

Company Registration Number: 05079946

Roland Bardsley Homes Limited

**Directors' Report and Financial Statements
Year ended 30 June 2008**

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Roland Bardsley Homes Limited

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Roland Bardsley Homes Limited

Directors and Advisors

Directors

S J Boyes
R J R Brooke
C Fenton
M A Pain
M S Clare
L Dent

Secretary

L Dent

Registered Office

Barratt House
Cartwright Way
Forest Business Park
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Leicestershire
LE67 1UF

Auditors

Deloitte LLP
Four Brindleyplace
Birmingham, UK
B1 2HZ

Roland Bardsley Homes Limited

Directors' Report (continued)

The Directors submit their report and the financial statements of the Company for the year ended 30 June 2008. The comparative period for this report and the financial statements, is the six-month period ended 30 June 2007.

Principal activities

The principal activity of the Company during the period was, and will continue to be, residential development.

Review of the business and future developments

The key financial results are:

	Year Ended 30 June 2008	Annualised Comparative Period	Six month Period Ended 30 June 2007
• Completions	205	172	86
• Average selling price	£158,000	£149,700	£149,700
• Revenue	£32,398,000	£25,752,000	£12,876,000
• Gross profit *	£5,541,000	£2,564,000	£1,282,000
• Operating profit/(loss) *	£3,984,000	(£396,000)	(£198,000)
• Operating margin *	12.3%	(1.5%)	(1.5%)

* Before exceptional costs of £5,642,000 (2007: nil)

The above measures are the Key Financial Performance Indicators by which management monitors the performance of the business. The Non-Financial Key Performance Indicators are customer satisfaction, land bank status, planning performance, health and safety performance, and employee retention and turnover.

Revenues for the period increased by 25.8% to £32,398,000 compared to the annualised period to 30 June 2007 of £25,752,000. This was largely caused by the 19.2% increase in annualised sales volumes.

Average selling price per unit increased by 5.5% during the period, from £149,700 to £158,000. This was caused by the changes in the mix of house types partly offset by the effects of increasing sales incentives on certain sites as required by market conditions.

The gross profit margin for the year before exceptional costs was 17.1% compared with 10.0% for the period to 30 June 2007. Operating margin before exceptional costs was 12.3% (2007: -1.5%). These improvements are due to a number of factors including the effect of a change in accounting estimate in 2007, to exclude overhead costs from work in progress resulting in a charge of £1,496,505 to the profit and loss account in the period to 30 June 2007, the mix of plots being sold and the continuing integration of Roland Bardsley Homes into the Barratt Group leading to a reduction in overheads.

The Company continually monitors the carrying value of its land and work in progress. At 30 June 2008 and since the year end the Company conducted reviews of the net realisable value of its land and work in progress carrying values of its sites in the light of the current deterioration in the UK housing market. Where the estimated future net present realisable value of a site is less than its carrying value within the balance sheet the Group has impaired the land and work in progress value. This has resulted in an exceptional impairment of £5,642,000 (six months to 30 June 2007: nil).

Following this impairment, the Company made a gross loss of £101,000 (2007 annualised gross profit: £2,564,000) and an operating loss of £1,658,000 (2007 annualised operating loss: £396,000)

The Company operates within North West England and during the year ended 30 June 2008 was selling from an average of 6 sites (2007: 6 sites).

Roland Bardsley Homes Limited

Directors' Report (continued)

Review of the business and future developments (continued)

The Directors do not anticipate any significant changes in the activity of the Company in the foreseeable future. However, there remains considerable uncertainty about the near-term prospects for the sector with market recovery dependent on an improvement in the availability of mortgage finance and customer confidence. Pricing continues to be under pressure with higher incentive levels being required.

Environment

During the year, we have made substantial progress in pursuing our environmental agenda to enable us to respond to the challenge made by the Government's requirement for all new homes to be zero carbon by 2016.

The Company has reviewed its overall objectives for environmental management and has set targets for improved on-site and office performance. To assist the Company, all of the Group Safety, Health and Environmental management team are undergoing accredited training to enable membership of the Institute of Environmental Management and Assessment ('IEMA').

Health & Safety

We have continued to make good progress in the field of health and safety with a reduction in the number of reportable accidents to 650 per 100,000 persons employed in the Group housebuilding business, a reduction of 20.2% on the previous year.

Principal risks and uncertainties

The Company's financial and operational performance is subject to a number of risks. The Board seeks to ensure that appropriate processes are put in place to manage, monitor and mitigate these risks.

The Company recognises that the management of risk is fundamental to the achievement of Company targets. As such all tiers of management are involved in this process. The majority of risks are managed at the Group level.

Capital requirements

The Company is dependent upon its ultimate parent company, Barratt Developments PLC, for the provision of funding to enable the Company to settle its liabilities as they fall due, and is in receipt of support from its parent company. Barratt Developments PLC manages borrowing facilities on behalf of itself and all its subsidiaries, together the Barratt Developments PLC Group (the 'Group').

At 31 December 2008, the Group's liquidity position was strong with committed facilities of £2,308.1m, an average life of 3.5 years (2007: 3.3 years), net debt down over the last twelve months by £315.7m to £1,422.8m, and facility headroom of £800m (2007: £878.5m). The Group remained in full compliance with the financial covenants within all of its facilities.

Looking forward and given the current uncertainty in the financial and housing markets, especially in respect of credit availability for our customers, there could be circumstances where forecast revenues and cashflows are lower than expected or there is a requirement for further land and work in progress write-downs.

In the event that these cannot be covered by the existing covenant headroom, or that created through the further cost reduction initiatives already being prosecuted, the Group would need to revisit its financial covenants with its lenders ahead of its facilities review in 2011.

However, based upon current trading and our detailed forecasts, the Group is expected to continue to comply with its financial covenants, and continue to provide the Company with funding to settle its liabilities as they fall due.

Further details are given in the Statement of Accounting Policies on page 15.

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Directors' Report (continued)

Other principal risks of the Company include, but are not limited to:

Risk	Mitigation
Market	
Response to changes in the macroeconomic climate including buyer confidence and interest rates	The Directors conduct weekly meetings which review key trading indicators, including sales rates, visitor levels and levels of incentives and cash flow projections.
Availability of mortgage finance for our purchasers	<p>The Directors monitor on a weekly basis the number of reservations that require mortgages.</p> <p>The Group has a policy of giving mortgage providers complete transparency regarding house purchase prices alongside any discounts or other incentives in order that they have appropriate information upon which to base their lending decision.</p>
Provision of high quality product and service to maintain brand quality and minimise remedial costs	The Group has a comprehensive approach to quality, service and customer care enshrined in its 'Forward through Quality' initiative and customer care code of practice.
Liquidity	
Availability of sufficient borrowing facilities to enable the servicing of liabilities as they fall due	<p>The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that it has sufficient available funds for operations.</p> <p>The Group's borrowings are typically cyclical throughout the financial year and as such the Group maintains sufficient headroom to cover these requirements. On a normal operating basis the Group has a policy of maintaining headroom of £250m of available committed facilities.</p> <p>The Group has in place a comprehensive detailed regular forecasting process encompassing profitability, working capital and cash flow that is fully embedded in the business. These forecasts are further stress tested at a Group level to ensure that adequate headroom within our facilities and banking covenants is maintained.</p>
Inability of the Group to refinance its facilities as they fall due	The Group has a policy that the maturity of its committed facilities and private placement notes is at least three years on average.

Roland Bardsley Homes Limited

Directors' Report (continued)

Risk	Mitigation
Government regulation	
Delays obtaining required planning and technical consents	The Group and Company have considerable in-house technical and planning expertise devoted to achieving implementable planning consents.
Consequence of changes in tax legislation	The Company has adopted a low risk strategy to tax planning and potential and actual changes in tax legislation are monitored by both our industry experienced in-house finance teams and our external tax advisors.
Construction	
Failure to identify and achieve key construction milestones	The Company's weekly reporting identifies the number of properties at key stages of construction. Projected construction rates are evaluated as part of the monthly forecasting cycle.
Excessive investment in work in progress	The build status of all sites is reported weekly and compared to sales taken on each site.
Failure to promptly identify cost overruns	The total costs on every site in progress are evaluated each quarter and reviewed by the management team.
Innovative design and construction techniques are not employed	The Group ensures that it is at the forefront of design and construction techniques by a combination of in-house technical departments, the employment of external consultants and an ongoing commitment to building experimental house types.
Health and safety	The Group has a dedicated health and safety audit department which is independent of the management of the operating divisions.
Consideration of the impact of construction schemes upon the environment and social surroundings	The Group regularly monitors a number of environmental impact indicators. The results of this will appear in our Corporate Social Responsibility Report later this year.
People	
Ability of the Company to attract and retain a sufficiently skilled and experienced workforce	The Group has a comprehensive Human Resources policy in place which includes apprentice schemes, a Graduate Recruitment Programme, succession planning, training schemes tailored to each discipline and the Company has set itself the target of having a fully CSCS carded and qualified workforce by 2010.
Adequate succession planning to retain and develop key management skills	

Roland Bardsley Homes Limited

Directors' Report (continued)

Financial risk management

Both the Company and Barratt Developments PLC, on behalf of itself and its subsidiaries, manage financial risks that affect the Company. Where Barratt Developments PLC manages financial risks on behalf of the entire Barratt Developments PLC group of companies including the Company, these risks are discussed using the term 'Group' in this section.

The Group's operations and debt financing expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risks, liquidity risks and interest rates. The most significant of these to the Group is liquidity risk and as such there is a regular, detailed system for the reporting and forecasting of cash flows from the operations to Group management so as to ensure that risks are promptly identified and appropriate actions taken by the central Treasury Department. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance in particular by using financial instruments, including debt and derivatives, to fix interest rates and currency rates. The Group does not use derivative financial instruments for speculative purposes.

The Board of Directors of Barratt Developments PLC is responsible for setting specific, clearly defined guidelines regarding treasury that are applied by the Group. The Group has a Treasury Operating Committee which operates within specific parameters set by the Board and consists of any two of the Group Chief Executive, Group Finance Director and Group Treasurer. In addition, the Board approves and reviews all facilities and derivative transactions that they have not delegated to the Treasury Operating Committee. The Group operates a central Treasury Department to implement the guidelines established by the Board, to whom it reports regularly.

a) Liquidity risk

Liquidity risk is the risk that either the Company or the Group will be unable to meet its liabilities as they fall due. The Company's borrowings are predominantly intragroup, and the Company is therefore subject to the same liquidity risks as the Group. The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations. The Group's borrowings are typically cyclical throughout the financial year and as such the Group maintains sufficient headroom to cover these requirements. On a normal operating basis the Group has a policy of maintaining headroom of £250m of available committed facilities and identifies and takes appropriate actions based upon its regular, detailed system for the reporting and forecasting of cash flows from its operations. At 30 June 2008, the Group had committed facilities of £2,555.4m (2007: £2,630.0m) and total facilities of £2,651.6m (2007: £2,786.3m). The Group's drawn debt was £1,685.2m (2007: £1,483.3m). This represents 65.9% (2007: 56.4%) of available committed facilities.

The Group's objective is to minimise refinancing risk. The Group therefore has a policy that the average maturity of its committed facilities and private placement notes is at least 3 years. At 30 June 2008, the average maturity of the Group's facilities was 3.3 years (2007: 3.5 years).

On 9 July 2008, Barratt Developments PLC entered into a new £400m three year facility and extended £350m of the existing £400m revolving credit facility to further minimise refinancing risk. Further details of the post balance sheet events are disclosed in note 21.

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Directors' Report (continued)

Financial risk management (continued)

b) Market risk

i) UK housing market risk

This section specifically discusses UK housing market risk in the context of the financial instruments in the Company balance sheet.

The Company's earnings are dependent upon the level of UK house prices. UK house prices are determined by the UK economy and economic conditions including employment levels, interest rates and consumer confidence.

The Company is subject to the prevailing conditions of the UK economy. The Company's management of operational risks is detailed on pages 4 to 5.

The UK housing market affects the valuation of the Company's non-financial assets and liabilities, notably land and work in progress. At 30 June 2008 and since the year end the Company conducted reviews of the net realisable value of its land and work in progress carrying values of its sites in the light of the current deterioration in the UK housing market. Where the estimated future net present realisable value of a site is less than its carrying value within the balance sheet the Group has impaired the land and work in progress value. This has resulted in an exceptional impairment of £5,642,000 (six months to 30 June 2007: nil).

ii) Interest rate risk

The Company has interest bearing assets and the Group has both interest bearing assets and interest bearing liabilities. Floating rate borrowings expose the Group to cash flow interest rate risk and fixed rate borrowings expose the Group to fair value interest rate risk. The Company pays and receives interest to/from the Group at rates which are dependant upon the external rates paid by the Group, and as such it is subject to the same interest rate risks as the Group.

The Group has a policy of maintaining both long-term fixed rate funding and medium-term floating rate funding so as to ensure that there is appropriate flexibility for the Group's operational requirements. In order to achieve this, the Group has entered into swap arrangements to hedge cash flow risks relating to interest rate movements on a proportion of its debt and has entered into fixed rate debt in the form of sterling and US Dollar private placements.

The Group has a policy that 60% - 80% of the forecast debt for the year-end is at a fixed rate, with an average minimum duration of five years and an average maximum duration of fifteen years. At 30 June 2008, 63.0% (2007: 72.4%) of the Group's net debt was at a fixed rate.

Floating interest rates on sterling borrowings are linked to UK bank rate, LIBOR and money market rates. The floating rates are fixed in advance for periods generally ranging from one to six months. Short-term flexibility is achieved through the use of overdraft, committed and uncommitted bank facilities. The weighted average interest rate for floating rate borrowings in 2008 was 6.6% (2007: 5.7%).

Sterling private placement notes of £125.5m (2007: £81.8m) were arranged at fixed interest rates and expose the Group to fair value interest rate risk. The weighted average interest rate for fixed rate sterling private placement notes for 2008 was 7.8% (2007: 7.5%) with, at 30 June 2008, a weighted average period of 9.5 years (2007: 2.5 years) for which the rate is fixed.

US dollar private placement notes of £150.5m (2007: £nil) were arranged at fixed interest rates and expose the Group to fair value interest rate risk. The weighted average interest rate for fixed rate US dollar private placement notes, after the effect of foreign exchange rate swaps, for 2008 was 6.9% (2007: nil) with, at 30 June 2008, a weighted average period of 8.8 years (2007: nil) for which the rate is fixed.

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Directors' Report (continued)

Financial risk management (continued)

Sensitivity analysis

In the year ended 30 June 2008, if UK interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit would increase/decrease by £26,000 (six months to 30 June 2007: £nil), the Company's post-tax profit would increase/decrease by £26,000 (six months to June 2007: £nil) and the Company's reserves would increase/decrease by £26,000 (2007: £nil).

c) Credit risk

The UK housing market is structured so that in the majority of cases the Company receives cash upon legal completion for private sales and receives advance stage payments from Registered Social Landlords. As such, the Company has no significant concentration of credit risk other than with Group undertakings, with exposure spread over a large number of counterparties and customers. The maximum exposure to any counterparty at 30 June 2008 was £20.5m, an intercompany debt due from BDW Trading Limited (2007: £10.6m due from the parent company). The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses represents the Group's maximum exposure to credit risk.

The Company follows the Group policy in managing credit risk.

The Group has a credit policy that is limited to financial institutions with high credit ratings as set by international credit rating agencies and has a policy determining the maximum permissible exposure to any counterparty. The Group only contracts derivative financial instruments with counterparties with which the Group has an ISDA Master Agreement in place. These agreements permit net settlement thereby reducing the Group's credit exposure to individual counterparties.

Result and dividend

The loss before taxation for the year amounted to £1,323,000 (six months to June 2007: £198,000). No dividend was paid during the period (2007: nil). The Directors do not recommend the payment of a final dividend (2007: nil).

Directors

The Directors who served the Company during the period and subsequently were as follows:

S J Boyes
R J R Brooke
M S Clare
L Dent
C Fenton
M A Pain

Directors' indemnities

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and company secretary of all Group companies, including Roland Bardsley Homes Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of the Companies Act 1985.

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Directors' Report (continued)

Company Secretary

R.G. Douglas resigned as Company Secretary on 31st December 2007. L. Dent was appointed Company Secretary on the same date.

Directors' interest in shares

None of the Directors who held office at the end of the financial period had any disclosable interests in the shares of the Company.

Employees

It is the Company's policy that employment opportunities, training, career development and promotion should be available to all, irrespective of age, gender, ethnic origin, religion or disability. Due consideration is given to applications for employment from disabled persons having regard to the particular aptitudes and abilities of the applicants concerned. Any employee who develops disability during employment is given the opportunity of retraining for alternative employment where practicable, given the nature of the Company's activities.

There are specific arrangements to keep all employees informed on matters of concern to them and to encourage their involvement in the Company's performance.

Donations

Donations during the year for educational purposes, to charity and to local causes amounted to £nil (six months to June 2007: £nil). No donations were made for political purposes (six months to June 2007: nil).

Supplier payment policy

The Company's policy with regard to the payment of suppliers is to advise suppliers when placing orders of the Company's payment terms or, alternatively, to agree payment terms prior to order.

It is policy to pay in accordance with agreed arrangements which, within the industry, include the evaluation by surveyors of the value of work completed and retentions for remedial work.

The Company had no trade creditors at 30 June 2008. At 30 June 2007 the Company's trade creditor days were 14 days based on the ratio of the Company's trade creditors at the end of the period to amounts invoiced during the period.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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 UK Accounting Standards have been followed; and

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Directors' Report (continued)

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

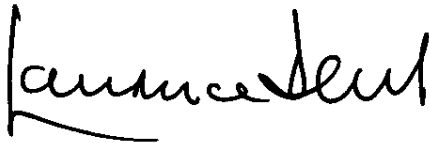
Disclosure of information to auditors

Each Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On behalf of the Board



L. Dent
Secretary
23 April 2009

Roland Bardsley Homes Limited

Independent Auditors' Report to the members of Roland Bardsley Homes Limited

We have audited the financial statements of Roland Bardsley Homes Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Accounting Policies, and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Roland Bardsley Homes Limited

Independent Auditors' Report to the members of Roland Bardsley Homes Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30th June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the going concern disclosure made in the statement of accounting policies which indicates the risk of conditions in the wider UK economy and their impact on the housebuilding sector, declining beyond that assumed in the Barratt Developments PLC Group's, the parent company's forecasts. These conditions indicate, along with all other matters as set forth in the statement of accounting policies, the existence of a material uncertainty, which may require the Barratt Developments PLC Group to revisit its covenants. In this instance, the failure to agree a revision, or to obtain other funding may cast significant doubt upon the Group's ability to provide funding to the Company to settle its liabilities as they fall due and accordingly may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern, which would include additional write-downs of the carrying value of assets, including stock and work in progress, and providing for any further liabilities that might arise.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Birmingham
United Kingdom

23 April 2009

Roland Bardsley Homes Limited

Profit and Loss Account for the year ended 30 June 2008

	<i>Note</i>	Year ended 30 June 2008	Six month period ended 30 June 2007
		£'000	£'000
Turnover	1	32,398	12,876
Cost of sales		(26,857)	(11,594)
Exceptional cost of sales	2	(5,642)	-
Total cost of sales		(32,499)	(11,594)
Gross (loss)/profit		(101)	1,282
Administration expenses		(1,557)	(1,480)
Operating loss	3	(1,658)	(198)
Interest receivable	6	335	-
Loss on ordinary activities before taxation		(1,323)	(198)
Taxation on loss on ordinary activities	7	614	52
Loss on ordinary activities after taxation		(709)	(146)

All amounts relate to continuing operations.

The accompanying notes are an integral part of this profit and loss account.

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

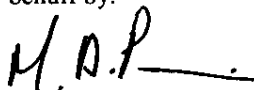
Roland Bardsley Homes Limited

Balance Sheet as at 30 June 2008

	<i>Note</i>	30 June 2008 £'000	30 June 2007 £'000
Fixed assets			
Investments	8	-	-
Current assets			
Stock	9	11,439	30,490
Debtors	10	23,188	12,485
Cash at bank and in hand		-	11
		<u>34,627</u>	<u>42,986</u>
Creditors: amounts falling due within one year	12	(18,720)	(26,370)
Net assets being net current assets		<u>15,907</u>	<u>16,616</u>
Capital and reserves			
Called up share capital	13	-	-
Share premium account	14	18,574	18,574
Profit and loss account deficit	15	(2,667)	(1,958)
Shareholders' funds	16	<u>15,907</u>	<u>16,616</u>

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 13 to 25 were approved by the Board on 23 April 2009 and signed on its behalf by:



M A Pain
Director

Roland Bardsley Homes Limited

Statement of Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards on the going concern basis and under the historical cost convention. A summary of the more important accounting policies, which have been applied consistently during the current and prior periods, is set out below.

The Company has taken the exemption from preparing Group financial statements as permitted by section 228 of the Companies Act 1985. These financial statements present information about the Company as an individual, and not a group, undertaking.

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

The Company's business activities, together with factors that are likely to affect its future development, financial performance and financial position are set out in the Directors' Report on pages 2 to 8. In addition, the material financial and operational risks and uncertainties that impact upon the Company's performance and their mitigation are outlined on pages 3 to 8.

The financial performance of the Company and Group is dependent upon the wider economic environment in which the Company operates. As explained in the 'Principal risks and uncertainties' on pages 3 to 8 factors that particularly impact upon the performance of the Company and Group include changes in the macroeconomic climate including buyer confidence, availability of mortgage finance for our purchasers, and interest rates.

The Company is dependent upon its ultimate parent company, Barratt Developments PLC, for the provision of funding to enable the Company to settle its liabilities as they fall due, and is in receipt of support from its ultimate parent company. Barratt Developments PLC manages borrowing facilities on behalf of itself and all its subsidiaries, together the Barratt Developments PLC Group (the 'Group').

At 31 December 2008, the net debt position of the Group was £1,422.8m, with loans and borrowings of £1,526.1m with headroom of £800.0m to the Group's committed facilities. The Group is in compliance with its loan covenants and at the date of approval of these financial statements the Group's internal forecasts indicate that it will remain in compliance with these covenants for the foreseeable future. However, the ability of the Group to continue to comply with these covenants is dependent upon the continued generation of revenues and cash from the sale of completed properties.

The Group has set out a clear set of priorities focusing on driving sales, reducing costs and generating cash with the objective of reducing debt. The Group has made good progress in all these areas.

The decline in mortgage finance was particularly acute in the higher loan to value segments and, despite cuts in interest rates, typical mortgage products for the new build sector remained severely rationed and highly priced. However, the autumn marketing campaign, together with targeted discounts, increased visitor levels. Shared equity products, part exchange and other innovative offers have helped support sales.

At the end of December it was announced that the Group had been allocated funding for c.3,000 units under the HomeBuy Direct Scheme with an approximate sales value of £520m.

Considerable progress has been made in the Group's cost reduction programmes. The divisional office structure supporting operations has been reduced to 25 compared with 44 at the time of the Wilson Bowden acquisition in April 2007. The number of employees fell by 29% (c.1,900) during the period and are down 38% (c.2,900) since the acquisition of Wilson Bowden. The Group has continued to target reductions in overheads and build costs, particularly technical specification, and has identified further savings of c.£80m which will be realised in the next financial year.

Roland Bardsley Homes Limited

Statement of Accounting Policies (continued)

Going concern (continued)

Tight control of the Group's cash position has continued with a reduction in net debt of £227.8m over the six-month period to 31 December 2008. The Group are continuing to invest in land where it is contractually committed to do so and has been successful in renegotiating a number of potential commitments. Work in progress and stock levels continue to fall and the Group has discounted where necessary to reduce stock levels and exit sites more quickly. The cash position has also benefited from the disposal of assets from the Wilson Bowden Developments portfolio.

Sales maximisation utilising our new lower selling prices, cost reduction and cash generation will continue to be the priorities for the business in the current market.

If conditions in the wider UK economy, as they relate to the housebuilding sector, were to decline below that which has been assumed in the Group's and Company's current forecasts (and notwithstanding further management action) then there is a risk that the Group and Company might generate lower than anticipated revenues, or cash, or require further write-downs in the value of the Group's and Company's assets. This risk represents a material uncertainty, which may require the Group to revisit its covenants with its lenders and, if necessary, re-set its covenant package. In this instance, a failure to agree a revision, or to obtain other funding, may cast significant doubt about the Group's ability to provide funding to the Company to settle its liabilities as they fall due and therefore the entity's ability to continue as a going concern, such that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, based upon the Group's current trading, forecasts and the Group's actions described above, the Group's Directors believe that the Group will continue to comply with its loan covenants. Accordingly, the Directors of the Company have formed a judgement that it is appropriate to prepare the Company's financial statements upon a going concern basis.

Turnover

The Company's business is conducted through a single class of business, being that of residential development in the United Kingdom.

Turnover comprises the amount receivable for goods and services supplied to customers during the period, and excludes intra-group transactions and value added tax. Proceeds from the sale of part exchanged houses and undeveloped land are excluded from turnover.

Proceeds from the sale of newly constructed houses are included in turnover on legal completion.

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks and work in progress

Stock, including land held for development and completed and part exchange houses, and residential work in progress is all valued at the lower of cost and net realisable value.

Upon acquisition of the Company by Barratt Developments PLC, the valuation of residential work in progress is performed according to the principles applied by Barratt Developments PLC. As a result of this change in estimation technique attributable overheads are no longer included in the valuation of residential work in progress. This change in accounting estimate resulted in a charge of £1,496,505 to the profit and loss account in the previous period.

Roland Bardsley Homes Limited

Statement of Accounting Policies (continued)

Taxation

UK corporation tax is provided on taxable profits at the current rate.

Deferred taxation is recognised on all timing differences where the transaction or events that gave rise to an obligation to pay more tax, or a right to pay less tax, at a future date, have occurred by the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

Pensions

The Group operates a number of defined contribution pension schemes for certain employees. The Company's contributions to the schemes are charged against profits in the year in which the contributions are made.

Cashflow

The Company is a wholly owned subsidiary of Barratt Developments PLC and the cashflows of the Company are included in the consolidated group cashflow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of FRS1 (Revised 1996) from the requirement to publish a cashflow statement.

Share-based payments

The Group issues equity-settled share-based payments to certain employees and has applied the requirements of FRS20 'Share-based Payment'. In accordance with the transitional provisions, FRS20 has been applied to all grants of equity instruments after 7th November 2002 that had not vested as at 1st January 2005.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade debtors

Trade debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade debtors on extended terms are recorded at their fair value at the date of the transaction. The discount to nominal value is amortised over the period of the credit term and credited to interest costs.

Trade creditors

Trade creditors on normal terms are not interest bearing and are stated at their nominal value.

Trade creditors on extended terms are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to interest costs.

Bank borrowings

Where bank agreements include a legal right of offset for in hand and overdraft balances, and the Group intend to net settle the outstanding position, the offset arrangements are applied to record the net position.

Borrowing costs are recorded in the period to which they relate.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008

1. Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the Company's ordinary activity of residential development, stated net of value added tax. The turnover is wholly generated in the UK.

2. Exceptional cost of sales

The Company continually monitors the carrying value of its land and work in progress. At 30 June 2008 and since the year end the Company conducted reviews of the net realisable value of its land and work in progress carrying values of its sites in the light of the current deterioration in the UK housing market. Where the estimated future net present realisable value of a site is less than its carrying value within the balance sheet the Group has impaired the land and work in progress value. This has resulted in an exceptional impairment of £5,642,000. Further details on this impairment are given in note 9.

3. Operating loss

Fees payable to the Company's auditors for the audit of the Company's annual accounts were borne by another Group company. Audit fees of £17,000 were payable to Deloitte LLP for the year ended 30 June 2008 (six months ended 30 June 2007: £15,000); they provided no non-audit services to the Company in either period.

4. Directors remuneration

S Boyes, M A Pain, M S Clare and C, Fenton are also Directors of the holding company, Barratt Developments PLC and R J R Brooke is also an employee of Barratt Developments PLC. These Directors received total emoluments of £2,511,000 (six months to 30 June 2007: £1,984,000) during the year but it is not practicable to allocate this between their services as executives of Group companies and their services as Directors of Roland Bardsley Homes Limited. L Dent is also an employee of Barratt Developments PLC, and received no emoluments for his services as a Director.

No director received separate emoluments in respect of their services to this Company.

5. Employee information

The Company has no employees. Group employees working for the sites owned by the Company, and those involved in the administration of these sites have contracts of service with BDW Trading Limited. The costs in respect of these employees have been recharged to the Company by other Group companies.

Pension costs

The Group operates a number of defined contribution pension schemes for certain employees under which the Company has no obligation. The Company made no contributions to these defined contribution pension schemes in the year. In the prior period contributions of £78,074 were recharged by another Group company and were charged against the profits of that period.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

6. Interest receivable

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Group interest receivable	335	-
Total interest receivable	<u>335</u>	<u>-</u>

7. Taxation

a) Analysis of (credit)/charge in the year:

	Year ended 30 June 2008 £'000	Six month period ended 30 June 2007 £'000
Current taxation:		
UK corporation tax on loss for the period	(415)	(59)
Adjustment in respect of prior periods	<u>(180)</u>	<u>59</u>
Total current tax	<u>(595)</u>	<u>-</u>
Deferred taxation:		
Origination and reversal of timing differences	22	7
Adjustment in respect of prior periods	<u>(41)</u>	<u>(59)</u>
Total deferred tax	<u>(19)</u>	<u>(52)</u>
Tax on loss on ordinary activities	<u>(614)</u>	<u>(52)</u>

b) Factors affecting tax charge for period:

The tax assessed for the year is higher than (2007: lower than) the standard rate of corporation tax in the UK of 29.5% (2007: 30%). The differences are explained below:

Loss on ordinary activities before tax	<u>(1,323)</u>	<u>(198)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK 29.5% (2007: 30%)	(390)	(59)
Effects of:		
Expenses not deductible for tax purposes	-	7
Capital allowances in excess of depreciation	(23)	(7)
Contaminated land credit	(2)	-
Adjustments in respect of prior periods	<u>(180)</u>	<u>59</u>
Current tax credit for period	<u>(595)</u>	<u>-</u>

The impact of the change introduced in the Finance Act 2007 regarding the reduction in corporation tax rate from April 2008 from 30% to 28% has been incorporated into the Company's tax charge and deferred tax provided. The tax rate of 29.5%, used above, is therefore a blended rate.

(c) Factors that may affect future tax charge

There are no factors that are expected to affect future tax charges materially.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

8. Fixed asset investments

	Shares in subsidiary £'000
Cost:	
At 30 June 2008 and 30 June 2007	2,310
Provision against investment:	
At 30 June 2008 and 30 June 2007	2,310
Net book value:	
At 30 June 2008 and 30 June 2007	-

The undermentioned is a wholly owned subsidiary company, incorporated in England.

	Principal activity
North West Land Developments Limited	Dormant

9. Stock

	30 June 2008 £'000	30 June 2007 £'000
Work in progress	4,546	14,312
Land held for redevelopment	4,961	14,191
Part-exchange properties	1,932	1,987
	<u>11,439</u>	<u>30,490</u>

A change in accounting estimate in 2007, to exclude overhead costs resulted in a charge of £1,496,505 to the profit and loss account in that period.

The Company continually monitors the carrying value of its land and work in progress. At 30 June 2008 and since the year end the Company conducted reviews of the net realisable value of its land and work in progress carrying values of its sites in the light of the current deterioration in the UK housing market. Where the estimated future net present realisable value of a site was less than its carrying value within the balance sheet, the Group has impaired the land and work in progress values. This has resulted in an exceptional impairment of £5,642,000. The key judgement in estimating the future profit stream is the evaluation of the likely sales prices. Following this impairment £2,631,000 of inventories are valued at fair value less costs to sell rather than at historical cost.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

10. Debtors

	30 June 2008 £'000	30 June 2007 £'000
Trade debtors	287	1,000
Amounts owed by group undertakings	21,553	10,572
Other debtors	71	87
Secured loans	252	-
Group relief	362	59
Corporation tax	663	767
	<u>23,188</u>	<u>12,485</u>

Other debtors includes a deferred tax asset of £71,000 (2007: £52,000); it is considered that this will be recovered as a deduction from corporation tax liabilities on future profits.

The secured loans relate to deferred receivables from the sale of homes which are repayable upon the earlier of resale or at ten years from inception. They are secured by way of a second charge over the home and no interest is payable on them.

11. Deferred taxation

	30 June 2008 £'000	30 June 2007 £'000
Balance brought forward	52	-
Deferred tax credit (note 7)	19	52
Balance carried forward	<u>71</u>	<u>52</u>

The balance on the deferred taxation account consists of the tax effect of timing differences in respect of:

	30 June 2008 £'000	30 June 2007 £'000
Accelerated capital allowances	<u>71</u>	<u>52</u>
	<u>71</u>	<u>52</u>

The deferred tax asset is included within other debtors in note 10.

12. Creditors: amounts falling due within one year

	30 June 2008 £'000	30 June 2007 £'000
Trade creditors	-	336
Amounts owed to group undertakings	17,422	23,837
Payments in advance	66	108
Other creditors	18	298
Accruals and deferred income	1,214	1,791
	<u>18,720</u>	<u>26,370</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

13. Called up share capital

	30 June 2008 £	30 June 2007 £
Authorised share capital:		
80,000 'A' Ordinary shares of 1p each	800	800
10,000 'B' Ordinary shares of 1p each	100	100
10,000 'C' Ordinary shares of 1p each	100	100
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
7,864 1p 'A' ordinary shares of 1p each	79	79
1,000 1p 'B' ordinary shares of 1p each	10	10
1,000 1p 'C' ordinary shares of 1p each	10	10
	<u>99</u>	<u>99</u>

All the shares rank pari passu with regards to capital and voting rights. With regards to income, a dividend may be paid either equally on all classes, or on one or more classes to the exclusion of the other classes, differentiating between such classes as to the amount or percentage of dividend payable.

14. Share premium account

	£'000
At 30 June 2008 and 30 June 2007	<u>18,574</u>

15. Profit and loss account deficit

	£'000
At 1 July 2007	(1,958)
Loss for year	<u>(709)</u>
At 30 June 2008	<u>(2,667)</u>

16. Reconciliation of movement in shareholders' funds

	30 June 2008 £'000	30 June 2007 £'000
Opening shareholders' funds	16,616	16,762
Loss for the period	<u>(709)</u>	<u>(146)</u>
Closing shareholders' funds	<u>15,907</u>	<u>16,616</u>

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

17. Immediate and ultimate parent company

The immediate parent company is David Wilson Homes Limited a company incorporated in Great Britain and registered in England.

The ultimate parent undertaking and controlling party is Barratt Developments PLC, a company incorporated in England. Barratt Developments PLC is the undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2008. The consolidated financial statements of Barratt Developments PLC are available from Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF.

18. Related party transactions

As the Company is ultimately owned by Barratt Developments PLC, it has taken advantage of the exemption contained in FRS8 'Related Party Disclosures' not to disclose transactions with other companies in the Barratt Developments PLC group.

19. Contingent liabilities

The Company has entered into counter indemnities in the normal course of business in respect of performance bonds. In addition, the Company has commitments for the purchase of trading stock entered into in the normal course of business.

20. Share-based payments

Directors and employees of the Company participated in the share incentive schemes provided by Wilson Bowden Limited (formerly Wilson Bowden plc).

Wilson Bowden plc 2003 Savings Related Share Option Scheme ("WBSRSOS")

Under the WBSRSOS, participants were required to make monthly contributions to an approved savings authority under a contractual savings scheme for a period of three or five years. On entering into the savings contract participants were granted an option to acquire ordinary shares in the Company at a discount, of no more than 20%, to the middle market price of the Company's shares immediately prior to the date of grant.

The exercise of options under the WBSRSOS was not subject to the satisfaction of a performance condition as the WBSRSOS is Inland Revenue approved and was open to all eligible employees.

Under the rules of the Wilson Bowden plc 2003 Savings Related Share Option Scheme, options that were granted but not already exercisable became exercisable during the six months following the first court hearing date, 23rd April 2007, to the extent of the savings made under the savings contract at the time of exercise together with any accrued interest or bonus due. Any options outstanding after the expiry of this six month period lapsed.

The Scheme of Arrangement does not apply to Wilson Bowden shares acquired by participants in the WBSRSOS after 24th April 2007. An amendment was therefore made to Wilson Bowden's Articles of Association to the effect that any Wilson Bowden shares issued to WBSRSOS participants after the exercise of options are automatically acquired by Barratt Developments PLC for the same consideration as would have been receivable if it were under the Scheme of Arrangement.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

20. Share-based payments (continued) Movement in outstanding options

	Year ended 30 June 2008		Six month period ended 30 June 2007	
	Options Number	Weighted average share price Pence	Options Number	Weighted average share price Pence
WBSRSOS				
Outstanding at the beginning of the period	424	1,590	424	1,590
Granted during the period	-	-	-	-
Exercised during the period	(67)	1,590	-	-
Forfeited during the period	(357)	1,590	-	-
Outstanding at the end of the period	-	-	424	1,590
Exercisable at the end of the period	-	-	70	1,590

Options and PSP scheme outstanding at 30 June 2008

At 30th June 2008, all outstanding options to purchase ordinary shares and performance share plan shares in Wilson Bowden Ltd, in accordance with the terms of the applicable scheme, are as follows:

Dates between which options are exercisable	30 June 2008 Number	30 June 2007 Number	Price per share
Wilson Bowden plc Savings Related Share Option Scheme:			
<i>Original Exercise date:</i>	<i>Exercise date following</i>		
	<i>Change of control:</i>		
1.12.2009 – 31.5.2010	23.04.2007- 23.10.2007	260	1,590
1.12.2011 – 31.5.2012	23.04.2007- 23.10.2007	164	1,590
Total number of shares under option	-	424	1,590

Income statement charge

Wilson Bowden Ltd Savings Related Share Option Scheme

A charge to the income statement has been made for options issued on or after 7th November 2002 that had not vested as at 1st July 2007 in accordance with IFRS2 'Share-based Payments'. The weighted average fair value of the options issued on or after 7th November 2002 to the balance sheet date was £4.18 (2007: £4.18) per option. No options were issued in the year or the previous period.

Total expense

The Company recognised an expense of £nil (six months to 30 June 2007: £nil) in respect of equity-settled share-based transactions in the year ended 30 June 2008. As at 30th June 2008 liabilities of £nil (2007: £nil) were recognised in respect of share-based payments.

Roland Bardsley Homes Limited

Notes to the Financial Statements for the year ended 30 June 2008 (continued)

21. Post balance sheet events

On 9 July 2008, Barratt Developments PLC entered into a £400m three-year committed revolving credit facility. In addition, £350m of the existing £400m five-year revolving credit facility (effective from 2 February 2005) was extended on 6 August 2008 to match the maturity period of the new three-year £400m revolving credit facility. The remaining £50m of this facility expires on 1 February 2010.

On 9 July 2008, Barratt Developments PLC agreed with its bankers and private placement investors to amend the financial covenants to support the Group through the current difficult economic climate. The amendments were signed on 5 August 2008 and all conditions precedent were satisfied on 6 August 2008. From 6 August 2008 the weighted average interest rate paid by the Group increased to circa 9.75%.

The Group has redeemed £600m of its existing acquisition facility since the year end, and in January 2009 £36.7m of private placement notes were repaid.

Since the year end, the Company has conducted a review of the net realisable value of its land and work in progress carrying values of its site in the light of the current deterioration in the UK housing market. This impairment has been recorded in the financial statements for the year ended 30 June 2008. Further details are given in note 9.