

Galliford Properties Southern Limited
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the period ended 17 January 2006

Registered No: 943437



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Directors' Report

The directors present their annual report and financial statements for the period ended 17 January 2006.

Results and Dividends

The company has not traded during the period ended 17 January 2006 and consequently no profit and loss account has been prepared.

The directors do not recommend the payment of a final dividend.

Directors and directors' interest

The directors who have served during the year were as follows:

MC Donohue	(Resigned 1 November 2005)
CJ Cole	(Resigned 17 January 2006)
NT Fee	(Resigned 24 January 2006)
JH Bennett	(Resigned 31 March 2006)
MH Killoran	(Appointed 17 January 2006)
MP Farley	(Appointed 17 January 2006)
GN Francis	(Appointed 17 January 2006)
J White	(Appointed 17 January 2006)

According to the register maintained as required under the Companies Act 1985, none of the directors had any interest in the share capital of the company.

GN Francis had the following interests in the ordinary shares of 10p each in the ultimate parent company, Persimmon plc, as recorded in the register of directors' share and debenture interests:

	Interest at 17 January 2006
<i>Ordinary shares</i>	
GN Francis	13,269
<i>Share options</i>	
GN Francis	9,420
<i>SAYE share options</i>	
GN Francis	1,804

Options are exercisable from 29 September 2006 to 30 September 2009 at prices ranging from 525p to 1,331p.

The interests of MH Killoran, MP Farley and J White in the share capital of the ultimate parent company, Persimmon plc, are disclosed in the accounts of that company

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Auditors

The Company has elected to dispense with the laying of accounts before the company in general meeting, with holding an annual general meeting and under Section 249aa of the Companies Act 1985 to dispense with the requirements to appoint auditors.

By order of the board



TL Davison
Secretary
31 August 2006

Persimmon House
Fulford
York
YO19 4FE

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Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors confirm that:

- suitable accounting policies have been selected and then applied consistently;
- judgements and estimates have been made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on the going basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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Balance sheet
At 17 January 2006

	Notes	17 Jan 2006 £	28 Feb 2005 £
CURRENT ASSETS			
Debtors	2	6,732,092	6,732,092
NET ASSETS		6,732,092	6,732,092
CAPITAL AND RESERVES			
Called-up share capital	3	100	100
Capital reserve	4	5,343,687	5,343,687
Profit and loss account	4	1,388,305	1,388,305
EQUITY SHAREHOLDERS' FUNDS	5	6,732,092	6,732,092


For the period ended 17 January 2006, the company was entitled to exemption under section 249aa(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 249b(2).

The directors acknowledge their responsibility for:

- (i) Ensuring the company keeps accounting records which comply with section 221; and
- (ii) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial period, and of its profit and loss for the financial period in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the board of directors on 31 August 2006 and were signed on its behalf by:



M H Killoran
 Director

NOTES TO THE FINANCIAL STATEMENT

1. PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies is set out below. These policies have been applied consistently.

Basis of accounting

The financial statements have been prepared under the historical cost convention. The company did not trade during the period and no profit and loss account is shown.

The financial statements have been prepared on a going concern basis which assumes that its parent company will continue to provide financial support to the company and such support will not be withdrawn in the foreseeable future.

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Persimmon plc and its cash flows are included within the consolidated cash flow statement of that company.

2. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	<u>6,732,092</u>	<u>6,732,092</u>

3. CALLED-UP SHARE CAPITAL

	2006 £	2005 £
Authorised, allotted, called-up and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

4. RESERVES

	Capital reserve £	Profit and loss account £
At 17 January 2006 and 1 March 2005	<u>5,343,687</u>	<u>1,388,305</u>

5. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Closing and opening shareholders' funds	<u>6,732,092</u>	<u>6,732,092</u>

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6. ULTIMATE PARENT UNDERTAKING

The directors regard Persimmon plc, a company registered in England and Wales, as the ultimate parent undertaking. Copies of the parent's consolidated financial statements may be obtained from the Company Secretary, Persimmon House, Fulford, York, YO19 4FE.