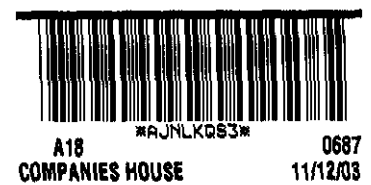


Tay Homes (North West) Limited

Annual report
for the year ended 30 June 2002

Registered Number 2189721



Tay Homes (North West) Limited

Annual report

for the year ended 30 June 2002

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Tay Homes (North West) Limited

Directors and Advisors for the year ended 30 June 2002

Directors

N Fitzsimmons
G H Locke
A W Lewis
M R Powell
J F Tutte
W J Brand
D J Campbell-Kelly
J M Day

Secretary

G A Cope

Auditors

PricewaterhouseCoopers LLP
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Barclays Bank PLC
Corporate Banking Centre
PO Box 1015
3rd Floor
3 Windsor Place
Cardiff CF10 3ZL

Registered Office

Redrow House
St David's Park
Flintshire
CH5 3RX

Registered Number

2189721

Tay Homes (North West) Limited

Directors' report for the year ended 30 June 2002

The directors present their report and the audited financial statements of the company for the year ended 30 June 2002.

Principal activities and business review

The principal activity of the company was that of residential estate developers and builders. On 9 January 2002, the ultimate parent undertaking, Tay Homes plc was acquired by Redrow plc and re-named Redrow Corporate Services Limited. From that date the directors regard Redrow plc, a company registered in England and Wales, to be the ultimate parent undertaking. On 25 February 2002 the company transferred its trade, assets and liabilities at book value to fellow subsidiaries of Redrow plc, and consequently from that date the company was dormant.

Results and dividends

The company's profit for the financial year was £1,078,750 (2001 : £3,864,341).

The directors paid a dividend of £1,934,904 for the year ended 30 June 2002 (2001:£nil).

The deficit of £856,154 (2001:£3,864,341 profit) will be transferred to reserves.

Directors and their interests

The directors who held office during the year are given below:

N Fitzsimmons	-	appointed 9 January 2002
G H Locke	-	appointed 9 January 2002
A W Lewis	-	appointed 9 January 2002
M R Powell	-	appointed 9 January 2002
J F Tutte	-	appointed 9 January 2002
W J Brand	-	appointed 9 January 2002
D Campbell-Kelly	-	appointed 9 January 2002
J M Day	-	appointed 9 January 2002
J W Maunders	-	resigned 9 January 2002
W H Bannister	-	resigned 9 January 2002
G W C Smith	-	resigned 31 January 2002
B Warrington	-	resigned 11 March 2002

G H Locke resigned as a director on 11 November 2003, A W Lewis resigned as a director on 14 June 2002 and J M Day resigned as a director on 28 May 2003.

Redrow Homes Limited is the immediate parent company of the majority of the Redrow Homes trading subsidiaries.

The interests of N Fitzsimmons and G H Locke in the shares Redrow plc are shown in the financial statements of that company.

The interests of J F Tutte, W J Brand and M R Powell in the shares of Redrow plc are disclosed in the financial statements of Redrow Homes Limited.

The interests of A W Lewis in the shares of Redrow plc are disclosed in the financial statements of Redrow Group Services Limited.

The interests of J M Day and D Campbell-Kelly in the shares of Redrow plc are disclosed in the financial statements of Redrow Homes (Southern) Limited and Redrow Homes (Midlands) Limited respectively.

Tay Homes (North West) Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. The directors are required to prepare financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMU

The company's approach to this issue is being co-ordinated by its ultimate parent company, Redrow plc, and full details are disclosed in the financial statements of that company.

Taxation status

As far as the directors are aware, the company is not a close company as defined by Section 414 of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 25 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board



G A Cope
Secretary

14 November 2003

Tay Homes (North West) Limited

Independent auditors' report to the members of Tay Homes (North West) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the related notes and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person other than the company to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Manchester

14 November 2003

Tay Homes (North West) Limited

Profit and loss account for the year ended 30 June 2002

	Note	2002 £ Discontinued	2001 £ Discontinued
Turnover	1	13,338,908	32,169,881
Operating profit	1	942,848	3,051,683
Interest receivable		207,861	423,483
Profit on ordinary activities before taxation	4	1,150,709	3,475,166
Taxation on profit on ordinary activities	5	(71,959)	389,175
Profit on ordinary activities after taxation		1,078,750	3,864,341
Dividends		(1,934,904)	-
Retained (deficit)/profit for the financial year	13	(856,154)	3,864,341

The company has no recognised gains and losses other than those included in the (deficit)/profit above, and therefore no separate statement of total recognised gains and losses has been presented.

On 25 February 2002 the company transferred its trade, assets and liabilities at book value to fellow subsidiaries of Redrow plc. Consequently, all of the above results derive from discontinued operations.

Tay Homes (North West) Limited

Balance sheet as at 30 June 2002

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	6	-	163,418
Current assets			
Stocks	7	-	26,272,012
Debtors	8	1,934,906	1,078,919
Cash at bank and in hand		-	6,323,629
		1,934,906	33,674,560
Creditors: amounts falling due within one year	9	(1,934,904)	(31,698,922)
Net current assets		2	1,975,638
Total assets less current liabilities		2	2,139,056
Creditors: amounts falling due after more than one year	10	-	(1,063,298)
Provision for liabilities and charges	11	-	(219,602)
Net assets		2	856,156
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account	13	-	856,154
Equity shareholders' funds	14	2	856,156

The financial statements on pages 5 to 13 were approved by the board of directors on 14 November 2003 and were signed on its behalf by:

M. Powell

M R Powell
Director

Tay Homes (North West) Limited

Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below. The adoption of FRS 19 has not resulted in a material prior year adjustment.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Fixed assets are depreciated on a straight line basis over their expected useful lives at the following principal annual rates:

	%
Motor Vehicles	25
Fixtures and fittings	25

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, cost including materials, labour and subcontract work.

Turnover and profit recognition

Turnover represents sales of residential housing. Profit is recognised on legal completion.

Operating leases

Costs in respect of operating leases are charged against profit on a straight line basis over the lease term.

Deferred taxation

Deferred tax is provided on timing differences arising from the recognition of income and expenditure in different periods for taxation and accounting purposes where timing differences have originated but not reversed by the balance sheet date in accordance with FRS19 'Accounting for Deferred Taxation'. Deferred tax is provided at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are only recognised to the extent that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

Pension scheme

Prior to its acquisition by Redrow plc, the company made contributions payable to a scheme which were charged to the profit and loss account as incurred.

Following the acquisition by Redrow plc, the company joined the Redrow Group contributory pension scheme. Contributions to the defined contribution section are charged in the year in which the contributions are made.

Cash flows

The company is a wholly owned subsidiary of Redrow plc, and its cash flows are included in the consolidated cash flow statement of Redrow plc. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement.

Tay Homes (North West) Limited

Notes to the financial statements for the year ended 30 June 2002

1 Operating profit

	2002 £	2001 £
Turnover	13,338,908	32,169,881
Cost of sales	(11,000,666)	(27,080,832)
Gross profit	2,338,242	5,089,049
Administrative expenses	(1,395,394)	(2,037,366)
Operating profit	942,848	3,051,683

2 Directors' emoluments

	2002 £	2001 £
Emoluments		
Aggregate emoluments	231,819	104,210

Directors emoluments include £85,080 paid to one director in compensation for loss of office.

No retirement benefits are accruing to directors (2001:6) under a defined contribution pension scheme.

Tay Homes (North West) Limited

3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

	2002 Number	2001 Number
By activity		
Directors and administrative staff	29	34
Site personnel	19	20
	48	54
	£	£
Wages and salaries	819,570	1,294,819
Social security costs	87,087	124,148
Other pensions costs	37,932	35,693
Staff costs	944,589	1,454,660

4 Profit on ordinary activities before taxation

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation for the year		
- owned assets	28,554	49,734
- leased assets	34,890	60,770
Loss on disposal of fixed assets	19,989	821
Auditors' remuneration		
- audit services	8,000	12,000
- non-audit services	4,000	-
Hire of plant and machinery	233,540	383,265
Other operating leases	29,505	82,000

Tay Homes (North West) Limited

5 Taxation

	2002 £	2001 £
Current tax		
United Kingdom corporation tax at 30% (2001: 30%)	71,742	-
Under/(over) provision in prior year	217	(389,175)
	71,959	(389,175)
Reconciliation of current taxation charge		
Tax on total profits at 30% (2001:30%)	345,213	1,042,550
Net expenses not deductible for tax purposes	(18,105)	1,280
Under/(over) provision in prior year	217	(389,175)
Timing differences	(10,414)	6,463
Utilisation of losses brought forward from earlier periods	(244,952)	(1,050,293)
	71,959	(389,175)

Tay Homes (North West) Limited

6 Tangible assets

	Motor Vehicles £	Fixtures and fittings £	Total £
Cost			
At 1 July 2001	398,481	209,366	607,847
Additions	53,338	57,842	111,180
Disposals	(451,819)	(267,208)	(719,027)
At 30 June 2002	-	-	-
Depreciation			
At 1 July 2001	288,828	155,601	444,429
Charge for the year	47,121	16,323	63,444
Disposals	(335,949)	(171,924)	(507,873)
At 30 June 2002	-	-	-
Net book amount			
At 30 June 2002	-	-	-
At 30 June 2001	109,653	53,765	163,418

7 Stocks

	2002 £	2001 £
Land for development	-	17,343,415
Work in progress	-	9,075,563
		26,418,978
Less: payments received on account	-	(146,966)
	-	26,272,012

8 Debtors

	2002 £	2001 £
Trade debtors	-	103,167
Amounts owed by group undertakings	1,934,906	-
Other debtors	-	467,355
Prepayments and accrued income	-	75,862
ACT and corporation tax recoverable	-	432,535
	1,934,906	1,078,919

Tay Homes (North West) Limited

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	-	692,513
Obligations under hire purchase contracts	-	38,082
Trade creditors	-	2,269,954
Amounts due in respect of land for development	-	6,384,028
Amounts owed to group undertakings	1,934,904	19,710,872
Amounts owed to associated company	-	55,357
Other taxation and social security payable	-	104,773
Other creditors	-	30,844
Accruals and deferred income	-	2,412,499
	1,934,904	31,698,922

Amounts owed to the company's ultimate holding company, Redrow plc, are secured by a floating charge over the company's present and future undertakings and assets. This charge does not take priority over any charge issued in favour of any other party.

10 Creditors: amounts falling due after one year

	2002 £	2001 £
Obligations under hire purchase contracts	-	1,639
Trade Creditors	-	404,027
Amounts due in respect of land for development	-	657,632
	-	1,063,298

11 Provisions for liabilities and charges

	Site remedials £
At 1 July 2001	219,602
Transferred to group undertakings	(219,602)
At 30 June 2002	-

Tay Homes (North West) Limited

12 Called up share capital

	2002 £	2001 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

13 Reserves

	Profit and loss account £
At 1 July 2001	856,154
Retained deficit for the financial year	(856,154)
At 30 June 2002	-

14 Reconciliation of movements in equity shareholders' funds

	2002 £	2001 £
Profit for the financial year	1,078,750	3,864,341
Dividends	(1,934,904)	-
Net movement in equity shareholders' funds	(856,154)	3,864,341
Opening equity shareholders' funds	856,156	(3,008,185)
Closing equity shareholders' funds	2	856,156

15 Contingent liabilities

Performance bonds and other building guarantees have been entered into in the normal course of business.

16 Related party transactions

As a wholly owned subsidiary, the company has taken advantage of the exception under FRS8 not to disclose intra-group transactions. There have been no other related party transactions.

17 Ultimate holding parent company and controlling party

The company's ultimate holding company and controlling party is Redrow plc, a company incorporated in Great Britain. The company's immediate parent company is Redrow Corporate Services Limited (formerly Tay Homes plc), a company incorporated in Great Britain. Copies of the Redrow plc financial statements may be obtained from the Company Secretary, Redrow plc, Redrow House, St David's Park, Flintshire, CH5 3RX.