

Redrow Homes (London) Limited
(formerly Nortondell Limited)

Annual report

for the 15 months ended 30 June 2001

Registered Number 3522321



Redrow Homes (London) Limited
(formerly Nortondell Limited)

Annual report

for the 15 months ended 30 June 2001

Contents

Directors and Advisors for the 15 months ended 30 June 2001	1
Directors' report for the 15 months ended 30 June 2001	2
Independent auditors' report to the members of Redrow Homes (London) Limited.....	4
Profit and loss account for the 15 months ended 30 June 2001	5
Balance sheet as at 30 June 2001	6
Accounting policies	7
Notes to the financial statements for the 15 months ended 30 June 2001	8

Redrow Homes (London) Limited
(formerly Nortondell Limited)

Directors and Advisors for the 15 months ended 30 June 2001

Directors

P L Pedley
N Fitzsimmons
R E Walker
W J Brand

Secretary

R E Walker

Auditors

PricewaterhouseCoopers
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

3522321

Redrow Homes (London) Limited

(formerly Nortondell Limited)

Directors' report for the 15 months ended 30 June 2001

The directors present their report and the audited financial statements of the company for the 15 months ended 30 June 2001.

Principal activities and business review

The principal activity of the company is residential development.

The company commenced trading on 1 July 2000 and made a loss of £175,286 after tax in the period.

Directors and their interests

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

R E Walker

N Fitzsimmons

W J Brand - appointed 26 June 2000

P L Pedley - appointed 11 September 2000

C P Mills - appointed 26 June 2000 and resigned 31 October 2000

At 30 June 2001, the interests of P L Pedley and N Fitzsimmons in the share capital of Redrow plc are disclosed in the financial statements of Redrow plc and the interests of W J Brand and R E Walker are disclosed in the financial statements of Redrow Homes 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 period. 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 period ended 30 June 2001 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.

Redrow Homes (London) Limited
(formerly Nortondell Limited)

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

A resolution to reappoint PricewaterhouseCoopers as auditors of the company will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'R E Walker', is written over the printed name and title.

R E Walker
Secretary

10 September 2001

Redrow Homes (London) Limited
(formerly Nortondell Limited)

**Independent auditors' report to the members of Redrow Homes
(London) Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report.

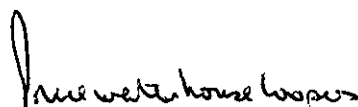
Basis of audit opinion

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 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
10 September 2001

Redrow Homes (London) Limited
(formerly Nortondell Limited)

Profit and loss account for the 15 months ended 30 June 2001

	Note	15 months ended 30 June 2001 £	12 months ended 30 March 2000 £
Turnover	1	–	–
Operating loss	1	(253,267)	–
Interest received		2,490	
Loss on ordinary activities after taxation	4	(250,777)	–
Tax on loss on ordinary activities	5	75,491	–
Loss on ordinary activities after taxation		(175,286)	–
Dividends		–	–
Loss for the period	10	(175,286)	–

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

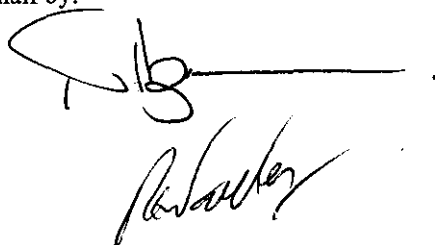
Redrow Homes (London) Limited
(formerly Nortondell Limited)

Balance sheet as at 30 June 2001

	Notes	As at 30 June 2001 £	As at 31 March 2000 £
Fixed assets			
Tangible assets	6	—	—
Current assets			
Debtors	7	89,034	2
Creditors: amounts falling due within one	8	(264,318)	—
Net current (liabilities)/assets		(175,284)	2
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(175,286)	—
Equity shareholders' (deficit)/surplus	11	(175,284)	2

The financial statements on pages 5 to 11 were approved by the board of directors on 10 September 2001 and were signed on its behalf by:

N Fitzsimmons
R E Walker
Directors



Redrow Homes (London) Limited

(formerly Nortondell 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.

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:

	%
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.

Interest on borrowings

Interest is written off as incurred.

Operating leases

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

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences which arise from the recognition of income and expenditure in differing periods for taxation and accounting purposes, except where the deferment is expected to continue in the future.

Pension scheme

The group operates a contributory pension scheme for all its salaried staff. The scheme is externally invested and the funds of the scheme are administered by trustees. The group's contributions to the scheme, which are made in accordance with the recommendations of independent actuaries, are charged against profits across the group as a whole in accordance with Statement of Standard Accounting Practice No 24.

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.

Forward land

All expenditure relating to forward land, including options, fees etc. is written off when incurred. After exercise of an option and acquisition of the land following the securing of planning permission, the costs relating to that land are written back.

Redrow Homes (London) Limited
(formerly Nortondell Limited)

Notes to the financial statements
for the 15 months ended 30 June 2001

1 Operating profit

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Turnover	-	-
Cost of sales	(81,851)	-
Gross loss	(81,851)	
Administrative expenses	(171,416)	-
Operating loss	(253,267)	-

2 Directors' emoluments

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Emoluments		
Aggregate emoluments	37,623	-

3 Employee information

The average monthly number of persons employed by the company during the year was:

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
By activity		
Directors and administrative staff	3	2
	£	£
Wages and salaries	47,172	-
Social security costs	4,521	-
Other pensions costs	3,181	-
Staff costs	54,874	-

Redrow Homes (London) Limited
(formerly Nortondell Limited)

4 Loss on ordinary activities before taxation

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Loss on ordinary activities before taxation is stated after charging:		
Depreciation for the year	316	—
Auditors' remuneration	2,120	—
Operating leases - other	19,094	—

5 Taxation

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Taxation on the loss for the period		
United Kingdom corporation tax at 30%		
Current	75,491	—
	75,491	—

6 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2000	—
Additions	972
Disposals	(972)
At 30 June 2001	—
Depreciation	
At 1 April 2000	—
Charge for the year	316
Disposals	(316)
At 30 June 2001	—
Net book amount	
At 30 June 2001	—
At 31 March 2000	—

Redrow Homes (London) Limited
(formerly Nortondell Limited)

7 Debtors

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Amounts owed to group undertakings	11,971	2
Other debtors	1,572	—
Corporation tax	75,491	—
	89,034	2

8 Creditors: amounts falling due within one year

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Bank borrowings	64,318	—
Amounts owed to group undertakings	200,000	—
	264,318	—

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.

9 Called up share capital

	15 months ended 30 June 2001 £	12 months ended 31 March 2000 £
Authorised	100	100
Allotted, called up and fully paid up		
100 ordinary shares of £1 each	2	2

10 Reserves

	£
As at 1 April 2000	—
Loss for the period	(175,286)
At 30 June 2001	(175,286)

Redrow Homes (London) Limited
(formerly Nortondell Limited)

11 Reconciliation of movements in shareholders' funds

	15 months ended 30 June 2001 £
Loss for the financial period	(175,286)
Opening shareholders' funds	2
Closing shareholders' funds	(175,284)

12 Pensions and similar obligations

The company participates in The Redrow Staff Pension Scheme which is a self-administered, defined benefits scheme, with contributions based on the pension costs of the whole Redrow Group. These were at the rate of 10% of pensionable earnings. Details of the latest actuarial valuation will be found in the financial statements of Redrow plc.

The company will account for the pension scheme as a defined contribution scheme in accordance with paragraph 12 of Financial Reporting Standard 17. As at 30 June 2001, The Redrow Staff Pension Scheme is in surplus.

13 Contingent liabilities

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

14 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.

15 Ultimate and immediate 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 Homes Limited, 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.