

Redrow Homes (Scotland) Limited
Annual report
for the year ended 30 June 2001

Registered Number 155021



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Redrow Homes (Scotland) Limited
Annual report
for the year ended 30 June 2001

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Redrow Homes (Scotland) Limited

Directors and Advisors for the year ended 30 June 2001

Directors

A W Lewis
W McFarland
G Millar
M R Powell
B K Harvey
Redrow Homes Limited

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
3 Central Park Avenue
Larbert
Falkirk
FK5 4RX

Registered Number

155021

Redrow Homes (Scotland) Limited

Directors' report for the year ended 30 June 2001

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

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 £334,784 (2000: £810,816) will be transferred to reserves.

Directors and their interests

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

A W Lewis
M R Powell
P L Pedley - resigned 10 May 2001
N Fitzsimmons - resigned 10 May 2001
W McFarland - appointed 13 September 2000
G Millar - appointed 18 September 2000
A Milson - resigned 11 September 2000
B K Harvey - appointed 10 May 2001
Redrow Homes Limited - appointed 8 January 2001

Redrow Homes Limited is the immediate parent company of all the Redrow Homes trading subsidiaries

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

The interests of B K Harvey in the share capital of Redrow plc are disclosed in the financial statements of that company.

At 30 June 2001, the other directors had the following interests in the ordinary shares of Redrow plc:

	Options Held at 1 July 2000	Granted in year	Exercised in year	Options held at 30 June 2001
G Millar	-	12,593	-	*12,593

* Shares represented by options to purchase acquired under the Redrow Save As You Earn Schemes exercisable on completion of a three or five year savings contract.

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.

Redrow Homes (Scotland) Limited

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 year 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.

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
10 September 2001

Redrow Homes (Scotland) Limited

Independent auditors' report to the members of Redrow Homes (Scotland) 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, and 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. 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 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

10 September 2001

Redrow Homes (Scotland) Limited

Profit and loss account for the year ended 30 June 2001

	Note	2001 £	2000 £
Turnover	1	13,949,735	16,055,747
Operating profit	1	273,114	1,159,386
Interest receivable		215,732	374
Profit on ordinary activities before taxation	4	488,846	1,159,760
Tax on profit on ordinary activities	5	(154,062)	(348,944)
Retained profit for the financial year	13	334,784	810,816

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 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	6	10,585	24,469
Current assets			
Stocks	7	21,932,729	10,761,688
Debtors	8	145,947	73,138
Cash at bank and in hand		-	2,248,403
		22,078,676	13,083,229
Creditors: amounts falling due within one year	9	(18,840,420)	(11,904,965)
Net current assets		3,238,256	1,178,264
Total assets less current liabilities		3,248,841	1,202,733
Creditors: amounts falling due after more than one year	10	(1,705,779)	-
Provisions for liabilities and charges	11	(8,000)	(2,455)
Net assets		1,535,062	1,200,278
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	1,534,962	1,200,178
Equity shareholders' funds	14	1,535,062	1,200,278

The financial statements on pages 5 to 12 were approved by the board of directors on 10 September 2001 and were signed on its behalf by:

G Millar
M R Powell
Directors

Gordon Miller
M. Powell

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 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.

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.

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.

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 (Scotland) Limited

Notes to the financial statements for the year ended 30 June 2001

1 Operating profit

	2001 £	2000 £
Turnover	13,949,735	16,055,747
Cost of sales	(12,333,032)	(13,442,135)
Gross profit	1,616,703	2,613,612
Administrative expenses	(1,343,589)	(1,454,226)
Operating profit	273,114	1,159,386

2 Directors' emoluments

	2001 £	2000 £
Aggregate emoluments	148,430	95,081

1 (2000: Nil) director exercised share options in the year and no (2000: 1) director became entitled to receive shares under the long-term incentive scheme. Retirement benefits are accruing to 2 (2000: 1) directors under a defined benefit scheme.

3 Employee information

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

	2001 Number	2000 Number
By activity		
Directors and administrative staff	18	17
Site personnel	27	31
	45	48
	£	£
Wages and salaries	1,173,726	1,066,996
Social security costs	99,654	88,506
Other pensions costs	76,786	57,572
Staff costs	1,350,166	1,213,074

Redrow Homes (Scotland) Limited

4 Profit on ordinary activities before taxation

	2001 £	2000 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation for the year	6,881	6,815
Auditors' remuneration	4,000	3,500
Operating lease charges	18,000	18,000
Hire of plant and machinery	275,234	372,889
Loss on disposal of fixed assets	7,003	-

5 Tax on profit on ordinary activities

	2001 £	2000 £
Taxation on the profit for the year		
United Kingdom corporation tax at 30% (2000: 30%):		
Current year	154,499	348,894
Prior year	18	(405)
Deferred	(455)	455
	154,062	348,944

6 Tangible assets

	Fixtures and fittings £
Cost	
At 1 July 2000	58,383
Disposal	(39,413)
At 30 June 2001	18,970
Depreciation	
At 1 July 2000	33,914
Charge for the year	6,881
Disposals	(32,410)
At 30 June 2001	8,385
Net book amount	
At 30 June 2001	10,585
At 30 June 2000	24,469

Redrow Homes (Scotland) Limited

7 Stocks

	2001 £	2000 £
Land for development	14,030,808	4,445,393
Work in progress	7,980,084	6,396,086
	22,010,892	10,841,479
Less: payments received on account	(78,163)	(79,791)
	21,932,729	10,761,688

8 Debtors

	2001 £	2000 £
Amounts falling due within one year		
Trade debtors	40,530	-
Amounts owed by group undertakings	1,098	-
Other debtors	46,672	58,695
Prepayments	57,647	14,443
	145,947	73,138

9 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	404,052	-
Trade creditors	3,073,711	2,109,720
Amounts due in respect of land for development	3,805,779	100,000
Amounts owed to group undertakings	11,102,656	9,314,456
Corporation tax payable	154,499	218,894
Other taxation and social security payable	3,355	3,433
Accruals and deferred income	296,368	158,462
	18,840,420	11,904,965

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.

Redrow Homes (Scotland) Limited

10 Creditors: amounts falling due after one year

	2001 £	2000 £
Amounts due in respect of land for development	1,705,779	-

11 Provisions for liabilities and charges

	Maintenance provision £	Deferred taxation £	Total £
At 1 July 2000	2,000	455	2,455
Transferred from profit and loss account	6,000	(455)	5,545
At 30 June 2001	8,000	-	8,000

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

	Amount provided		Total potential (asset)/ liability	
	2001	2000	2001	2000
	£	£	£	£
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	-	455	(1,989)	455

12 Called up share capital

	2001 £	2000 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

13 Reserves

	Profit and loss account £
At 1 July 2000	1,200,178
Profit for the year	334,784
At 30 June 2001	1,534,962

Redrow Homes (Scotland) Limited

14 Reconciliation of movement in shareholders' funds

	2001	2000
	£	£
Profit for the financial year	334,784	810,816
Opening shareholders' funds	1,200,278	389,462
Closing shareholders' funds	1,535,062	1,200,278

15 Pension 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.

16 Contingent liabilities

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

17 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.

18 Ultimate holding 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.