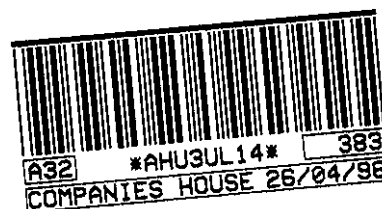


**Barratt Commercial Limited**  
**(formerly Barratt Southern Limited)**

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**Annual report**  
**for the year ended 30 June 1995**

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# **Barratt Commercial Limited** **(formerly Barratt Southern Limited)**

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## **Directors' report** **for the year ended 30 June 1995**

The directors present their report and the audited accounts for the year ended 30 June 1995.

### **Principal activities**

The company's principal activities are the development of and trading in commercial properties. The company is also a holding company and the principal activities of its subsidiary companies are building and development.

### **Review of business**

The directors note the progress of the business during the year and consider the company's state of affairs at the year end to be satisfactory. On 30 June 1995, the entire trade and net assets, with the exception of current asset investments, of Barratt Southern Limited (formerly Barratt Commercial Limited), a fellow subsidiary company, were transferred to the company at net book value.

All of the company's investments in shares of trading subsidiary companies were sold to the ultimate parent company at net book value on 30 June 1995. All remaining subsidiaries are dormant. On 1 July 1995, the company changed its name to Barratt Commercial Limited.

### **Results, dividends and transfers to reserves**

The loss for the year after taxation was £316,000 (1994: £2,674,000). The directors do not recommend the payment of a dividend this year (1994: £407,000) and the retained loss for the year of £316,000 (1994: £3,081,000) will be deducted from reserves.

### **Changes in fixed assets**

The movements in fixed assets during the year are set out in note 8 to the accounts.

### **Directors**

The directors of the company at 30 June 1995, all of whom have been directors for the whole of the year ended on that date, except where indicated, were:

D A Pretty	(Chairman)
R C Reynolds	
R S L Wilks	
J C Pacey	
P R Gieron	
C A Dearlove	(appointed 30 June 1995)
D R Broadhead	(appointed 30 June 1995)

# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## Directors' interests

None of the directors had any interests in the share capital of the company at the year end. The interests of Mr D A Pretty and Mr C A Dearlove in the shares of the ultimate parent company, Barratt Developments PLC, are shown in that company's accounts. The interests of Mr P R Gieron in the shares of the ultimate parent company are shown in the accounts of Barratt Bristol Limited. Mr J C Pacey has no interests in the shares of the ultimate parent company.

The remaining directors had interests in the shares of the ultimate parent company as stated below:

Beneficial interest in the ordinary shares of Barratt Developments PLC					
	30 June 1995		Note	1 July 1994	
	Holding	Options		Holding	Options
R C Reynolds	1,186	-	(c)	1,186	75,000
		40,000	(d)		40,000
		25,000	(e)		
R S L Wilks		25,000	(b)		25,000
		-	(c)		30,000
		15,000	(d)		15,000
		25,000	(e)		
D R Broadhead		25,000	(a)		25,000
		30,000	(c)		30,000
		15,000	(d)		15,000
		10,000	(e)		-

- (a) These options, granted at 135p per share, are not exercisable after 17 December 1996.
- (b) These options, granted at 192p per share, are not exercisable after 6 April 1998.
- (c) These options, granted at 58p per share, are not exercisable after 23 October 2001.
- (d) These options, granted at 67p per share, are not exercisable after 15 October 2002.
- (e) These options, granted at 180p per share, were granted during the year and are not exercisable after 27 September 2004.

During the year, Mr R C Reynolds exercised 75,000 options at 58p each (see note (c) above) and Mr R S L Wilks exercised 30,000 options at 58p each (see note (c) above).

# **Barratt Commercial Limited** **(formerly Barratt Southern Limited)**

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## **Directors' responsibilities**

The directors are required by UK company law to prepare accounts for each financial year that give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.


The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 30 June 1995. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Auditors**

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

**By order of the board**

A handwritten signature in black ink, consisting of a stylized 'D' followed by a horizontal line and a checkmark.

Company secretary  
11 October 1995

**Barratt Commercial Limited**  
**(formerly Barratt Southern Limited)**

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**Report of the auditors to the members of  
Barratt Commercial Limited**

We have audited the accounts on pages 5 to 14.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1995 and of its loss and total recognised losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Cooper & Co*

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
11 October 1995

**Barratt Commercial Limited**  
**(formerly Barratt Southern Limited)**

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**Profit and loss account**  
**for the year ended 30 June 1995**

	Notes	1995 £'000	1994 £'000
Turnover		-	-
Loss on ordinary activities before taxation	2	(1,019)	(3,529)
Taxation	6	703	855
Loss on ordinary activities after taxation		(316)	(2,674)
Dividends	7	-	(407)
Retained loss for the year	15	(316)	(3,081)

All activities of the company are continuing.

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

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

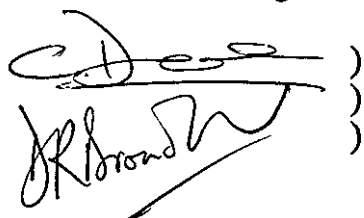
# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## Balance sheet at 30 June 1995

	Notes	1995 £'000	1994 £'000
<b>Fixed assets</b>			
Investments	8	529	72
<b>Current assets</b>			
Stocks	9	4,606	-
Debtors: amounts falling due after more than one year	10	42,656	586
Debtors: amounts falling due within one year	10	29,485	27,888
Cash at bank and in hand		483	46
		77,230	28,520
Creditors: amounts falling due within one year	11	34,634	13,525
<b>Net current assets</b>		42,596	14,995
<b>Total assets less current liabilities</b>		43,125	15,067
Creditors: amounts falling due after more than one year	12	35,589	7,500
Deferred taxation	13	285	-
<b>Net assets</b>		7,251	7,567
<b>Capital and reserves</b>			
Called-up share capital	14	5,860	5,860
Profit and loss account	15	1,391	1,707
<b>Equity shareholders' funds</b>	16	7,251	7,567

The accounts on pages 5 to 14 were approved by the board of directors on 11 October 1995 and were signed on its behalf by:


 } Directors

# **Barratt Commercial Limited** **(formerly Barratt Southern Limited)**

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## **Notes to the accounts** **for the year ended 30 June 1995**

### **1 Principal accounting policies**

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

#### **Basis of accounting**

The company prepares its annual accounts on the historic cost basis. The accounts have been prepared on the going concern basis. The ultimate parent company has indicated its willingness to support the company for the foreseeable future.

#### **Intermediate parent company**

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

#### **Cash flow**

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

#### **Operating leases**

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

#### **Fixed asset investments**

Investments in subsidiary companies are stated at cost.

#### **Properties held for resale, stocks and work in progress**

Properties held for resale and work in progress are valued at the lower of cost and net realisable value. Cost includes legal costs of purchase, development land tax where applicable and direct construction costs, but excludes finance charges.



# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## Deferred taxation

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

## Pension costs

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 difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or a liability in the balance sheet.

## 2 Loss on ordinary activities before taxation

	1995 £'000	1994 £'000
Administrative expenses	(903)	(1,818)
Interest payable and similar charges (see note 5)	(116)	(1,712)
Interest receivable	-	1
	<u>(1,019)</u>	<u>(3,529)</u>

All activities of the company are continuing.

	1995 £'000	1994 £'000
Loss on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit services	1	1
Operating lease charges:		
Plant and machinery	23	22
Other	3	3
	<u>27</u>	<u>26</u>

## 3 Directors' emoluments

The remuneration paid to the directors of Barratt Commercial Limited was:

	1995 £'000	1994 £'000
Emoluments (including pension contributions and benefits in kind)	<u>486</u>	<u>607</u>

# Barratt Commercial Limited (formerly Barratt Southern Limited)

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Emoluments (excluding pension contributions) includes amounts paid to:

	1995 £'000	1994 £'000
The chairman and highest-paid director	214	188

The number of directors (including the chairman and highest paid director) who received fees and other emoluments (excluding pension contributions) in the following ranges was:

	1995 Number	1994 Number
£0 - £5,000	3	-
£55,001 - £60,000	-	2
£60,001 - £65,000	1	-
£75,001 - £80,000	1	-
£90,001 - £95,000	-	2
£95,001 - £100,000	-	1
£110,001 - £115,000	1	-
£185,001 - £190,000	-	1
£210,001 - £215,000	1	-

## 4 Employee information

The average weekly number of persons (including executive directors) employed during the year was:

	1995 Number	1994 Number
Administration	3	8

	1995 £'000	1994 £'000
Staff costs (for the above persons):		
Wages and salaries	276	233
Social security costs	28	23
Other pension costs (see note 18)	11	11
	315	267

## 5 Interest payable and similar charges

	1995 £'000	1994 £'000
On bank loans and overdrafts:		
Repayable within 5 years, not by instalments	75	98
Group interest payable	41	1,614
	116	1,712

# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## 6 Taxation

	1995 £'000	1994 £'000
United Kingdom corporation tax at 33% (1994: 33%):		
Group relief receivable	(362)	(855)
(Over)/under provision in respect of prior years:		
Current	25	-
Group relief receivable	(366)	-
	<u>(703)</u>	<u>(855)</u>

## 7 Dividends

	1995 £'000	1994 £'000
Ordinary:		
Interim paid £Nil (1994: 1.7p) per share	-	407
	<u>-</u>	<u>407</u>

## 8 Fixed asset investments

	£'000
Shareholdings in subsidiary companies at cost:	
At 1 July 1994	72
Disposals	(1)
Transferred from fellow subsidiary company	458
At 30 June 1995	<u>529</u>

Name of subsidiary company	Description of shares	Properties of nominal value of shares held %
Barratt Construction (Southern) Limited	Ordinary £1 shares	100
Barratt East Anglia Limited	Ordinary £1 shares	100
Barratt Properties Limited	Ordinary £1 shares	100
Barratt Southern Properties Limited	Ordinary £1 shares	100
Barratt Commercial (Chepstow) Limited	Ordinary £1 shares	100
James Harrison (Contracts) Limited	Ordinary £1 shares	100

All of the above companies, with the exception of James Harrison (Contracts) Limited which is registered in Scotland, are registered in England and Wales.

All of the subsidiary companies are dormant.

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

# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## 9 Stocks

	1995 £'000	1994 £'000
Properties held for resale	4,506	-
Work in progress	100	-
	<u>4,606</u>	<u>-</u>

## 10 Debtors

	1995 £'000	1994 £'000
<b>Amounts falling due after more than one year:</b>		
Amounts owed by parent and fellow subsidiary companies	42,656	586
<b>Amounts falling due within one year:</b>		
Trade debtors	92	-
Amounts owed by parent and fellow subsidiary companies	28,800	26,951
Amounts owed by subsidiary companies	183	46
Group relief receivable	272	855
Other debtors	76	36
Prepayments and accrued income	62	-
	<u>29,485</u>	<u>27,888</u>
	<u>72,141</u>	<u>28,474</u>

## 11 Creditors: amounts falling due within one year

	1995 £'000	1994 £'000
Bank overdraft	2,309	1,139
Amounts owed to parent and fellow subsidiary companies	27,325	8,379
Amounts owed to subsidiary companies	3,569	3,253
Accruals and deferred income	271	754
Corporation tax payable	805	-
Group relief payable	20	-
Other creditors	335	-
	<u>34,634</u>	<u>13,525</u>

**Barratt Commercial Limited**  
**(formerly Barratt Southern Limited)**

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**12 Creditors: amounts falling due after more than one year**

	1995 £'000	1994 £'000
Amounts owed to parent and fellow subsidiary companies	<u>35,589</u>	<u>7,500</u>

**13 Deferred taxation**

	£'000
At 1 July 1994	-
Transferred from fellow subsidiary company	285
At 30 June 1995	<u>285</u>

Deferred taxation provided in the accounts and the total potential liability, including the amounts for which provision has been made, are as follows:

	Total potential liability		Amount provided	
	1995	1994	1995	1994
	£'000	£'000	£'000	£'000
Tax effect of timing differences because of:				
Excess of tax allowances over depreciation	<u>285</u>	<u>-</u>	<u>285</u>	<u>-</u>

**14 Called-up share capital**

	1995 £'000	1994 £'000
Authorised, allotted, issued and fully paid		
23,439,328 (1994: 23,439,328) ordinary shares of 25p each	<u>5,860</u>	<u>5,860</u>

The ordinary shares in issue carry equal rights to dividends, equal voting rights and would rank equally on winding up.

# Barratt Commercial Limited (formerly Barratt Southern Limited)

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## 15 Profit and loss account

	£'000
At 1 July 1994	1,707
Retained loss for the year	(316)
At 30 June 1995	<u>1,391</u>

## 16 Reconciliation of movements in equity shareholders' funds

	1995 £'000	1994 £'000
Loss for the year	(316)	(2,674)
Dividends	-	(407)
Net reduction in equity shareholders' funds	<u>(316)</u>	<u>(3,081)</u>
Opening equity shareholders' funds	7,567	10,648
Closing equity shareholders' funds	<u>7,251</u>	<u>7,567</u>

## 17 Contingent liabilities

As part of the group's financing arrangements the company has given cross-guarantees, in conjunction with fellow United Kingdom subsidiaries, in respect of certain group borrowings. At 30 June 1995 these borrowings amounted to £71,878,000 (1994: £27,888,000).

In addition there are contingent liabilities in respect of guarantees entered into in the normal course of business.

## 18 Pension and similar obligations

The Barratt Developments PLC Pension and Life Assurance Scheme makes provision for pensions to eligible past and present employees of the company; contributions to the scheme are based upon pension costs across the group as a whole.

The scheme is a funded, defined benefit scheme. Based upon an independent actuarial review as at 1 December 1994, it is considered that the present funding arrangements are satisfactory and adequate to meet the future liabilities of the scheme. Full disclosure relating to the above pension fund arrangements may be found in the accounts of Barratt Developments PLC.

The pension cost charge for the year was £11,000 (1994: £11,000).

# **Barratt Commercial Limited** **(formerly Barratt Southern Limited)**

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## **19 Financial commitments**

At 30 June 1995, the company had annual commitments under non-cancellable operating leases for the hire of plant and machinery as follows:

	<b>1995</b>	<b>1994</b>
	<b>£'000</b>	<b>£'000</b>
Expiring within one year	<u>7</u>	<u>-</u>

## **20 Ultimate parent company**

The directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company. Copies of the ultimate parent company's accounts may be obtained from Barratt Developments PLC, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP.