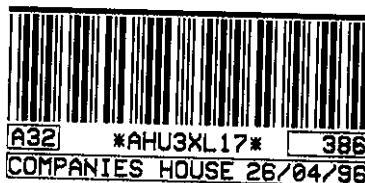


**Annual report
for the year ended 30 June 1995**

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**Directors' report
for the year ended 30 June 1995**

The directors present their report and the audited accounts for the year ended 30 June 1995.

Principal activities

The company's principal activities are the development of and trading in commercial properties.

Review of business

The directors note 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, dividends and transfers to reserves

The loss on ordinary activities after taxation was £27,000 (1994: £26,000).

The directors do not recommend the payment of a dividend (1994: £Nil) and the loss for the year of £27,000 (1994: £26,000) will be deducted from reserves.

Directors

The directors of the company at 30 June 1995, all of whom have been directors for the whole of the year ended on that date, were:

D R Broadhead
C A Dearlove

Directors' interests

None of the directors had any interests in the share capital of the company at the year end. The interest of Mr C A Dearlove in the shares of the ultimate parent company, Barratt Developments PLC, are shown in that company's annual report.

Mr D R Broadhead is a director of Barratt Southern Limited and his interests in the shares of Barratt Developments PLC are shown in the accounts of Barratt Southern Limited.

Directors' responsibilities

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 of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 30 June 1995. 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, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand will be proposed at the annual general meeting.

By order of the board



Company secretary
11 October 1995

Report of the auditors to the members of Barratt Properties Limited

We have audited the accounts on pages 4 to 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

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 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 1995 and of the loss and total recognised losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Cooper & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
11 October 1995

**Profit and loss account
for the year ended 30 June 1995**

	Notes	1995 £'000	1994 £'000
Turnover	2	- <u> </u>	1 <u> </u>
Loss on ordinary activities	2	(27) <u> </u>	(26) <u> </u>
Retained loss for the year	7	(27) <u> </u>	(26) <u> </u>

All activities of the company are continuing.

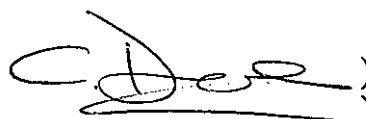
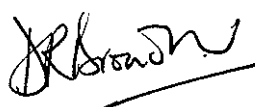
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

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.

Balance sheet at 30 June 1995

	Notes	1995 £'000	1994 £'000
Current assets			
Property held for sale		39	39
Debtors	4	1,575	1,575
		<u>1,614</u>	<u>1,614</u>
Creditors: amounts falling due within one year	5	(104)	(77)
Net assets		<u>1,510</u>	<u>1,537</u>
Capital and reserves			
Called up share capital	6	5	5
Profit and loss account	7	1,505	1,532
Equity shareholders' funds	8	<u>1,510</u>	<u>1,537</u>

The accounts on pages 4 to 8 were approved by the board of directors on 11 October 1995 and were signed on its behalf by:

) Directors

**Notes to the accounts
for the year ended 30 June 1995****1 Principal 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, which have been applied consistently, is set out below.

Basis of accounting

The company prepares its annual accounts on the historic cost basis.

Cash flow

The company is a wholly owned subsidiary of Barratt Developments PLC and the cash flows of the company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

Properties held for sale

Properties held for sale are stated at the lower of cost and net realisable value.

Turnover

Turnover represents gross rents receivable.

2 Loss on ordinary activities before taxation

	1995 £'000	1994 £'000
Turnover	-	1
Cost of sales	(27)	(27)
	<u>-</u>	<u>-</u>
Loss on ordinary activities before taxation	(27)	(26)
	<u>=</u>	<u>=</u>

3 Directors and employees

The company has no employees and none of the directors received any remuneration during either the current year or preceding year.

4 Debtors

	1995 £'000	1994 £'000
Amounts falling due within one year		
Amounts owed by parent and fellow subsidiary companies	1,575	1,471
Corporation tax recoverable	-	104
	<u>1,575</u>	<u>1,575</u>

5 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Accruals	104	77
	<u>104</u>	<u>77</u>

6 Called up share capital

	1995 £'000	1994 £'000
Authorised		
5,000 (1994: 5,000) ordinary shares of £1 each	5	5
	<u>5</u>	<u>5</u>
Allotted, called up and fully paid		
5,000 (1994: 5,000) ordinary shares of £1 each	5	5
	<u>5</u>	<u>5</u>

The ordinary shares in issue carry equal rights to dividends, equal voting rights and would rank equally on winding up.

7 Profit and loss account

	£'000
At 1 July 1994	1,532
Retained loss for year	(27)
At 30 June 1995	<u>1,505</u>

8 Reconciliation of movements in equity shareholders' funds

	1995 £'000	1994 £'000
Retained loss for the financial year	(27)	(26)
Opening equity shareholders' funds	<u>1,537</u>	<u>1,563</u>
Closing equity shareholders' funds	<u>1,510</u>	<u>1,537</u>

9 Contingent liabilities

As part of the group's financing arrangements the company has given cross-guarantees, in conjunction with fellow UK subsidiaries, in respect of certain group borrowings. At 30 June 1995 these borrowings amounted to £73,034,000 (1994: £29,027,000).

In addition there are contingent liabilities in respect of guarantees entered into in the normal course of business.

10 Ultimate parent company

The directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company. Copies of the parent company's accounts may be obtained from Barratt Developments PLC, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP.