



DERBY
HOMES

PricewaterhouseCoopers
C/o John Morris
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Your reference

Our reference

LW/JM

Date

28 August 2003

Contact

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Phil Davies
Director

Dear Sirs

MANAGEMENT REPRESENTATION LETTER

This representation letter is provided in connection with your audit of the financial statements of Derby Homes Ltd for the period 25 February 2002 to 31 March 2003 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2003 and of its profit and cash flows for the period 25 February 2002 to 31 March 2003 in accordance with the Companies Act 1985.

We acknowledge as directors our responsibilities under the Companies Act 1985 for preparing financial statements that give a true and fair view and for making accurate representations to you.

We confirm, to the best of our knowledge and belief and having made appropriate enquiries of other directors and officials of the Company, the following representations:

Accounting records

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial statements, including minutes of directors', shareholders' and relevant management meetings, have been made available to you and no such information has been withheld.



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Related parties

We confirm that we have disclosed all related party transactions relevant to the Company and that we are not aware of any other such matters required to be disclosed in the financial statements under FRS 8.

Laws and regulations

We are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Company's ability to conduct its business or that could have a material effect on the financial statements.

We are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

Title of assets

The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those that are disclosed in Note 9 to the financial statements.

Subsequent events

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

Signed:
Title: Chair

Signed:
Title: Director

Signed:
Title: Assistant Director and Company Secretary

For and on behalf of Derby Homes Ltd

Date: 28 August 2003