

WAINHOMES (YORKSHIRE) LIMITED

Directors' Report and Financial Statements

30 June 2000

Registered Number 2461648

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DIRECTORS AND ADVISERS

DIRECTORS : W. Ainscough
A. Rogers (appointed 28/10/99)
M. King
R. Pickthall
M. Gidley (resigned 28/10/99)

SECRETARY : A. Rogers (appointed 28/10/99)
M. Gidley (resigned 28/10/99)

SOLICITORS : Maclay Murray & Spens
3 Glenfinlas Street
Edinburgh
EH3 6AQ

AUDITORS : KPMG Audit Plc
St. James's Square
Manchester
M2 6DS

BANKERS : Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

REGISTERED OFFICE: Wainhomes (Yorkshire) Limited
(Registered Number - 2461648)
The Beeches
Chester
CH2 1PE

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Directors' Report

For the year ended 30 June 2000

The directors present their annual report and audited financial statement for the year ended 30 June 2000.

Divisionalisation

On 28 June 1999 the assets and undertaking of the subsidiaries, including Wainhomes (Yorkshire) Limited were acquired by Wainhomes Limited. Wainhomes (Yorkshire) Limited trades as agent of Wainhomes Limited and is indemnified by Wainhomes Limited in respect of all liabilities incurred whilst trading as agent.

Business Review

From 28 June 1999 the Company has been dormant.

Dividends

No dividends are recommended in respect of the year ended 30 June 2000.

Share capital

Details of share capital are set out in Note 13 to the accounts.

Directors and their interests

Directors who held office during the year are listed on page 3.

Year 2000

There were no year 2000 compliance failures which caused any adverse effects to the Company's results and operations in the year. The Company was also unaffected by any third party compliance failures.

Auditors

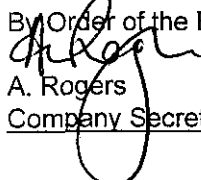
Pursuant to a shareholders resolution the Company is not obliged to reappoint its auditors and KPMG Audit plc will continue in office as auditors of the Company.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By Order of the Board

 A. Rogers
 Company Secretary

Date: 1/2/2000



KPMG Audit Plc

St James' Square
Manchester M2 6DS
United Kingdom

Report of the auditors to the members of Wainhomes (Yorkshire) Limited

We have audited the financial statements on pages 6 to 13.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the company is not disclosed.

Basis of 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 as at 30 June 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG Audit Plc 26/6/01
Chartered Accountants
Registered Auditor

PROFIT & LOSS ACCOUNT
For the nine months ended 30 June 2000

	Notes	2000 £000	1999 £000
Turnover	2	-	13,179
Cost of sales		-	(12,065)
<hr/>			
Gross profit		-	1,114
Administrative expenses		-	(1,666)
<hr/>			
Operating (loss)		-	(552)
Interest receivable and similar income	3	-	2
Interest payable	4	-	(305)
<hr/>			
(Loss) on ordinary activities before taxation	2	-	(855)
Taxation on (loss) on ordinary activities	6	-	18
<hr/>			
(Loss) retained for the financial period on ordinary activities	14	-	(837)
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All turnover and operating profits are derived from continuing operations. In addition there are no recognised gains/losses other than those disclosed in the profit and loss account.

The notes on pages 8 to 13 form part of these accounts.

BALANCE SHEET
at 30 June 2000

	Notes	2000 £000	1999 £000
Fixed assets			
Tangible fixed assets	7	-	342
		-	342
Current assets			
Stocks	8	-	19,418
Debtors	9	6,293	161
Cash at bank and in hand		-	2
		6,293	19,581
Creditors: amounts falling due within one year	10	-	(8,502)
Net current assets		6,293	11,079
Total assets less current liabilities		6,293	11,421
Creditors : amounts falling due after more than one year	11	-	(5,128)
Net assets		6,293	6,293
Share capital and reserves			
Called up share capital	13	5,950	5,950
Profit and loss account	14	343	343
Equity Shareholders' funds	1	6,293	6,293

Approved by the Board on 1 December 2000 and signed on its behalf by

Directors

R. Pickthall

R. Pickthall

A. Rogers

A. Rogers

The notes on pages 8 to 13 form part of these accounts

ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

The Company only has one class of business which is housebuilding and it is wholly undertaken in the United Kingdom.

Turnover represents housebuilding sales and excludes sales of undeveloped land and part exchange properties. Housebuilding sales are recognised on legal completion of conveyance. Profit is also taken at this time, losses being provided for when identified. Undeveloped land and part exchange profits and losses are dealt with in cost of sales and turnover respectively.

Depreciation

Depreciation is provided on a straight line basis over the expected useful lives of the relevant assets at the following rates:

freehold buildings	50 years
plant and machinery	4 to 10 years
motor vehicles	4 years
fixtures & fittings	5 to 10 years

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost to the Company and net realisable value and include, where appropriate, an element of site overheads. Land options are written off over the life of the option.

Deferred taxation

Deferred taxation is provided using the liability method on material timing differences where there is a reasonable probability that a liability will arise.

Operating leases

Rentals payable under operating leases are charged to profit and loss over the period of the operating lease.

Pension costs

It is the policy of the Company to fund pension liabilities on the advice of external actuaries. Independent actuarial valuations are carried out every three years. Surpluses are credited to profit and loss as variations from the regular pension cost over the average remaining service lives of employees.

NOTES TO THE ACCOUNTS
For the year ended 30 June 2000

1. Reconciliation of movements in shareholders' funds for the period ended 30 June 2000

	2000	1999
	£000	£000
Profit/loss after taxation	-	(837)
Net increase in shareholders' funds	-	(837)
Opening shareholders fund	6,293	7,130
Closing	6,293	6,293

2000	1999
£000	£000

2. Turnover and loss on ordinary activities before taxation

Turnover and profit on ordinary activities before taxation relate to the Company's principal activity of housebuilding

Loss on ordinary activities is stated after charging :		
Loss on disposal of fixed assets	-	(1)
Depreciation	-	60
Operating lease rentals	-	64
Auditor's remuneration: Audit	-	5
Other	-	2

3. Other interest receivable of similar income.

	2000	1999
	£000	£000
Other interest receivable	-	2

4. Interest payable

	2000	1999
	£000	£000
Interest payable on:		
Bank loans and overdrafts	-	53
Other loans	-	252
	-	305

5. Staff costs

The average number of persons employed by the Company was

	2000	1999
	Number	Number
	-	54

	£000	£000
Employment costs, including directors' emoluments, during the year amounted to :		
Wages and salaries	-	1,066
Social security costs	-	99
Other pension costs	-	34
	-	1,199

The emoluments, excluding pension contributions of directors paid by the Company for the year ended 30 June 2000 were nil (1999: £298,000). Retirement benefits are accruing to two directors under the Wainhomes defined benefits pension scheme.

Wainhomes Limited operates two pension schemes: a defined benefit scheme and a defined contribution scheme.

The defined benefit scheme is administered separately from Wainhomes Limited. The latest actuarial valuation which was performed by a qualified actuary was at 1 April 1998. The valuation was on the projected unit basis and the principal assumptions were as follows:

- Interest: 9% annum
- Earnings growth: 7% per annum
- Pension increases: 4% per annum on the excess over Guaranteed Minimum Pensions accrued before 6.4.97 and 4.25% per annum on the previous accrued after 6.4.97
- Dividend growth: 4.75% per annum

The market value of the assets at the time of the valuation was £6.1M. The scheme was 90% funded on an ongoing basis and the past service deficit identified was £470,000. The funding level represents the actuarial value of the assets over the actuarial value of the past service liabilities, allowing for future salary growth.

The pensions charge in respect of the defined benefit scheme over the year was £nil (1999: £28,447). The amount paid over the period was £nil (1999: £28,447).

The defined contribution scheme commenced on 1 January 1998. The pension charge over the period represents contributions payable by the Company to the scheme and was £nil (1999: £5,095).

	2000 £000	1999 £000
6. Taxation		
Corporation tax on profit for the year at 31% (1999: 31%)	-	-
Group relief:	-	-
Adjustments relating to prior year	-	18
	-	18

7. Tangible fixed assets

	Motor Vehicles	Freehold land & building	Plant & machinery	Fixtures & fittings	Total
	£000	£000	£000	£000	£000
Cost					
At 27 June 1999	125	245	109	93	572
Transfer on divisionalisation	(125)	(245)	(109)	(93)	(572)
At 30 June 2000	-	-	-	-	-
Depreciation					
At 27 June 1999	54	23	76	77	230
Transfer on divisionalisation	(54)	(23)	(76)	(77)	(230)
At 30 June 2000	-	-	-	-	-
Net book value					
At 30 June 2000	-	-	-	-	-
Net book value					
At 27 June 1999	71	222	33	16	342

	2000 £000	1999 £000
8. Stocks		
Land	-	14,040
Construction work in progress	-	4,517
Part Exchange properties	-	861
	-	19,418

	2000 £000	1999 £000
9. Debtors		
Trade debtors	-	65
Other debtors	-	73
Prepayments and accrued income	-	23
Amounts due from parent company and other group companies	6,293	-
	6,293	161

Included within trade debtors is £nil (1999:14,735)
recoverable in more than one year

	2000 £000	1999 £000
10. Creditors: amounts falling due within one year		
Bank loans and overdraft	-	683
Trade creditors	-	2,174
Corporation tax	-	-
Other taxes and social security costs	-	52
Land creditors	-	4,004
Accruals	-	89
Due to parent company and other group companies	-	1,500
	-	8,502

11. Creditors : amounts falling due after more than one year

Land creditor	-	5,128
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Bank Overdraft

Bank overdrafts are secured by a fixed and floating charge over all the assets of the Company and other group companies.

12. Deferred Taxation

There is no material difference between accounting depreciation and capital allowances and there are no other short term timing differences.

13. Share Capital

	2000		1999	
	Authorised	Allotted called up & fully paid	Authorised	Allotted called up & fully paid
	£000	£000	£000	£000
Ordinary Shares of £1 each	6000	5950	6000	5950

14. Reserves

	Profit & Loss £000	Total Reserves £000
At 27 June 1999	343	343
Retained profit for the year	-	-
At 30 June 2000	343	343

15. Financial Commitments

At 30 June 2000 the Company had annual commitments under non cancellable operating leases as set out below :-

	2000		1999	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
within 1 year	-	-	-	6
within 2 - 5 years	-	-	-	48
	-	-	-	54

16. Ultimate Holding Company

Wainhomes (Yorkshire) Limited is a subsidiary of undertaking of Wainhomes Limited, a company incorporated in England and registered in England and Wales. Harrock plc heads the only Group in which the results of Wainhomes Limited are consolidated. Copies of the Group accounts of Harrock plc and Wainhomes Limited are available from the registered office at the following address: Harrock plc, The Beeches, Chester, CH2 1PE.