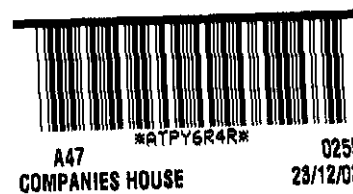


Redrow Homes (Wessex) Limited
formerly Tay Homes (South West) Limited

Annual report

for the year ended 30 June 2002

Registered Number 1940936



Redrow Homes (Wessex) Limited
formerly Tay Homes (South West) 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 (Wessex) 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 (Wessex) Limited

Directors and Advisors for the year ended 30 June 2002

Directors

D J Campbell-Kelly
P H Chester
S G Hill
D A Jackson
C E Lewis
I Young
Redrow Homes Limited

Secretary

G A Cope

Auditors

PricewaterhouseCoopers LLP
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

1940936

Redrow Homes (Wessex) 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 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 a dividend in respect of the year ended 30 June 2002 (2001:£nil).

The profit for the year of £264,903 (2001: loss £824,623) was transferred to reserves.

Directors and their interests

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

N Fitzsimmons	-	appointed 9 January 2002 and resigned 14 June 2002
M R Powell	-	appointed 9 January 2002 and resigned 14 June 2002
A W Lewis	-	appointed 9 January 2002 and resigned 14 June 2002
Redrow Homes Limited	-	appointed 25 March 2002
C E Lewis	-	appointed 29 May 2002
S G Hill	-	appointed 29 May 2002
D A Jackson	-	appointed 29 May 2002 and resigned 3 October 2003
P H Chester	-	appointed 29 May 2002
D J Campbell-Kelly	-	appointed 17 April 2002
I Young	-	appointed 17 April 2002
J W Maunders	-	resigned 9 January 2002
W H Bannister	-	resigned 9 January 2002
G W C Smith	-	resigned 31 January 2002

B E J Dew was appointed a director on 1 July 2002.

I M Francis was appointed a director on 25 November 2002.

R D Sowden was appointed a director on 19 December 2002.

M Glen was appointed a director on 25 July 2003.

Redrow Homes Limited is the immediate parent company of the majority of the Redrow Homes trading subsidiaries.

The interests of C E Lewis in the share capital of Redrow plc is disclosed in the financial statements of that company.

The interests of S G Hill, D A Jackson and P H Chester in the share capital of Redrow plc are disclosed in the financial statements of Redrow Homes (South West) Limited.

The interests of D J Campbell-Kelly and I Young in the share capital of Redrow plc are disclosed in the financial statements of Redrow Homes (Midlands) Limited.

Redrow Homes (Wessex) 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 year. 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

Following the conversion of our auditors PricewaterhouseCoopers to Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 25 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board



G A Cope
Secretary

14 November 2003

Redrow Homes (Wessex) Limited

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

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the related notes and the accounting policies set out in the statement of accounting policies.

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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person other than the company to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

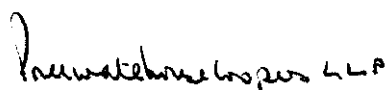
Basis of audit opinion

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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
14 November 2003

Redrow Homes (Wessex) Limited

Profit and loss account for the year ended 30 June 2002

	Note	2002 £	2001 £
Turnover	1	3,183,330	2,539,726
Operating profit/(loss)	1	447,871	(630,723)
Net interest payable	3	(69,438)	(224,509)
Profit/(loss) on ordinary activities before taxation	4	378,433	(855,232)
Tax on profit/(loss) on ordinary activities	5	(113,530)	30,609
Profit/(loss) on ordinary activities after taxation	11,12	264,903	(824,623)

Operating profit/(loss) is generated from continuing operations.

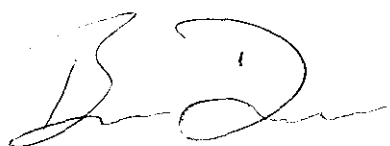
The company has no recognised gains and losses other than those included in the profit/(loss) above, and therefore no separate statement of total recognised gains and losses has been presented.

Redrow Homes (Wessex) Limited

Balance sheet as at 30 June 2002

	Note	2002 £	2001 £
Current assets			
Stocks	6	5,467,806	1,999,828
Debtors	7	596,169	5,382,094
		6,063,975	7,381,922
Creditors: amounts falling due within one year	8	(8,402,090)	(9,535,101)
Net current liabilities		(2,338,115)	(2,153,179)
Total assets less current liabilities		(2,338,115)	(2,153,179)
Provision for liabilities and charges	9	-	(449,839)
Net assets		(2,338,115)	(2,603,018)
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	11	(2,348,115)	(2,613,018)
Equity shareholders' funds	12	(2,338,115)	(2,603,018)

The financial statements on pages 5 to 11 were approved by the board of directors on 14 November 2003 and were signed on its behalf by:



B E J Dew
Director

Redrow Homes (Wessex) 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.

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.

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 (Wessex) Limited

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

1 Operating profit/(loss)

	2002 £	2001 £
Turnover	3,183,330	2,539,726
Cost of sales	(2,640,423)	(2,950,397)
Gross profit/(loss)	542,907	(410,671)
Administrative expenses	(95,036)	(220,052)
Operating profit/(loss)	447,871	(630,723)

In 2001, cost of sales included a £750,000 exceptional item in respect of a provision for the estimated cost of remedial works and associated expenditure costs on a number of properties on one site which were legally completed several years ago.

2 Directors and employees

No director received any remuneration during 2002 and 2001. The company had no employees during 2002 and 2001.

3 Net interest payable

	2002 £	2001 £
Payable:		
On bank loans and overdrafts repayable within five years not by instalments	81,517	224,444
On hire purchase contracts	-	65
	81,517	224,509
Receivable	(12,079)	-
	69,438	224,509

Redrow Homes (Wessex) Limited

4 Profit/(loss) on ordinary activities before taxation

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	2,000	-
Hire of plant and machinery	-	46,012
Other operating leases	44,002	50,000

5 Taxation

	2002 £	2001 £
Current year		
United Kingdom corporation tax at 30% (2001: 30%)	113,530	(25,745)
Over provision in prior year	-	(4,864)
	113,530	(30,609)

Reconciliation of current taxation charge

Tax on total profits/(losses) at 30% (2001:30%)	113,530	(256,570)
Net expenses not deductible for tax purposes	-	230,825
	113,530	(25,745)

6 Stocks

	2002 £	2001 £
Land for development	5,058,063	1,233,101
Work in progress	409,743	785,306
	5,467,806	2,018,407
Less: payments received on account	-	(18,579)
	5,467,806	1,999,828

Redrow Homes (Wessex) Limited

7 Debtors

	2002 £	2001 £
Amounts owed by group undertakings	-	5,349,296
Other debtors	596,169	32,798
	596,169	5,382,094

8 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	2,440,350	5,114,779
Trade creditors	454,091	440,206
Obligations under hire purchase contracts	-	277
Amounts due in respect of land for development	1,070,000	-
Amounts owed to group undertakings	4,290,992	3,267,159
Amounts due to associated undertaking	23,202	23,202
Corporation tax	113,530	-
Other taxation and social security payable	7,925	9,154
Other creditors	-	2,258
Accruals and deferred income	2,000	678,066
	8,402,090	9,535,101

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 Provisions for liabilities and charges

	Site remedials £
At 1 July 2001	449,839
Transferred to profit and loss account	(449,839)
At 30 June 2002	-

Redrow Homes (Wessex) Limited

10 Called up share capital

	2002 £	2001 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	10,000	10,000

11 Reserves

	Profit and loss account £
At 1 July 2001	(2,613,018)
Profit for the year	264,903
At 30 June 2002	(2,348,115)

12 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit/(loss) for the financial year	264,903	(824,623)
Opening shareholders' funds	(2,603,018)	(1,778,395)
Closing shareholders' funds	(2,338,115)	(2,603,018)

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 holding 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 Corporate Services Limited (formerly Tay Homes plc), 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.