

Persimmon Homes (West Yorkshire) Limited

**Directors' report and financial
statements**

Registered number 2988198

31 December 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2001.

Principal activities

The company's principal activity is that of residential building and development.

Business review

The directors are satisfied with the performance of the company in the current economic climate.

On 31 December 2000 the business and trading assets (including beneficial title to land assets) of Persimmon Homes (West Yorkshire) Limited were transferred to Persimmon Homes Limited at book value. Consequently the company has not traded in the year ended 31 December 2001.

On the same date an agency and management agreement was also entered into with Persimmon Homes Limited.

Dividends

The directors do not propose the payment of a final dividend.

Directors and directors' interests

The directors who held office during the year and to the date of this report were as follows:

J White	
G Grewer	(resigned 1 May 2002)
C A Johnson	
P Calvert	
W Gradwell	
I C Ruthven	
RL Smith	
J Millar	
MH Killoran	(appointed 3 January 2001)
GN Francis	(appointed 1 May 2002)

None of the directors has an interest in the shares of the company.

Directors' report *(continued)*

Directors and directors' interests *(continued)*

The directors who held office at the end of the financial year had the following interests in the ordinary shares of 10p each of the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

	Interest at 31 December 2001	Number of shares			Interest at 1 January 2001
Ordinary shares					
C A Johnson	4,740				186,602
P Calvert	100				1,797
W Gradwell	2,342				
I C Ruthven	3,095				-
RL Smith	-				-
		Number of options during the year			
		Exercised	Granted	Lapsed	
Share options					
C A Johnson	74,000	(90,555)	19,000	-	145,555
P Calvert	45,000	(10,000)	15,000	-	40,000
W Gradwell	55,000	(25,000)	25,000	-	55,000
I C Ruthven	45,000	(15,000)	15,000	-	45,000
RL Smith	20,000	-	10,000	-	10,000
SAYE share options					
C A Johnson	3,813	(7,738)	3,813	-	7,738
P Calvert	533	(1,547)	-	-	2,080
W Gradwell	4,572	(4,642)	2,288	-	6,926
I C Ruthven	2,288	(3,095)	2,288	-	3,095
RL Smith	4,571	(3,095)	1,526	-	6,140

The interests of J Millar, J White, MH Killoran and G Grewer are disclosed in the directors' report of the ultimate parent company.

The share options held are exercisable from April 2002 to March 2010 at prices ranging from 165p to 340.5p.

Directors' report *(continued)*

Auditors

The company has elected to dispense with the laying of accounts before the company in general meeting, with holding an annual general meeting and under Section 250 of the Companies Act 1985 to dispense with the requirement to appoint auditors.

By order of the board



TL Davison
Secretary

Persimmon House
Fulford
YORK
YO19 4FE

25 October 2002

Statement of directors' responsibilities

Company law requires the directors 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 for that period. In preparing those financial statements, the directors confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going concern basis.

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 financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and loss account
for the year ended 31 December 2001

	<i>Note</i>	2001 £000	2000 £000
Turnover			
Continuing operations		-	25,992
Cost of sales		-	(21,357)
Gross profit		-	4,635
Net operating expenses		-	(2,056)
Operating profit			
Continuing operations		-	2,579
Net interest payable and similar charges	2	-	(62)
Profit on ordinary activities before taxation	3	-	2,517
Tax on ordinary activities	6	-	(773)
Profit on ordinary activities after taxation		-	1,744
Dividends	7	-	(5,113)
Balance transferred from reserves	11	-	(3,369)

The company did not trade during the year ended 31 December 2001.

Balance sheet
at 31 December 2001

	<i>Note</i>	2001 £000	2000 £000
Current assets			
Debtors	8	15,446	15,446
Creditors due within one year	9	15,446 (15,446)	15,446 (15,446)
Net assets		-	-
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	-	-
Equity shareholders' funds	12	-	-

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting year ended at the date of this balance sheet.

For the year ended 31 December 2001 the company was entitled to exemption under section 249 AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for :

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

These financial statements were approved by the board of directors on 25 October 2002 and were signed on its behalf by:


 MH Killoran
 Director

Notes

(forming part of the financial statements)

1 Principal 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:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc, and its cash flows are included within the consolidated cash flow statement of that company.

Depreciation

Depreciation on tangible fixed assets is provided using the straight line method to write off the cost, less estimated residual value, over the following number of years:

Plant, fixtures and fittings -	3 to 5 years
Freehold buildings -	50 years

No depreciation is provided on freehold land.

Leases

Assets financed by means of a finance lease are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on such assets is charged to the profit and loss account in accordance with the accounting policy above over the lease term.

The interest element of payments to leasing companies is calculated on a straight line basis over the lease term and charged to the profit and loss account.

Amounts payable under operating leases are charged to work in progress or net operating expenses on a straight line basis over the lease term.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value, after deducting deposits received. Land includes undeveloped land and land under development but excludes land being developed under licence agreements and land option payments. Work in progress, showhouses and Business Expansion Scheme ("BES") assets comprise direct materials, labour costs, site overheads, associated professional charges and other attributable overheads.

Notes (continued)

1 Principal accounting policies (continued)

Turnover

Turnover represents the total sales value of legally completed properties in the United Kingdom, excluding land sales and part exchange properties. Turnover and profit on sales are recognised upon legal completion. Turnover does not include properties sold to BES companies until the schemes mature. The properties are held in the balance sheet at their original cost with the associated sale proceeds treated as advances.

Interest

Interest is written off to the profit and loss account as incurred.

Taxation

Provision is made for tax on taxable profit, payments to group undertakings for the surrender of taxation losses and for deferred tax which is likely to crystallise in the foreseeable future.

Pension costs

Pension costs are accounted for on the basis of charging the expected costs of providing pensions over the period during which the company benefits from the employees' services.

2 Net interest payable and similar charges

	2001 £000	2000 £000
Interest payable and similar charges		
On bank overdrafts wholly repayable within five years	-	43
Finance charges payable in respect of finance leases	-	21
	-	64
Other interest receivable	-	(2)
	-	62

Notes (continued)

3 Profit on ordinary activities before taxation

	2001	2000
	£000	£000
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging</i>		
Auditor's remuneration:		
Audit	-	9
Depreciation:		
Owned assets	-	96
Assets held under finance leases	-	120
Operating lease:		
Plant hire	-	537
Land and buildings	-	45
<i>after crediting</i>		
Rent receivable	-	3

4 Remuneration of directors

	2001	2000
	£000	£000
Directors' emoluments	-	476

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £nil (2000: £131,000). He is a member of a defined benefit scheme, under which his accrued pension at the year end was £nil (2000: £23,000). During the year, the highest paid director exercised share options.

	Number of directors	
	2001	2000
Retirement benefits are accruing to the following number of directors under:		
Defined benefit schemes	-	5
The number of directors who exercised share options was	-	2
The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was	-	5

Notes *(continued)*

5 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year was nil (2000: 94).

Staff costs (for the above persons):

	2001	2000
	£000	£000
Wages and salaries	-	1,892
Social security costs	-	158
Other pension costs	-	113
	-	2,163

6 Tax on ordinary activities

	2001	2000
	£000	£000
UK corporation tax at 30% (2000: 30 %)	-	773

7 Dividends

	2001	2000
	£000	£000
Equity shares		
Interim paid	-	5,113

Notes (continued)

8 Debtors

	2001	2000
	£000	£000
Amounts owed by group undertakings	15,446	15,446

All debtors are due within one year.

9 Creditors due within one year

	2001	2000
	£000	£000
Amounts owed to group undertakings	15,446	15,446

10 Called up share capital

	2001	2000
	£	£
<i>Authorised</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	1	1

11 Reserves

	Profit and loss account £000
At 1 January 2001	-
Retained loss for the year	-
At 31 December 2001	-

Notes (continued)

12 Reconciliation of movements in shareholders' funds

	2001 £000	2000 £000
Profit for the financial year	-	1,744
Dividends	-	(5,113)
Net reduction in shareholders' funds	-	(3,369)
Opening shareholders' funds	-	3,369
Closing shareholders' funds	-	-

13 Contingent liabilities

The company has given an unlimited cross guarantee in respect of the bank overdrafts of certain other group companies. At 31 December 2001 the overdrafts amounted to £6,704,573 (2000: £1,753,000).

The company together with fellow subsidiaries has guaranteed bank loans made to Persimmon plc; the amount outstanding at the year end was £116,105,000 (2000: £123,998,000).

In the normal course of business, the company has given counter-indemnities in respect of performance bonds and financial guarantees.

The company has entered into certain licence agreements with third parties, which give it the right to build and sell houses on land owned by the third party. Upon legal completion the house purchaser makes a land payment to the third party and the balance of the sales proceeds is paid to the company. In some instances, the company may guarantee minimum aggregate land payments at appropriate dates. If it becomes necessary to make advance payments to the licensor, amounts paid are included as prepayments in the balance sheet and are subsequently recovered on the sale of the properties.

14 Pension scheme

The company is a member of a group operated pension scheme providing benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary. The most recent valuation was at 1 July 2000. The assumptions which have the most significant effect on the results of the valuation are shown in the financial statements of the ultimate parent company, Persimmon plc.

The total pension cost for the company was £nil (2000: £113,000).

15 Related party disclosures

The company is controlled by Persimmon plc, its ultimate parent company.

Notes *(continued)*

16 Ultimate parent company

The company is a wholly owned subsidiary undertaking of Persimmon plc.

The consolidated financial statements of Persimmon plc are available to the public and may be obtained from:

The Company Secretary
Persimmon plc
Persimmon House
Fulford
YORK
YO19 4FE