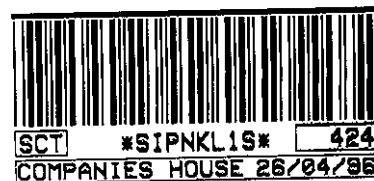


The Scottish Homes Investment Company Limited

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 that of a holding company. It has not traded during the previous or this current year, and therefore no profit and loss account has been presented.

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 (Chairman)

Directors' interests

None of the directors had 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 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

A handwritten signature in black ink, consisting of a stylized 'A' followed by a series of loops and a long horizontal stroke.

Company secretary
11 October 1995

**Report of the auditors to the members of
Scottish Homes Investment Company 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.

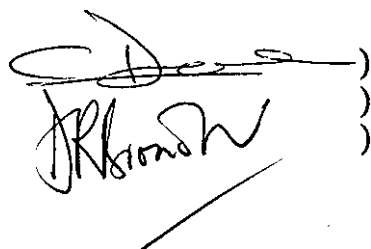
Cooper & Lybrand

Chartered Accountants and Registered Auditors
Newcastle upon Tyne
11 October 1995

Balance sheet at 30 June 1995

	Notes	1995 £'000	1994 £'000
Fixed assets			
Investments	3	<u>10</u>	<u>10</u>
Current assets			
Debtors	4	3,373	3,373
Creditors: amounts falling due within one year	5	<u>(888)</u>	<u>(888)</u>
Net current assets		<u>2,485</u>	<u>2,485</u>
Net assets		<u>2,495</u>	<u>2,495</u>
Capital and reserves			
Called up share capital	6	2,100	2,100
Share premium account	7	132	132
Profit and loss account	7	<u>263</u>	<u>263</u>
Shareholders' funds		<u>2,495</u>	<u>2,495</u>
Analysis of shareholders' funds			
Equity shareholders' funds		745	745
Non equity shareholders' funds		<u>1,750</u>	<u>1,750</u>
		<u>2,495</u>	<u>2,495</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 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.

Intermediate parent company

The accounts contain information about The Scottish Homes Investment Company Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts as it and its subsidiaries are included by full consolidation in the consolidated accounts of its ultimate parent, Barratt Developments PLC, a company registered in England and Wales.

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 Investments

	1995 £'000	1994 £'000
Interests in subsidiary		
At cost less amounts written off	10	10
	<u> </u>	<u> </u>

The subsidiary undertaking is Glasgow Trust Limited, a company registered in Scotland. The company has not traded during the period. The Scottish Homes Investment Company Limited owns 100% of the £1 ordinary shares of Glasgow Trust Limited.

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

4 Debtors

	1995 £'000	1994 £'000
Amounts falling due within one year:		
Amounts owed by parent and fellow subsidiary companies	3,373	3,373

5 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Amounts owed to parent and fellow subsidiary companies	878	878
Amounts owed to subsidiary company	10	10
	<u>888</u>	<u>888</u>

6 Called up share capital

	1995 £'000	1994 £'000
Authorised, allotted, called up and fully paid		
Non equity shares		
7,000,000 (1994: 7,000,000) deferred shares of 25p each	1,750	1,750
Equity shares		
7,000,000 (1994: 7,000,000) ordinary shares of 5p each	350	350
	<u>2,100</u>	<u>2,100</u>

7 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 1994 and 30 June 1995	132	263

8 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.