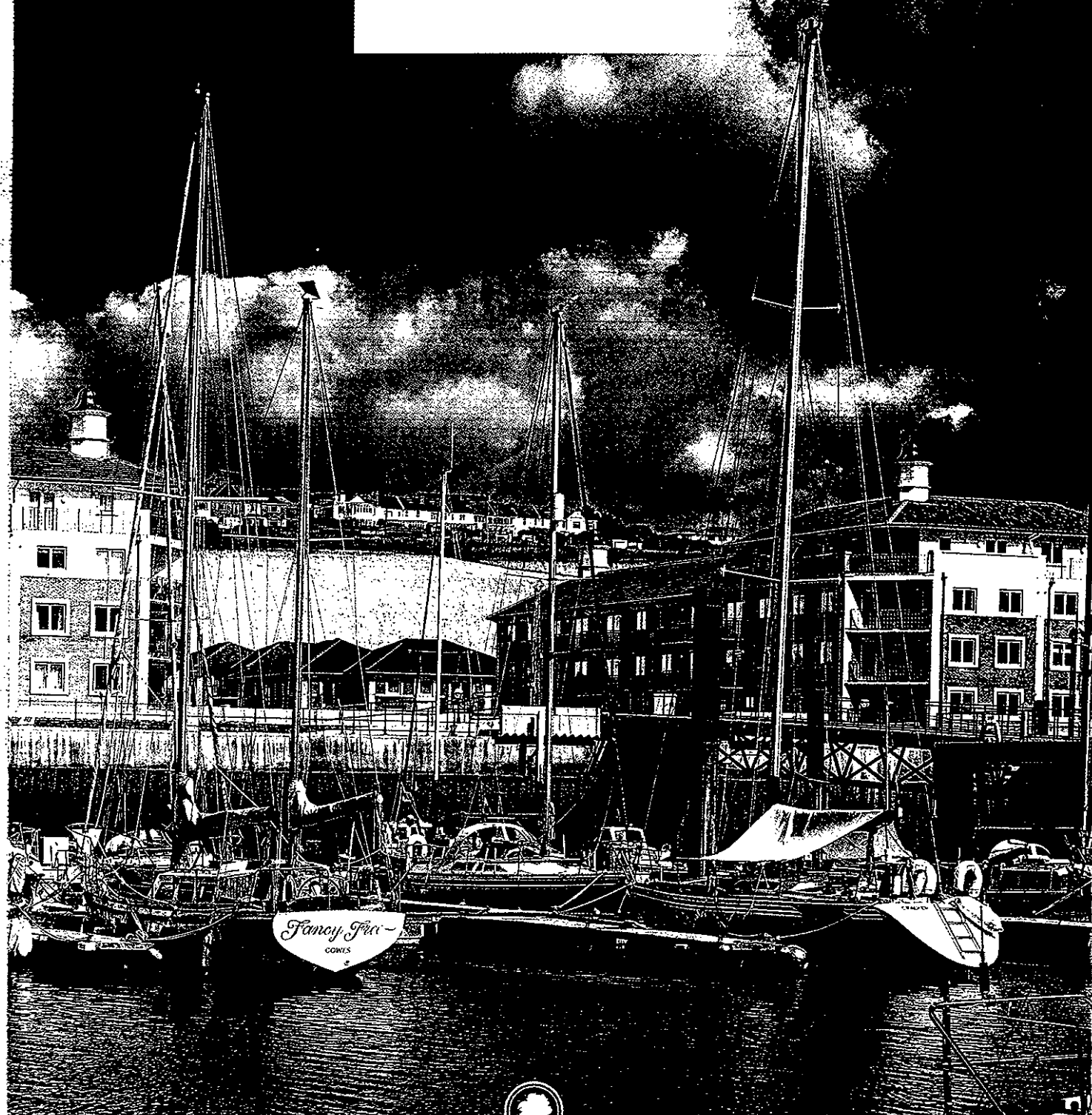
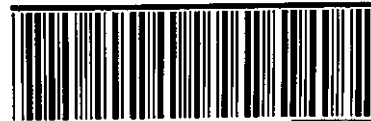


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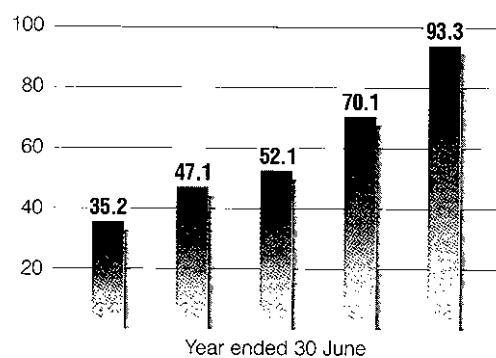


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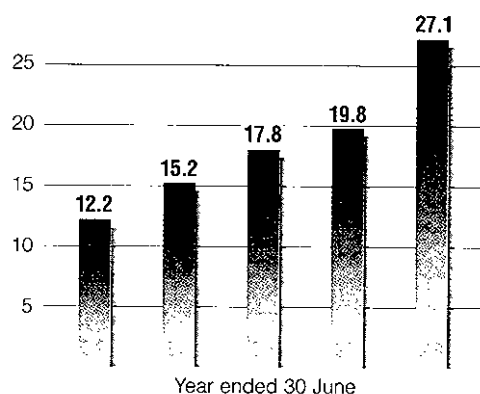
Financial Highlights

Consistent growth has been achieved across all key financial performance indicators.

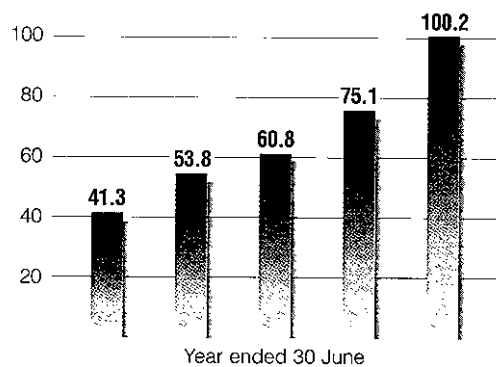
PRE-TAX PROFITS £m



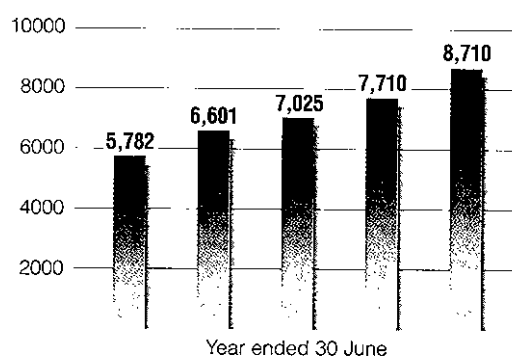
EARNINGS PER SHARE pence



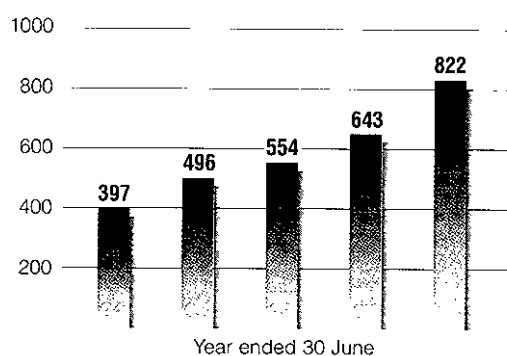
UK HOUSING OPERATING PROFIT £m



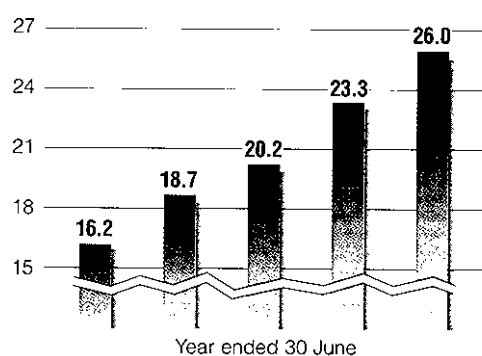
UK LEGAL COMPLETIONS units



UK HOUSING TURNOVER £m



UK LAND BANK 000's plots



Chairman's Statement



Frank Eaton, Chairman, at Park Farm, Frampton Cotterell. The South West is a successful growth area for Barratt and this fast-selling development of 120 homes near Bristol was 50% sold within nine months, well ahead of construction.

The Group has produced another highly successful year, significantly increasing market share and delivering record profit and turnover. Notwithstanding some slowing in the UK housing market, we achieved a 13% increase in sales completions and entered the current financial year with record forward sales. Since 1 July we have continued to increase market share, which demonstrates our resilience and gives us confidence for the year ahead.

Throughout the UK all our divisions again traded very successfully and we particularly benefited from our strategic emphasis on the stronger Southern housing market. Group results for the year ended 30 June 1998 were:

- **Pre-tax profit** amounted to £93.3m against £70.1m the previous year, an increase of 33%.
- **Earnings per share** amounted to 27.1p against 19.8p the previous year, an increase of 37%.
- **Final dividend** of 6.7p per share will be recommended against 6p the previous year, giving a total dividend for the year of 10p, an increase of 11%, 2.7 times covered.
- **Turnover** rose to £891m against £714m the previous year, an increase of 25%. In the UK we achieved 8,710 completions, an increase of 13% at an average selling price of £95,900, an increase of 10%.
- **Shareholders' funds** at the year end amounted to £399m, an increase of 12%.
- **Land stocks** increased from 23,346 plots to 26,045 plots, equating to three years' volume.

- **Net cash in hand** amounted to £46m, which highlights the emphasis placed on cash management. This is a repeat of the strong financial position existing at 30 June 1997 and was achieved notwithstanding an £85m increased investment in our UK land stocks.
- **Return on capital employed** was 24.7% maintaining our position amongst the highest in the industry.

A year of considerable progress in which we have strengthened all aspects of our business. We particularly benefited from the expansion of the Group's divisional network and with six of our nine new divisions located in the South, we maximised on the stronger Southern market, increasing our volumes significantly, fully endorsing our earlier planned investment in this region.

The higher volumes and selling prices achieved in the South greatly contributed to our substantially increased turnover. The South continues to be our strongest market place, producing the highest sales rates per site and during the year we continued our investment programme in this region with an expenditure of £173m, amounting to 59% of our total land spend. This will ensure that we continue to secure a significant share of this important market. We now have 58 sites in and around the M25, out of 85 in Southern England.

Elsewhere, in all our regions we achieved increased volume and profits as well as reduced sales costs.

In the prevailing market conditions demand for our part-exchange facility further reduced. However, some 35% of our buyers took advantage of this fast and efficient service and we completed 3,351 resale transactions. Our long experience of part exchange enables us to quickly react to any increased demand, thereby securing our new home sales. During the year we also continued to provide a selective range of other forms of assistance to our buyers appropriate to regional market conditions, particularly outside the more buoyant Southern market.

The greatest challenge facing the house-building industry in recent years has been to secure its land stocks with the Government failing to implement a land availability policy to meet UK housing needs. The planning process is equally inefficient regardless of whether the planning submissions are for greenfield or brownfield sites, even in the current climate where brownfield development is encouraged. To overcome these difficulties we continue to place a much greater emphasis on land acquisition and we have achieved considerable

success, increasing our selling outlets by 14% to 280. We have specialist skills and extensive experience of urban development which we have used to process more former use sites and through our development and planning skills we have achieved greater land utilisation. Our investment in land acquisition during the year amounted to £292m, increasing our land stocks to over 26,000 plots, equal to three years' volume.

Our strict land buying criteria are closely monitored and ensure that all sites acquired produce full margins. Equally our land buying programme is stringently controlled to ensure the best management of the Group's financial resources and a full return on our investment. This is clearly demonstrated by our increased investment in year end land stocks, up £85m, which was achieved whilst maintaining a year end funding position of £46m cash in hand, a strong financial position which is unchanged from the previous year end.

We are successfully expanding the business and achieving our volume and profit growth organically. Our divisions are located in the main population bases and our operations extend nationwide across 280 developments in sought-after locations of proven demand.

All our non-core activities - contracting, commercial property and our remaining joint venture interest in leisure property - traded profitably and are well-controlled. However, we continued our overall policy of reducing investment in these activities. In our USA operation we achieved 365 home sales, unchanged from last year, and further reduced our operating loss to £0.8m. The Southern California housing market continued to improve which assisted our efforts in trading through older developments. The market remains favourable and we anticipate our results will continue to improve.

The Group commenced the new financial year in a very strong position with forward sales reservations up £73m to a record £241m. Since 1 July last we have continued to produce an increase in our sales reservations year on year, with selling costs comparable to the year just ended. Market conditions throughout the country have stabilised and remain favourable with the Southern market the strongest. House price to earnings ratios remain very favourable and the desire for home ownership remains strong.

We have clearly demonstrated our ability to operate effectively in a low inflationary environment, maintaining one of the lowest cost bases in the industry. This has

assisted greatly in securing our land stocks and will continue to form part of our emphasis on further improving margins. Our land acquisition programme has been highly successful and is ongoing, securing quality sites in proven locations, with the emphasis on the expansion of our more recently-established divisions.

During the year we were pleased to announce two key appointments to further strengthen the Board. Mr Alan Kilburn was appointed as a Non-Executive Director with effect from 1 April 1998. Mr Kilburn retired in April from his position as Chief Executive of Home Housing Association and has a wealth of experience in the housing industry and in particular the housing association sector. Additionally Mr David Pretty was appointed to the position of Group Managing Director. Mr Pretty has 18 years' service with the Group and is also responsible for our very successful Southern Region as Regional Chairman. I am also pleased that we continued to benefit from Sir Lawrie Barratt's experience in his new role as Life President.

We have continued to strengthen our management team in tandem with the expansion of the business. We have a highly experienced team of executive directors, supported by proven management throughout our countrywide operations, which has demonstrated its ability to succeed in varying market conditions.

Finally, I would like to express my gratitude to all of our employees throughout the Group. Our record results could not have been achieved without a tremendous amount of hard work, enthusiasm and skill contributed by the entire team, who fully deserve my congratulations.

Looking ahead, we have no doubt that the underlying demand for new houses will remain strong and that we shall continue to benefit from our superior land stocks, our competitive advantage and long experience in developing brownfield sites, our outstanding product range and the unrivalled service we provide to our buyers.

We shall seek to build on our proven track record and our corporate objectives will continue to be to improve earnings per share and generate shareholder value. We have confidence in our results for the future.



Chairman

23 September 1998

Operational Review

UK HOUSEBUILDING

This has been another year of substantial progress, in which we benefited from our ongoing success in increasing market share and produced an improved performance across all key financial statistics. All 22 housebuilding divisions throughout the country traded very successfully. We particularly benefited from our strategic emphasis and planned investment in the stronger Southern market.



Pierhead Lock, London E14. This £20 million scheme with views of Canary Wharf and the Millennium Dome, has been tremendously successful and already 65% of the 100 apartments are pre-sold from £120,000 to over £400,000. Inset: David Pretty, Group Managing Director at Pierhead Lock.

Barratt was one of very few national housebuilders to significantly increase volume completions. We sold 8,710 homes, a 13% increase on the previous year, producing turnover of £822m, up 28%, which combined with further improved margins enabled us to produce record Group pre-tax profits of £93.3m.

Operating profits in our core activity, UK housebuilding, rose to £100.2m, a 33% increase and we again improved the operating margin, from 11.7% to 12.2%. This improvement was mainly attributable to four factors - a reduction in selling costs, a high rate of sale, stringent controls on overhead and building costs, and skilful land buying.

Our average selling price for private sales was £95,900, against £87,100 last year. This rise was largely due to the significant increase in sales from our Southern operations, including completions from a number of our large prestige inner London developments.

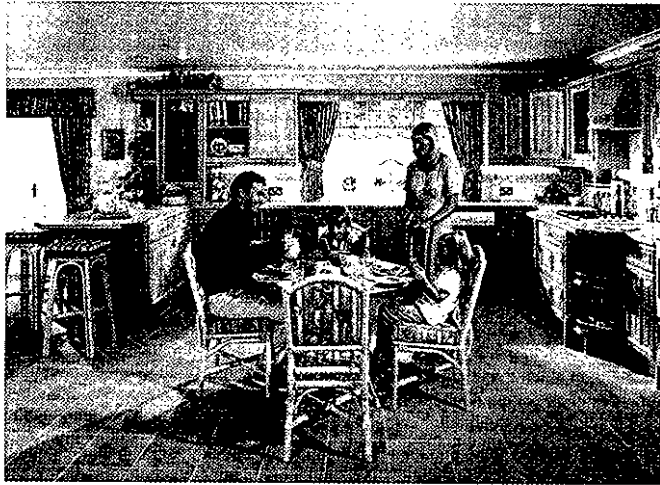
In our continued pursuit of maintaining a low cost base, construction cost increases are being effectively contained. Last year they amounted to 3.5% and they are not expected to exceed 3% this year. Administrative overheads were also further reduced from 3.2% to 3.1% of revenue.

Our ongoing achievement in effective cash management is demonstrated by the Group year end total funding position of £46m cash in hand which was unchanged from the previous year, notwithstanding an £85m increased investment in our UK land stocks.

We maintained our position in delivering one of the highest returns on capital employed in the industry of 24.7% which clearly demonstrates the emphasis we place on maximising the return on our resources and management.

THE MARKET

For most of our financial year, the UK housing market operated at two levels - a very buoyant and much stronger Southern market and a more modestly improving market throughout the rest of the country.



The kitchen plays a central role in family living and an increasing number of Barratt 4/5 bedroom homes feature breakfasting kitchens with adjoining family "dens", conservatories and separate utility rooms.



Wentworth Gate, Virginia Water, Surrey. At this development over half of the 61 homes were sold before any were ready to move into. The development is now 90% sold at prices from £250,000 to £900,000.

Much of the Southern improvement could be attributed to a market correction which reinstated the historic price differentials between the South and other regions. However since Spring there has been a slowing in the market place and overall activity in the South East has adjusted to a more normal and sustainable level. In the other regions the markets are continuing at a similar level to the year just ended.

Against this background we again outperformed the market and increased our market share, with all our regions producing increased volume and profits.

We have undoubtedly benefited from the

expansion of the Group's divisional network. Our nine new divisions increased their combined volumes by 47% and we were strongly assisted by the fact that six are located in the stronger Southern market.

Our divisions are strategically located in main population areas and our diverse product range and development skills enable us to source all types of site and service all market sectors. At the year end we operated on 280 developments nationwide, all in areas of proven demand, at prices ranging from £35,000 to £800,000.



First-time buyer homes blend traditional cottage-style exteriors with the latest interior layouts. The new Barratt Premier Collection contains over 70 house styles ranging from 1 to 7 bedrooms.



Mike Norton, Chairman of Barratt Northern, presents an achievement award to North East-based site manager Eddie Smith in the Group's "Forward Through Quality" initiative.

Operational Review



Piccott's Mill, Herts. In a stunning rural location, yet close to Hemel Hempstead, this exclusive development of 20 homes was 90% sold within a year at prices up to £425,000.

LAND

The greatest challenge facing the house-building industry in recent years has been to secure its land stocks. Against this background we achieved considerable success, increasing our selling outlets by 14% to 280. We acquired 11,409 plots, 31% more than we used, which increased our land bank by 12% to 26,045, equating to 3 years' volume.

The average plot cost of our total holding is now £21,100, representing 22.4% of average selling price. This clearly demonstrates our control over land expenditure especially since 50% of the total land acquired was in the South.

Our year end investment in land stocks increased by £85m and this was achieved whilst maintaining a year end funding position of £46m cash in hand, the same as the previous year end. All land acquisition is closely monitored and purchased according to strict criteria to ensure that all sites

produce full margins. This ensures the best management of the Group's financial resources, which is clearly evident in our financial results. Cash expenditure on land amounted to £292m and we again succeeded in securing a good element on deferred terms, thereby increasing land creditors by £28m to £118m.

We operate a strategy of maximising volume on all our sites in order to continually re-cycle investment into new full margin sites and in the year just ended 115 sites were completed and replaced by 150 new developments.



Harold Walker, Chairman of Barratt Central, at Heron's Reach, Ellenbrook, Greater Manchester, one of the fastest-selling developments in the North West.

Our strategic emphasis on the South means that we now have 85 sites in Southern England with 58 in and around the M25. We have met increased demand by using our development skills to secure more brownfield sites in sought-after locations.

Despite the land availability and planning difficulties facing the industry we have a proven track



Marlborough Place, Rustington, West Sussex. Barratt are the lead developer on this £40 million partnership project and will create 112 homes. Low-cost housing will make up 25% of the development.



Kensington Park, Olympia, London W14. A computer-generated impression of this partnership project creating 221 homes, of which 96 will be for rent and shared ownership. Work commenced nine months ago and the development is already one-third sold.

record of consistently increasing our land stocks. Over the past 5 years our stocks have increased from 13,600 to 26,045 plots and we are confident of our ability to continue to expand this total in line with our growth objectives.

PARTNERSHIPS

Consistent with our policy of serving all sectors of the market we again undertook a wide range of schemes in partnership with central government, local authorities, housing associations, lending institutions and other agencies. Last year we completed over £20 million worth of social housing on 25 schemes which provided almost 400 homes for rent, shared ownership and low-cost sale. Projects commenced ranged from a 10-unit scheme near York

for Ryedale Housing Association, providing low-cost rural housing for local people, to an 8 acre 96-unit site next to Olympia, London W14, in conjunction with Family Housing Association.

URBAN RENEWAL

Our specialist skills and extensive experience of urban development make us less reliant than others on greenfield sites and provide us with a valuable competitive advantage. In fact well over 60% of our land has had a former use and we have successfully recycled scores of derelict industrial sites and converted redundant commercial buildings into residential use. Schools, hospitals, dock buildings and warehouses have all been transformed into affordable homes for sale, rent and shared ownership.

Regeneration opportunities exist throughout the country and are not confined to the provision of low and medium cost housing. For example, a highly successful project on the site of a redundant Victorian warehouse at Globe View, London EC4, is creating 136 apartments in one of the largest residential developments in the City since The Barbican. The development is now 60% sold at prices from £125,000 to £500,000, even though first completions are not programmed until 1999.

We also continue to exploit office-to-residential development opportunities, which have proved extremely successful, and recently commenced work on our 11th London project.



Times House, Ruislip, Middlesex. Office-to-residential conversions have proved highly successful and this computer-generated impression shows our 11th project in London, where work will shortly commence on 96 homes priced from £90,000 to £200,000.

Operational Review

HELPING HOMEBUYERS

Helping to make house purchase easier has always been a cornerstone of our marketing philosophy and this sets us apart from others in the industry. We first introduced purchase plans such as the Barratt Home Exchange Service and the £250 Down and Move In scheme in 1971 and they have remained a permanent feature of the services we offer to our buyers.

During the year prevailing market conditions reduced demand for our part exchange facility, however some 35% of our buyers still chose to take advantage of this fast and efficient house move service, with 3,351 resale transactions being completed. Our long experience of part exchange enables us to quickly respond to any increased demand, thereby securing our new home sales. We also continued to provide a selective range of other forms of assistance appropriate to regional market conditions.

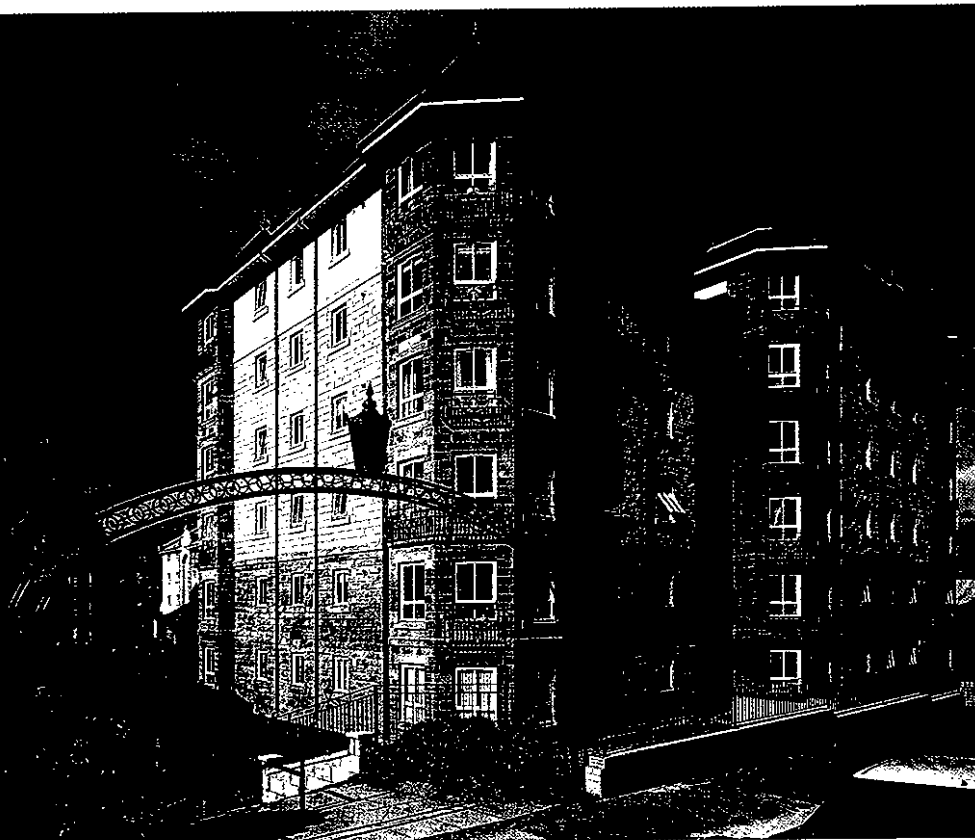
We offer our buyers the widest choice of new homes available in Britain, providing housing for all

sectors at prices ranging from £35,000 to £800,000 on over 280 developments nationwide. Our policy of continuous product development helps ensure that we deliver what the customer wants: traditionally styled new homes with additional features at value-for-money prices.

QUALITY BUILDING

We are committed to achieving and maintaining the highest quality standards in all aspects of our business. During the year we implemented a range of measures focusing on quality, including a new continuous assessment programme for all Barratt site management covering all aspects of their work. Branded under the "Forward Through Quality" banner, this initiative is designed to provide our customers with the best of quality and service standards.

Last November our achievements were recognised when we were named "Housebuilder of the Year" for a record 6th time by the consumer magazine What House?



Above: Stylish fully-furnished showhouses featuring a wide variety of interior designs are on display at Barratt developments around the country.

Sovereign Court, Edinburgh. This fast-selling £12 million project has transformed a disused car park into 161 apartments. Over the past year five prime city centre sites have been developed in Edinburgh, creating over 420 homes.



Above: Paul Gieron, Chairman of Barratt West, (left) presents site manager Ivan Dunn and sales negotiator Tamzin Cory with a Development Team award for their work at Kings Mead, Bristol.

The "Knightsbridge". New house styles, such as this impressive family home which features en suite facilities to all 4 bedrooms, are regularly introduced as part of our programme of continuous product development.

In addition, in the National House Building Council's Pride In The Job campaign, Barratt site management teams earned recognition by winning 25 Quality Awards, significantly more than our market share. We also received industry awards for customer service and care for the environment.

TRAINING

We have a long-standing commitment to training. A wide range of internal and external training programmes are undertaken, many in close conjunction with industry organisations such as the Construction Industry Training Board and the National House Building Council.



At craft level, we offer school leavers apprenticeships and anticipate employing over 300 apprentices throughout the Group during this year. We provide not just basic training but also a defined career path, as we do with management trainees across all key disciplines.

Our apprentices regularly win awards for their skills and during the year several were recognised for their achievements, including Robert Butterfield, who was judged to be the UK's top apprentice in his trade, site carpentry. Robert beat over 4,000 other apprentices to become the national CITB Modern Apprentice of the Year.



Robert Butterfield, UK's top carpentry apprentice.

Many senior Barratt managers began their careers as apprentices and advanced through training programmes to their present positions. It is clearly an asset to the company to have a well-trained and well-motivated staff and the costs and commitment of training in the early years have proved to be a sound investment.

Woodlea, Newcastle upon Tyne. Former school sites have proved to be a valuable source of development land in well-established residential areas. This project provided 60 homes, which sold ahead of construction at prices from £52,500 to £95,000.

Operational Review

NON-CORE ACTIVITIES

Our non-core interests - contracting, commercial property and leisure property - represent a small percentage of the Group's turnover and we continued our overall policy of reducing investment in these activities. However, all are well-controlled and traded profitably during the year.

Barratt Construction has become increasingly involved in private housebuilding, however the company also undertakes general building and civil engineering projects in the North East of Scotland, where it has a solid reputation for high standards and efficient service, completing contracts within budget and on schedule. The division performed profitably in both its contracting and private housebuilding activities.

In August 1997 we sold 50% of our leisure property company, Barratt International Resorts, for a consideration equal to the share of the net assets sold. The purchaser, Macdonald Hotels, had been

managing the business for the previous six years. Since the sale was completed, the company has again traded profitably.

USA HOUSING

Market conditions in the better areas of Southern California continued to improve throughout 1997/98 and in these areas, where our more recent developments are located, sales have improved.

However, in outlying areas where our older sites are located, the market continues to be difficult. Completions totalled 365, the same as the previous year, and we further reduced our operating loss to £0.8 million.

The improvement in the market appears sustainable and we anticipate our results will continue to improve. Our strategy continues to be one of limiting the scale of our activity whilst trading through older developments and replacing these with new more profitable sites.



Trinity Square, Wandsworth, London SW17. This £15 million project has transformed a derelict school site into 62 Regency-styled homes, built around an elegant London square. More than 60% have already been sold at prices from £150,000 to £410,000.

Above right: Colin Dearlove, Group Finance Director, (right) presents Land Negotiator Gordon Metcalfe with a performance award at Stonelea, North Tyneside.

Sir Lawrie Barratt, Life President, with apprentices at Regent's Park, Blackburn, Lancashire. The Group has a long-standing commitment to training and anticipates employing over 300 apprentices this year at craft level.





CONCLUSION

Prospects for the Group are very encouraging. Sales reservations in the year just ended were up 16% on the previous year, despite some slowing in the market, and sales since July continue to show a significant increase year on year and at selling costs unchanged on the year just ended.

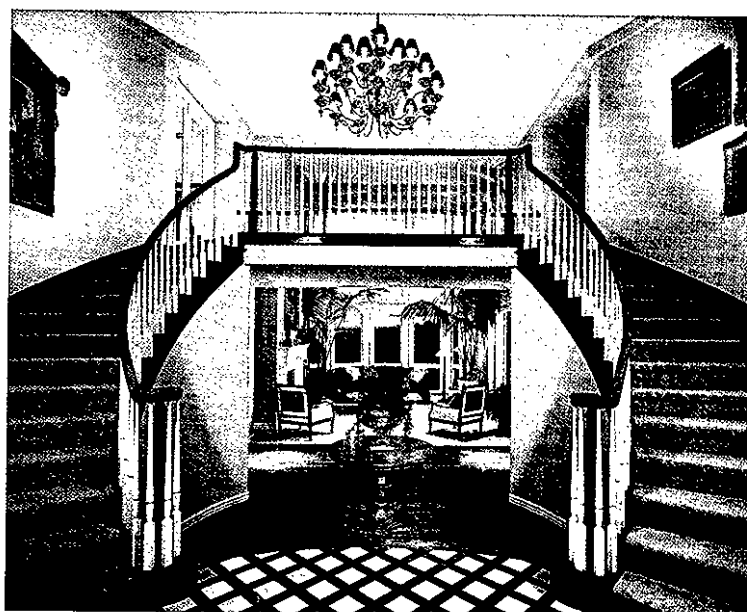
Selling outlets are also continuing to increase. We currently have 285 developments throughout the UK with 295 anticipated by December 1998. Our land acquisition programme has been highly successful and is ongoing, securing quality sites in proven locations, with the emphasis on the expansion of our more recently-established divisions.

We have the necessary experience and skills to ensure the ongoing efficient management of our resources. Our sales rates per site and stock-turn remain among the highest in the industry, which will ensure we continue to produce a full return on shareholders' funds.

Demand for home ownership remains strong. We have consistently demonstrated our ability to increase market share in varying market conditions and we are well-positioned to do so again. We commenced the new financial year with record forward sales and are confident we will continue the sound progress we have made in recent years.

Knightsbridge Country Estates, Olivenhain, San Diego County. This development of 60 luxury homes in a magnificent hilltop location with views of the Pacific, is selling well ahead of construction at prices from around \$850,000 to \$1,000,000.

Stylish interiors and high specifications are a feature of top-of-the-range Barratt American homes.



Directors and Professional Advisers

Directors

F Eaton § <i>Chairman and Chief Executive</i>	B Bean *†§ <i>Vice Chairman</i>	D A Pretty <i>Group Managing Director</i>
P H Ashworth *†§	C A Dearlove	P R Gieron
A E Kilburn *†§	M Norton	H Walker

* Non-executive † Member of the Remuneration Committee and Audit Committee § Member of the Nomination Committee

Mr F Eaton, 48, joined the Group in 1979. He was managing director of Barratt Manchester until his appointment to the Main Board in 1988 as Chairman of the Central Region. He has been Group Chief Executive since July 1991 and Group Chairman since November 1997.

Mr B Bean CBE, 67, was appointed a non-executive director in May 1997. He has held positions as Chief Executive of two Government Development Corporations and as a Member of the British Waterways Board. He is a former Chairman of Admiral Homes Limited and for a period of ten years was Chief Executive of the National House Building Council, retiring in April 1997.

Mr D A Pretty, 53, initially joined the Group in 1976 and was formerly the managing director of Barratt Central London. He left the Group in 1987 to take up a position as managing director of St George PLC. He rejoined the Group and was appointed to the Main Board in 1990. In 1991 he became Chairman of the Southern Region and was appointed Group Managing Director in March 1998.

Mr P H Ashworth, 60, was appointed a non-executive director in May 1997. He is the senior partner in the firm of solicitors, Field Cunningham & Co.

Mr C A Dearlove, 46, joined the Group finance department in 1981. He was appointed to the Main Board as Group Finance Director in December 1992.

Mr P R Gieron, 44, joined the Group in 1980. Formerly the managing director of Barratt Bristol, he was appointed to the Main Board on 1st July 1997 and is Chairman of the West Region.

Mr A E Kilburn OBE, 62, was appointed a non-executive director on 1st April 1998. He has worked in housing for more than 40 years and has held senior positions in both local authority and housing association sectors. Formerly the Chief Executive of Home Housing Association from 1976 until his retirement in April 1998, he is currently involved in a number of charitable enterprises including the North East Civic Trust and the Northern Rock Foundation.

Mr M Norton, 57, joined the Group and was appointed managing director of Barratt Bristol in 1977. He was appointed to the Main Board in March 1983 and is Chairman of the Northern Region.

Mr H Walker, 52, joined the Group in 1977 and was managing director of Barratt Manchester from 1988 until his appointment to the Main Board in July 1996. He is Chairman of the Central Region.

Secretary

Mr F Brown

Registrar

I R G Plc
Bourne House
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Registered Auditors

PricewaterhouseCoopers

Solicitors

Slaughter and May

Joint Brokers

Cazenove & Co
Charterhouse Tilney Securities Limited

Merchant Bankers

Warburg Dillon Read

Notice of Annual General Meeting

Notice is hereby given that the fortieth annual general meeting of Barratt Developments PLC will be held at the Plaisterers Hall, 1 London Wall, London, EC2Y 5JU on 19th November 1998 at 2.30pm for the following purposes:

1. To receive and adopt the reports of the auditors and directors and the accounts for the year ended 30th June 1998.
2. To declare a final dividend.

To re-elect directors:

3. Mr F Eaton who retires by rotation.
4. Mr C A Dearlove who retires by rotation.
5. Mr A E Kilburn who retires at the first annual general meeting following his appointment by the board.

To consider and, if thought fit, pass the following resolutions of which resolutions 6, 7 & 8 will be proposed as ordinary resolutions and resolution 9 will be proposed as a special resolution.

6. To re-appoint PricewaterhouseCoopers as auditors of the company (having previously been appointed by the board to fill the casual vacancy arising by reason of the resignation of Coopers & Lybrand), to hold office until the conclusion of the next general meeting at which accounts are laid before the company.
7. To authorise the directors to fix the auditors' remuneration.
8. To generally and unconditionally authorise the board to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £6,696,455 provided that this authority shall expire on the date of the next annual general meeting after the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
9. That, subject to the passing of resolution 8 above, the board be, and it is hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of Section 94 of the said Act) for cash pursuant to the authority conferred by resolution 8 above as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them provided that the directors may make such arrangements in respect of overseas holders of shares and in respect of fractional entitlements as they consider necessary or convenient; and
 - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £1,165,177 being 5% of the nominal value of the existing issued share capital as at 16th September 1998.

and shall expire on the date of the next annual general meeting of the company after the passing of this resolution save that the company may before such expiry make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Registered Office
Wingrove House
Ponteland Road
Newcastle upon Tyne NE5 3DP

By order of the board
F Brown
Secretary
15th October 1998

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of the member. A proxy need not be a member of the company.

Pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995, only those shareholders registered at 5.00pm on 17th November 1998 will be entitled to attend and vote at the meeting in respect of the numbers of shares registered in their names at that time. Subsequent changes to the register will be disregarded in determining the rights of any person to attend and vote at the meeting.

Copies of contracts of service of the directors with the company and the register of the directors' interests will be available for inspection at the place of the meeting from 2.15pm until the conclusion of the meeting.

Directors' Report

The directors submit their report and the accounts for the year ended 30th June 1998.

ACTIVITIES OF THE GROUP

The group's principal activity continues to be building and development.

A full review of the group's performance and prospects can be found in the Chairman's Statement on pages 2 and 3, and in the Operational Review on pages 4 to 11.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation for the year ended 30th June 1998 was £63.1m (1997 £45.9m). An interim dividend of 3.3p per share (1997 3.0p) was paid on 22nd May 1998 and it is proposed to pay a final dividend of 6.7p per share (1997 6.0p) on 20th November 1998 to shareholders on the register at the close of business on 9th October 1998.

The dividends paid and proposed amount to £23.4m (1997 £20.9m).

ANNUAL GENERAL MEETING

The notice of the annual general meeting on page 13 contains one special resolution.

The resolution (number 9) requests shareholder approval to renew for one year the directors' authority to allot unissued shares in the capital of the company for cash up to a limit equal to 5% of the issued share capital without initially offering such shares to existing shareholders.

DIRECTORS AND THEIR SHAREHOLDINGS

The current directors of the company are listed on page 12. Mr P R Gieron was appointed a director on 1st July 1997 and Mr A E Kilburn was appointed a director on 1st April 1998, all other directors listed on page 12 held office throughout the financial year. Sir Lawrence Barratt retired as a director on 20th November 1997 and assumed the role of Life President. He and Lady Sheila Barratt retain an interest in 2,189,762 shares in the company.

The beneficial interests of the directors and their families in the ordinary share capital of the company are shown below:

Ordinary shares of 10p each	30th June 1998		1st July 1997 or later appointment	
	Fully paid	Executive share options	Fully paid	Executive share options
F Eaton	408,202	614,353	408,202	434,353
B Bean	—	—	—	—
D A Pretty	34,928	290,530	24,398	276,060
P H Ashworth	5,700	—	—	—
C A Dearlove	13,982	396,060	13,982	276,060
P R Gieron	46,734	196,381	46,734	76,381
A E Kilburn	—	—	—	—
M Norton	172,491	185,000	172,491	276,060
H Walker	242,610	226,381	205,676	143,315

Details of movements in the directors' interests in executive share options are shown in the Remuneration Report on page 18.

On 23rd September 1998 Mr F Eaton purchased 25,000, and Mr D A Pretty purchased 10,000, fully paid ordinary shares of 10p each.

No other notification has been received of any change in the above interests during the period 30th June 1998 to 30th September 1998.

Under the provisions of Article 87 of the company's memorandum and articles of association, Mr F Eaton and Mr C A Dearlove offer themselves for re-election. Mr A E Kilburn retires in accordance with the provisions of Article 86 and offers himself for re-election.

Other than the transactions detailed in note 27 to the accounts, none of the directors had a material interest in a contract of significance in relation to the business of the group, during or at the end of the year.

Directors' Report

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 and the group 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 30th June 1998. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CORPORATE GOVERNANCE

The company's system of corporate governance, which is summarised below, complied throughout the financial year with the Code of Best Practice on the Financial Aspects of Corporate Governance, with the exception, for a short period, of clauses 1.3 and 4.3 relating to the number of non-executive directors. Following the retirement of Sir Lawrence Barratt the period of four months which elapsed prior to Mr A E Kilburn's appointment as a non-executive director was attributable to prior business commitments.

The board of directors, now comprising six executive and three non-executive directors, meets regularly throughout the year. The board is responsible for overall group strategy, acquisition and divestment policy, and consideration of significant financing matters. It reviews the strategic direction of the group, its annual budgets and progress towards achievement of those budgets. The board has a formal schedule of matters specifically reserved to them for decision.

The board has established three standing committees. Each committee operates within defined terms of reference. The principal committees are the Audit Committee and the Remuneration Committee. The Nomination Committee chaired by Mr A E Kilburn deals with appointments and promotions to main board positions. Trading companies and divisions are managed by separate boards of directors chaired by a main board director.

The Audit Committee consists of the three non-executive directors and is chaired by Mr B Bean. It meets regularly and monitors the adequacy of the group's internal controls, accounting policies and financial reporting. It also provides a forum through which the group's external audit, finance and internal audit functions may report to the non-executive directors. Meetings of the Audit Committee with the external auditors are held in private.

The Remuneration Committee reviews the terms and conditions of the executive directors. It is chaired by Mr P H Ashworth and its members are the non-executive directors.

The board of directors is required to consider whether the company and group is a going concern. Accordingly the board has made appropriate enquiries and is satisfied that the company and group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis in preparing the accounts.

The directors are responsible for the group's system of internal financial control which is designed to provide reasonable but not absolute assurance against misstatement or loss. The key procedures in the established framework are:

1. Each operating division has a board of directors who meet formally each month chaired by a main board director.
2. There is a comprehensive budgeting, reporting and forecasting system which requires monthly reporting of results and forecasts of all operating divisions with comparisons to budget.
3. Operational procedures are embodied in the Group Chief Executive's Group Policy Instructions issued to all divisions. Financial controls and procedures including information systems are detailed in Accounting and Systems manuals.
4. All systems are monitored by the internal audit functions including financial, marketing and construction related matters.
5. The risks facing the business are assessed on an ongoing basis and all key areas, including finance, land buying and the market are reported to the board each month.

The directors have reviewed the operation and effectiveness of the group's system of internal controls for the year ended 30th June 1998.

EMPLOYEES

The directors recognise the importance of good communication, consultation and relations with employees. The group is structured on a decentralised basis and the management of each subsidiary implements group policies in relation thereto as determined by the main board.

It is group policy to give equal opportunities to all, regardless of race, creed, colour, religion, gender or disability, both in access to employment and opportunities within employment. We are also committed to ensuring, within the framework of the law, that our workplaces are free from unlawful discrimination.

Directors' Report

STATUTORY INFORMATION

At 15th September 1998 notification had been received of the following interests which exceed a 3% interest in the issued share capital of the company.

	Date of notification	Ordinary shares of 10p each	% of issued share capital
F M R Corp	14.09.98	13,784,784	5.92%
CGU Plc (formerly General Accident)	14.07.98	10,775,663	4.62%
Zurich Financial Services Group & Zurich Allied A G & Allied Zurich PLC	09.09.98	9,906,700	4.25%
Standard Life	02.09.98	9,290,384	3.98%
Henderson Investors Limited	08.06.98	7,343,112	3.15%

No charitable donations were made during the year. No political contributions were made during the year.

CREDITOR PAYMENTS

Each group company is responsible for agreeing the detail of terms and conditions relating to transactions with its suppliers. It is group policy to abide by the agreed terms of payment with suppliers where the goods and services have been supplied in accordance with the relevant terms and conditions of contract. Implementation of this policy resulted in a supplier payment period for the company of 41 days for its trade creditors at 30th June 1998.

ENVIRONMENTAL POLICY

The group recognises its responsibilities to assess and minimise the impact of its business on the environment and, wherever possible, to restore and enhance the environment.

Environmental concerns are fully considered when planning and building our developments. It is our policy and practice to specifically address environmental issues in all land feasibility reports to ensure any concerns are highlighted at the earliest opportunity so that appropriate measures can be built into the development programme, in line with best practice, to avoid or minimise any adverse environmental impact.

Although these policies apply to all developments, they are even more positively pursued in relation to developments which have had a former use. Barratt has been and continues to be the industry leader in the recovery and revitalisation of this land, with the consequent benefits to both the environment and to local communities.

YEAR 2000

The directors recognise the importance of the Year 2000 issue and have endorsed a programme to ensure that all systems are compliant and all key risk areas are identified. The review is in progress and it is currently envisaged that there will not be a material cost to the group. However, due to the complexity and uncertainty of the issue there is no absolute guarantee that problems will not be encountered. As a consequence, the directors will keep this issue under review.

AUDITORS

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1st July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

On behalf of the board

F Brown

Secretary

Newcastle upon Tyne

15th October 1998

Remuneration Report

The members of the Remuneration Committee, who are all non-executive directors, are Mr P H Ashworth (Chairman), Mr B Bean and Mr A E Kilburn.

In framing its policy the Committee has complied throughout the year with the requirements of Section A of the Best Practice Provisions of the Stock Exchange Listing Rules regarding remuneration committees and has given full consideration to Section B of those provisions regarding remuneration policy, service contracts and compensation payments.

The policy is to ensure that remuneration packages are sufficient to attract, motivate and retain executive directors of a high calibre. Account is taken of the group's performance compared with other companies in the construction sector, and of total remuneration packages in those companies to ensure the total remuneration packages of the executive directors are comparable.

The basic salary for each executive director is determined taking into account the results achieved by the group, with reviews being undertaken on an annual basis. Performance related payments are made, in addition, which vary according to the extent to which group pre-tax profit levels exceed £20.0m.

The executive directors receive taxable benefits in kind covering the provision of a motor vehicle, private medical insurance and some telephone costs.

All executive directors have one year rolling contracts. There are no specific provisions for compensation on early termination.

The executive directors being proposed for re-election at the forthcoming annual general meeting, Mr F Eaton and Mr C A Dearlove, have service contracts requiring 12 months notice to determine. The non-executive director being proposed for re-election at the forthcoming annual general meeting, Mr A E Kilburn has a term of appointment for one year expiring on 1st April 1999.

The non-executive directors' remuneration and terms of appointment are established by a committee consisting of the executive directors.

All executive directors are members of the group's contributory pension scheme which entitles them, with the exception of Mr D A Pretty, to a pension on retirement of two thirds of final pensionable salary after 40 years membership. They are also eligible for dependants' pension and insured lump sums on death in service. The final pension is calculated from the highest yearly average pensionable salary over three consecutive years during the last ten years of service. Performance related pay has always been and continues to be an integral part of pensionable salary to provide a competitive and appropriate remuneration package for directors. Benefits in kind are not pensionable.

Mr D A Pretty's pension entitlement is restricted by the earnings cap imposed under the Finance Act 1989. The company has agreed to review the level of early retirement benefits that would be available to him with a view to augmenting such benefits within the existing approved arrangements and subject to Inland Revenue limits. The additional cost to the company of undertaking any augmentation that might be possible would not exceed £44,000 per annum over a three year period.

The company paid a premium into a Personal Pension Plan for Sir Lawrence Barratt. From the 1st July 1997 until his retirement in November 1997 this amounted to £25,200 in recognition of which Sir Lawrence Barratt entered into a salary sacrifice arrangement foregoing salary of £21,554.

The group's original Executive Share Option Scheme expired on its 10th anniversary in December 1996. In November 1997 the company adopted an Executive Share Option Plan (the Plan). The Remuneration Committee approves the grant of share options to executive directors under the Plan, taking into account individual performance and the overall performance of the group. Options are normally exercisable between 3 and 10 years from the date of grant. The exercise of the options granted under the Plan are subject to the achievement of an objective performance condition set by the Committee, namely that the growth in the earnings per share of the company over a period of three consecutive financial years should exceed the growth in the Retail Price Index by at least 6 per cent. The non-executive directors do not participate in the Plan.

DIRECTORS' EMOLUMENTS

	Salary/ Fec £000	Performance Related £000	Benefits £000	1998			1997
				Sub-total Remuneration £000	Gain on Exercise of Share Options £000	Total £000	Total £000
Sir Lawrence Barratt	73	24	7	104	—	104	198
F Eaton	281	109	8	398	—	398	354
B Bean	29	—	—	29	—	29	4
D A Pretty	185	84	10	279	157	436	248
P H Ashworth	24	—	—	24	—	24	4
C A Dearlove	172	84	13	269	—	269	237
P R Gieron	120	84	5	209	—	209	—
A E Kilburn	6	—	—	6	—	6	—
M Norton	185	84	14	283	303	586	258
H Walker	185	84	9	278	18	296	246
Total	1,260	553	66	1,879	478	2,357	1,549

Remuneration Report

DIRECTORS' PENSION BENEFITS

	Increase in accrued pension during the year £	Transfer value of increase £	Accumulated total accrued pension at year end £
F Eaton	18,010	56,780	180,730
D A Pretty	4,210	19,990	33,670
C A Dearlove	17,730	52,460	116,210
P R Gieron	18,560	43,700	86,500
M Norton	8,620	68,800	99,040
H Walker	6,390	27,450	160,740

The pension entitlement shown is the amount that would be paid each year on retirement based on service at the end of the current year. The increase in accrued pension during the year excludes any increase for inflation. Members of the scheme have the option of paying Additional Voluntary Contributions but neither the contributions nor the resulting benefits are included in the above table.

DIRECTORS' SHARE OPTIONS

	During the year			At 30.06.98	Exercise Price p	Market price at date of exercise p	Earliest Exercise	Latest Expiry
	At 30.06.97	Granted	Exercised					
F Eaton	211,060	-	-	211,060	180	-	28.09.96	27.09.03
	158,293	-	-	158,293	171	-	27.09.97	26.09.04
	65,000	-	-	65,000	271	-	26.04.99	25.04.06
	-	*180,000	-	180,000	222	-	11.12.00	10.12.07
D A Pretty	105,530	-	-	105,530	180	-	28.09.96	27.09.03
	105,530	-	105,530	-	171	320	-	-
	65,000	-	-	65,000	271	-	26.04.99	25.04.06
	-	*120,000	-	120,000	222	-	11.12.00	10.12.07
C A Dearlove	105,530	-	-	105,530	180	-	28.09.96	27.09.03
	105,530	-	-	105,530	171	-	27.09.97	26.09.04
	65,000	-	-	65,000	271	-	26.04.99	25.04.06
	-	*120,000	-	120,000	222	-	11.12.00	10.12.07
P R Gieron	26,381	-	-	26,381	171	-	27.09.97	26.09.04
	50,000	-	-	50,000	271	-	26.04.99	25.04.06
	-	*120,000	-	120,000	222	-	11.12.00	10.12.07
M Norton	105,530	-	105,530	-	180	319	-	-
	105,530	-	105,530	-	171	319	-	-
	65,000	-	-	65,000	271	-	26.04.99	25.04.06
	-	*120,000	-	120,000	222	-	11.12.00	10.12.07
H Walker	36,934	-	36,934	-	213	262	-	-
	26,381	-	-	26,381	171	-	27.09.97	26.09.04
	80,000	-	-	80,000	271	-	26.04.99	25.04.06
	-	*120,000	-	120,000	222	-	11.12.00	10.12.07

*Granted under the Executive Share Option Plan.

The mid-market share price of the company was 250.5p on 1st July 1997 and 265.0p as at 30th June 1998. The mid-market high and low share prices of the company during the year were 341.0p and 220.0p respectively. No options of directors in office at 30th June 1998 lapsed unexercised during the year.

There were no changes in the interests of the directors shown above between 1st July 1998 and the date of this report.

P H Ashworth
Chairman
Remuneration Committee

30th September 1998

Auditors' Reports

AUDITORS' REPORT ON CORPORATE GOVERNANCE

To Barratt Developments PLC

In addition to our audit of the accounts, we have reviewed the directors' statement on page 15 concerning the company's compliance with the paragraphs of the Cadbury Code of Best Practice specified for our review by the London Stock Exchange and their adoption of the going concern basis in preparing the accounts. The objective of our review is to draw attention to non-compliance with Listing Rules 12.43(j) and 12.43(v).

Basis of opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the group's system of internal financial control or its corporate governance procedures, nor on the ability of the company and group to continue in operational existence.

Opinion

With respect to the directors' statements on internal financial control and going concern on page 15, in our opinion the directors have provided the disclosures required by the Listing Rules referred to above and such statements are not inconsistent with the information of which we are aware from our audit work on the accounts.

Based on enquiry of certain directors and officers of the company, and examination of relevant documents, in our opinion the directors' statement on page 15 appropriately reflects the company's compliance with the other aspects of the Code specified for our review by Listing Rule 12.43(j).

PricewaterhouseCoopers
Chartered Accountants
Newcastle upon Tyne

15th October 1998

AUDITORS' REPORT

To the members of Barratt Developments PLC

We have audited the accounts on pages 20 to 32 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 15 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 affairs of the company and the group at 30th June 1998 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Newcastle upon Tyne

15th October 1998

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1998

	Note	1998 £m	1997 £m
TURNOVER: Group and share of joint ventures		897.0	714.4
LESS: Share of joint ventures turnover		(6.5)	-
GROUP TURNOVER		890.5	714.4
OPERATING PROFIT	1	96.6	72.9
SHARE OF OPERATING PROFITS OF JOINT VENTURES		0.8	-
PROFIT BEFORE INTEREST AND TAXATION		97.4	72.9
NET INTEREST PAYABLE	4	(4.1)	(2.8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	93.3	70.1
TAXATION	5	(30.2)	(24.2)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	63.1	45.9
DIVIDENDS	7	(23.4)	(20.9)
RETAINED PROFIT	19	39.7	25.0
EARNINGS PER SHARE	9	27.1p	19.8p

All activities of the group are continuing.

There is no difference between profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 30th June 1998

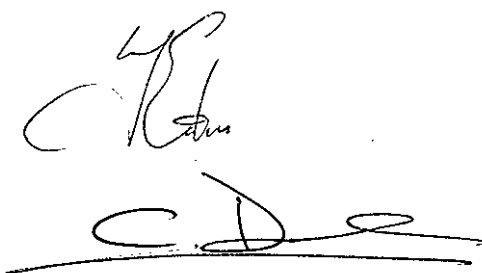
	1998 £m	1997 £m
Profit on ordinary activities after taxation	63.1	45.9
Currency translation differences on foreign currency net investments	0.2	(0.8)
Total gains and losses recognised since last annual report	63.3	45.1

GROUP BALANCE SHEET
at 30th June 1998

	Note	1998 £m	1997 £m
FIXED ASSETS			
Tangible assets	10	0.5	8.9
Investments in joint ventures:			
Share of gross assets		7.2	0.2
Share of gross liabilities		(5.5)	-
	11	1.7	0.2
Investments in associated undertakings	12	-	0.1
		2.2	9.2
CURRENT ASSETS			
Properties held for sale		3.5	5.6
Stocks	13	670.1	539.9
Debtors due within one year	14	20.4	19.7
Debtors due after more than one year	14	6.7	7.5
Bank and cash		68.3	74.2
		769.0	646.9
CURRENT LIABILITIES			
Creditors due within one year	15	(320.3)	(251.8)
NET CURRENT ASSETS		448.7	395.1
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS DUE AFTER MORE THAN ONE YEAR	16	(51.5)	(46.9)
PROVISIONS FOR LIABILITIES AND CHARGES	17	-	(1.0)
NET ASSETS		399.4	356.4
CAPITAL AND RESERVES			
Called up share capital	18	23.3	23.2
Share premium	19	176.2	174.4
Profit retained	19	199.9	158.8
EQUITY SHAREHOLDERS' FUNDS	20	399.4	356.4

Approved by the board on 15th October 1998

F Eaton
C A Dearlove } Directors



GROUP CASH FLOW STATEMENT
for the year ended 30th June 1998

	Note	1998 £m	1997 £m
CASH INFLOW FROM CONTINUING OPERATING ACTIVITIES	21	44.9	42.6
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		2.0	3.2
Interest paid		(6.0)	(4.6)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(4.0)	(1.4)
TAXATION		(25.1)	(18.3)
CAPITAL EXPENDITURE			
Purchase of tangible fixed assets		(0.2)	(3.1)
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(0.2)	(3.1)
ACQUISITIONS AND DISPOSALS			
Sale of investment in subsidiary undertaking	22	2.1	—
Net overdraft disposed of with subsidiary undertaking		1.8	—
Sale of investments in associated undertakings		—	0.9
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS		3.9	0.9
EQUITY DIVIDENDS PAID		(21.6)	(19.7)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(2.1)	1.0
FINANCING			
Issue of ordinary share capital		1.9	0.2
Loan to joint venture due within one year		(1.7)	—
Decrease in debt due within one year		(11.7)	(9.2)
Increase in debt due after more than one year		5.0	—
NET CASH OUTFLOW FROM FINANCING		(6.5)	(9.0)
DECREASE IN CASH IN THE YEAR		(8.6)	(8.0)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS			
		1998 £m	1997 £m
Decrease in cash in the period		(8.6)	(8.0)
Cash flow from decrease in debt		8.4	9.2
Change in net funds resulting from cash flows		(0.2)	1.2
Exchange movements		0.2	2.6
Movement in net funds in the year		—	3.8
Net funds at beginning of year		45.8	42.0
Net funds at end of year	23	45.8	45.8

Accounting Policies

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are:

(a) Basis of accounting

The group prepares its accounts under the historical cost convention.

(b) Consolidation

The group accounts include the results of the holding company and all its subsidiary undertakings made up to 30th June 1998. They also include the group's share of the results of associated undertakings and joint ventures.

(c) Turnover

Turnover comprises the total proceeds of building and development on legal completion and the value of work executed on long-term contracts during the year excluding inter-company transactions and value added tax. The sale proceeds of part exchange houses are not included in turnover.

(d) Properties held for sale

Properties held for sale, comprising properties previously held for investment, are stated at the lower of cost and net realisable value.

(e) Stocks

Stocks and work in progress, excluding long term contracting work in progress, are valued at the lower of cost and net realisable value.

Profit on contracting is taken on short term contracts when completed, and for long term contracts attributable profit is taken when the final outcome can be foreseen with reasonable certainty; provision is made for any anticipated losses. Amounts by which turnover in respect of long term contracts exceed payments on account are held in debtors as amounts recoverable on contracts. Amounts received in respect of long term contracts, in excess of amounts reflected in turnover, are held in creditors as payments on account.

(f) Depreciation

Freehold properties are not depreciated as it is policy to maintain them to such a standard that the estimated residual value, based on prices prevailing at the time of acquisition or subsequent directors' valuation, is not less than book value. Any permanent diminution in the value of such properties is charged to the profit and loss account. Plant is depreciated on a straight line basis over its expected useful life which ranges from one to seven years.

(g) Leased assets

Operating lease rentals are charged to the profit and loss account in equal instalments over the life of the lease.

(h) Exchange translations

The assets and liabilities of overseas subsidiaries are translated at the rate of exchange ruling at the year end and the results are translated at an average rate for the year. Gains and losses arising from translation are transferred to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

(i) Deferred taxation

Provision is made under the liability method for those liabilities that are expected to arise in the foreseeable future.

(j) Pensions

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The effects of variations from regular cost arising from actuarial valuations of the pension scheme are spread over the expected average remaining service lives of the members of the scheme. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

Notes to the Accounts

1. OPERATING PROFIT

	1998 £m	1997 £m
Group turnover	890.5	714.4
Cost of sales	767.7	619.0
Gross profit	122.8	95.4
Administrative expenses	26.2	22.5
	96.6	72.9

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1998 £m	1997 £m
After charging:		
Depreciation – tangible owned fixed assets	0.3	0.4
Operating lease charges – hire of plant, machinery and vehicles	7.4	5.5
– other	1.1	1.1
Auditors' remuneration – audit services (company: £2,500 – (1997 £2,250))	0.1	0.1
Auditors' remuneration for non-audit services in the year amounted to £53,000 (company: £41,000), (1997 £73,000 (company: £67,000)). Of the amounts charged to the profit and loss account, £41,000 (1997 £68,000) related to work on taxation issues, the balance being incurred on litigation matters.		

3. ANALYSIS BY GEOGRAPHICAL AREA

	United Kingdom		USA		Total	
	1998 £m	1997 £m	1998 £m	1997 £m	1998 £m	1997 £m
Turnover by origin	840.8	670.2	49.7	44.2	890.5	714.4
Profit/(loss) before interest and tax	98.2	74.9	(0.8)	(2.0)	97.4	72.9
Net assets	382.9	338.3	16.5	18.1	399.4	356.4

There is no material difference between turnover by origin and turnover by destination. In the opinion of the directors the activities of the group fall into one class of business, that of building and development.

4. NET INTEREST PAYABLE

	1998 £m	1997 £m
Payable: On bank loans, bills and overdrafts	6.1	4.3
Less: Receivable	2.0	1.5
	4.1	2.8

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £m	1997 £m
UK corporation tax at a rate of 31.0% (1997 32.5%):		
Current	31.0	26.1
Over provision in respect of previous years:		
Current	(1.1)	(1.9)
Share of corporation tax of joint ventures	0.3	–
	30.2	24.2

At 30th June 1998 there are unabsorbed tax losses of £48.5m (1997 £41.2m) available to set off against future trading profits of the US subsidiary undertaking with a further £5.0m (1997 £5.9m) unrealised tax losses which may be claimed as certain US subsidiary undertaking developments are progressed.

Notes to the Accounts

6. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1998 £m	1997 £m
The profit attributable to shareholders is dealt with in the accounts of:		
The company	25.8	21.0
Subsidiary undertakings	36.8	24.9
Joint venture	0.5	-
	63.1	45.9

In accordance with the provisions of the Companies Act 1985 a separate profit and loss account for the company is not presented.

7. DIVIDENDS

	1998 £m	1997 £m
Interim 3.3p per share paid (1997 3.0p)	7.7	7.0
Final 6.7p per share proposed (1997 6.0p)	15.7	13.9
	23.4	20.9

8. EMPLOYEES

	1998 £m	1997 £m
The average number of persons employed by the group in building and development, excluding sub-contractors, was 2,572 (1997 2,675).		
Employee costs (including directors) comprise:		
Wages and salaries	51.6	48.4
Social security	4.4	4.3
Pension costs	1.4	1.1
	57.4	53.8

The group operates throughout the UK a defined benefit final salary pension scheme, the assets of which are held in a separate trustee administered fund.

The pension cost has been assessed in accordance with the advice of a qualified actuary using the projected unit method in a review of the scheme as at 1st December 1996. The latest actuarial valuation of the scheme has been adjusted to allow for the abolition of UK equity dividend tax credits for pension schemes announced in the 2nd July 1997 Budget. The actuarial assumptions are that the investment return will be 2% per annum above annual salary growth.

The market value of the assets of the scheme on 1st December 1996 was £50,400,000. The actuarial value, using the new assumptions, represented 119% of the value of benefits for service to the date of the review allowing for future salary increases.

In deriving the pension cost, the surplus in the scheme is being spread as fixed amounts over the future working lifetime of the existing members. For the purpose of funding the scheme, the surplus is spread over a shorter period as a level percentage of members' salaries.

The total UK employer contribution in respect of the year ended 30th June 1998 amounted to £1,272,000 (1997 £1,092,000), while the amount charged to the profit and loss account was £1,645,000 (1997 £804,000). This increased the balance sheet accrual of £214,000 at the year ended 30th June 1997, to £587,000 at 30th June 1998.

9. EARNINGS PER SHARE

The earnings per share calculation is based on a profit after taxation of £63.1m (1997 £45.9m) and 232.5m ordinary equity shares (1997 231.8m), being the weighted average number of shares in issue and ranking for dividend during the year.

10. TANGIBLE FIXED ASSETS

	Freehold property £m	Group Plant £m	Total £m	Company Total Plant £m
Cost				
At 1st July 1997	8.0	6.2	14.2	0.2
Additions	-	0.2	0.2	-
Disposals	(8.0)	(3.0)	(11.0)	-
At 30th June 1998	-	3.4	3.4	0.2
Accumulated depreciation				
At 1st July 1997	0.1	5.2	5.3	0.2
Provision for the year	-	0.3	0.3	-
Disposals	(0.1)	(2.6)	(2.7)	-
At 30th June 1998	-	2.9	2.9	0.2
Net book value at 30th June 1998	-	0.5	0.5	-
Net book value at 30th June 1997	7.9	1.0	8.9	-

Notes to the Accounts

11. INVESTMENTS IN JOINT VENTURES

On 26th August 1997 the group disposed of 50% of its shareholding in its leisure subsidiary, Barratt International Resorts Limited, the remaining 50% shareholding representing a joint venture investment.

Name of principal joint venture company	Description of share	% of shares held
Barratt International Resorts Limited	Ordinary £1 shares	50%
	5% cumulative preference shares	50%

12. INVESTMENTS IN ASSOCIATED UNDERTAKINGS

Group	Total £m
Cost	0.1
At 1st July 1997	(0.1)
Disposal of interest in associated undertaking	-
At 30th June 1998	-
Net book value at 30th June 1998	-
Net book value at 30th June 1997	0.1

13. STOCKS

Group	1998 £m	1997 £m
Work in progress	551.3	415.4
Showhouse complexes and houses awaiting legal completion	111.3	107.5
Properties in Business Expansion Schemes	7.5	17.0
	670.1	539.9

In 1993 the group supported four Business Expansion Scheme companies to provide assured tenancy housing, all of which were fully subscribed at a total of £20.0m. A major portion of this amount was used to purchase properties at market value from various Barratt subsidiaries. The group gave guarantees that there would be sufficient cash resources available for distribution from the four BES companies in 1998 and 1999 to provide the BES investors with a guaranteed return per share. The sale of properties covered by guarantees still in place has not been recognised in the accounts. The properties are held in the balance sheet at their original cost of £7.5m (1997 £17.0m). The sale proceeds of £8.3m (1997 £18.9m) are held in creditors and the profit attributable to the properties of £0.8m (1997 £1.9m) has not been recognised in these accounts.

14. DEBTORS

	Group		Company	
	1998 £m	1997 £m	1998 £m	1997 £m
Due within one year				
Secured loans	0.6	1.5	-	-
Trade debtors	5.5	5.0	-	-
Amounts owed by joint venture	1.7	-	1.7	-
Amounts recoverable on contracts	0.9	3.9	-	-
Other debtors	10.0	7.5	0.9	0.5
Prepayments	1.7	1.8	0.1	0.1
	20.4	19.7	2.7	0.6
Due after more than one year				
Secured loans	1.7	3.7	-	-
Advance corporation tax recoverable	3.9	3.5	3.9	3.5
Other debtors	1.1	0.3	-	-
	6.7	7.5	3.9	3.5
	27.1	27.2	6.6	4.1

Notes to the Accounts

15. CREDITORS DUE WITHIN ONE YEAR

	Group		Company	
	1998	1997	1998	1997
	£m	£m	£m	£m
Bank loans and overdrafts	4.3	13.3	7.0	9.5
Trade creditors including deferred land payments	169.8	135.6	0.7	0.5
Payments on account	1.1	1.1	—	—
Corporation tax	25.1	22.6	2.0	0.2
Advance corporation tax	5.9	5.2	5.9	5.2
Other taxation including social security	2.5	2.8	0.2	0.1
Proposed dividend	15.7	13.9	15.7	13.9
Other creditors	10.6	10.8	2.4	1.8
Accruals and deferred income	85.3	46.5	7.5	4.7
	320.3	251.8	41.4	35.9

16. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1998	1997	1998	1997
	£m	£m	£m	£m
Bank loans	14.9	15.1	14.9	15.1
Bills payable	5.0	—	5.0	—
Trade creditors including deferred land payments	31.3	22.1	—	—
Other creditors	0.2	0.2	—	—
Accruals and deferred income	0.1	9.5	—	—
	51.5	46.9	19.9	15.1

The bills payable are drawn under a long term revolving credit facility and on maturity can be replaced at the company's option by further advances or bills.

	Group	
	1998	1997
	£m	£m
Bank loans at interest rates related to normal base rates include amounts due:		
Between one and two years	14.9	—
Between two and five years	—	15.1
	14.9	15.1

Total creditors include £31.1m (1997 £50.4m) secured on assets of the group.

17. PROVISION FOR LIABILITIES AND CHARGES

	Total
	£m
Group	
Provision for diminution in value of goodwill	
At 1st July 1997	1.0
Utilised in year	(1.0)
At 30th June 1998	—

Notes to the Accounts

18. CALLED UP SHARE CAPITAL

	1998 £m	1997 £m
Authorised 300,000,000 ordinary shares of 10p each	30.0	30.0
Allotted and issued ordinary shares of 10p each		
Fully paid – 233,024,896 ordinary shares (1997 231,869,374)	23.3	23.2

The issued share capital of the company was increased during the year to 233,024,896 ordinary shares of 10p each by the issue of 1,155,522 ordinary shares of 10p each for a cash consideration of £1,928,822 in satisfaction of options duly exercised in accordance with the rules of the executive share option scheme (see note 20).

As at 30th June 1998 the following options issued in accordance with the rules of the executive share option scheme and executive share option plan were outstanding:

Date of grant	Option price	Directors	Senior executives	Not exercisable after
a)Executive share option scheme				
27.10.1988	167p	–	26,381	26.10.1998
23.10.1991	55p	–	79,148	22.10.2001
15.10.1992	63p	–	42,210	14.10.2002
28.09.1993	180p	422,120	–	27.09.2003
27.09.1994	171p	316,585	358,776	26.09.2004
26.04.1996	271p	390,000	–	25.04.2006
b)Executive share option plan				
11.12.1997	222p	780,000	2,185,000	10.12.2007

19. RESERVES

	Share premium £m	Profit retained £m	Total £m
Group			
At 1st July 1997	174.4	158.8	333.2
Premium on issue of ordinary equity shares under share options	1.8	–	1.8
Retained profit	–	39.7	39.7
Reinstatement of goodwill previously eliminated against reserves	–	1.2	1.2
Exchange adjustments	–	0.2	0.2
At 30th June 1998	176.2	199.9	376.1
Company			
At 1st July 1997	174.4	28.2	202.6
Premium on issue of ordinary equity shares under share options	1.8	–	1.8
Retained profit	–	2.4	2.4
At 30th June 1998	176.2	30.6	206.8

20. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	1998 £m	1997 £m
Profit on ordinary activities after taxation	63.1	45.9
Dividends	(23.4)	(20.9)
	39.7	25.0
Reinstatement of goodwill previously eliminated against reserves	1.2	–
Other recognised gains and losses relating to the year	0.2	(0.8)
New share capital subscribed (including premium)	1.9	0.2
Net addition to equity shareholders' funds	43.0	24.4
Opening equity shareholders' funds	356.4	332.0
Closing equity shareholders' funds	399.4	356.4

Notes to the Accounts

21. CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £m	1997 £m
Operating profit	96.6	72.9
Depreciation charges	0.3	0.4
Profit on sale of investment in associated undertaking	–	(0.2)
Decrease in properties held for sale	2.1	1.3
Increase in stocks	(133.4)	(62.6)
Increase in debtors	(0.4)	(1.1)
Increase in creditors	79.7	31.9
	44.9	42.6

All activities of the group are continuing.

22. DISPOSALS

On 26th August 1997, the group disposed of 50% of its shareholding of its leisure subsidiary, Barratt International Resorts Limited.

Net assets disposed of:

	£m
Fixed assets	4.0
Stocks	1.6
Debtors	1.5
Creditors	(5.2)
Goodwill previously written off to reserves	1.2
	3.1
Satisfied by:	
Cash	2.1
Deferred payment	1.0
	3.1

The former subsidiary undertaking contributed £0.3m to the group's net operating cash flows.

23. ANALYSIS OF NET FUNDS

	1998 £m	Cash flow £m	Exchange movement £m	1997 £m	Cash flow £m	Non cash movement £m	Exchange movement £m	1996 £m
Cash at bank and in hand	68.3	(5.9)	–	74.2	(7.1)	–	–	81.3
Overdrafts	(4.3)	(2.7)	–	(1.6)	(0.9)	–	–	(0.7)
	64.0	(8.6)	–	72.6	(8.0)	–	–	80.6
Debt due after more than one year	(19.9)	(5.0)	0.2	(15.1)	–	(4.2)	0.8	(11.7)
Debt due within one year	–	11.7	–	(11.7)	9.2	4.2	1.8	(26.9)
Loan to joint venture due within one year	1.7	1.7	–	–	–	–	–	–
	(18.2)	8.4	0.2	(26.8)	9.2	–	2.6	(38.6)
Total	45.8	(0.2)	0.2	45.8	1.2	–	2.6	42.0

24. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The company has shareholdings at a cost of £65.8m (1997 £65.8m).

The principal subsidiary undertakings and principal joint venture are set out on page 32.

Notes to the Accounts

25. OPERATING LEASE OBLIGATIONS

	Group			
	1998		1997	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Annual commitments:				
Operating leases which expire:				
Within one year	–	0.8	0.1	1.1
Between two and five years	0.3	2.6	0.5	2.5
In five years or more	0.9	–	1.1	0.2
	1.2	3.4	1.7	3.8

26. CONTINGENT LIABILITIES

The company has guaranteed certain bank borrowings of its subsidiary undertakings, amounting to £2.7m at the year end (1997 nil). In addition there are contingent liabilities in respect of guarantees relating to certain subsidiaries entered into in the normal course of business. Certain subsidiary undertakings have commitments for the purchase of trading stock entered into in the normal course of business.

27. RELATED PARTY TRANSACTIONS

A number of partners in the firm of solicitors Field Cunningham & Co, one of whom is Mr P H Ashworth, perform development related legal work for two of the twenty five operating divisions of the group. The firm also performs some general legal work for these two divisions and deals with certain specific group legal matters. All transactions with the firm have been on normal commercial terms. The amount invoiced during the year ended 30th June 1998 was £422,600 (1997 £387,608) of which £14,676 (1997 £23,545) was outstanding at the year end.

During the year Mr D A Pretty purchased a property from Barratt Homes Limited on normal commercial terms at a price of £99,750, which was fully satisfied on legal completion.

The value of services rendered and goods sold during the year by the group to Barratt International Resorts Limited, a joint venture company, amounted to £699,033 (1997 £2,067,454). At 30th June 1998, the amounts owed by Barratt International Resorts Limited to the group amounted to £29,280 (1997 £201,792). In addition, during the year the company also advanced working capital loans to Barratt International Resorts Limited. The balance owing to the company at 30th June 1998 amounted to £1,762,000 (1997 £2,937,000).

FIVE YEAR RECORD AND FINANCIAL CALENDAR

FIVE YEAR RECORD

Year	1998	1997	1996	1995	1994
Group turnover £m	890.5	714.4	634.3	579.0	498.9
Profit before tax £m	93.3	70.1	52.1	47.1	35.2
Share capital and reserves £m	399.4	356.4	332.0	221.8	205.4
Per ordinary share:					
Earnings pence	27.1	19.8	17.8	15.2	12.2
Dividend pence	10.0	9.0	8.25	7.11	5.69
Net assets pence	171	154	143	115	107
Dividend cover	2.7	2.2	2.0	2.1	2.1

For the purposes of the five year record earnings per share, dividends per share and net assets per share have been adjusted to reflect the rights issue made in the year ended 30th June 1996.

FINANCIAL CALENDAR

Announcement of results:	
Half year	25th March 1998
Full year	23rd September 1998
Dividends:	
Interim paid	22nd May 1998
Final payable	20th November 1998
Annual Report posted to shareholders	19th October 1998
Annual General Meeting	19th November 1998

COMPANY BALANCE SHEET
at 30th June 1998

	Note	1998 £m	1996 £m
FIXED ASSETS			
Investment in subsidiary undertakings	24	65.8	65.8
		65.8	65.8
CURRENT ASSETS			
Due from subsidiary undertakings within one year		144.4	171.8
Due from subsidiary undertakings after more than one year		61.6	88.6
Debtors due within one year	14	2.7	0.6
Debtors due after more than one year	14	3.9	3.5
Bank and cash		68.7	65.0
		281.3	329.5
CURRENT LIABILITIES			
Due to subsidiary undertakings within one year		(55.7)	(118.5)
Creditors due within one year	15	(41.4)	(35.9)
NET CURRENT ASSETS		184.2	175.1
TOTAL ASSETS LESS CURRENT LIABILITIES		250.0	240.9
CREDITORS DUE AFTER MORE THAN ONE YEAR	16	(19.9)	(15.1)
NET ASSETS		230.1	225.8
CAPITAL AND RESERVES			
Called up share capital	18	23.3	23.2
Share premium	19	176.2	174.4
Profit retained	19	30.6	28.2
EQUITY SHAREHOLDERS' FUNDS		230.1	225.8

Approved by the board on 15th October 1998

F Eaton
C A Dearlove } Directors



Group Structure and Directory

BARRATT HOMES LIMITED - OPERATING DIVISIONS

GROUP OFFICE	UK NORTHERN REGION	UK CENTRAL REGION	UK WEST REGION	UK SOUTHERN REGION
Barratt Developments PLC, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP. Tel: 0191 286 6811 Fax: 0191 271 2242	Barratt Northern, Barratt House, Airport Industrial Estate, Kenton, Newcastle upon Tyne, NE3 2EQ. Tel: 0191 286 9866 Fax: 0191 286 8088	Barratt Central, Worral House, 683 Chester Road, Manchester, M16 0QS. Tel: 0161 872 0161 Fax: 0161 877 6070	Barratt West, 1st Floor, Midland House, New Road, Halesowen, West Midlands, B63 3HY. Tel: 0121 585 5303 Fax: 0121 585 5535	Barratt Southern, Alexandra House, Balfour Road, Hounslow, Middlesex, TW3 1JX. Tel: 0181 607 1900 Fax: 0181 577 8263
PRINCIPAL SUBSIDIARY UNDERTAKINGS:	Barratt East Scotland, Craigcrook Castle, Craigcrook Road, Edinburgh, EH4 3PE. Tel: 0131 336 3655 Fax: 0131 336 2392	Barratt Chester, Oak House, Lloyd Drive, Ellesmere Port, South Wirral, Cheshire, L65 9HQ. Tel: 0151 357 4800 Fax: 0151 357 4801	Barratt Bristol, Barratt House, Almondsbury Business Centre, Woodlands, Almondsbury, Bristol, BS12 4QH. Tel: 01454 202202 Fax: 01454 612277	Barratt Eastern Counties, Goldlay House, Parkway, Chelmsford, Essex, CM2 7PR. Tel: 01245 228800 Sales Enq: 01245 228822 Fax: 01245 228866
UK HOUSEBUILD Barratt Homes Ltd, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP. Tel: 0191 286 6811 Fax: 0191 271 2242	Barratt Leeds, Premier House, 14 Royds Hall Road, Pavilion Business Park, Leeds, LS12 6AJ. Tel: 0113 279 0099 Fax: 0113 279 0038	Barratt East Midlands, Broadgate House, Humber Road, Beeston, Nottingham, NG9 2EF. Tel: 0115 922 2421 Fax: 0115 943 1308	Barratt Southampton, Abacus House, 13a Oakmount Road, Chandlers Ford, Hants, SO53 2LG. Tel: 01703 275275 Fax: 01703 269922	Barratt East London, 1 Warton Road, Stratford, London, E15 2LA. Tel: 0181 522 5500 Sales Enq: 0181 522 5555 Fax: 0181 519 5536
COMMERCIAL PROPERTY Barratt Commercial Ltd, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP. Tel: 0191 286 6811 Fax: 0191 271 2242	Barratt Newcastle, Barratt House, Airport Industrial Estate, Kenton, Newcastle upon Tyne, NE3 2EQ. Tel: 0191 286 9866 Fax: 0191 271 5985	Barratt Manchester, Worral House, 683 Chester Road, Manchester, M16 0QS. Tel: 0161 872 0161 Sales Enq: 0161 872 6004 Fax: 0161 848 7332	Barratt South Midlands, 5 Bow Court, Fletcherworth Gate, Coventry, CV5 6SP. Tel: 01203 717676 Fax: 01203 714646	Barratt North London, 3 The Orient Centre, Greycaine Road, Watford, WD2 4JP. Tel: 01923 297300 Fax: 01923 297301
CONTRACTING *Barratt Construction Ltd, Golf Road, Ellon, Aberdeenshire, AB41 9AT. Tel: 01358 720765 Fax: 01358 724043	Barratt West Scotland, Mayfield House, 7 Maggie Wood's Loan, Falkirk, FK1 5SJ. Tel: 01324 620011 Fax: 01324 625916	Also Sales Office at: 333 Garstang Road, Fulwood, Preston, PR2 4UP. Tel: 01772 774411 Fax: 01772 774461	Barratt South Wales, Oak House, Penarth Road, Cardiff, CF1 7UW. Tel: 01222 704334 Sales Enq: 01222 706515 Fax: 01222 703675	Barratt South London, Grosvenor House, 110 Manor Road, Wallington, Surrey, SM6 0DN. Tel: 0181 647 9699 Fax: 0181 669 5299
USA †**Barratt American Inc., 2035 Corte Del Nogal, Suite 160, Carlsbad, California CA 92009, United States of America. Tel: 001 760 431 0800 Fax: 001 760 929 6430	Barratt York, Richmond House, Millfield Lane, Poppleton, York, YO2 6PH. Tel: 01904 797961 Fax: 01904 781665	Barratt Northampton, Alexandra House, Queenswood Office Park, Newport Pagnell Road West, Northampton, NN4 7JJ. Tel: 01604 674333 Sales Enq: 01604 675 959 Fax: 01604 674334	Barratt Thames Valley, S.C. House, Vanwall Road, Maidenhead, Berkshire, SL6 4UB. Tel: 01628 629922 Fax: 01628 629500	Barratt Southern Counties, Barratt House, Walnut Tree Close, Guildford, Surrey, GU1 4SW. Tel: 01483 505533 Fax: 01483 508602
PRINCIPAL JOINT VENTURE *§Barratt International Resorts Limited, P.O. Box 6, Dalfaber, Aviemore, Inverness-shire, PH22 1YB. Tel: 01479 810810 Fax: 01479 811510		Barratt West Midlands, Midland House, New Road, Halesowen, West Midlands, B63 3HY. Tel: 0121 585 5303 Fax: 0121 585 5304		Barratt West London, Alexandra House, Balfour Road, Hounslow, Middlesex, TW3 1JX. Tel: 0181 607 1900 Fax: 0181 577 4366

All of the above companies' principal activities are building and development. All the above are registered in England and Wales except those marked:

* which are registered in Scotland ** which is registered in USA.

All of the shares in the above are wholly owned by the parent except those marked †, which are wholly owned by subsidiary undertakings, and §, 50% of which are owned by a subsidiary undertaking.