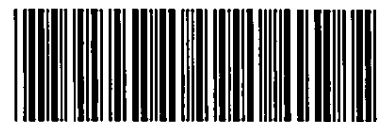


KingsOak Homes Limited
Annual report
for the year ended 30 June 2009

Registered Number 1993976

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KingsOak Homes Limited

Directors' report for the year ended 30 June 2009

The Directors present their report and the audited financial statements of the Company for the year ended 30 June 2009.

Principal activities

On 30 June 2008, the Company transferred substantially all of the trade, assets and liabilities to BDW Trading Limited. As a result the Company did not trade in the year ended 30 June 2009.

In the year ended 30 June 2008 the principal activity of the Company was building and development.

Review of business and future outlook

The Company did not trade in the year ended 30 June 2009, but paid and received intra-group interest resulting in a loss before tax of £8,528,000 (2008: £2,214,000). The Directors do not expect the Company to resume trading in the foreseeable future. The Company received a current tax credit in the year ended 30 June 2009 of £1,112,000 in relation to an adjustment in respect of prior years resulting in a total current tax credit for the year of £3,500,000.

Post balance sheet event

On 23 September 2009, the ultimate parent company, Barratt Developments PLC, entered into an agreement with UBS Limited, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, Barclays Bank plc, Lloyds TSB Bank plc and RBS Hoare Govett Limited to fully underwrite a £720.5m equity issue, to be structured as a Placing and a Rights Issue. Barratt Developments PLC and its subsidiaries (the 'Group') has also entered into amended financing arrangements which will come into effect if a minimum of £450m total gross proceeds are raised pursuant to the Placing and Rights Issue and, before 31 December 2009, the Company reduces its borrowings under the Wilson Bowden acquisition facilities and the Group's private placement notes by 40% such that the total amount of indebtedness thereunder does not exceed £900m (excluding any indebtedness under make-whole notes that are issued as a consequence of the prepayment). The Company has put in place arrangements to effect such prepayments following it becoming entitled to the net proceeds of the Placing and Rights Issue.

Barratt Developments PLC shareholder approval for the Placing and the Rights Issue was granted at a General Meeting held on 19 October 2009 and the Placing shares and new ordinary shares issued under the Rights Issue (in nil paid form) were admitted to listing and trading on 20 October 2009.

Business review

The Company did not trade in the year. The key performance indicators of the business in the prior year were as follows:

Key performance indicator	2008
Operational	
Residential completion numbers	2,308
Average sales price (Residential turnover divided by the number of completions)	£171,600
Reportable accidents (Number per 100,000 people employed in the Group Housebuilding business)	650

KingsOak Homes Limited

Directors' report for the year ended 30 June 2009 (continued)

Key performance indicator	2008
Financial	
Revenue	£396.0m
Operating profit	£9.5m
Loss before tax	(£2.2m)

Financial risk management

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

The Group's operations and financing arrangements expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risks, liquidity risks and interest rates. The most significant of these to the Group is liquidity risk and, accordingly, there is a regular, detailed system for the reporting and forecasting of cash flows from the operations to Group management with the goal of ensuring that risks are promptly identified and appropriate mitigating actions taken by the central treasury department. These forecasts are further stress tested at a Group level on a regular basis to ensure that adequate headroom within facilities and banking covenants is maintained. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance, in particular by using financial instruments, including debt and derivatives, to hedge interest rates and currency rates. The Group does not use derivative financial instruments for speculative purposes.

The Board approves treasury policies and certain day-to-day treasury activities have been delegated to a centralised Treasury Operating Committee, which in turn regularly reports to the Board. The treasury department implements guidelines that are established by the Board and the Treasury Operating Committee.

a) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its liabilities as they fall due. The Group actively maintains a mixture of long-term and medium-term committed facilities that are designed to ensure that the Group has sufficient available funds for operations. The Group's borrowings are typically cyclical throughout the financial year and peak in April and May, and October and November, of each year, due to seasonal trends in income. Accordingly the Group maintains sufficient headroom under its revolving credit facilities to cover these requirements. On a normal operating basis the Group has a policy of maintaining headroom of £250.0m of available committed bank facilities and identifies and takes appropriate actions based upon its regular, detailed system for the reporting and forecasting of cash flows from its operations. At 30 June 2009, the Group had committed bank facilities of £2,284.4m (2008: £2,555.4m) and total facilities of £2,360.6m (2008: £2,651.6m). At 30 June 2009, the Group's drawn debt was £1,484.1m (2008: £1,685.2m). This represented 65.0% of available committed facilities at 30 June 2009 (2008: 65.9%). The Group was in compliance with its financial covenants at 30 June 2009. At the date of approval of the Group financial statements the Group's internal forecasts indicate that it will remain in compliance with these covenants for the foreseeable future being at least twelve months from the date of signing the financial statements. The Group's objective is to minimise refinancing risk. The Group therefore has a policy that the maturity of its committed facilities and private placement notes is at least two years on average with a target of three years. At 30 June 2009, the average maturity of the Group's committed bank facilities was 3.1 years (2008: 3.3 years).

b) Market risk

i) Interest rate risk

The Group has both interest bearing assets and interest bearing liabilities. Floating rate borrowings expose the Group to cash flow interest rate risk and fixed rate borrowings expose the Group to fair value interest rate risk.

KingsOak Homes Limited

Directors' report for the year ended 30 June 2009 (continued)

Financial risk management (continued)

b) Market risk (continued)

i) Interest rate risk (continued)

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

The Group has a policy that 60–80% of the Group's median gross borrowings calculated on the latest three-year plan (taking into account hedging) is at a fixed rate, with an average minimum duration of five years and an average maximum duration of fifteen years. At 30 June 2009, 68.4% of the Group's borrowings was at a fixed rate (2008: 61.6%). Floating interest rates on Sterling borrowings are linked to UK bank rate, LIBOR and money market rates. The floating rates are fixed in advance for periods generally ranging from one to six months. Short-term flexibility is achieved through the use of overdraft, committed and uncommitted bank facilities. The weighted average interest rate for floating rate borrowings in 2009 was 6.6% (2008: 6.6%). Sterling private placement notes of £114.2m (2008: £125.5m) were arranged at fixed interest rates and exposed the Group to fair value interest rate risk. The weighted average interest rate for fixed rate Sterling private placement notes for 2009 was 11.5% (2008: 7.8%) with, at 30 June 2009, a weighted average period of 8.5 years (2008: 9.5 years) for which the rate is fixed. US Dollar denominated private placement notes of £164.9m (2008: £150.5m) were arranged at fixed interest rates and exposed the Group to fair value interest rate risk. The weighted average interest rate for fixed rate US Dollar denominated private placement notes, after the effect of foreign exchange rate swaps, for 2009 was 11.0% (2008: 6.9%) with, at 30 June 2009, a weighted average period of 7.8 years (2008: 8.8 years) for which the rate is fixed.

Dividends

No dividends have been paid or proposed for the year ended 30 June 2009.

In the year ended 30 June 2008 an interim dividend of £664,500 per ordinary share amounting to £1,329,000 was paid on 29 May 2008. A special dividend of £10,000,000 per ordinary share amounting to £20,000,000 was paid on 13 June 2008. At 30 June 2008 no final dividend per ordinary share was proposed. The aggregate dividends on the ordinary shares recognised as an expense during the year ended 30 June 2008 amounted to £22,894,000.

Basis other than going concern

The Company transferred all of its trade, assets and liabilities to BDW Trading Limited on 30 June 2008. As required by FRS 18, Accounting Policies, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. The relevant assets and liabilities were transferred to the fellow subsidiary company at their book value.

Directors

The Directors who held office during the year and subsequently to the date of signing the financial statements were as follows:

P R Gieron	
M A Pain	(resigned 21 July 2009)
M S Clare	
R G Handford	(resigned 1 September 2008)
R J R Brooke	(appointed 1 November 2008)
D F Thomas	(appointed 21 July 2009)

KingsOak Homes Limited

Directors' report for the year ended 30 June 2009 (continued)

Directors' indemnities

Following shareholder approval in January 2006, Barratt Developments PLC has provided an indemnity to the Directors and company secretary of all Group companies, including KingsOak Homes Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 of the Companies Act 2006.

Employees

The Board recognises that employees need to understand and contribute to the broad objectives of the business and seeks to develop good relations with employees through regular communication and consultation. Selection for employment and promotion is based on the objective assessment of ability and experience and the Company is committed to ensuring that its workplaces are free from unlawful discrimination of any sort. The Company strives to ensure that its policies and practices provide equal opportunities for all irrespective of gender, race, ethnic origin, colour, religion, physical disability, mental health, marital status, sexual orientation or age.

Applications for employment by disabled persons are considered on their merits with due regard to the individual skills and abilities of the applicant. Where disability arises in the course of an individual's employment the Company will seek to enable the person to continue working by making appropriate adjustments to the working environment and by offering appropriate support and training.

Creditor payment policy

It is Company policy for the year ending 30 June 2009 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. The Company had no trade creditors at 30 June 2008 or 30 June 2009.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

KingsOak Homes Limited

Directors' report for the year ended 30 June 2009 (continued)

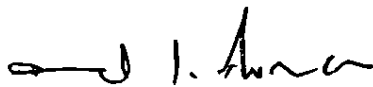
Disclosure of information to auditors

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

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



D F Thomas

Director

23 October 2009

KingsOak Homes Limited

Independent auditors' report to the members of KingsOak Homes Limited

We have audited the financial statements of KingsOak Homes Limited for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern due to the transfer of the trade, assets and liabilities of the Company to another Group company on 30 June 2008.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

KingsOak Homes Limited

Independent auditors' report to the members of KingsOak Homes Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

G. Richardson

Graham Richardson, Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
23 October 2009

KingsOak Homes Limited

Profit and loss account for the year ended 30 June 2009

	Note	2009	2008
		£'000	£'000
Turnover	2	-	395,980
Cost of sales		-	(352,769)
Exceptional cost of sales	3	-	(30,461)
Total cost of sales		-	(383,230)
Gross profit		-	12,750
Administrative expenses		-	(3,215)
Operating profit		-	9,535
Restructuring costs	3	-	(540)
Interest receivable and similar income	7	4,574	37
Interest payable and similar charges	8	(13,102)	(11,246)
Loss on ordinary activities before taxation	4	(8,528)	(2,214)
Taxation on profit on ordinary activities	9	3,500	1,597
Loss for the financial year		(5,028)	(617)

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

All activities relate to discontinued operations.

There is no material difference between the loss on ordinary activities before taxation for the year stated above and the historical cost equivalent.

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

KingsOak Homes Limited

Balance sheet as at 30 June 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Investments	11	1	1
		1	1
Current assets			
Debtors amounts falling due within one year	12	157,052	152,478
		157,052	152,478
Creditors: amounts falling due within one year	13	(143,978)	(134,376)
Net current assets		13,074	18,102
Net assets		13,075	18,103
Capital and reserves			
Called up share capital	14	-	-
Share based payments reserve	15	-	1,546
Profit and loss account	16	13,075	16,557
Total shareholders' funds	17	13,075	18,103

The accounts on pages 10 to 26 of KingsOak Homes Limited, registered number 1993976, were approved by the Board of Directors on 23 October 2009 and signed on its behalf by:



D F Thomas
Director

KingsOak Homes Limited

Statement of accounting policies

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year and preceding year (where applicable), are detailed below.

Group accounts

The financial statements contain information about KingsOak Homes Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Barratt Developments PLC, a company registered in England.

Cash flow statement

The Company is a wholly owned subsidiary of Barratt Developments PLC and the cash flows of the Company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 1 (revised 1996) from publishing a cash flow statement.

Investments

Investments are valued at cost less provision for any impairment in value.

Current taxation

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

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Turnover

Turnover is recognised at legal completion in respect of the total proceeds of building and development and an appropriate proportion of revenue from construction contracts by reference to the stage of completion of contract activity. The sale proceeds of part exchange houses are not included in revenue.

Turnover is only recognised on a construction contract where the outcome can be estimated reliably. Revenue and costs are recognised by reference to the stage of completion of contract activity at the balance sheet date. This is normally measured by surveys of work performed to date. Contracts are only treated as construction contracts when they have been specifically negotiated for the construction of a development or property.

KingsOak Homes Limited

Statement of accounting policies (continued)

Exceptional items

Items that are material in size or unusual or infrequent in nature are presented as exceptional items in the profit and loss account. The Directors are of the opinion that the separate presentation of exceptional items provides helpful information about the Company's underlying business performance. Examples of events that, *inter alia*, may give rise to the classification of items as exceptional are restructuring of existing or newly acquired businesses, gains or losses on the disposal of businesses or individual assets and asset impairments, including currently developable land, work in progress and goodwill.

Dividends

Dividends are recognised at the time that they are approved and paid.

Pension costs

Barratt Developments PLC operates a defined benefit and several defined contribution schemes, which cover employees of the Company.

Contributions made to the defined benefit scheme are based on the cost of providing pensions across all participating Group companies. As the Company is unable to identify its share of the assets and liabilities of the Group scheme, it accounts for contributions as if they were to a defined contribution pension scheme. Contributions are charged to the profit and loss account in the year to which they relate.

Contributions payable under the defined contribution schemes are charged to the profit and loss account as they arise.

Financial instruments

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

Trade debtors

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

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

Trade creditors

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

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

Cash and cash equivalents

Cash and cash equivalents include cash and balances in bank accounts with no notice or less than three months notice from inception and are subject to an insignificant risk of changes in value.

Share-based payments

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

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

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009

1 Significant matters relating to the basis of preparation of the financial statements

Basis other than going concern

The Company transferred all of its trade, assets and liabilities to BDW Trading Limited on 30 June 2008. As required by FRS 18, Accounting Policies, the Directors have prepared the financial statements on the basis that the Company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. The assets and liabilities transferred to the fellow subsidiary company were at their book value.

2 Turnover

The Company has not traded in the year ended 30 June 2009. All of the activities of the Company in the year ended 30 June 2008 related to that of its principal activity. The activities took place solely in the United Kingdom.

3 Exceptional Costs

Exceptional cost of sales

At 30 June 2008, the Company conducted a review of the net realisable value of its land and work in progress carrying values of its sites in the light of the current deterioration in the UK housing market. Where the estimated future net present realisable value of the site was less than its carrying value within the balance sheet the Company impaired the land and work in progress value. This resulted in an exceptional impairment of £30,461,000.

Restructuring costs

During the year ended 30 June 2008, the Company incurred £540,000 of costs in relation to reorganising and restructuring the business. These costs were part of the fundamental restructuring of the Group following the acquisition of Wilson Bowden plc and were classified as restructuring costs. The tax credit in the year ended 30 June 2008 increased by £159,300 as a result of incurring these costs.

4 Loss on ordinary activities before taxation

	2009	2008
	£'000	£'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of tangible owned fixed assets	-	62
Operating lease charges - plant and machinery	-	784
Operating lease charges - other	-	91

Fees payable to the Company's auditors for the audit of the Company's annual accounts were borne by another Group company. Audit fees of £3,000 (2008: £25,000) were payable to Deloitte LLP for the year ended 30 June 2009; they provided no non-audit services in the year (2008: £nil).

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

5 Directors' emoluments

M S Clare and M A Pain (until his resignation on 21 July 2009) were also Directors of the holding company, Barratt Developments PLC. P R Gieron and R G Handford (until his resignation on 1 September 2008) were also Directors of BDW Trading Limited. These Directors received total emoluments of £1,734,000 (2008: £1,782,000) during the year, but it is not practicable to allocate this between their services as executives of Group companies and their services as Directors of subsidiaries of Barratt Developments PLC. In addition, two Directors (2008: two) have accrued benefits under the Barratt Developments PLC group pension scheme, which is a defined benefit pension scheme and no Directors (2008: none) received contributions to money purchase pension schemes in respect of their services as Directors.

	2009	2008
	£'000	£'000
Highest paid Director:		
Emoluments	-	466
Pension benefit accrued	-	271

The highest paid Director exercised options at a value of £nil (2008: £nil) in the year. During the year, no Directors exercised share options (2008: none).

During the year, no Directors contributed to money purchase pension schemes (2008: none).

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

6 Employee information

The average monthly number of persons (including executive Directors) employed during the year was:

By activity	2009 Number	2008 Number
Building and development	-	355

	2009 £'000	2008 £'000
Staff costs (for the above persons):		
Wages and salaries	-	11,009
Share option costs	-	80
Social security costs	-	1,344
Other pension costs (note 19)	-	464
	-	12,897

7 Interest receivable and similar income

	2009 £'000	2008 £'000
Interest receivable from group undertakings	4,574	4
Other interest receivable	-	33
	4,574	37

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

8 Interest payable and similar charges

	2009	2008
	£'000	£'000
Interest payable on bank loans and overdrafts	-	21
Other interest payable	-	120
Interest payable on loan from ultimate parent company	13,102	10,139
Imputed interest on deferred term land payables	-	966
	13,102	11,246

9 Taxation on loss on ordinary activities

(a) Analysis of credit in the year

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax on loss for the year	(2,388)	(824)
Adjustment in respect of prior years	(1,112)	(1,208)
Total current tax credit	(3,500)	(2,032)
Deferred tax		
Origination and reversal of timing differences	-	566
Adjustment in respect of prior years	-	(131)
Total deferred tax charge	-	435
Tax credit on loss on ordinary activities	(3,500)	(1,597)

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

9 Taxation on loss on ordinary activities (continued)

(b) Factors affecting the tax credit for the year

The tax rate assessed for the year is lower (2008: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2009	2008
	£'000	£'000
Loss on ordinary activities before tax	(8,528)	(2,214)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.0% (2008: 29.5%)	(2,388)	(653)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	50
Accelerated capital allowances and other timing differences	-	(144)
Employee share scheme relief	-	(14)
Adjustment in respect of prior years	(1,112)	(1,208)
Contaminated land relief	-	(63)
Current tax credit for the year	(3,500)	(2,032)

(c) Factors that may affect future tax charge

Legislation on the taxation of foreign profits received Royal Assent on 21 July 2009. These rules include provisions to restrict interest deduction on intra-group loans, which will apply to accounting periods starting on or after 1 January 2010. Where interest deductions are restricted under these new rules in one Group company, the legislation includes the scope to claim an adjustment in the corresponding company and the flexibility to allocate the interest deductions across the Group in order to prevent losses becoming trapped. As a result it is not envisaged that these rules will impact on the Group's future tax charge.

10 Dividends

	2009	2008
	£'000	£'000
2008 final dividend paid of £nil (2007: £782,500) per share	-	1,565
2009 interim dividend paid of £nil (2008: £664,500) per share	-	1,329
2009 special dividend paid of £nil (2008: £10,000,000) per share	-	20,000
	-	22,894

The Directors have proposed no final dividend for the year ended 30 June 2009.

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

11 Investments

	Total
In subsidiary undertakings:	£'000
Cost at 30 June 2008 and 30 June 2009	2,001
Impairment at 30 June 2008 and 30 June 2009	(2,000)
Net book value at 30 June 2008 and 30 June 2009	1

Name of subsidiary undertakings	Description of share	Proportion of nominal value of shares held
Broad Oak Homes Limited (Dormant)	Ordinary £1 shares	100%
Milton Park Homes Limited (formerly Milton Park Homes plc) (Property Development)	Ordinary £1 shares	100%

The companies are registered and operate in the UK. The Directors believe that the carrying value of the investments is supported by their underlying net assets.

KingsOak Homes Limited

Notes to the financial statements for the year ended 30 June 2009 (continued)

12 Debtors

Amounts due within 1 year	2009	2008
	£'000	£'000
Amounts owed from parent and fellow subsidiary undertakings	157,052	152,478
Total Debtors	157,052	152,478

Amounts owed by Group undertakings are unsecured and have no fixed date of repayment. The amount owed to the Company resulting from the transfer of substantially all of the trade, assets and liabilities of the Company to BDW Trading Limited at 30 June 2008 is subject to interest at 0.5% above LIBOR.

13 Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Amounts owed to parent and fellow subsidiary undertakings	143,378	132,526
Corporation tax payable	600	1,850
	143,978	134,376

Amounts owed to Group undertakings are unsecured and have no fixed date of repayment. Interest is payable on loans from the parent and fellow subsidiary undertakings at a market rate.

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Notes to the financial statements for the year ended 30 June 2009 (continued)

14 Called up share capital

	2009	2008
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted and fully paid		
2 Ordinary shares of £1 each	2	2

15 Share based payment reserve

	£'000
Balance at 1 July 2008	1,546
Transfer to profit and loss account	(1,546)
Balance at 30 June 2009	-

16 Profit and loss account

	£'000
Balance at 1 July 2008	16,557
Loss for the financial year	(5,028)
Transfer from share based payment reserve	1,546
Balance at 30 June 2009	13,075

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Notes to the financial statements for the year ended 30 June 2009 (continued)

17 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Opening shareholders' funds	18,103	41,685
Loss for the financial year	(5,028)	(617)
Dividends paid	-	(22,894)
Movement in share-based payments reserve	-	(71)
Closing shareholders' funds	13,075	18,103

18 Share based payments

Details of the share option schemes:

(a) Executive Share Option Plan

In November 1997, Barratt Developments PLC adopted the current Executive Share Option Plan (the 'ESOP'). The grant of share options under the ESOP to employees of the Company is at the discretion of the Remuneration Committee, taking into account individual performance and the overall performance of the Group. Options must be held for a minimum of three years from the date of grant before they can be exercised and lapse if not exercised within ten years from the date of grant. The exercise of options granted under the ESOP is subject to the achievement of an objective performance condition set by the Remuneration Committee namely that the growth in the basic earnings per share of Barratt Developments PLC over a period of three consecutive financial years should exceed the growth in the Retail Price Index by at least 6% for options granted in 1997 and 1998 and by at least 9% for those options granted in and since 1999. No options may be granted under the ESOP after 18 December 2007.

(b) Employee Share Option Plan

In November 1999, Barratt Developments PLC adopted an Employee Share Option Plan (the 'Plan'). The board approves the grant of share options to Group employees under this Plan which are normally exercisable between three and ten years from the date of the grant. The exercise of the options granted under the Plan are subject to the achievement of an objective performance condition set by the board of Barratt Developments PLC, namely that the growth in the basic earnings per share of Barratt Developments PLC over a period of three consecutive financial years should exceed the growth in the Retail Price Index by at least 9%. No options may be granted under the Plan after 10 April 2010.

Those who have participated in the Executive Share Option Plan do not participate in the Employee Share Option Plan.

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Notes to the financial statements for the year ended 30 June 2009 (continued)

18 Share based payments (continued)

(c) Long-Term Performance Plan

The Long-Term Performance Plan (the 'LTPP') was approved by shareholders of Barratt Developments PLC at the Annual General Meeting held in November 2003 to take effect from 1 July 2003.

No LTPP awards were granted in the financial year ended 30 June 2009 and the Remuneration Committee is not proposing to grant any LTPP awards for the financial year ending 30 June 2010. Instead the Remuneration Committee has used and will use the ESOS.

Awards under the LTPP are at the discretion of the Remuneration Committee, taking into account individual performance and the overall performance of the Group. An employee is not eligible to receive options under the ESOS and awards under the LTPP in the same financial year.

Awards under the LTPP are based on an annual allocation of notional ordinary shares equivalent in value to a maximum of 200% of basic salary with vesting taking place at the expiry of the three year performance period of the plan, subject to attainment of the agreed performance targets. 50% of the award will vest on attainment of a performance target based on Basic Earnings Per Share ('EPS') growth and 50% based on Total Shareholder Return ('TSR'). There is no re-testing of performance conditions.

The Remuneration Committee considers these targets to be the most appropriate measure of financial performance for a housebuilder at the time of the awards, as they are fundamental measures of the Group's underlying performance and are directly linked to the generation of returns to shareholders.

The TSR portion of the awards made in 2006 uses a comparator group comprising listed housebuilders as follows: Berkeley Group, Bellway, Bovis Homes Group, Redrow, Persimmon and Taylor Wimpey. For awards made in 2007, the comparator group for the TSR portion of the award comprises those companies, excluding investment trusts, ranked 51-100 in the FTSE Index. For the TSR element of the award, 50% of the total award will vest if the Barratt Development PLC's TSR measured over a three-year period ranks at the upper quartile or above against the TSR of the comparator group. 10% of the total award will vest if the TSR ranks at the median and no part of the award will vest if the TSR ranks below the median. The award will vest on a straight-line basis between the upper and lower targets.

For awards made in 2006 and 2007, the targets are as follows: for the EPS element of the target, the full 50% will vest if Barratt Development PLC's EPS growth exceeds the RPI plus 18% and 10% will vest if EPS growth exceeds the RPI plus 9%; for performance in between, the awards will vest on a straight-line basis. The EPS for Barratt Developments PLC is calculated by dividing the profit for the year attributable to ordinary shareholders of that company by the weighted average number of ordinary shares in issue during the year, excluding those held by the Employee Benefit Trust.

The qualifying period for the award granted in 2006 ended on 30 June 2009. Performance of this award against the constituent TSR and EPS targets was tested after the year-end and neither of the targets had been achieved. Accordingly no part of the 2006 awards will vest.

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Notes to the financial statements for the year ended 30 June 2009 (continued)

18 Share based payments (continued)

The number and weighted average exercise prices of the Executive Share Option Plan were as follows:

	Weighted average exercise price in pence 2009	Number of options 2009	Weighted average exercise price in pence 2008	Number of options 2008
Outstanding at 1 July	-	-	522	353,000
Forfeited during the year	-	-	543	(211,000)
Exercised during the year	-	-	544	(16,000)
Transferred to other Group companies	-	-	483	(126,000)
Outstanding at 30 June	-	-	-	-
Exercisable at 30 June	-	-	-	-

The weighted average share price, at the date of exercise, of share options exercised during the year ended 30 June 2008 was 672p.

The number and weighted average exercise prices of the Employee Share Option Plan were as follows:

	Weighted average exercise price in pence 2009	Number of options 2009	Weighted average exercise price in pence 2008	Number of options 2008
Outstanding at 1 July	-	-	559	47,500
Forfeited during the year	-	-	560	(2,000)
Exercised during the year	-	-	544	(6,500)
Transferred to other Group companies	-	-	562	(39,000)
Outstanding at 30 June	-	-	-	-
Exercisable at 30 June	-	-	-	-

The weighted average share price, at the date of exercise, of share options exercised during the year ended 30 June 2008 was 944p.

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Notes to the financial statements for the year ended 30 June 2009 (continued)

18 Share based payments (continued)

The number and weighted average exercise prices of the Long-Term Performance Plan were as follows:

	Weighted average exercise price in pence 2009	Number of options 2009	Weighted average exercise price in pence 2008	Number of options 2008
Outstanding at 1 July	-	-	-	265,835
Forfeited during the year	-	-	-	(27,535)
Exercised during the year	-	-	-	(3,059)
Granted during the year	-	-	-	-
Transferred to other Group companies	-	-	-	(235,241)
Outstanding at 30 June	-	-	-	-
Exercisable at 30 June	-	-	-	-

The weighted average share price, at the date of exercise, of share options exercised during the year ended 30 June 2008 was 755p.

Total expense

The Company recognised a charge of £nil (2008: £80,000 credit) in respect of equity-settled share-based payment transactions for the year ended 30 June 2009. At 30 June 2009, an accrual of £nil (2008: £108,000) was recognised in respect of National Insurance liabilities on share-based payments.

19 Pension obligations

In the year ended 30 June 2009 the Company had no employees and therefore the Company did not participate in the Barratt Developments PLC Pension and Life Assurance Scheme ('the Scheme').

In the year ended 30 June 2008 the Company participated in the Scheme which is both a defined benefit and defined contribution scheme. It is not possible to identify the share of the underlying assets and liabilities in the scheme relating to individual participating employees. Consequently in accordance with FRS17, the Company accounted for its liability to the fund as if it were a defined contribution scheme and the charge to the profit and loss account represented the actual contributions paid by the Company.

Details of the scheme are included in the disclosure in the financial statements of the parent company, Barratt Developments PLC. The latest actuarial valuation was carried out at 30 November 2007 and updated to 30 June 2009 by a qualified independent actuary. The valuation of the scheme at 30 June 2009 shows a deficit before deferred taxation of £31.5m (2008: £37.2m).

In addition, in the prior year the Company contributed to other defined contribution schemes established by Wilson Bowden plc for its employees prior to its acquisition by Barratt Developments PLC.

The pension cost charge for the year was £nil (2008: £206,000) in relation to the defined benefit final salary section and £nil (2008: £258,000) in relation to the defined contribution schemes.

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Notes to the financial statements for the year ended 30 June 2009 (continued)

20 Financial commitments

At 30 June 2008 and 30 June 2009 the Company had no annual commitments under non-cancellable operating leases.

21 Related party transactions

The Company has taken advantage of the exemption allowed by Financial Reporting Standard Number 8 ('FRS 8') 'Related party disclosures' not to disclose details of transactions with Group companies.

The revised FRS 8, effective for years beginning on or after 6 April 2008 provides exemption for disclosure of transactions between two or members of a group, provided that all subsidiaries which are party to transactions are wholly-owned by the group. Under the 1985 Act this exemption was available for 90 per cent subsidiaries.

22 Ultimate parent company and controlling party

The ultimate parent undertaking and controlling party is Barratt Developments PLC, a company incorporated in England. Barratt Developments PLC is the undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2009. The consolidated financial statements of Barratt Developments PLC are available from Barratt House, Cartwright Way, Forest Business Park, Bardonia Hill, Coalville, Leicestershire, LE67 1UF.

23 Post balance sheet event

On 23 September 2009, the ultimate parent company, Barratt Developments PLC, entered into an agreement with UBS Limited, Credit Suisse Securities (Europe) Limited, HSBC Bank plc, Barclays Bank plc, Lloyds TSB Bank plc and RBS Hoare Govett Limited to fully underwrite a £720.5m equity issue, to be structured as a Placing and a Rights Issue. The Group has also entered into amended financing arrangements which will come into effect if a minimum of £450m total gross proceeds are raised pursuant to the Placing and Rights Issue and, before 31 December 2009, the Company reduces its borrowings under the Wilson Bowden acquisition facilities and the Group's private placement notes by 40% such that the total amount of indebtedness thereunder does not exceed £900m (excluding any indebtedness under make-whole notes that are issued as a consequence of the prepayment). The Company has put in place arrangements to effect such prepayments following it becoming entitled to the net proceeds of the Placing and Rights Issue.

Barratt Developments PLC shareholder approval for the Placing and the Rights Issue was granted at a General Meeting held on 19 October 2009 and the Placing shares and new ordinary shares issued under the Rights Issue (in nil paid form) were admitted to listing and trading on 20 October 2009.