Registered No. 2979041

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

REPORT & ACCOUNTS

For The Year Ended

31st March 2001

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)
R J Railton	(appointed 1st September 2000)

SECRETARY

Artisan (UK) plc

REGISTERED OFFICE

Dean House
Sovereign Court
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU

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 2001

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

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the Annual Report and the Audited Accounts for the year ended 31st March 2001.

PRINCIPAL ACTIVITY

The Company's principal activity is that of a property development company. 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 £1,127,389 (2000: £2,186,694). A dividend of £800,000 had been proposed for the year (2000: £1,650,000).

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	
		31.3.2001	31.3.2000
S. Dean	(resigned 1 May 2000)	-	-
C. P. Musselle	(resigned 1 May 2000)	-	-
M J Eyres		-	-
Artisan (UK) plc	(appointed 1 May 2000)	800,000	800,000
M Freeman	(appointed 1 May 2000)	-	-
A Wilson	(appointed 1 May 2000)	-	-
R J Railton	(appointed 1 September 2000)	-	-

The Company is a wholly owned subsidiary of Artisan (UK) Developments Holdings Limited, which is ultimately owned by Artisan (UK) plc. The interest of S. Dean, M Freeman 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.

CREDITORS PAYMENT POLICY

The Directors are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is company policy that payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions Creditor days have been calculated to be 32 days (2000 36 days) .

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

REPORT OF THE DIRECTORS
(Continued)

INTRODUCTION OF THE EURO

The directors have considered the introduction of the euro and do not anticipate any directly attributable impact on the company's business or expect to incur any significant costs as a result of that introduction.

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

ARTISAN (UK) PLC
Secretary

Dean House
Sovereign Court
Ermine Business Park
Huntingdon
Cambridgeshire
PE29 6XU
9 July 2001

REPORT OF THE AUDITORS

TO THE MEMBERS OF

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

We have audited the financial statements of Artisan (UK) Developments Limited for the year ended 31 March 2001 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 evaluate 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 as at 31 March 2001 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
9 July 2001

SPOKES & COMPANY
Chartered Accountants
Registered Auditors

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

PROFIT & LOSS ACCOUNT

For The Year Ended 31st March 2001

	Note	31.3.2001	31.3.2000
		£	£
TURNOVER	1	11,541,368	9,969,864
Cost of Sales		(8,713,312)	(6,128,560)
GROSS PROFIT		2,828,056	3,841,304
Administrative Expenses		(703,279)	(590,804)
Operating Profit	2	2,124,777	3,250,500
Interest Payable	5	(474,722)	(227,729)
Profit on Disposal of Subsidiary		-	104,957
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,650,055	3,127,728
Taxation	6	(522,666)	(941,034)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,127,389	2,186,694
Dividend	7	(800,000)	(1,650,000)
RETAINED PROFIT FOR THE YEAR	14	327,389	536,694

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

The Company has no recognised gains or losses other than the profit 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 2001

	Note	31.3.2001		31.3.2000	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		32,009		16,946
CURRENT ASSETS					
Stocks & Work in Progress	9	7,185,648		6,679,827	
Debtors	10	5,802,675		5,172,536	
Cash at Bank and in Hand		195		-	
		12,988,518		11,852,363	
CREDITORS – Amounts falling due within one year:	11	(10,832,901)		(9,462,072)	
NET CURRENT ASSETS			2,155,617		2,390,291
TOTAL ASSETS LESS CURRENT LIABILITIES			2,187,626		2,407,237
CREDITORS – Amounts falling due after more than one year:	12		(395,000)		(942,000)
NET ASSETS			1,792,626		1,465,237
CAPITAL & RESERVES					
Called Up Share Capital (All Equity)	13		800,000		800,000
Profit & Loss Account	14		992,626		665,237
	15		1,792,626		1,465,237

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

These accounts were approved by the Board of Directors on 9 July 2001

M FREEMAN
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 Gryphon Developments plc is included in the accounts of Artisan (UK) plc.

Cashflow Statement
The Company has taken advantage of the exemption not to prepare a cashflow statement on the basis that a consolidated cashflow statement is published in the parent Company's consolidated financial statements.

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
Office 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. 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.

2. **OPERATING PROFIT**

This is stated after charging/(crediting):

	31.3.2001	31.3.2000
	£	£
Operating Lease Rentals	40,856	46,557
Depreciation	8,850	4,065
Auditors' Remuneration	12,000	12,000
Profit on Disposals	-	(104,957)

3. **DIRECTORS' EMOLUMENTS**

	31.3.2001	31.3.2000
	£	£
Emoluments	116,881	63,948
Pension Contributions	7,656	3,430
	124,537	67,378

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:

	31.3.2001	31.3.2000
Administration	7	7
Operations	15	14
	22	21

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

	£	£
Wages & Salaries	537,049	423,936
Social Security Costs	55,244	38,829
Other Pension Costs	14,994	5,050
	607,287	467,815

5. INTEREST PAYABLE

Interest payable and similar charges arise as follows:

	31.3.2001	31.3.2000
	£	£
Hire Purchase	901	-
Bank Overdraft Repayable Within 5 Years	398,625	156,202
Interest payable to group undertakings	75,196	71,527
	474,722	227,729

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	31.3.2001	31.3.2000
	£	£
Taxation based on result for the year:		
UK Corporation Tax @ 30%	501,446	916,920
Under-provision in Prior Year	21,200	24,114
	522,666	941,034

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

NOTES TO THE ACCOUNTS
(Continued)

7. DIVIDENDS

		31.3.2001	31.3.2000
		£	£
Artisan (UK) plc	- Proposed	800,000	-
	- Paid	-	1,650,000
		800,000	1,650,000

8. TANGIBLE ASSETS

	Motor Vehicles	Fixtures & Fittings	Office Equipment	Total
COST	£	£	£	£
Brought Forward	7,500	12,285	13,803	33,588
Additions	11,353	-	19,279	30,632
Disposals	(7,500)	-	-	(7,500)
Carried Forward	11,353	12,285	33,082	56,720
DEPRECIATION				
Brought Forward	781	12,285	3,576	16,642
Charge for year	2,838	-	6,012	8,850
Disposals	(781)	-	-	(781)
Carried Forward	2,838	12,285	9,588	24,711
NET BOOK VALUE				
At 31st March 2001	8,515	-	23,494	32,009
At 31st March 2000	6,719	-	10,227	16,946

Included in motor vehicles are assets with a net book value of £8,515 (2000: nil) held under hire purchase agreements. Depreciation of £2,838 (2000: nil) has been charged on assets held under hire purchase agreements.

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

NOTES TO THE ACCOUNTS
(Continued)

9. **STOCKS & WORK IN PROGRESS**

	31.3.2001	31.3.2000
	£	£
Work in Progress	7,185,648	4,807,567
Finished Stocks	-	1,872,260
	7,185,648	6,679,827

10. **DEBTORS**

	31.3.2001	31.3.2000
	£	£
Trade Debtors	383,605	118,122
Amounts Recoverable on Contracts	1,005,367	936,633
Other Debtors	4,316,112	4,107,961
Prepayments & Accrued Income	48,340	9,820
Amount owed by Group Undertakings	49,251	-
	5,802,675	5,172,536

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

	31.3.2001	31.3.2000
	£	£
Bank Overdraft	4,830,121	2,763,097
Trade Creditors	762,765	614,057
Other Creditors	1,131,079	853,725
Amounts Owed to Group Undertakings	1,013,435	2,400,000
Corporation Tax	792,081	916,920
Social Security & Other Taxes	24,192	16,530
Proposed Dividend	800,000	-
Accruals & Deferred Income	1,470,874	1,897,743
Hire Purchase	8,354	-
	10,832,901	9,462,072

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)

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

	31.3.2001	31.3.2000
	£	£
Trade Creditors	395,000	942,000

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

13. **SHARE CAPITAL**

	31.3.2001	31.3.2000
	£	£
Authorised, allotted, called up and paid:		
800,000 Ordinary Shares of £1 each	800,000	800,000

14. **PROFIT & LOSS ACCOUNT**

	31.3.2001	31.3.2000
	£	£
Brought Forward	665,237	128,543
Retained Profit for the Year	327,389	536,694
Carried Forward	992,626	665,237

15. **RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS**

	31.3.2001	31.3.2000
	£	£
Profit for the Year	1,127,389	2,186,694
Dividend Paid	(800,000)	(1,650,000)
Net Addition to Shareholders' Funds	327,389	536,694
Shareholders' Funds Brought Forward	1,465,237	928,543
Shareholders' Funds Carried Forward	1,792,626	1,465,237

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

NOTES TO THE ACCOUNTS
(Continued)

16. **FINANCIAL COMMITMENTS**

Amounts due in respect of other operating leases:

	31.3.2001	31.3.2000
	£	£
Expiring within one year	35,806	6,533
Expiring within two to five years	22,887	25,340
	58,693	31,873

17. **CONTINGENT LIABILIIITIES**

	£
Performance bonds in the normal course of business	412,485

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.

18. **ULTIMATE PARENT COMPANY**

The Directors regard Artisan (UK) plc, a company registered 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. Copies of the Artisan (UK) plc Accounts can be obtained from the Registered Office.

19. **CONTROL OF THE COMPANY**

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