G House

Registered No. 2979041

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

REPORT & ACCOUNTS

For The Year Ended

31st March 2000

SPOKES & COMPANY
Hilden Park House
79 Tonbridge Road
Hildenborough
KENT
TN11 9BH

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

DIRECTORS

S. Dean	(resigned 1st May 2000)
C. P. Musselle	(resigned 1st May 2000)
M. J. Eyres	
M. Freeman	(appointed 1st May 2000)
Artisan (UK) Plc	(appointed 1st May 2000)
A Wilson	(appointed 1st May 2000)

SECRETARY

C. Musselle	(resigned 1st May 2000)
G. R. N. Lamb	(appointed 1st May 2000)

REGISTERED OFFICE

Dean House
The Anderson Centre
Spitfire Close
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XY

AUDITORS

Spokes & Company
Hilden Park House
79 Tonbridge Road
Hildenborough
Kent
TN11 9BH

BANKERS

Bank of Scotland
14 Friar Lane
Leicester
LE1 5RA

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

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ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

REPORT OF THE DIRECTOR

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March 2000.

PRINCIPAL ACTIVITY

The Company's principal activity is that of a residential house builder. There has been no change in this activity during the course of the year.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation was £2,186,694 (1999: £692,096). A dividend of £1,650,000 had been paid during the year (1999: £741,501).

CHANGE OF NAME

The Company changed its name on the 3rd April 2000 from Dean Homes Limited.

DIRECTORS

The Directors who held office throughout the year and their interests in the shares of the Company were as follows:

	£1 Ordinary Shares	
	31.3.2000	31.3.1999
S. Dean	-	-
A. Dean (resigned 1st September 1999)	-	-
C. P. Musselle	-	-
M J Eyres (appointed 1st September 1999)	-	-

The Company is a wholly owned subsidiary of Artisan (UK) Plc. The interest of S. Dean, and C. Musselle who are also Directors of the parent undertaking, in the shares of Artisan (UK) Plc, are disclosed in that Company's accounts.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

REPORT OF THE DIRECTOR
(Continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts which give a true and fair view of the state of the affairs of the Company as at its Balance Sheet date and of the profit or loss of the Company for the accounting year then ended. In preparing those accounts, the Directors are required to:

a) select suitable accounting policies and then apply them consistently;

b) make judgements and estimates that are reasonable and prudent;

c) prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

AUDITORS

Messrs. Spokes & Company have expressed their willingness to continue in office as Auditors and a Resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

GRN Lamb

G R N LAMB
Secretary

Dean House
The Anderson Centre
Spitfire Close
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XY
7th July 2000

REPORT OF THE AUDITORS

TO THE MEMBERS OF

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

We have audited the accounts on Pages 4 to 12, which have been prepared under the historical cost convention and the accounting policies set out on Pages 6 and 7.

Respective Responsibilities of Directors and Auditors

As described on Page 2 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31st March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Spokes & Company

Hilden Park House
79 Tonbridge Road
Hildenborough
KENT TN11 9BH
7th July 2000

SPOKES & COMPANY
Chartered Accountants
Registered Auditors

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

PROFIT & LOSS ACCOUNT

For The Year Ended 31st March 2000

	Note	12 months to 31.3.2000 £	15 months to 31.3.1999 £
TURNOVER	1	9,969,864	10,551,124
Cost of Sales		(6,128,560)	(8,360,133)
GROSS PROFIT		3,841,304	2,190,991
Administrative Expenses		(590,804)	(1,035,896)
Operating Profit	2	3,250,500	1,155,095
Interest Receivable		-	8,691
Interest Payable	5	(227,729)	(189,345)
Profit on Disposal of Subsidiary		104,957	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,127,728	974,441
Taxation	6	(941,034)	(282,345)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,186,694	692,096
Dividend	7	(1,650,000)	(741,501)
RETAINED PROFIT/(LOSS) FOR THE YEAR/PERIOD	16	536,694	(49,405)

All of the Company's operations are classed as continuing.

The Company has no recognised gains or losses other than the result for the year.

The Notes on Pages 6 to 12 form part of these accounts.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

BALANCE SHEET

As At 31st March 2000

	Note	31.3.2000		31.3.1999	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		16,946		4,558
Investments	9		-		243,870
			16,946		248,428
CURRENT ASSETS					
Stocks & Work in Progress	10	6,679,827		2,921,558	
Debtors	11	5,172,536		1,964,303	
Listed Current Investment	12	-		50,000	
Cash at Bank and in Hand		-		8	
		11,852,363		4,935,869	
CREDITORS – Amounts falling due within one year:	13	(9,462,072)		(3,313,754)	
NET CURRENT ASSETS			2,390,291		1,622,115
TOTAL ASSETS LESS CURRENT LIABILITIES			2,407,237		1,870,543
CREDITORS – Amounts falling due after more than one year:	14		(942,000)		(942,000)
			1,465,237		928,543
CAPITAL & RESERVES					
Called Up Share Capital (All Equity)	15		800,000		800,000
Profit & Loss Account	16		665,237		128,543
	17		1,465,237		928,543

The Notes on Pages 6 to 12 form part of these accounts.

These accounts were approved by the Board of Directors on 7th July 2000

M J EYRES
Director

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The principal accounting policies which have been consistently adopted in the preparation of these accounts are as follows:

Basis of Accounting
The accounts are prepared under the historical cost convention and in accordance with applicable statements of accounting practice. The accounts include the results of the Company as an individual undertaking as Artisan (UK) Developments Limited is included in the accounts of Artisan (UK) Limited.

Turnover
Turnover represents the value of work done for and services provided to customers during the year, excluding VAT. In the case of house sales turnover is recognised upon exchange of contracts. Profit is recognised on long term work in progress contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. Turnover arises solely in the UK.

Depreciation
Depreciation is provided in order to write off the cost of fixed assets over their estimated useful lives. The following annual rates of depreciation are used:

Motor Vehicles	-	25% Straight line
Plant & Equipment	-	25% Straight line
Fixtures & Fittings	-	25% Straight line

Stock and Work in Progress
Stocks and work in progress are valued at the lower of cost including relevant overheads and net realisable value. Work in progress includes materials, labour and an appropriate proportion of relevant overhead costs incurred on incompleted contracts at the year end. Profit is recognised on long term contracts as noted above.

Deferred Taxation
Deferred taxation is accounted for using the liability method on all material timing differences to the extent that it is probable that liabilities or assets will crystallise. Timing differences arise from certain items being included in taxation computations in years different from those in which they appear in the accounts.

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 made under them are charged to the profit and loss account over the term 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.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

1. ACCOUNTING POLICIES (Continued)

Pension
The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Listed Current Investments
Listed Current Investments are stated at the lower of cost and net realisable value.

2. OPERATING PROFIT

This is stated after charging/(crediting):

	12 months to 31.3.2000	15 months to 31.3.1999
	£	£
Operating Lease Rentals	46,557	29,678
Depreciation	4,065	6,056
Auditor's Remuneration	12,000	10,000
Loss/(Profit) on Disposals	(104,957)	2,190

3. DIRECTORS EMOLUMENTS

	12 months to 31.3.2000	15 months to 31.3.1999
	£	£
Emoluments	63,948	70,019
Pension Contributions	3,430	4,500
	67,378	74,519

One director has retirement benefits accruing to him under a money purchase scheme.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

4. STAFF NUMBERS AND COSTS

The average number of employees during the year was as follows:

	12 months to 31.3.2000	15 months to 31.3.1999
Administration	7	8
Operations	14	7
	21	15

The aggregate payroll costs of the employees (including the Directors) were as follows:

	£	£
Wages & Salaries	423,936	375,891
Social Security Costs	38,829	35,912
Other Pension Costs	5,050	8,686
	467,815	420,489

5. INTEREST PAYABLE

Interest payable and similar charges arise as follows:

	12 months to 31.3.2000	15 months to 31.3.1999
	£	£
Hire Purchase	-	300
Bank Overdraft Repayable Within 5 Years	156,202	67,201
Interest payable to group undertakings	71,527	121,441
Other Interest	-	403
	227,729	189,345

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	12 months to 31.3.2000	15 months to 31.3.1999
	£	£
Taxation based on result for the year/period:		
Corporation Tax @ 30/31%	916,920	307,077
Group Relief @ 31%	-	(26,289)
Under-provision in Prior Year	24,114	1,557
	941,034	282,345

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

7. DIVIDENDS

		12 months to 31.3.2000	15 months to 31.3.1999
		£	£
Dean Corporation Plc	- Paid	-	441,501
Artisan (UK) Plc	- Proposed	-	300,000
	- Paid	1,650,000	-
		1,650,000	741,501

8. TANGIBLE ASSETS

	Motor Vehicle	Fixtures & Fittings	Office Equipment	Total
COST	£	£	£	£
Brought Forward	-	12,285	4,850	17,135
Additions	7,500	-	8,953	16,453
Carried Forward	7,500	12,285	13,803	33,588
DEPRECIATION				
Brought Forward	-	12,285	292	12,577
Charge for year	781	-	3,284	4,065
Carried Forward	781	12,285	3,576	16,642
NET BOOK VALUE				
At 31st March 2000	6,719	-	10,227	16,946
At 31st March 1999	-	-	4,558	4,558

9. INVESTMENTS

	31.3.2000	31.3.1999
	£	£
Cost of Investment	-	243,870

Bernard Ward & Sons Ltd
Incorporated in the UK

100% of the Ordinary Share Capital was disposed of on the 16th February 2000.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

10. **STOCKS & WORK IN PROGRESS**

	31.3.2000	31.3.1999
	£	£
Work in Progress	4,807,567	2,254,690
Finished Stocks	1,872,260	666,868
	6,679,827	2,921,558

11. **DEBTORS**

	31.3.2000	31.3.1999
	£	£
Trade Debtors	118,122	611,703
Amounts Recoverable on Contracts	936,633	769,034
Other Debtors	4,107,961	570,000
Prepayments & Accrued Income	9,820	13,566
	5,172,536	1,964,303

Included within trade debtors is £2,000 (1999: £60,500) falling due after more than one year.

12. **LISTED CURRENT INVESTMENTS**

	31.3.2000	31.3.1999
	£	£
Cost	-	50,000
Current Market Value at 31st March 2000	-	40,000

13. **CREDITORS** - Amounts falling due within one year:

	31.3.2000	31.3.1999
	£	£
Bank Overdraft	2,763,097	756,337
Trade Creditors	614,057	456,877
Other Creditors	853,725	-
Amounts Owed to Parent Undertaking	2,400,000	1,000,000
Corporation Tax	916,920	280,788
Social Security & Other Taxes	16,530	132,510
Proposed Dividend	-	300,000
Accruals & Deferred Income	1,897,743	387,242
	9,462,072	3,313,754

The bank overdraft is secured by an all monies debenture over all the assets of the company, incorporating fixed and floating charges. Set-off is available to the bank between the company and Artisan (UK) Plc and its group company members by virtue of the bank holding a debenture from each company together with a cross corporate guarantee.

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

14. **CREDITORS**: Amounts falling due after more than one year:

	31.3.2000	31.3.1999
	£	£
Trade Creditors	942,000	942,000

The amount included above is secured over land held within work in progress.

15. **SHARE CAPITAL**

	31.3.2000	31.3.1999
	£	£
Authorised, allotted, called up and paid:		
800,000 Ordinary Shares of £1 each	800,000	800,000

16. **PROFIT & LOSS ACCOUNT**

	12 months to 31.3.2000	15 months to 31.12.1999
	£	£
Brought Forward	128,543	177,948
Retained Profit/(Loss) for the Year	536,694	(49,405)
Carried Forward	665,237	128,543

17. **RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS FUNDS**

	12 months to 31.3.2000	15 months to 31.3.1999
	£	£
New Share Capital Issued in period	-	799,900
Profit for the Year	2,186,694	692,096
Dividend Paid	(1,650,000)	(741,501)
Net Addition to Shareholders' Funds	536,694	750,495
Shareholders' Funds Brought Forward	928,543	178,048
Shareholders' Funds Carried Forward	1,465,237	928,543

ARTISAN (UK) DEVELOPMENTS LIMITED
(Formerly Dean Homes Limited)

NOTES TO THE ACCOUNTS
(Continued)

18. FINANCIAL COMMITMENTS

Amounts due in respect of other operating leases:

	31.3.2000	31.3.1999
	£	£
Expiring within one year	6,533	4,965
Expiring within two to five years	25,340	26,626
	31,873	31,591

19. CONTINGENT LIABILIITIES

A cross corporate guarantee held by the bank in favour of Artisan (UK) Plc and its group company members has been given by the company for all monies owing.

20. ULTIMATE PARENT COMPANY

The Directors regard Artisan (UK) Plc, a company requested in England and Wales, as the ultimate parent company.

Exemption is taken of related party disclosures in respect of group transactions on the grounds that details of Artisan (UK) Developments Ltd are included in the consolidated accounts of Artisan (UK) Plc.

21. CONTROL OF THE COMPANY

The company is under the control of the Board of Directors of Artisan (UK) Plc.

22. RELATED PARTY TRANSACTIONS

Bernard Ward Limited was sold for £350,000 gross, at arms length, to a Company in which Russell Dean (son of Stephen Dean) holds a material interest. The disposal resulted in a profit to the Company of £104,957.

Stephen Dean's pension fund acquired a commercial development property from the Group based on an independent surveyor's valuation for £410,000.