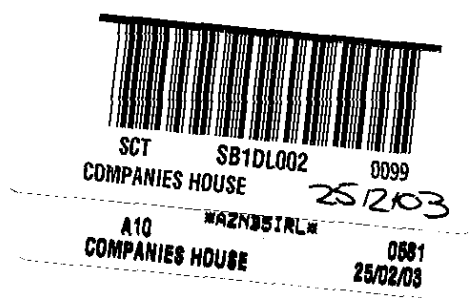


Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

Annual report

for the year ended 30 June 2002

Registered Number 155021



Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

Annual report

for the year ended 30 June 2002

Contents

Directors and Advisors for the year ended 30 June 2002	1
Directors' report for the year ended 30 June 2002	2
Independent auditors' report to the members of Redrow Homes (Scotland 1995) Limited	4
Profit and loss account for the year ended 30 June 2002	5
Balance sheet as at 30 June 2002	6
Accounting policies	7
Notes to the financial statements for the year ended 30 June 2002	8

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

Directors and Advisors for the year ended 30 June 2002

Directors

A W Lewis
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 1995) Limited

(formerly Redrow Homes (Scotland) Limited)

Directors' report for the year ended 30 June 2002

The directors present their report and the audited financial statements of the company for the year ended 30 June 2002.

Principal activities and business review

The principal activity of the company is residential development.

Its activities were substantially ended on 28 February 2002 when Redrow plc decided to continue its Scottish business within Redrow Homes (Scotland) Limited (formerly Tay Homes (Scotland) Limited), a fellow subsidiary of Redrow Homes (Scotland 1995) Limited. The net assets of Redrow Homes (Scotland 1995) Limited were transferred to Redrow Homes (Scotland) Limited as at 28 February 2002 at net book value.

Results and dividends

The directors declared a dividend of £1,600,000 (2001: Nil) in respect of the year ended 30 June 2002.

The deficit after the dividend of £931,274 (2001: profit £334,784) 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
W McFarland - resigned 8 February 2002
G Millar
B K Harvey
Redrow Homes Limited

Redrow Homes Limited is the immediate parent company of the majority of 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 2002, the other director had the following interests in the ordinary shares of Redrow plc:

	Options Held at 1 July 2001	Granted in year	Exercised in year	Options held at 30 June 2002
G Millar	12,593	-	-	12,593*
	-	8,136	-	8,136**

* 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.

** Shares represented by options to purchase acquired under the terms of the Redrow plc Long Term Share Incentive Plan first exercisable from between September 1996 and June 2002.

Redrow Homes (Scotland 1995) Limited

(formerly Redrow Homes (Scotland) 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 year ended 30 June 2002 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.

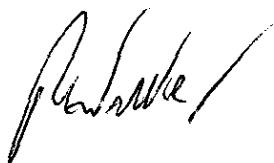
Taxation status

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
9 September 2002

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

**Independent auditors' report to the members of Redrow Homes
(Scotland 1995) 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' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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

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 is not disclosed.

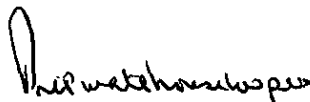
Basis of audit opinion

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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
9 September 2002

Redrow Homes (Scotland 1995) Limited
(bformerly Redrow Homes (Scotland) Limited)

Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
		Discontinued	Discontinued
Turnover	1	12,078,738	13,949,735
Operating profit	1	954,034	273,114
Interest (payable)/receivable		(335)	215,732
Profit on ordinary activities before taxation	4	953,699	488,846
Tax on profit on ordinary activities	5	(284,973)	(154,062)
Profit on ordinary activities after taxation		668,726	334,784
Dividends		(1,600,000)	-
Retained (deficit)/profit for the financial year	13, 14	(931,274)	334,784

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 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

Balance sheet as at 30 June 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	6	-	10,585
Current assets			
Stocks	7	-	21,932,729
Debtors	8	2,363,427	145,947
		2,363,427	22,078,676
Creditors: amounts falling due within one year	9	(1,759,639)	(18,840,420)
Net current assets		603,788	3,238,256
Total assets less current liabilities		603,788	3,248,841
 Creditors: amounts falling due after more than one year	10	 -	 (1,705,779)
Provisions for liabilities and charges	11	-	(8,000)
Net assets		603,788	1,535,062
 Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	603,688	1,534,962
Equity shareholders' funds	14	603,788	1,535,062

The financial statements on pages 5 to 13 were approved by the board of directors on 9 September 2002 and were signed on its behalf by:



G Millar
Director

Redrow Homes (Scotland 1995) Limited

(formerly 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, which have been applied consistently, is set out below. The adoption of FRS 19 has not resulted in a material prior year adjustment.

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 tax is provided on timing differences arising from the recognition of income and expenditure in different periods for taxation and accounting purposes where timing differences have originated but not reversed by the balance sheet date in accordance with FRS19 'Accounting for Deferred Taxation'. Deferred tax is provided at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are only recognised to the extent that it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted.

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 staff. The Scheme comprises two sections: a defined benefits section and a defined contribution section. The Scheme is externally invested and the funds of the Scheme are administered by trustees. The Groups' contributions to the defined benefits section, which are made in accordance with recommendations of independent actuaries, are charged against profits in accordance with Statement of Standard Accounting Practice No. 24. Contributions to the defined contribution section are charged in the year in which the contributions are made. The company will account for the pension scheme as a defined contribution scheme in accordance with paragraph 12 of Financial Reporting Standard 17.

Forward land

All expenditure relating to forward land, including options, fees etc. is provided for when incurred. After exercise of an option and acquisition of the land following the securing of planning permission, the provisions relating to that land are released.

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

Notes to the financial statements
for the year ended 30 June 2002

1 Operating profit

	2002 £	2001 £
Turnover	12,078,738	13,949,735
Cost of sales	(10,159,943)	(12,333,032)
Gross profit	1,918,795	1,616,703
Administrative expenses	(964,761)	(1,343,589)
Operating profit	954,034	273,114

2 Directors' emoluments

	2002 £	2001 £
Aggregate emoluments	131,064	148,430

No (2001: 1) director exercised share options in the year and 1 (2001: Nil) director became entitled to receive shares under the long-term incentive scheme. Retirement benefits are accruing to 1 (2001: 2) director under a defined benefit scheme.

3 Employee information

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

	2002 Number	2001 Number
By activity		
Directors and administrative staff	19	18
Site personnel	34	27
	53	45
	£	£
Wages and salaries	997,530	1,173,726
Social security costs	87,350	99,654
Other pensions costs	67,737	76,786
Staff costs	1,152,617	1,350,166

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

4 Profit on ordinary activities before taxation

	2002 £	2001 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation for the year	5,773	6,881
Auditors' remuneration	-	4,000
Operating lease charges	10,500	18,000
Hire of plant and machinery	237,271	275,234
Loss on disposal of fixed assets	-	7,003

5 Tax on profit on ordinary activities

	2002 £	2001 £
Current year		
United Kingdom corporation tax at 30% (2001: 30%)	284,973	154,499
Under provision in respect of prior period	-	18
	284,973	154,517
Deferred taxation		
Deferred taxation (see Note 11)	-	(455)
	284,973	154,062
Reconciliation of current taxation charge		
Tax on total profits at 30% (2001:30%)	286,110	146,654
Under provision in respect of prior year	-	18
Net expenses not deductible for tax purposes	-	5,401
Timing differences	(1,137)	2,444
	284,973	154,517

It is expected that the effective rate will approximate to a standard corporation tax rate in the new financial year.

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

6 Tangible assets

	Fixtures and fittings £
Cost	
At 1 July 2001	18,970
Additions	26,460
Disposals	(45,430)
At 30 June 2002	-
Depreciation	
At 1 July 2001	8,385
Charge for the year	5,773
Disposals	(14,158)
At 30 June 2002	-
Net book amount	
At 30 June 2002	-
At 30 June 2001	10,585

7 Stocks

	2002 £	2001 £
Land for development	-	14,030,808
Work in progress	-	7,980,084
	-	22,010,892
Less: payments received on account	-	(78,163)
	-	21,932,729

8 Debtors

	2002 £	2001 £
Amounts falling due within one year		
Trade debtors	-	40,530
Amounts owed by group undertakings	2,363,427	1,098
Other debtors	-	46,672
Prepayments	-	57,647
	2,363,427	145,947

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

9 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	-	404,052
Trade creditors	-	3,073,711
Amounts due in respect of land for development	-	3,805,779
Amounts owed to group undertakings	1,600,000	11,102,656
Corporation tax payable	159,639	154,499
Other taxation and social security payable	-	3,355
Accruals and deferred income	-	296,368
	1,759,639	18,840,420

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.

10 Creditors: amounts falling due after one year

	2002 £	2001 £
Amounts due in respect of land for development	-	1,705,779

11 Provisions for liabilities and charges

	Maintenance provision £
At 1 July 2001	8,000
Transferred from profit and loss account	(8,000)
At 30 June 2002	-

Deferred taxation

The company has adopted FRS 19 in these financial statements. No prior year adjustment has been made as the figures involved are not considered to be material.

Redrow Homes (Scotland 1995) Limited
(formerly Redrow Homes (Scotland) Limited)

12 Called up share capital

	2002 £	2001 £
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 2001	1,534,962
Loss for the year	(931,274)
At 30 June 2002	603,688

14 Reconciliation of movement in shareholders' funds

	2002 £	2001 £
Profit for the financial year	668,726	334,784
Dividends	(1,600,000)	-
Net movement in shareholders' funds	(931,274)	334,784
Opening shareholders' funds	1,535,062	1,200,278
Closing shareholders' funds	603,788	1,535,062

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.

As at 30 June 2002, The Redrow Staff Pension Scheme is in deficit.

Redrow Homes (Scotland 1995) Limited

(formerly Redrow Homes (Scotland) Limited)

16 Contingent liabilities

Performance bonds and other building guarantees have been entered into in the normal course of business. In addition, the company provides cross guarantees in respect of the Redrow plc syndicated loan, details of which are in the Redrow plc Annual Report and Accounts.

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.

19 Transfer of trade and assets

The net assets of Redrow Homes (Scotland 1995) Limited were transferred to Redrow Homes (Scotland) Limited as at 28 February 2002 at net book value.