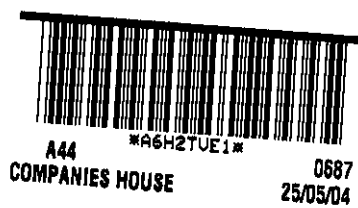


Persimmon Partnerships (Scotland) Limited

**Directors' report and financial
statements**

Registered number 1551958

31 December 2003



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Directors' report

The directors present their annual report and financial statements for the year ended 31 December 2003.

Results and dividends

The company did not trade during the year ended 31 December 2003 and consequently no profit and loss account has been prepared.

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the year were as follows:

MH Killoran
 J White
 AM Brander (resigned 31 December 2003)
 J Millar
 GN Francis

AM Brander and GN Francis had the following interests in the ordinary shares of 10p each in the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

| | Interest at 31 December 2003 or date of resignation | | | | Interest at 31 December 2002 or date of appointment |
|---------------------------|--|-----------------------------------|---------|--------|---|
| | | Number of shares | | | |
| <i>Ordinary shares</i> | | | | | |
| GN Francis | 5,282 | | | | 3,922 |
| AM Brander | 11,611 | | | | - |
| | | Number of options during the year | | | |
| | | Exercised | Granted | Lapsed | |
| <i>Share options</i> | | | | | |
| GN Francis | 35,500 | (5,000) | 3,500 | - | 37,000 |
| AM Brander | 16,500 | (10,000) | 1,500 | - | 25,000 |
| <i>SAYE share options</i> | | | | | |
| GN Francis | 3,813 | - | - | - | 3,813 |
| AM Brander | 2,115 | (5,711) | 2,115 | - | 5,711 |

Options are exercisable from April 2004 to March 2009 at prices ranging from 340.5p to 537.5p.

The interests of MH Killoran, J Millar and J White in the ordinary shares of 10p each of the ultimate parent company, Persimmon plc, are disclosed in the directors' report of that company.

Directors' report (*continued*)

Auditors

The company has elected to dispense with the laying of accounts before the company in general meeting, with holding an annual general meeting and under Section 250 of the Companies Act 1985 to dispense with the requirements to appointment auditors.

By order of the board



TL Davison
Secretary

Persimmon House
Fulford
York
YO19 4FE

30 April 2004

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 confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going concern basis.

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.

Balance sheet
at 31 December 2003

| | <i>Note</i> | 2003 £ | 2002 £ |
|--|-------------|------------------|------------------|
| Fixed assets | | | |
| Investments | 2 | 99 | 99 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Debtors | 3 | 2,000,100 | 2,000,100 |
| | | <hr/> | <hr/> |
| Net current assets | | 2,000,100 | 2,000,100 |
| | | <hr/> | <hr/> |
| Total assets less current liabilities | | 2,000,199 | 2,000,199 |
| | | <hr/> | <hr/> |
| Capital and reserves | | | |
| Called up share capital | 4 | 2,000,100 | 2,000,100 |
| Profit and loss account | | 99 | 99 |
| | | <hr/> | <hr/> |
| | | 2,000,199 | 2,000,199 |
| | | <hr/> | <hr/> |

The notes on pages 5 to 6 form part of these accounts.

The company was a dormant company within the meaning of Section 250 of the Companies Act 1985 throughout the accounting year ended at the date of this balance sheet.

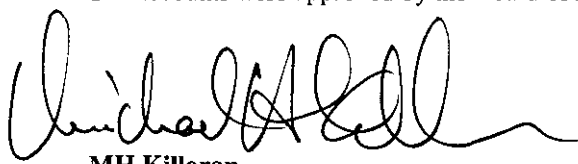
For the year ended 31 December 2003 the company was entitled to exemption under section 249 AA(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company

The accounts were approved by the Board of Directors on 30 April 2004 and were signed on its behalf by:


MH Killoran
 Director

Notes

(forming part of the financial statements)

1 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:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that its parent company will continue to provide financial support to the company and such support will not be withdrawn in the foreseeable future.

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc and its cash flows are included within the consolidated cash flow statement of that company.

Investment in subsidiary undertakings

The company has not prepared consolidated accounts as exemption from the requirement to prepare group accounts has been taken under Section 288(1) of the Companies Act 1985.

2 Fixed asset investments

Comprise:

| | Wholly owned subsidiary undertakings £ |
|--|---|
| Shares at cost | |
| At 31 December 2002 and 31 December 2003 | 99 |

The wholly owned principal subsidiary undertaking is as follows:

Beazer Urban Developments (Mercia) Limited which is registered in England and Wales.

In the opinion of the directors, the value of the company's investment in its subsidiary undertakings is not less than the amount at which it is stated in the balance sheet.

3 Debtors

| | 2003 £ | 2002 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 2,000,100 | 2,000,100 |

Notes (continued)

4 Share capital

| | 2003 £ | 2002 £ |
|---|-------------------|-------------------|
| <i>Authorised</i> | | |
| Ordinary shares of £1 each | 2,000,100 | 2,000,100 |
| | <u> </u> | <u> </u> |
| <i>Allotted, called up and fully paid</i> | | |
| Ordinary shares of £1 each | 2,000,100 | 2,000,100 |
| | <u> </u> | <u> </u> |

5 Ultimate controlling party

The company is a wholly owned subsidiary undertaking of Beazer Homes Limited, incorporated in England and Wales.

The largest group in which the results of the company are consolidated is that headed by Persimmon plc.

The consolidated accounts of this company are available to the public and may be obtained from:

The Company Secretary
 Persimmon plc
 Persimmon House
 Fulford
 York
 YO19 4FE