



TAY HOMES (SOUTH WEST) LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 1999

REGISTERED NUMBER 1940936



TAY HOMES (SOUTH WEST) LIMITED

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TAY HOMES (SOUTH WEST) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 June 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year continued to be that of residential estate developers and builders. The directors have now decided against closing the Company and new sites will be developed as opportunities arise.

CHANGE IN ACCOUNTING POLICY

During the year the Company changed its accounting policy for the recognition of turnover on new house sales. As a consequence of this change in policy, the amounts for the year ended 30 June 1998 have been restated. The effect of this restatement is summarised in note 1 to the accounts.

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £1,301,524 (1998 - profit £271,056). The directors are unable to recommend the payment of a final dividend for the year (1998 - £14,058) and therefore the loss for the year will be added to the retained loss.

DIRECTORS

The directors who held office during the year were:

Mr J W Maunders	(appointed 15 March 1999)
Mr W H Bannister	(appointed 15 March 1999)
Mr J S R Swanson	(appointed 20 August 1998, resigned 11 March 1999)
Mr N A Stubbs	(resigned 11 March 1999)
Mr J Underwood	(resigned 1 April 1999)

DIRECTORS' INTERESTS IN SHARES

The directors who held office at the end of the year had no interest in the shares of the Company.

The interests of Messrs Maunders and Bannister in the shares of the ultimate parent company, Tay Homes plc are shown in the directors' report of that company.

YEAR 2000

In order to identify any problems associated with the risks and uncertainties arising from the year 2000 date change, the Company's parent company established a year 2000 project team in the year to 30 June, 1998. An assessment was carried out of the impact of the year 2000 date change on the computer systems and other applications. During the year to 30 June, 1999 the Company has upgraded and tested its computer systems to ensure year 2000 compliance and has been in contact with its key suppliers to confirm their readiness for the year 2000 date change. Whilst no guarantees can be given because of the complexity of the issue, the directors are satisfied that in-house systems and processes are now compliant and that the year 2000 issue will not have any significant business impact.

TAY HOMES (SOUTH WEST) LIMITED

DIRECTORS' REPORT (CONTINUED)

AUDITORS

A resolution to re-appoint PricewaterhouseCoopers as auditors to the Company will be proposed at the Annual General Meeting.

A handwritten signature in black ink, appearing to be 'S. G. Evans', written over a horizontal line.

BY ORDER OF THE BOARD

S. G. Evans
Secretary
8th December 1999

TAY HOMES (SOUTH WEST) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that year.

The Directors confirm that suitable accounting policies have been used and, other than as disclosed in note 1 to the accounts, applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 30 June 1999. The Directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

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 accounts 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.

TAY HOMES (SOUTH WEST) LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF TAY HOMES (SOUTH WEST) LIMITED

We have audited the accounts on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the Annual Report including, as described on page 4, the accounts. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, 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 accounts.

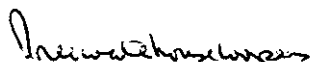
BASIS OF AUDIT OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion, the accounts give a true and fair view of the state of the Company's affairs at 30 June 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
8th December 1999

TAY HOMES (SOUTH WEST) LIMITED

ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies of the Company which, other than as disclosed in note 1 to the accounts have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The accounts are prepared on the historical cost basis of accounting.

CASH FLOW STATEMENT

The Company is a wholly owned subsidiary of Tay Homes plc and the cash flows of the Company are included in the consolidated cash flow statement of Tay Homes plc. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

GOING CONCERN

The ability of the Company to continue as a going concern is dependent on the continued financial support of Tay Homes Plc. The directors of Tay Homes Plc have provided assurances in this respect.

TURNOVER

Turnover represents the sales value of new properties legally completed during the year together with income derived from dealing in land and property. This represents a change in accounting policy as detailed in note 1 to the accounts. All turnover derives from the Company's principal activities and arises in the United Kingdom.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

DEPRECIATION

Depreciation is provided in equal annual instalments so as to write off the cost of tangible fixed assets over their estimated useful lives.

The following annual rates are used:	25%
Motor vehicles	10 - 33 1/3%
Office furniture and equipment	15%
Site plant and equipment	15%
Site buildings	

LAND

Land represents all land contracted for stated at the lower of cost and net realisable value. Cost includes cost of purchase, legal fees and survey expenses.

STOCKS AND WORK IN PROGRESS

Stocks of materials have been valued at the lower of cost and net realisable value. Work in progress includes direct cost of labour, materials and site overheads. Head office overheads are not included. Part exchange properties are valued at the lower of their trade-in cost and net realisable value.

TAY HOMES (SOUTH WEST) LIMITED

ACCOUNTING POLICIES (CONTINUED)

DEFERRED TAXATION

The Company provides for deferred taxation by the liability method on timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

HIRE PURCHASE CONTRACTS

Assets purchased under hire purchase contracts are capitalised and depreciation is charged to the profit and loss account in accordance with the above accounting policy. Finance charges incurred under hire purchase contracts are charged to the profit and loss account on a straight line basis.

OPERATING LEASES

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

PENSION COST

The Company makes contributions to the group's defined contribution scheme which provides retirement benefits for the executive employees of the Company. The pension costs relating to the contributions payable to the scheme are charged to the profit and loss account as incurred.

TAY HOMES (SOUTH WEST) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1999

	Notes	Excluding exceptional items £	Exceptional items £	1999 Total £	1998 (as restated) £
TURNOVER		6,143,441	-	6,143,441	16,528,195
Cost of sales	2	(6,189,908)	(398,734)	(6,588,642)	(15,462,586)
GROSS (LOSS)/ PROFIT		(46,467)	(398,734)	(445,201)	1,065,609
Administrative expenses	2	(401,214)	(364,644)	(765,858)	(774,384)
OPERATING (LOSS)/ PROFIT		(447,681)	(763,378)	(1,211,059)	291,225
Interest receivable (net)	4			42,428	54,392
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3			(1,168,631)	345,617
Taxation charge	7			(132,893)	(74,561)
(LOSS)/ PROFIT FOR THE FINANCIAL YEAR				(1,301,524)	271,056
Equity dividends	5			-	(14,058)
RETAINED (LOSS)/ PROFIT FOR THE YEAR				(1,301,524)	256,998
RETAINED LOSS BROUGHT FORWARD				(233,303)	(490,301)
RETAINED LOSS CARRIED FORWARD				(1,534,827)	(233,303)

All of the above results relate to continuing activities.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

TAY HOMES (SOUTH WEST) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 1999

	Notes	1999	1998
		£	(as restated) £
(Loss)/ profit for the financial year		(1,301,524)	271,056
Prior year adjustment	1	(340,904)	
Total recognised gains and losses since last Annual Report		<u>(1,642,428)</u>	

The above prior year adjustment results from the Company changing its accounting policy for the recognition of turnover.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 30 JUNE 1999

	1999	1998
	£	(as restated) £
(Loss)/ profit for the financial year	(1,301,524)	271,056
Dividends	-	(14,058)
Net (deduction from)/ addition to shareholders' funds	(1,301,524)	256,998
Opening shareholders' deficit	<u>(223,303)</u>	<u>(480,301)</u>
Closing shareholders' deficit	<u>(1,524,827)</u>	<u>(223,303)</u>

TAY HOMES (SOUTH WEST) LIMITED

BALANCE SHEET AT 30 JUNE 1999

	Notes	1999 £	1998 (as restated) £
FIXED ASSETS			
Tangible assets	8	8,004	93,121
CURRENT ASSETS			
Land		12,303	837,551
Stocks and work in progress	9	158,112	3,360,387
Debtors: amounts falling due after more than one year	10	-	158,651
Debtors: amounts falling due within one year	10	2,570,532	339,489
Cash at bank and in hand		375,509	7,616,534
		<u>3,116,456</u>	<u>12,312,612</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(4,644,766)	(12,539,252)
NET CURRENT LIABILITIES		<u>(1,528,310)</u>	<u>(226,640)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,520,306)</u>	<u>(133,519)</u>
Creditors: amounts falling due after more than one year	11	(4,521)	(89,784)
NET LIABILITIES		<u>(1,524,827)</u>	<u>(223,303)</u>
CAPITAL AND RESERVES			
Called-up share capital	12	10,000	10,000
Profit and loss account		(1,534,827)	(233,303)
DEFICIT ON EQUITY SHAREHOLDERS' FUNDS		<u>(1,524,827)</u>	<u>(223,303)</u>

The accounts on pages 6 to 17 were approved by the board of directors on 8th December 1999 and were signed on its behalf by:



W H BANNISTER DIRECTOR

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1999

1. PRIOR YEAR ADJUSTMENT

Change in accounting policy

During the year the Board of the Company's parent company announced a change in accounting policy concerning the recognition of turnover. As a consequence the Company has adopted this new policy in these accounts. Turnover now represents the sales proceeds of new properties which are legally completed during the year. Under the previous accounting policy units which were the subject of a binding contract and were substantially complete at the year end were treated as sales with the related turnover and cost of sales recognised in the profit and loss account. Sales proceeds which had yet to be received were treated as trade debtors.

The change in accounting policy was effected to :

- a) align the Company's accounting policy with management's focus on cash generation;
- b) simplify management control of profit targets and cash flow; and
- c) adopt a policy consistent with that of the majority of other housebuilders and increase comparability of the Company's accounts with other companies in the sector.

The directors are of the opinion that the new accounting policy gives a fairer presentation of the results and financial position of the Company.

The effect of the change in accounting policy is to transfer some of the sales recognised at the end of each accounting period into the next one. Accordingly trade debtors as at 30 June 1998 of £3,673,394 have been eliminated from the year end balance sheet and turnover for 30 June 1998 has increased by £1,710,008. Corresponding entries have led to an increase in land, stocks and work in progress of £2,499,750. Additionally, as a result of profits recognised under the previous accounting policy having already been the subject of corporation tax, a deferred tax asset of £158,651 was recognised, as at the time of the change in accounting policy the directors were of the opinion that earlier corporation tax payments could be recovered against taxable profits of the current and prior years.

The effect of the change in accounting policy and the consequent restatement has been to increase operating profit for the year to 30 June 1998 by £301,313 and the related tax charge by £79,898. Furthermore, under the previous accounting policy, provisions were set up to cover the costs of completing sites, including infrastructure and similar site related costs for those plots whose sale had been included in the year's turnover but where not all of the costs had been incurred. Due to the change in accounting policy some of these provisions are no longer required, giving rise to a decrease in creditors due within one year as at 30 June 1998 of £503,221.

The change in accounting policy has also had some impact on the prepaid selling costs figure.

A summary of the adjustments to the comparative figures for the year ended 30 June 1998 is as follows.

	Profit for the year after dividends £	Net assets/ (liabilities) £
As previously reported	35,583	117,601
Effect of change in accounting policy	221,415	(340,904)
As restated	<u>256,998</u>	<u>(223,303)</u>

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1999

1. PRIOR YEAR ADJUSTMENT(continued)

The directors have considered UITF Abstract 14 on the disclosure of changes in accounting policy and the recommendation that the effect of any restatement on the results for the current period should be disclosed. As stated above the business is now focused on cash targets and legal completions whereas at the prior year end greater emphasis was placed on securing contracts. As a consequence it has not proved practicable to assess the effect the change in accounting policy has had on the profit and loss account for the year ended 30 June 1999.

2. EXCEPTIONAL ITEMS	Cost of Sales £	Administ- rative expenses £	Total £
Exceptional items for the year ended 30 June 1999 comprise:			
Office closure and redundancy costs	<u>398,734</u>	<u>364,644</u>	<u>763,378</u>

The above costs relate to the closure of the administrative office and site redundancy costs. There were no exceptional items during the year to 30 June 1998.

3. (LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1999 £	1998 £
(Loss)/ profit on ordinary activities before taxation is stated after charging/ (crediting):		
Depreciation on tangible fixed assets		
- owned assets	9,761	37,997
- assets held under hire purchase contracts	<u>20,858</u>	<u>25,705</u>
	<u>30,619</u>	<u>63,702</u>
Loss/ (profit) on sale of tangible fixed assets	4,937	(10,247)
Profit on sale of land	-	(25,260)
Other operating lease rentals	39,000	39,000
Auditors' remuneration - audit fees	6,000	6,015
- non audit services	4,000	-
Group management charge	10,000	300,000
Hire of plant and machinery	<u>68,163</u>	<u>211,058</u>

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1999 (CONTINUED)

	1999 £	1998 £
4. INTEREST RECEIVABLE (NET)		
Interest payable on bank loans and overdrafts	239,122	273,524
Other Interest payable	141	226
Interest payable on hire purchase contracts	3,262	8,243
Bank interest receivable	(283,335)	(334,967)
Other Interest receivable	(1,618)	(1,418)
	<u>(42,428)</u>	<u>(54,392)</u>
5. EQUITY DIVIDENDS		
Final proposed nil (1998 - £1.4058 per share)	-	14,058
6. DIRECTORS AND EMPLOYEES		
Staff costs during the year:		
Wages and salaries	399,740	731,858
Social security costs	31,386	70,241
Other pension costs (note 17)	7,995	14,927
	<u>Number</u>	<u>Number</u>
The average monthly number of persons employed by the Company was:		
Administrative and management	7	20
Site personnel	6	20
	<u>13</u>	<u>40</u>
Staff costs include the following remuneration in respect of the directors of the Company:	£	£
Aggregate emoluments	47,055	74,476
Compensation for loss of office	45,970	-
Pension contributions	6,765	8,100
	<u>99,790</u>	<u>82,576</u>

No retirement benefits (1998 : 1) are accruing to directors under money purchase schemes in respect of qualifying services.

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1999 (CONTINUED)

	1999	1998 (as restated)
	£	£
7. TAXATION CHARGE		
U.K. Corporation Tax at 30.75% (1998 - 31%):		
Current - based on (loss)/ profit for year	-	(3,618)
- deferred	158,651	-
Prior year - current	(25,758)	78,179
	<u>132,893</u>	<u>74,561</u>

Deferred tax assets brought forward from the prior year have been written off as their recoverability cannot reasonably be foreseen. Prior year adjustments are taken into account for taxation purposes in the year in which they are reflected in the accounts.

The Company has £1,656,054 of unrelieved corporation tax losses to carry forward against profits of the same trade, arising in respect of both the current year losses and the prior year adjustment.

8. TANGIBLE FIXED ASSETS

	Motor Vehicles	Fixtures and Fittings	Total
	£	£	£
Cost:			
At 1 July 1998	128,314	113,964	242,278
Intra group transfers	(75,837)	(7,134)	(82,971)
Disposals	(38,756)	(106,830)	(145,586)
At 30 June 1999	<u>13,721</u>	<u>-</u>	<u>13,721</u>
Depreciation:			
At 1 July 1998	63,672	85,485	149,157
Charge for year	19,588	11,031	30,619
Intra group transfers	(41,736)	(4,588)	(46,324)
Eliminated on disposals	(35,807)	(91,928)	(127,735)
At 30 June 1999	<u>5,717</u>	<u>-</u>	<u>5,717</u>
Net Book Value:			
At 30 June 1999	<u>8,004</u>	<u>-</u>	<u>8,004</u>
At 30 June 1998	<u>64,642</u>	<u>28,479</u>	<u>93,121</u>

The net book value of tangible fixed assets includes an amount of £8,004 (1998 - £72,118) in respect of assets held under hire purchase contracts.

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 1999 (CONTINUED)

	1999	1998
	£	(as restated) £
9. STOCKS AND WORK IN PROGRESS		
Stocks and work in progress comprise:		
Materials and work in progress	77,612	2,836,237
Part exchange properties	80,500	524,150
	<u>158,112</u>	<u>3,360,387</u>
10. DEBTORS		
Amounts falling due within one year:		
Trade debtors	44,045	33,102
Amounts due from fellow subsidiaries	2,510,428	824
Other debtors	6,050	29,735
Prepayments	10,009	275,828
	<u>2,570,532</u>	<u>339,489</u>
Amounts falling due after more than one year:		
Deferred Tax (note 13)	-	158,651
	<u>2,570,532</u>	<u>498,140</u>
11. CREDITORS		
Amounts falling due within one year:		
Obligations under hire purchase contracts	5,484	25,748
Trade creditors	298,752	1,114,370
Deposits and retentions received	22,968	13,860
Amounts due to parent company	66,735	7,129,540
Amounts due to fellow subsidiaries	3,362,838	3,361,964
Corporation tax	48,472	81,223
Other taxation and social security	1,358	164,605
Other creditors	49,271	64,826
Accruals and provisions	788,888	569,058
Dividends payable	-	14,058
	<u>4,644,766</u>	<u>12,539,252</u>

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1999 (CONTINUED)

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
11. CREDITORS (continued)		
Amounts falling due after more than one year:		
Obligations under hire purchase contracts	4,521	35,586
Trade creditors	-	54,198
	<u>4,521</u>	<u>89,784</u>
Hire purchase obligations repayable by instalments:		
In one year or less	5,484	25,748
Due over one year but within two years	4,521	24,703
Due over two years but within five years	-	10,883
	<u>10,005</u>	<u>61,334</u>
12. CALLED-UP SHARE CAPITAL		
	<u>1999</u>	<u>1998</u>
Authorised:		
10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Allotted, called-up and fully paid:		
10,000 ordinary shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
13. DEFERRED TAXATION	<u>1999</u>	<u>1998</u>
		(as restated)
Deferred tax assets recognised and amounts not recognised are as follows:	<u>£</u>	<u>£</u>
Deferred tax assets not recognised :		
Accelerated capital allowances	9,179	-
Other timing differences	497,536	-
	<u>506,715</u>	<u>-</u>
Deferred tax assets recognised:		
Other timing differences due over one year	<u>-</u>	<u>158,651</u>

Deferred tax assets recoverable in more than one year at 30 June 1998 have been written off in full during the year as their recoverability can no longer be reasonably foreseen.

14. CONTINGENT LIABILITIES

The Company has given an unlimited guarantee in favour of National Westminster Bank plc, The Royal Bank of Scotland plc and The Co-operative Bank plc in respect of all monies due to the banks by the Company's parent company and its fellow subsidiary undertakings. At 30 June 1999 the amounts outstanding under this guarantee totalled £27,622,866. The directors do not expect a loss to arise as a result of this guarantee.

The Company has given counter indemnities and guarantees to bankers and the National House Building Council in respect of performance bonds in the normal course of business.

TAY HOMES (SOUTH WEST) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 1999 (CONTINUED)

15. BANK SECURITY

The sums owed by the group to National Westminster Bank plc, The Royal Bank of Scotland plc and The Co-operative Bank plc are secured by fixed and floating charges over the developments and other unsecured assets of the group.

16. FINANCIAL COMMITMENTS

At 30 June 1999 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Land and buildings:		
Expiring in over five years	<u>39,000</u>	<u>39,000</u>

17. PENSION COSTS

The Company's parent company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the parent company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £7,995 (1998 - £14,927). No contributions were payable to the fund at the year end. At 30 June 1998 contributions totalling £2,400 were payable to the fund at the year end and were included in creditors.

18. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company's ultimate parent company and controlling party is Tay Homes plc a company registered in England and Wales. Copies of the ultimate parent's consolidated accounts may be obtained from The Secretary, Tay Homes plc, Tay House, 55 Call Lane, Leeds LS1 7BT.

19. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Tay Homes plc whose consolidated accounts are publicly available. Consequently, there are no disclosures required for transactions or balances with any entity in the Tay Homes plc group of companies under the terms of Financial Reporting Standard No. 8.

During the year the Company paid licence fees totalling £5,760 for the use of showhouses (1998 - £29,107) to Taygate Showhomes Limited, a joint venture between the Company's parent, Tay Homes plc and Barclays Bank plc.

In addition the Company invoiced Taygate Showhomes Limited £1,770 (1998 - £5,659) for commissions on houses sold on its behalf.

There were no amounts payable to Taygate Showhomes Limited at 30 June 1999 (1998: £16,843).

Other than as described above, there were no transactions or balances with any related parties.