Grant Thornton

DEAN HOMES LIMITED
(FORMERLY TAYVIN 9 LIMITED)

FINANCIAL STATEMENTS

FOR THE 63 WEEKS ENDED 31 DECEMBER 1995

Company No. 2979041

DEAN HOMES LIMITED

FINANCIAL STATEMENTS

For the 63 weeks ended 31 DECEMBER 1995

Company registration number:	2979041
Registered office:	4 The Meadow Meadow Lane St Ives CAMBRIDGESHIRE PE17 4XW
Director :	S Dean
Secretary:	P Holmes
Bankers:	Bank of Scotland 14 Friar Lane LEICESTER LE1 5RA
Auditors:	Grant Thornton Registered Auditors Chartered Accountants Grant Thornton House Melton Street Euston Square LONDON NW1 2EP

DEAN HOMES LIMITED

FINANCIAL STATEMENTS

For the 63 weeks ended 31 DECEMBER 1995

INDEX **PAGE**

DEAN HOMES LIMITED

REPORT OF THE DIRECTOR

The director presents his report together with the financial statements for the 63 weeks ended 31 December 1995.

Principal activity

The principal activity of the company during the period was that of a residential housing builder.

Review of the business

The company was incorporated on 14 October 1994 as TayVin 9 Limited and changed its name to Dean Homes Limited on 20 January 1995. The company was acquired by Dean Corporation plc on 19 January 1995 and took over that company's house building activities from that date. Future trading is expected to be satisfactory.

Results and dividends

The profit on ordinary activities after taxation was £112,577. A dividend of £50,000 is proposed and the balance has been transferred to reserves.

Fixed assets

An analysis of changes in fixed assets is set out in note 5.

Directors

The directors who held office during the period were:

M T Womack (resigned 19 January 1995)
R C W Newbury (resigned 19 January 1995)
S Dean (Chairman) (appointed 19 January 1995)
N S Saunders (appointed 19 January 1995, resigned 19 June 1995)

The company is a wholly owned subsidiary of Dean Corporation plc. The interests of S Dean, who is also a director of the parent undertaking, in the shares of Dean Corporation Plc, are disclosed in that company's financial statements.

Director's responsibilities for the financial statements

Company law requires the director to prepare financial statements for each financial year which 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. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently

Director's responsibilities (continued)

- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

P HOLMES
Secretary
19 April 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF

DEAN HOMES LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies as set out on page 4.

Respective responsibilities of director and auditors

As described on pages 1 and 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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, 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 affairs of the company at 31 December 1995 and of its results for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LONDON
19 April 1996

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies of the company are set out below.

Turnover

Turnover represents the amount of goods sold stated net of VAT. Turnover is attributable to the principal activity of the company and arises solely in the United Kingdom.

Stocks

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

Depreciation

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

Motor vehicles	- 25% per annum on the straight line basis
Fixtures and fittings	- 25% per annum on the straight line basis
Office equipment	- 25% per annum on the straight line basis

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Deferred taxation

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

DEAN HOMES LIMITED

PROFIT AND LOSS ACCOUNT

For the 63 weeks ended 31 DECEMBER 1995

	Notes	63 weeks ended 31 December 1995 £
Turnover	1	1,017,260
Cost of sales		(781,029)
Gross profit		236,231
Administrative expenses		(77,305)
Operating profit		158,926
Interest receivable and similar income		7,210
Interest payable and similar charges	2	(16,105)
Profit on ordinary activities before taxation	1	150,031
Taxation	4	(37,454)
Profit on ordinary activities after taxation		112,577
Proposed dividend		(50,000)
Retained profit for the period	10	62,577

There were no recognised gains or losses other than the profit for the period.

The accompanying accounting policies and notes form an integral part of these financial statements.

DEAN HOMES LIMITED

BALANCE SHEET AT 31 DECEMBER 1995

	Notes	31 December 1995 £
Fixed assets		
Tangible fixed assets	5	20,299
Current assets		
Stocks and work in progress	6	1,477,221
Debtors	7	74,618
Cash at bank and in hand		-
		1,551,839
Creditors: amounts falling due within one year	8	(1,509,461)
Net current assets		42,378
Total assets less current liabilities		62,677
Capital and reserves		
Called up share capital	9	100
Profit and loss account	10	62,577
	11	62,677

The financial statements were approved by the Board of Directors on 19 April 1996.

S Dean Director

The accompanying accounting policies and notes form an integral part of these financial statements.

1 **TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The turnover and profit before taxation are attributable to house-building and arise solely from activities in England.

	63 weeks to 31 December 1995 £
The profit on ordinary activities is stated after charging:	
Depreciation	6,337
Auditors' remuneration	4,250

2 **INTEREST PAYABLE**

	63 weeks to 31 December 1995 £
Hire purchase	542
Bank overdraft repayable within 5 years	15,563
	16,105

3 **DIRECTORS AND EMPLOYEES**

Staff costs during the period were as follows:	63 weeks to 31 December 1995
Wages and salaries	38,116
Social security costs	3,689
	41,805

The average number of employees during the period was 5, all of whom were engaged in administration.

No amounts were paid to the directors in the period.

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on profits for the period and represents:

	63 weeks to 31 December 1995 £
Corporation tax charge at 25%	37,454

5 FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost				
Additions	12,300	18,357	7,014	37,671
Disposals	(12,300)	(1,404)	-	(13,704)
At 31 December 1995	-	16,953	7,014	23,967
Depreciation				
Charge for the year	2,669	2,795	873	6,337
Eliminated on disposal	(2,669)	-	-	(2,669)
At 31 December 1995	-	2,795	873	3,668
Net book value				
At 31 December 1995	-	14,158	6,141	20,299

6 STOCK AND WORK IN PROGRESS

	At 31 December 1995 £
Work in progress	484,004
Finished stocks	993,217
	1,477,221

7 DEBTORS

	At 31 December 1995 £
Trade debtors	31,618
Amounts owed by group undertakings	10,224
Other debtors	29,295
Prepayments and accrued income	3,481
	74,618

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 December 1995 £
Bank overdraft	268,285
Trade creditors	200,439
Amounts owed to parent undertaking	905,839
Corporation tax	37,454
Social security and other taxes	16,077
Proposed dividend	50,000
Other creditors	19,118
Accruals and deferred income	12,249
	1,509,461

The bank overdraft is secured by a fixed and floating charge over all the assets of the company.

9 SHARE CAPITAL

	At 31 December 1995 £
Authorised, allotted, called up and unpaid: 100 ordinary shares of £1 each	100

On incorporation the authorised share capital of 100 ordinary £1 shares was issued at par.

10 PROFIT AND LOSS ACCOUNT

	£
At 14 October 1994	-
Retained profit for the period	62,577
At 31 December 1995	62,577

11 RECONCILIATION OF SHAREHOLDERS' FUNDS

	£
Issue of shares	100
Profit for the period	62,577
	62,677
Shareholders' funds at 14 October 1994	-
Shareholders' funds at 31 December 1995	62,677

12 LEASING COMMITMENTS

Operating lease payments amounting to £13,823 are due within one year. The leases to which these amounts relate expire as follows:

	At 31 December 1995	
	Land and buildings	Other
Between one and five years	-	13,823

13 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1995.

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1995.

15 ULTIMATE PARENT UNDERTAKING

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent undertaking, Dean Corporation plc, which is registered in England and Wales.

Copies of accounts can be obtained from the Registered Office.