

Redrow Homes (Scotland) Limited

Annual report

for the year ended 30 June 2000

Registered Number 155021



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Redrow Homes (Scotland) Limited

Annual report

for the year ended 30 June 2000

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Redrow Homes (Scotland) Limited

Directors and Advisors for the year ended 30 June 2000

Directors

A W Lewis
M R Powell
A Milson

Secretary

R E Walker

Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Bankers

Barclays Bank PLC
Corporate Banking Centre
Barclays House
P O Box 747
Ty-Glas Avenue
Llanishen
Cardiff
CF4 5FG

Registered Office

Redrow House
Fullarton Court
Cambuslang Investment Park
Cambuslang
Glasgow
Strathclyde
G32 8EY

Registered Number

155021

Redrow Homes (Scotland) Limited

Directors' report for the year ended 30 June 2000

The directors present their report and the audited financial statements of the company for the year ended 30 June 2000.

Principal activities and business review

The principal activity of the company is residential development.

The directors are pleased with the progress of the business during the year and consider the state of affairs at the end of the year, and the future prospects of the company, to be satisfactory.

Results and dividends

The directors do not recommend the payment of a dividend. The profit for the year of £810,816 (1999:£970,912) will be transferred to reserves.

Changes in fixed assets

The movements in tangible fixed assets are set out in note 6 to the financial statements.

Directors and their interests

The directors of the company who held office during the year are given below:

A W Lewis
M R Powell
A Milson (resigned 11 September 2000)

P L Pedley and N Fitzsimmons were appointed directors on 11 September 2000.

The interests of M R Powell and A W Lewis in the share capital of Redrow Group plc are disclosed in the financial statements of Redrow Homes Limited and Redrow Group Services Limited respectively.

At 30 June 2000, the other director had the following interests in the ordinary shares of Redrow Group plc:

	Options held at 1 July 1999	Granted in year	Exercised in year	Options held at 30 June 2000
A Milson	11,968	8,717	-	20,685*

* Shares represented by options to purchase acquired under the terms of the Redrow Group plc Long Term Share Incentive Plan exercisable from between September 1996 and June 2000.

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. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;

Redrow Homes (Scotland) Limited

- prepare the financial statements 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 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.

Insurance of officers

The company has maintained liability insurance for its officers throughout the year.

EMU

The company's approach to this issue is being co-ordinated by its ultimate parent company, Redrow Group plc, and full details are disclosed in the financial statements of that company.

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



R E Walker
Company Secretary
11 September 2000

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Auditors' report to the members of Redrow Homes (Scotland) Limited

We have audited the financial statements on pages 5 to 13, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on pages 2 and 3, this includes responsibility for preparing the financial statements, 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.

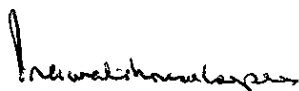
Basis of audit opinion

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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Manchester

11 September 2000

Redrow Homes (Scotland) Limited

Profit and loss account for the year ended 30 June 2000

	Note	2000 £	1999 £
Turnover	1	16,055,747	12,704,924
Operating profit	1	1,159,386	1,396,229
Interest receivable		374	7,502
Profit on ordinary activities before taxation	4	1,159,760	1,403,731
Tax on profit on ordinary activities	5	(348,944)	(432,819)
Retained profit for the financial year	12	810,816	970,912

Operating profit is generated from continuing operations.

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

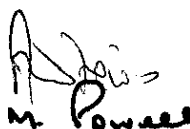
Redrow Homes (Scotland) Limited

Balance sheet as at 30 June 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	6	24,469	16,604
Current assets			
Stocks	7	10,761,688	11,164,299
Debtors	8	73,138	75,557
Cash at bank and in hand		2,248,403	2,631,828
		13,083,229	13,871,684
Creditors: amounts falling due within one year	9	(11,904,965)	(13,498,826)
Net current assets		1,178,264	372,858
Total assets less current liabilities		1,202,733	389,462
Provisions for liabilities and charges	10	(2,455)	-
Net assets		1,200,278	389,462
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	1,200,178	389,362
Total equity shareholders' funds	13	1,200,278	389,462

The financial statements on pages 5 to 13 were approved by the board of directors on 11 September 2000 and were signed on its behalf by:

A W Lewis
M R Powell
Directors



Redrow Homes (Scotland) 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 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 reducing balance basis over their expected useful lives at the following principal annual rates:

	%
Fixtures and fittings	20 - 35

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.

Cash flows

The company is a wholly owned subsidiary of Redrow Group plc, and its cash flows are included in the consolidated cash flow statement of Redrow Group plc. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement.

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 in accordance with Statement of Standard Accounting Practice No 24.

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Notes to the financial statements for the year ended 30 June 2000

1 Operating profit

	2000	1999
	£	£
Turnover	16,055,747	12,704,924
Cost of sales	(13,442,135)	(10,451,010)
Gross profit	2,613,612	2,253,914
Administrative expenses	(1,454,226)	(857,685)
Operatng profit	1,159,386	1,396,229

2 Directors' emoluments

	2000	1999
	£	£
Aggregate emoluments	95,081	46,680

No (1999: Nil) directors exercised share options in the year and 1 (1999: 1) director became entitled to receive shares under the long-term incentive scheme. Retirement benefits are accruing to 1 (1999: 1) director under a defined benefit scheme.

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3 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2000 Number	1999 Number
Directors and administrative staff	17	13
Site personnel	31	28
	48	41
	£	£
Wages and salaries	1,066,996	799,864
Social security costs	88,506	65,597
Other pensions costs	57,572	42,537
Staff costs	1,213,074	907,998

4 Profit on ordinary activities before taxation

	2000 £	1999 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation for the year	6,815	5,426
Auditors' remuneration	3,500	3,250
Operating lease charges	18,000	-
Hire of plant and machinery	372,889	297,367

5 Tax on profit on ordinary activities

	2000 £	1999 £
Taxation on the profit for the year		
United Kingdom corporation tax at 30% (1999: 30.75%)		
Current year	348,894	433,059
Prior year	(405)	-
Deferred	455	(240)
	348,944	432,819

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6 Tangible assets

	Fixtures and fittings £
Cost	
At 1 July 1999	43,703
Additions	14,680
At 30 June 2000	58,383
Depreciation	
At 1 July 1999	27,099
Charge for the year	6,815
At 30 June 2000	33,914
Net book amount	
At 30 June 2000	24,469
At 30 June 1999	16,604

7 Stocks

	2000 £	1999 £
Land for development	4,445,393	6,447,400
Work in progress	6,396,086	4,804,305
	10,841,479	11,251,705
Less: payments received on account	(79,791)	(87,406)
	10,761,688	11,164,299

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8 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Other debtors	58,695	67,925
Prepayments	14,443	7,632
	73,138	75,557

9 Creditors: amounts falling due within one year

	2000 £	1999 £
Trade creditors	2,109,720	1,776,839
Amounts due in respect of land for development	100,000	75,000
Amounts owed to group undertakings	9,314,456	11,144,660
Corporation tax payable	218,894	433,059
Other taxation and social security payable	3,433	2,977
Accruals and deferred income	158,462	66,291
	11,904,965	13,498,826

Amounts owed to the company's ultimate holding company, Redrow Group 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.

10 Provisions for liabilities and charges

	Maintenance provision	Deferred taxation	Total
	£	£	£
At 1 July 1999	-	-	-
Transferred from profit and loss account	2,000	455	2,455
At 30 June 2000	2,000	455	2,455

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Deferred taxation provided in the financial statements, and total potential liability including the amounts for which provision has been made, are as follows:

	Amount provided		Total potential liability	
	2000	1999	2000	1999
	£	£	£	£
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	455	-	455	-

11 Called up share capital

	2000	1999
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

12 Reserves

	Profit and loss account £
At 1 July 1999	389,362
Profit for the year	810,816
At 30 June 2000	1,200,178

13 Reconciliation of movement in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	810,816	970,912
Opening shareholders' funds	389,462	(581,450)
Closing shareholders' funds	1,200,278	389,462