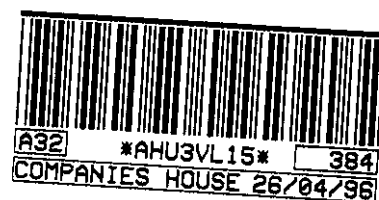


**Annual report
for the year ended 30 June 1995**

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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 has not traded during the year or the previous year and therefore no profit and loss account has been prepared.

Directors

The directors of the company at 30 June 1995, who 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 has any interests in the share capital of the company at the year end. The interests of Mr C A Dearlove in the shares of the ultimate parent company, Barratt Developments PLC, are shown in that company's accounts. The interests of Mr D R Broadhead in the shares of the ultimate parent company are shown in the accounts of Barratt Southern Limited.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements 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 financial statements for the year ended 30 June 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements 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

A handwritten signature in black ink, consisting of a stylized 'M' followed by a horizontal line and a checkmark.

Company secretary
11 October 1995

**Report of the auditors to the members of
Barratt Commercial (Chepstow) Limited**

We have audited the accounts on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 1 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 for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

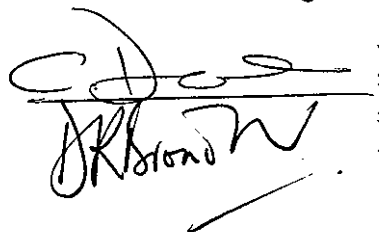
Cooper & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
11 October 1995

**Balance sheet
at 30 June 1995**

	Notes	1995 £	1994 £
Current assets			
Debtors	3	24,760	24,760
		<u>24,760</u>	<u>24,760</u>
Net assets		<u>24,760</u>	<u>24,760</u>
Capital and reserves			
Called up share capital	4	2	2
Profit and loss account	5	24,758	24,758
		<u>24,760</u>	<u>24,760</u>
Equity shareholders' funds		<u>24,760</u>	<u>24,760</u>

The accounts on pages 4 to 6 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 historical 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.

2 Directors and employees

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

3 Debtors

	1995 £	1994 £
Amounts falling due within one year		
Amounts owed by parent and fellow subsidiary companies	24,760	24,760

4 Called up share capital

	1995	1994
Authorised		
100 (1994: 100) ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 (1994: 2) ordinary shares of £1 each	2	2

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

5 Profit and loss account

£

At 1 July 1994 and 30 June 1995

24,758**6 Ultimate parent company**

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