Bank loans and overdrafts and other loans repayable wholly within five years	19.9	10.8
Other loans repayable beyond five years	6.9	2.4
	26.8	13.2
Deduct interest capitalised on properties in course of construction		
Investment properties	(3.7)	(1.7)
Development properties	(1.5)	(0.4)
	21.6	11.1

Tax relief of £1.3m (1988 – £0.5m) has been recorded on interest capitalised of £5.2m (1988 – £2.1m).

4 DEPRECIATION

	£m	£m
Plant	15.1	12.6
Net profit on disposal of plant	(1.4)	(1.0)
	13.7	11.6

5 DIRECTORS' EMOLUMENTS

Directors' emoluments, including pension contributions, were	£000	£000
Fees	50	34
Remuneration for executive services	1,506	1,367
Payment to a former director following retirement from office	30	–
	1,586	1,401
The emoluments, excluding pension contributions, of the Chairman were	146	125

The number of UK directors whose emoluments, excluding pension contributions, fell within the following ranges was

	1989	1988		1989	1988
£ 5,001 – £10,000	1*	–	£ 80,001 – £ 85,000	1	1
£10,001 – £15,000	–	1	£ 85,001 – £ 90,000	–	3
£15,001 – £20,000	1	1	£ 90,001 – £ 95,000	1	1
£25,001 – £30,000	1	–	£ 95,001 – £100,000	2	1
£35,001 – £40,000	1*	–	£100,001 – £105,000	–	1
£45,001 – £50,000	–	1*	£105,001 – £110,000	2	–
£50,001 – £55,000	–	2	£110,001 – £115,000	1	–
£55,001 – £60,000	1	1	£115,001 – £120,000	2	–
£65,001 – £70,000	–	2	£120,001 – £125,000	1	1
£75,001 – £80,000	–	1	£145,001 – £150,000	1	–

*includes certain directors for part of the year only.

A loan to Mr C J Parsons, director, the balance of which amounted to C$166,538 at 31 December 1988, was repaid during 1989. This loan bore interest at 2% pa and was in respect of the share purchase plan of Monarch Development Corporation.

6 PARTICULARS OF TEAM MEMBERS

Average number employed	1989	1988
United Kingdom	7,719	7,685
Overseas	1,483	1,269
	9,202	8,954

Remuneration	£m	£m
Wages and salaries	128.5	108.2
Social security costs	10.4	9.4
Other pension costs	7.2	6.1
	146.1	123.7

The number of team members working in the United Kingdom other than directors whose emoluments, excluding pension contributions, fell within the following ranges was

	1989	1988		1989	1988
£30,001 – £35,000	80	42	£55,001 – £60,000	9	6
£35,001 – £40,000	36	30	£60,001 – £65,000	3	1
£40,001 – £45,000	37	26	£70,001 – £75,000	1	1
£45,001 – £50,000	15	13	£75,001 – £80,000	2	–
£50,001 – £55,000	18	7	£80,001 – £85,000	1	–

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Based on the results for the year

United Kingdom tax	£m	£m
Corporation tax at 35% (1988 – 35%)	26.7	26.7
Deferred tax	(2.5)	(0.3)
Relief for overseas tax	(0.2)	(0.4)
Overseas tax		
Current	12.5	9.2
Deferred	(0.3)	(1.2)
Related companies	0.7	0.6
	36.9	34.6

8 EXTRAORDINARY ITEMS

	£m	£m
Closure of UK oil and gas division	2.3	–
Loss on sale of Seaforth Maritime (Holdings) Limited and Swiftplan Limited	2.2	–
Additional provision for costs of closure of North American mining division	3.6	–
Cost of closure of mechanical and electrical contracting business in the USA	1.5	–
	9.6	–
Taxation		
United Kingdom tax	(1.6)	–
Overseas tax	(1.8)	–
	6.2	–

9 DIVIDENDS ON ORDINARY SHARES

	1989 £m	1988 £m
Interim of 1.75p per share (1988 – 1.5p adjusted for the capitalisation issue in 1989)	5.8	4.9
Proposed final of 7.25p per share (1988 – 6.0p adjusted as above)	23.9	19.0
	29.7	23.9

10 INVESTMENT PROPERTIES INCLUDING THOSE IN COURSE OF CONSTRUCTION

	Freehold £m	Long leasehold £m	In course of construction £m	Total £m
Cost and valuation				
31 December 1988	475.0	129.6	78.0	682.6
Changes in exchange rates	18.2	0.4	0.9	19.5
Additions	72.7	10.9	19.4	103.0
Transfers	59.7	3.7	(63.4)	–
Disposals	(47.0)	(1.9)	–	(48.9)
Net surplus on valuation	35.3	7.9	2.5	45.7
31 December 1989	613.9	150.6	37.4	801.9
Representing				
Properties valued				
Cost	346.4	69.8	22.3	438.5
Net surplus	267.5	80.8	15.1	363.4
Valuation in 1989	613.9	150.6	37.4	801.9

The cost of properties includes capitalised interest amounting to £5.7m (1988 – £1.9m).

11 OTHER TANGIBLE ASSETS

	Properties Freehold	Properties Long leasehold	Plant	Total
Cost and valuation	£m	£m	£m	£m
31 December 1988	76.0	14.1	107.4	197.5
Changes in exchange rates	1.2	–	1.3	2.5
Additions	11.7	1.1	23.4	36.2
Disposals	(8.8)	(0.5)	(13.7)	(23.0)
31 December 1989	80.1	14.7	118.4	213.2
Representing				
Properties valued				
Cost	17.0	2.8	–	19.8
Net surplus	51.3	10.4	–	61.7
Valuation in 1988	68.3	13.2	–	81.5
Others not valued				
Cost	11.8	1.5	118.4	131.7
Depreciation				
31 December 1988	–	–	66.3	66.3
Changes in exchange rates	–	–	0.9	0.9
Disposals	–	–	(10.7)	(10.7)
Charge for year	–	–	16.3	16.3
31 December 1989	–	–	72.8	72.8
Net values				
31 December 1989	80.1	14.7	45.6	140.4
31 December 1988	76.0	14.1	41.1	131.2

12 VALUATION OF PROPERTIES

The investment properties of the group including those in course of construction were valued at £801.9m as at 31 December 1989 by Knight, Frank and Rutley, on an open market basis.

Fixed asset properties at 31 December 1988 were valued by Knight, Frank and Rutley, on an open market basis, and that valuation, as adjusted for sales, amounts to £81.5m. Additions during 1989 are included at cost.

13 FUTURE CAPITAL EXPENDITURE NOT PROVIDED FOR IN THE ACCOUNTS

	1989	1988
	£m	£m
Contracts placed	37.6	44.9
Authorised but contracts not placed	35.1	1.9
	72.7	46.8

These amounts are wholly in respect of subsidiary companies.

14 INVESTMENTS IN SUBSIDIARIES

	Shares unlisted £m
Cost	
31 December 1988	64.0
Additions	281.0
Reductions	(28.4)
31 December 1989	316.6
Amounts provided	
31 December 1988	2.0
Reductions	(0.3)
Charge for year	0.2
31 December 1989	1.9
Net values	
31 December 1989	314.7
31 December 1988	62.0

15 INVESTMENTS IN RELATED AND OTHER COMPANIES

Consolidated

	Related companies				Other	
	Shares listed £m	Shares unlisted £m	Share of reserves £m	Loans £m	Shares listed £m	Total £m
Cost and share of reserves						
31 December 1988	1.0	10.4	6.4	0.8	3.6	22.2
Exchange adjustments	–	0.3	0.3	–	–	0.6
Additions	–	10.1	0.4	6.3	–	16.8
Reductions	–	(9.1)	(1.6)	(0.6)	–	(11.3)
31 December 1989	1.0	11.7	5.5	6.5	3.6	28.3
Amounts provided						
31 December 1988	1.0	4.7	–	0.2	–	5.9
Exchange adjustments	–	0.2	–	–	–	0.2
Reductions	–	(4.2)	–	–	–	(4.2)
Charge for year	–	3.3	–	0.1	–	3.4
31 December 1989	1.0	4.0	–	0.3	–	5.3
Net values						
31 December 1989	–	7.7	5.5	6.2	3.6	23.0
31 December 1988	–	5.7	6.4	0.6	3.6	16.3
The market value of listed investments and the directors' estimate of the value of unlisted investments were						
31 December 1989	0.1	13.2			12.7	
31 December 1988	0.7	12.1			10.3	
The group also owns an unlisted investment (cost – £nil) which the directors estimate has a value of £7.3m (1988 – £nil)						
Dividends received						
31 December 1989	–	2.3			–	
31 December 1988	0.1	3.1			–	

16 INVESTMENTS IN RELATED AND OTHER COMPANIES

Company

	Related companies Shares listed	Related companies Shares unlisted	Other Shares listed	Total
Cost	£m	£m	£m	£m
31 December 1988 and 31 December 1989	1.0	0.8	3.6	5.4
Amounts provided				
31 December 1988	1.0	0.5	–	1.5
Charge for year	–	0.1	–	0.1
31 December 1989	1.0	0.6	–	1.6
Net values				
31 December 1989	–	0.2	3.6	3.8
31 December 1988	–	0.3	3.6	3.9
The market value of listed investments and the directors' estimate of the value of unlisted investments were				
31 December 1989	0.1	0.9	12.7	
31 December 1988	0.7	2.1	10.3	
Dividends received				
31 December 1989	–	1.3	–	
31 December 1988	0.1	0.7	–	

17 STOCKS

	1989 £m	1988 £m
Raw materials and consumables	4.5	3.2
Finished goods and goods for resale	15.3	12.4
Residential developments		
Land	145.0	93.5
Development costs and construction thereon	115.0	85.9
Commercial, industrial and mixed development properties	67.0	62.3
	346.8	257.3

Commercial, industrial and mixed development properties include capitalised interest amounting to £2.1m (1988 – £0.6m).

18 DEBTORS

	Consolidated 1989	Consolidated 1988	Company 1989	Company 1988
Receivable within one year	£m	£m	£m	£m
Trade	32.3	29.0	0.1	0.1
Amounts recoverable on contracts	151.4	136.6	–	–
Group companies	–	–	224.5	379.6
Related companies	4.2	2.7	0.1	0.1
Other debtors	13.0	15.0	–	–
Prepayments and accrued income	14.0	8.5	0.6	0.1
Receivable after one year				
Group companies	–	–	98.3	76.0
Other debtors	7.9	1.5	–	–
Prepayments and accrued income	14.3	6.8	13.5	6.4
	237.1	202.1	337.1	462.3

19 CREDITORS FALLING DUE WITHIN ONE YEAR

	£m	£m	£m	£m
Debenture loans (note 21)	17.1	7.0	–	–
Bank loans and overdrafts (note 22)	62.8	28.5	–	–
Commercial paper	–	13.0	–	13.0
Payments received on account	38.4	33.2	–	–
Trade creditors	222.2	197.3	4.4	0.7
Group companies	–	–	121.7	103.6
Related companies	4.1	3.9	0.6	0.4
Taxation on profits	45.4	49.6	10.2	7.8
Other taxation and social security	6.7	5.5	0.8	0.1
Other	23.8	19.3	12.8	6.8
Accruals and deferred income	48.8	30.8	4.4	2.7
Dividend	23.9	19.0	23.9	19.0
	493.2	407.1	178.8	154.1

20 CREDITORS FALLING DUE AFTER ONE YEAR

	£m	£m	£m	£m
Debenture loans (note 21)	189.3	102.8	155.0	75.0
Bank loans and overdrafts (note 22)	23.0	20.9	–	–
Group companies	–	–	–	1.0
Taxation on profits	1.0	1.2	–	–
Accruals and deferred income	5.0	10.2	1.8	8.9
	218.3	135.1	156.8	84.9

21 DEBENTURE LOANS

Consolidated	1989 £m	1988 £m
8¾% convertible guaranteed bonds 1990 (US$1,066,000; 1988 – US$1,884,000)	0.7	1.0
11½% notes 1993	75.0	75.0
9½% first mortgage debenture stock 2014	80.0	–
Other secured loans at rates of interest from 0% to 13½%		
Repayable wholly within five years	34.6	24.5
Repayable by instalments over periods exceeding five years	16.1	9.3
	206.4	109.8
Repayable		
1991	2.0	9.7
1992 – 1994	91.6	86.0
1995 and later – instalment loans	15.7	7.1
– other	80.0	–
Total falling due beyond one year	189.3	102.8
Total due in 1990	17.1	7.0
	206.4	109.8

The 8¾% convertible guaranteed bonds 1990 carry the right to convert into fully paid ordinary shares of Taylor Woodrow plc at a price of 60p per share and a fixed rate of exchange of US$2.4027 to £1. In the event of full conversion of the balance of the bonds outstanding a total of 739,445 ordinary shares would require to be issued.

Charges for secured loans have been given principally on investment properties and development land.

Company	£m	£m
11½% notes 1993	75.0	75.0
9½% first mortgage debenture stock 2014	80.0	–
	155.0	75.0

22 BANK LOANS AND OVERDRAFTS – UNSECURED

At rates of interest from 6¼% to 15¼%		
Repayable	£m	£m
1991	1.3	0.4
1992 – 1994	21.7	1.2
1995 and later	–	19.3
Total falling due beyond one year	23.0	20.9
Total due in 1990	62.8	28.5
	85.8	49.4

23 PROVISIONS FOR LIABILITIES AND CHARGES

	Consolidated	Company
Deferred taxation	£m	£m
31 December 1988	7.6	0.5
Changes in exchange rates	0.9	–
Credited to profit and loss account	(3.4)	–
Charged to revaluation reserves	3.5	–
31 December 1989	8.6	0.5
The balance arises from the effect of		
Timing differences	(4.2)	0.5
Retained profits of overseas group companies	9.3	–
Surplus on property valuation realised since the year end	3.5	–
Other provisions		
31 December 1988	5.1	–
Charged to profit and loss account	3.3	–
Utilised	(0.5)	–
31 December 1989	7.9	–
Total provisions	16.5	0.5

Other provisions are principally in respect of future maintenance on contracts, housing and properties and include an estimate of the cost of restoring land from which minerals have been extracted.

24 ORDINARY CAPITAL

	1989	1988
Authorised	£m	£m
420,000,000 shares of 25p each (1988 – 216,000,000)	**105.0**	54.0
Issued		
329,066,707 shares of 25p each fully paid (1988 – 158,256,840)	**82.3**	39.6

During the year the authorised share capital was increased from £54m to £105m, and 159,061,140 ordinary shares were issued as fully paid by capitalisation of £39.8m of share premiums.

A total of 9,064,854 ordinary shares was issued as fully paid on 21 July 1989 for £28,315,521 being the consideration for the purchase of a portfolio of properties from A Peachey plc.

During the year options were exercised on 2,118,065 ordinary shares at varying prices from 57.75p to 503.0p and that number of shares was issued for a total consideration of £2,140,405.

A total of 332,260 ordinary shares was allotted in 1989 pursuant to the conversion of US$818,000 of the US$20m 8¾% convertible guaranteed bonds 1990 of Taylor Woodrow International Finance BV.

A total of 233,548 ordinary shares was issued to certain shareholders in 1989 in lieu of cash payment of the 1988 final dividend.

Under the group's senior executives' share option scheme, team members held options at 31 December 1989 to subscribe for 8,675,694 shares (1988 – 7,535,626*) at prices between 82.75p* and 293.5p* per share exercisable up to 16 October 1999. Under the group's savings-related share option scheme, team members held options at 31 December 1989 to subscribe for 7,301,047 shares (1988 – 6,646,402*) at prices between 57.75p* and 251.5p* per share exercisable up to 29 November 1997.

24 ORDINARY CAPITAL *continued*

Earnings per share have been calculated on the weighted average of 322,060,686 shares (1988 – 313,142,788*) and on earnings of £76.4m (1988 – £65.3m).

*after adjustment for the capitalisation issue in 1989.

25 SHARE PREMIUMS

	£m
31 December 1988	85.7
Applied to capitalisation issue	(39.8)
Premium on shares issued during the year less expenses of issues	27.5
31 December 1989	73.4

26 REVALUATION RESERVES

	Consolidated £m	Company £m
31 December 1988	367.3	19.5
Unrealised exchange differences	14.4	2.1
Changes in interests in subsidiary and related companies	(0.7)	–
Realised and transferred to profit and loss account	(28.4)	(1.9)
Net surplus on property valuations	38.8	–
Deferred tax	(3.5)	–
31 December 1989	387.9	19.7

The consolidated revaluation reserves include surpluses arising on revaluation of properties, which if realised at 31 December 1989, would have given rise to a maximum taxation liability of £72.2m (1988 – £70.6m), of which £3.5m has been provided in respect of sales of properties since the year end.

27 RETAINED PROFITS

	Consolidated £m	Company £m
31 December 1988	267.5	163.7
Exchange differences	6.8	–
Premiums on acquisition	(1.1)	–
Balance for the year retained	40.5	29.3
31 December 1989	313.7	193.0
Comprising		
The company	193.0	
Subsidiary companies	115.3	
Related companies	5.4	

28 PENSIONS

The group operates a number of pension schemes throughout the world of the defined benefit type. The assets of the schemes are held in separate trustee administered funds.

The total pension cost for the group was £7.2m (1988 – £6.1m) of which £0.4m (1988 – £0.4m) relates to the overseas schemes.

The pension cost relating to the UK scheme is assessed in accordance with the advice of a qualified actuary using the projected unit credit method. The latest actuarial assessment of the scheme was at 1 June 1988. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment return would be 9% per annum, that salary increases would average 8% per annum and that present and future pensions would increase at the rate of 3½% per annum.

At the date of the latest actuarial valuation, the market value of the assets of the UK scheme was £73.0m and the actuarial value of the assets was sufficient to cover 100% of the benefits that had accrued to members after allowing for expected future increases in earnings.

29 CONTINGENT LIABILITIES

There were contingent liabilities outstanding in respect of	1989	1988
	£m	£m
Guarantees by the company in respect of subsidiary companies	65.5	39.2
Guarantees by the group in respect of related companies	15.0	–

Performance bonds and agreements entered into in the normal course of business.

Country of incorporation and principal operations	Name of company (*Interests held by subsidiary companies)	Taylor Woodrow plc interest is 100% in the issued ordinary share capital (unless otherwise stated)	Issued share capital (ordinary shares unless otherwise stated)
Subsidiary companies			£000
Great Britain	*Taylor Woodrow Capital Developments Limited		
	Taylor Woodrow Construction Limited		
	Taylor Woodrow Construction (Midlands) Limited		
	Taylor Woodrow Construction (Northern) Limited		
(registered in Scotland)	Taylor Woodrow Construction (Scotland) Limited		
	*Taylor Woodrow Developments Limited		
	Taylor Woodrow Homes Limited		
	*Taylor Woodrow Homes (Developments) Limited		
	*Taylor Woodrow Homes (Estates) Limited		
(operating worldwide)	Taylor Woodrow International Limited		
	*Taylor Woodrow Management and Engineering Limited		
	*Taylor Woodrow Management Contracting Limited		
	*Taylor Woodrow Plant Company Limited		
	Taylor Woodrow Property Company Limited		
	Taylor Woodrow Services Limited		
	A & S Andrews Limited		
	E & D Taylor (Insurance Brokers) Limited		
	Greenham Construction Materials Limited		
	Greenham Trading Limited		
	*Hanger Lane Holdings Limited		
	Jonathan James Limited §		
	Myton Limited		
	Octavius Atkinson & Sons Limited		
	St Katharine by the Tower Limited		
	*St Katharine Property Investments Limited		
	*Taymech Limited		
	Terresearch Limited		
Australia	Taylor Woodrow Property Holdings Pty Limited	26%	
	*Taylor Woodrow Property Holdings Pty Limited §§	74%	
	Taylor Woodrow (Western Australia) Pty Limited	51%	
	*Taylor Woodrow (Western Australia) Pty Limited	49%	
	*Taywood Farms Pty Limited		
Canada	Taylor Woodrow Holdings of Canada Limited		
	*A B Cairns Limited	59%	
	*Monarch Construction Limited §§§	59%	
	*Monarch Development Corporation	59%	

NOTE
§ 3½% Cumulative preference shares are additionally held. §§ 4% Non cumulative redeemable preference shares are additionally held. §§§ 9¼% Non cumulative redeemable preference shares (59%), 9% Non cumulative redeemable preference shares (57%) and 6% Non cumulative redeemable preference shares are additionally held.

PARTICULARS OF PRINCIPAL SUBSIDIARY AND RELATED COMPANIES *continued*

Country of incorporation and principal operations	Name of company (*Interests held by subsidiary companies)	Taylor Woodrow plc interest is 100% in the issued ordinary share capital (unless otherwise stated)	Issued share capital (ordinary shares unless otherwise stated)
			£000
Subsidiary companies			
Gibraltar	*Taylor Woodrow of Gibraltar Limited §		
USA	*Taylor Woodrow Inc		
	*Taylor Woodrow Construction Corp		
	*Taylor Woodrow Construction California Limited		
	Taylor Woodrow Holdings Inc		
	*Taylor Woodrow Homes California Limited		
	*Taylor Woodrow Homes Florida Inc		
	*Taylor Woodrow Homes Nevada Limited		
	Taylor Woodrow Investments Inc		
	*Taylor Woodrow of California Inc §§		
	*Taylor Woodrow Property Company of America Inc		
Related companies			
Great Britain	*St Mary Abbots Limited	50%	15,000
Australia	*North Whitfords Estates Pty Limited	50%	39
Oman	*Taylor Woodrow-Towell Company (LLC)	50%	420

PARTICULARS OF OTHER INVESTMENTS

Great Britain	Eurotunnel plc	0.6%	
France	Eurotunnel SA	0.6%	

NOTE

§ 12½% Non cumulative redeemable preference shares are additionally held.

§§ Preferred stock is additionally held.

	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980
Assets employed	**£m**	£m	£m	£m	£m	£m	£m	£m	£m	£m
Investment properties	**801.9**	682.6	521.3	408.5	309.3	263.4	213.8	182.6	129.8	124.0
Other fixed assets	**140.4**	131.2	84.2	82.5	73.1	74.9	70.4	73.8	63.9	74.7
Related companies and other investments	**23.0**	16.3	18.3	24.4	26.3	26.2	32.5	32.1	25.5	20.6
Net current assets	**186.5**	120.7	66.0	59.6	96.9	104.9	81.2	77.3	73.0	58.0
	1,151.8	950.8	689.8	575.0	505.6	469.4	397.9	365.8	292.2	277.3
Sources of capital										
Creditors falling due beyond one year	**(218.3)**	(135.1)	(54.1)	(52.7)	(56.9)	(73.2)	(52.4)	(46.1)	(37.1)	(35.1)
Provisions including deferred taxation	**(16.5)**	(12.7)	(9.0)	(13.1)	(17.0)	(29.7)	(20.9)	(29.9)	(23.2)	(25.5)
Minority interests	**(59.7)**	(42.9)	(33.0)	(37.3)	(33.7)	(30.9)	(22.5)	(17.8)	(11.9)	(10.3)
Shareholders' funds	**857.3**	760.1	593.7	471.9	398.0	335.6	302.1	272.0	220.0	206.4
Turnover	**1,321.1**	1,260.1	902.2	793.2	812.2	750.2	695.7	608.8	575.4	520.0
Profits										
Profit on ordinary activities before taxation	**116.9**	103.3	73.1	57.6	53.7	44.2	35.9	28.5	24.8	24.8
Taxation	**(36.9)**	(34.6)	(24.5)	(15.5)	(12.8)	(16.0)	(14.9)	(11.5)	(9.2)	(7.7)
Minority interests	**(3.6)**	(3.4)	(2.9)	(3.0)	(2.6)	(2.5)	(1.5)	(0.9)	(1.0)	(0.[illegible])
Profit before extraordinary items	**76.4**	65.3	45.7	39 1	38.3	25.7	19.5	16.1	14.6	16.5
Extraordinary items	**(6.2)**	–	(5.9)	–	–	–	10.0	(0.8)	1.8	21.7
Available to shareholders	**70.2**	65.3	39.8	39.1	38.3	25.7	29.5	15.3	16.4	38.2
Dividends	**29.7**	23.9	16.2	13.8	12.4	8.9	7.2	5.8	4.8	4.8
Fully paid shares										
Number in issue at year-end (m)	**329.1**	158.3	154.5	144.8	71.9	59.1	29.5	29.5	29.5	29.4
Per fully paid share (adjusted for rights issue in 1985 and capitalisation issues in 1984, 1986 and 1989)										
Dividends	**9.0p**	7.5p	5.3p	4.8p	4.3p	3.7p	3.1p	2.4p	2.0p	2.0p
Net earnings (excluding extraordinary items)	**23.7p**	20.8p	15.3p	13.6p	14.7p	10.7p	8.2p	6.8p	6.1p	6.9p
Shareholders' funds	**260.5p**	240.2p	192.2p	162.9p	138.4p	139.9p	125.9p	113.4p	91.8p	86.4p

62 DIRECTORS OF PRINCIPAL SUBSIDIARY AND RELATED COMPANIES

Taylor Woodrow Construction Limited
Sir Frank Gibb CBE, BSc, FEng, FICE *President*
R G Smith FCIOB *Chairman*
H A Palmer FCIOB, FRICS *Deputy Chairman*
G A Topping BSc(Eng), ACGI, CEng, MICE *Managing*
R Broadhead BSc, CEng, FICE *Joint Deputy Managing*
G M Knight FRICS MCIOB *Joint Deputy Managing*
P P Davies LLB
E R Frondigoun FFB
N A Grover FRICS
D Lambert BSc(Hons), CEng, MICE
J McKenna CEng, MIStructE
N R Marks FCIOB
D J Palmer IEng AMCIBSE, MIEIE, FFB
M Prokopiou FCCA

Taylor Woodrow Management Contracting Limited
J McKenna CEng, MIStructE *Chairman & Joint Managing*
M G Hinge ARICS *Joint Managing*
G J Beers BA, BAI, CEng, MICE, MASCE
P H English BSc(Hons), ACGI
D W Fever BSc(Hons) MCIOB
J Ives BSc, CE(Hons) MICE
G M Knight FRICS, MCIOB
J D Patman BEng(Tech) MBIM
M Prokopiou FCCA

Taylor Woodrow Construction (Midlands) Limited
J Millar *Life President*
R J Mattis [illegible] MCIOB *Chairman*
M J D Probert CEng, MICE *Managing*
K Stibbles *Deputy Managing*
R P Boever
D J Mattis

Taylor Woodrow Construction (Northern) Limited
R G Smith FCIOB *Chairman*
M Laycock MSc, FICE, FFB *Managing*
Q R Easton MCIOB
R Hemings BSc, MICE, CDIPAF
R G Jackson MCIOB, FFB
P G Lewis BSc, CEng, ACGI, MICE
M J O'Hickey FASI

Taylor Woodrow Construction (Scotland) Limited
R C W Van der Lee BA, BAI, CEng, FIEI *Chairman*
J Dunster FFS, FCSI, MBIM *Deputy Chairman*
A W Wyper FCSI *Managing*
P P Davies LLB
M Laycock MSc, FICE, FFB
J McMillan

Taymech Limited
G A Topping BSc(Eng), ACGI, CEng, MICE *Chairman*
D J Palmer IEng, AMCIBSE, MIEIE, FFB *Deputy Chairman and Managing*
B Brooks
W A Clarke DIPEE, AMIEC
C France CEng MIMechE
N A Grover FRICS
D Isherwood IEng, MIEIE, MBIM, FIMS
A F Murphy LIOB
M E Robertson
C S E Scotland
D C Thurston AMCIBSE, MIELECIE

Myton Limited
R G Heasman FSCA *President*
D M Rogers FCIOB *Chairman*
W G E Mills FFB *Managing*
A G Abraham
E R Frondigoun FFB
N R Gill ARICS
D J Skelley CEng, MICE, MBIM
D G Skillicorn
P C D Becker FCIOB, FFB
E A Isles

Octavius Atkinson & Sons Limited
G A Topping BSc(Eng), ACGI, CEng, MICE *Chairman*
M J J Rettie CEng, FIStructE, FWeldI *Deputy Chairman*
R S Millen *Managing*
R W Barker ACMA
P Rawlins
P J Frankland AWeldI
J K Gibson CEng, MIStructE, MWeldI
B J Hesketh
E M Evans
D J Shaw CEng, FIStructE, MWeldI

Taylor Woodrow Management and Engineering Limited
G A Topping BSc(Eng), ACGI, CEng, MICE *Chairman*
D J Palmer AMCIBS, MIElectE *Managing*
S A Hardiman MSc, CEng, MIMechE
G M Knight FRICS, MCIOB
R C Pemberton BSc(Eng), ACGI, CEng, MICE
P D Thomson MSc, ARICS

Taylor Woodrow International Limited
C G F Hazell *Life President*
W Hogbin MA, CEng, FICE, *Chairman*
J G Bevan BSc, CEng, FICE, MASCE, *Managing*
M V Angwin BSc, CEng, MICE, MASCE
R Courtney-Guy
J E Cox OBE
W G Craig BSc, CEng, FICE, FRGS
B W Hendry
A Jarvis FCIOB
B E Moseley
B C Russell MSc, FICE, MIStructE, FRSA

Taylor Woodrow-Towell Company (LLC)(Related)
J E Cox OBE *Chairman*
C J Clark ACIOB *Managing*
Haji Ali Sultan
Anwar Ali Sultan
Hassan Qamar Sultan
Kamal Abdul Reza Sultan
Maqbool Ali Sultan
Mushtaq Qamar Sultan
J G Bevan BSc, CEng, FICE, MASCE
W Hogbin MA, CEng, FICE
M O'Hara ACIS

Teamwork Corporation Sdn Bhd (Related)
Tan Sri Abdul Aziz bin Zain *Chairman*
R G Franks CEng, MICE *Managing*
R J Cantrell
Ms Pan Swee Chin
B C Russell MSc, FICE, MIStructE, FRSA
A [illegible] Mason

Teamwork Saudi Arabia Limited (Related)
A [illegible] Al-Qomaishi *Chairman*
B E Moseley *Managing*
Abdul Aziz Al-Qomaishi
Khalid Zaid Al-Qomaishi
Rashed Al Helaissi
W Hogbin MA, CEng, FICE
A Jarvis FCIOB

Notice is hereby given that the fifty-fifth annual general meeting of Taylor Woodrow plc will be held in the Grand Hall, International House, World Trade Centre, 1 St Katharine's Way, London E1 on Friday 15 June 1990 at 11.15 am to transact the following business:

Ordinary business:

Ordinary resolutions will be proposed

1 To approve and adopt the accounts for the year ended 31 December 1989, together with the reports of the directors and auditors thereon. *(Resolution 1)*

2 To declare a final dividend. *(Resolution 2)*

3 To elect directors. The following directors retire by rotation and will be proposed for re-appointment:

Lord Taylor *(Resolution 3)*

Mr H A Palmer *(Resolution 4)*

Mr W Hogbin *(Resolution 5)*

Mr C E A Hambro *(Resolution 6)*

4 To consider the re-appointment of Touche Ross & Co as auditors of the company and to authorise the directors to agree their remuneration. *(Resolution 7)*

Special business, (formal notice and details of which are set out in the circular to shareholders of even date):

An ordinary resolution will be proposed

5 To continue the scrip dividend scheme in respect of any final cash dividend declared for the year ended 31 December 1989, and any interim cash dividend declared by the directors for the year ending 31 December 1990. *(Resolution 8)*

Special resolutions will be proposed

6 To renew the authority for the company to purchase its own shares, up to a maximum of 32,988,113 ordinary shares. *(Resolution 9)*

7 To dis-apply pre-emption rights in respect of the allotment of equity securities of the company. *(Resolution 10)*

By Order of the Board
R I Morbey *Secretary*
22 May 1990

Registered office 10 Park Street, London W1Y 4DD
Registered in England Registration number 296805

NOTES

1 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll vote instead of him. A proxy need not be a member of the company. The completion and return of a form of proxy does not preclude a member from attending and voting at the meeting in person. A form of proxy for use at the meeting is enclosed and, if used, should be lodged at the address stated thereon, using the enclosed reply paid envelope, not later than 11 15 am on 13 June 1990

2 Copies of the Directors' contracts of service are available for inspection at the registered office of the company during the usual business hours from 22 May 1990 until close of business on 14 June 1990 and will then be available for inspection at the place of the meeting 15 minutes prior to and during the meeting

Taylor Woodrow Holdings, Inc

The Lord Taylor of Hadfield DSc(Hon), HFICE, Hon FEB, FCIOB *Life President*

J Millar *President & Chairman*

R M Johnson MCIOB *Vice President*

R F Postlethwaite *Vice President*

N J Shackleton ARICS *Vice President*

G E Tippell *Vice President*

R D Upton FRICS *Vice President*

Taylor Woodrow Construction Corp

J Millar *Chairman*

R M Johnson MCIOB *President*

N Brydon *Executive Vice President*

C E Parkes *Executive Vice President*

C J Parsons CA

Monarch Development Corporation

The Lord Taylor of Hadfield DSc(Hon), HFICE, Hon FEB, FCIOB *Honorary Director*

C J Parsons CA *President*

G A DesLauriers BA *Vice President*

E J Latimer BA, BEd *Vice President*

F R Taylor *Vice President*

D R Wilson CA *Vice President*

G D Birks BCom

J S Farquharson QC

A S Ferme MA, FIA, FCIA

G L Jackson

R M Johnson MCIOB

J Millar

Taylor Woodrow Property Company Limited

P Hedges *Chairman and Managing*

P R L Drew OBE *Joint Deputy Chairman*

J Topping FRICS *Joint Deputy Chairman*

R J Dillon *Joint Deputy Managing*

L C Parnell DipProjMan, FRICS *Joint Deputy Managing*

J H Brooks FCA

J M Eastwood FRICS

B A Todd FRICS, FCIArb

C R Tarott FCIS

Taylor Woodrow Property Company of America Inc

P Hedges *President*

K L Hamoult *Vice President*

N J Shackleton ARICS, MemCEI *Vice President*

R D Upton FRICS *Vice President*

R E Fischer

E J Landau

St Katharine by the Tower Limited

P R L Drew OBE *Chairman*

J Wolkind CBE, LLM *Chief Executive*

J Topping FRICS *Deputy Chairman*

The Rt Hon Lord Bellwin JP, LLB

D J Frudd BSc(Est Man), ARICS

S D Goodenough FRICS, DipProjMan

The Lord Taylor of Hadfield DSc(Hon), HFICE, Hon FEB, FCIOB

Lady Taylor

C J Leamy FSCA

A L Strachan CBE, BSc(Est Man), FRICS

R D Taylor

St Katharine Haven Limited

P R L Drew OBE *President*

Sir Robin Gillett Bt, GBE, RD, DSc *Chairman*

R D Taylor Deputy Chairman & Managing

Camilla Heptinstall *Executive Director*

R Knox-Johnston CBE, ARNA

P F C Satow MBE, FM

Taylor Woodrow Homes Limited

R P Mooney FBIM, FFB *Chairman*

Lady Taylor *Deputy Chairman*

A C Driver FCIOB, MBIM *Managing*

J O Saunders *Joint Deputy Managing*

D S Taylor *Joint Deputy Managing*

J Fairclough

R F Postlethwaite

A C Sayers

J J Scannell

Taylor Woodrow Homes California Limited

G E Tippell *Chairman and President*

R G Craig *Vice President*

D E Martinez *Vice President*

R F Pope *Vice President*

C M Schnepel *Vice President*

Lady Taylor

J Millar

Taylor Woodrow Homes Florida Inc

The Lord Taylor of Hadfield DSc(Hon), HFICE, Hon FEB, FCIOB *Chairman*

R F Postlethwaite *President*

K Clayton *Vice President*

G Doyle *Vice President*

J Polikun *Vice President*

R Robinson *Vice President*

Lady Taylor

J Millar

Taylor Woodrow (Western Australia) Pty Limited

J F Wilson FIE(Aust), BSc(Eng)(Hons), FCGI, FICE, DIC, CertRealEstMgmnt *Chairman*

M G McDonald FSLE, AAIV, CertRealEstMgmnt *Managing*

P T L Archer MDA, ATA

G N Hinchcliff BEc(Com)

N Karsakis FCA, FCIS, CD, DipRealEstMgmnt

G M Lyon

Greenham Construction Materials Limited

G R Rowley *Chairman*

S R Wakerly BSc, MSc, FGS, AMIQ, MIMM, CEng *Managing*

T J Booth

G B Borwell CBIM

W M Buckland LMRTPI

N J Doyle

P J Harding

E A Hayes

N Highams

N C Jackson BSc, MIGeol, FGS

Greenham Trading Limited

G R Rowley *Chairman*

B Abrahams *Managing*

G L Adams *Deputy Managing*

G B Borwell CBIM

P Crumbley MBIM

J Pearson FCCA, FCIS

B Reynolds MInstM

Taylor Woodrow Services Limited

B W V Moore FCCA, MBCS *Chairman & Managing*

M G Bailey ACII, FPMI, ABIBA

M Beard

N J Godfrey BSc(Econ), CA

Mrs D B Hyde

G J Jones FCIS

J P McCoy

Miss R C Philip

M Pokopiou FCCA

J & D Taylor (Insurance Brokers) Limited

D P Tickling FCII, FBIBA *Chairman & Managing*

M G Bailey ACII, FPMI, ABIBA *Joint Deputy Managing*

B W Lloyd FCII, ABIBA, FIRM *Joint Deputy Managing*

R T Marks FCIS

D B Patterson FCIB

Honorary Chaplain to the Taylor Woodrow Group

The Reverend Canon Peter Delaney