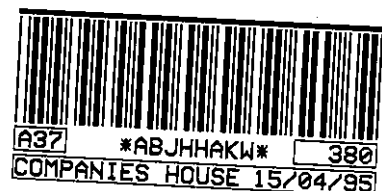


Barratt Southern Limited  
Annual report  
for the year ended 30 June 1994

Registered no: 168039

Coopers  
& Lybrand



# **Barratt Southern Limited**

## **Annual report for the year ended 30 June 1994**

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**Directors' report  
for the year ended 30 June 1994**

The directors present their report and the audited accounts for the year ended 30 June 1994.

**Principal activities**

The company is a holding company. The principal activities of its subsidiaries are building and development.

**Review of business**

The directors note the progress of the business during the year, and consider the state of the company's affairs at the end of the year and the future prospects of the company to be satisfactory. The ultimate parent company has indicated its willingness to continue to support the company for the foreseeable future.

**Changes in presentation of the accounts**

Following the introduction of Financial Reporting Standard No 4, "Capital Instruments", the presentation of the accounts has been amended to conform with the new requirements. Shareholders' funds have been analysed between equity interests and non-equity interests.

**Results, dividends and transfers to reserves**

The loss for the year after taxation was £2,674,000 (1993: £3,070,000). The directors recommend the payment of a dividend of £407,000 (1993: £Nil) and that the retained loss for the year of £3,081,000 (1993: £3,070,000) will be deducted from reserves.

**Changes in fixed assets**

The movements in fixed assets during the year are set out in notes 8 and 9.

**Directors**

The directors of the company at 30 June 1994, all of whom have been directors for the whole of the year ended on that date, were:

D A Pretty	(Chairman)
R C Reynolds	
R S L Wilks	
T A Sawyer	
J C Pacey	(appointed 1 July 1993)
P R Gieron	(appointed 1 July 1993)

**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 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 1994		Note	1 July 1993	
	Holding	Options		Holding	Options
R C Reynolds	1,186	75,000 40,000	(b) (c)	1,186	75,000 40,000
R S L Wilks	-	25,000 30,000 15,000	(a) (b) (c)	-	25,000 30,000 15,000
T A Sawyer	-	30,000 40,000	(b) (c)	-	30,000 40,000

- (a) These options, granted at 192p per share, are not exercisable after 6 April 1998.
- (b) These options, granted at 58p per share, are not exercisable after 23 October 2001.
- (c) These options, granted at 67p per share, are not exercisable after 15 October 2002.

**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 1994. 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 dark ink, consisting of several loops and a long horizontal stroke at the end, positioned above the typed name of the company secretary.

Company secretary  
12 October 1994

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

We have audited the accounts on pages 5 to 13.

**Respective responsibilities of directors and auditors**

As described on pages 2 and 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 1994 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.

*Coopers & Lybrand*

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
12 October 1994

# **Profit and loss account for the year ended 30 June 1994**

	Notes	1994 £'000	1993 £'000
Turnover		-	-
Loss on ordinary activities before taxation	2	(3,529)	(4,135)
Taxation	6	855	1,065
Loss on ordinary activities after taxation		(2,674)	(3,070)
Dividends	7	(407)	-
Retained loss for the year	14	(3,081)	(3,070)

All activities of the company are continuing.

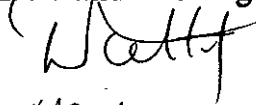
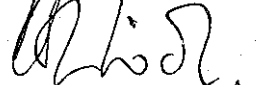
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

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.

**Balance sheet  
at 30 June 1994**

	Notes	1994 £'000	1993 £'000
<b>Fixed assets</b>			
Tangible assets	8	-	-
Investments	9	72	87,103
		<u>72</u>	<u>87,103</u>
<b>Current assets</b>			
Debtors: amounts falling due after one year	10	586	587
Debtors: amounts falling due within one year	10	27,888	15,477
Cash at bank and in hand		46	46
		<u>28,520</u>	<u>16,110</u>
Creditors: amounts falling due within one year	11	13,525	85,065
Net current assets/(liabilities)		<u>14,995</u>	<u>(68,955)</u>
Total assets less current liabilities		<u>15,067</u>	<u>18,148</u>
Creditors: amounts falling due after more than one year	12	7,500	7,500
Net assets		<u>7,567</u>	<u>10,648</u>
<b>Capital and reserves</b>			
Called up share capital	13	5,860	5,860
Profit and loss account	14	1,707	4,788
Equity shareholders' funds	15	<u>7,567</u>	<u>10,648</u>

The accounts on pages 5 to 13 were approved by the board of directors on 12 October 1994 and were signed on its behalf by:

} Directors



**Notes to the accounts  
for the year ended 30 June 1994****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.

**Cash flow**

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

**Intermediate parent company**

The accounts contain information about Barratt Southern 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 parent, Barratt Developments plc, a company registered in England and Wales.

**Tangible fixed assets**

Tangible assets are valued at cost less accumulated depreciation.

Plant is depreciated on a straight-line basis over its expected useful life, which ranges from one to seven years.

Investments in subsidiary companies are stated at cost less amounts written off.

**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 liability in the balance sheet.

## Operating leases

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

## 2 Loss on ordinary activities before taxation

	1994 £'000	1993 £'000
Administrative expenses	(1,818)	(1,573)
Interest payable (see note 5)	(1,712)	(3,019)
Interest receivable	1	457
	<u>(3,529)</u>	<u>(4,135)</u>

All activities of the company are continuing.

Loss on ordinary activities before taxation is stated after charging:

Auditors' remuneration - audit services	1	1
- non audit services	-	-
Operating lease charges:		
Plant and machinery	22	25
Other	3	6
	<u>25</u>	<u>31</u>

## 3 Directors' emoluments

The remuneration paid to the directors of Barratt Southern Limited was:-

	1994 £'000	1993 £'000
Emoluments (including pension contributions and benefits in kind)	<u>607</u>	<u>355</u>

Emoluments (excluding pension contributions) includes amounts paid to:

	1994 £'000	1993 £'000
The chairman and highest-paid director	188	158

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

	1994 Number	1993 Number
£50,001 - £55,000	-	1
£55,001 - £60,000	2	1
£65,001 - £70,000	-	1
£90,001 - £95,000	2	-
£95,001 - £100,000	1	-
£155,001 - £160,000	-	1
£185,001 - £190,000	1	-

## 4 Employee information

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

	1994 Number	1993 Number
Administration	8	5

	1994 £'000	1993 £'000
Staff costs (for the above persons):		
Wages and salaries	233	218
Social security costs	23	20
Other pension costs (see note 17)	11	16
	267	254

## 5 Interest payable

	1994 £'000	1993 £'000
On bank loans and overdrafts:		
Repayable within 5 years, not by instalments	98	2
Group interest payable	1,614	3,017
	1,712	3,019

**6 Taxation**

	1994 £'000	1993 £'000
United Kingdom corporation tax at 33% (1993: 33%):		
Group relief receivable	(855)	(1,057)
Over provision in respect of prior years:		
Group relief receivable	-	(8)
	<u>(855)</u>	<u>(1,065)</u>

**7 Dividends**

	1994 £'000	1993 £'000
Ordinary:		
Interim paid 1.7p (1993: Nil) per share	<u>407</u>	<u>-</u>

**8 Tangible fixed assets**

	Plant £'000
Cost	
At 1 July 1993 and 30 June 1994	<u>9</u>
Depreciation	
At 1 July 1993 and 30 June 1994	<u>9</u>
Net book value	
At 30 June 1993 and 30 June 1994	<u>-</u>

**9 Investments**

	1994 £'000	1993 £'000
Interests in subsidiaries		
At 1 July	<u>72</u>	<u>72</u>
At 30 June	<u>72</u>	<u>72</u>
Amounts due from subsidiary companies	<u>-</u>	<u>87,031</u>
	<u>72</u>	<u>87,103</u>

**Interests in subsidiary companies**

The directors consider that to give full particulars of all subsidiary companies would lead to a statement of excessive length. The following information relates to the principal subsidiary companies of the company.

Name of company	Description of shares	Properties of nominal value
		of shares held %
Barratt London Limited	Ordinary £1 shares	100
Barratt Southern Counties Limited	Ordinary £1 shares	100
Barratt North London Limited	Ordinary £1 shares	100
Barratt South London Limited	Ordinary £1 shares	100

All of the above companies are registered in England and Wales.

The principal activities of the above companies are housebuilding and development.

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

## 10 Debtors

	1994 £'000	1993 £'000
Amounts falling due after one year:		
Amounts owed by parent and fellow subsidiary companies	586	587
Amounts falling due within one year:		
Amounts owed by parent and fellow subsidiary companies	26,951	13,810
Amounts owed by subsidiary companies	46	400
Other debtors	36	202
Group relief receivable	855	1,065
	<u>27,888</u>	<u>15,477</u>
	<u>28,474</u>	<u>16,064</u>

## 11 Creditors: amounts falling due within one year

	1994 £'000	1993 £'000
Bank overdraft	1,139	5,142
Amounts owed to parent and fellow subsidiary companies	8,379	76,575
Amounts owed to subsidiary companies	3,253	3,105
Accruals and deferred income	754	243
	<u>13,525</u>	<u>85,065</u>

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

	1994 £'000	1993 £'000
Amounts owed to parent and fellow subsidiary companies	<u>7,500</u>	<u>7,500</u>

**13 Called up share capital**

	1994 £'000	1993 £'000
Authorised, allotted, issued and fully paid 23,439,328 ordinary shares of 25p each	<u>5,860</u>	<u>5,860</u>

**14 Profit and loss account**

	£'000
At 1 July 1993	4,788
Retained loss for the year	<u>(3,081)</u>
At 30 June 1994	<u>1,707</u>

**15 Reconciliation of movements in shareholders' funds**

	1994 £'000	1993 £'000
Loss for the year	(2,674)	(3,070)
Dividends	<u>(407)</u>	<u>-</u>
Net reduction in equity shareholders' funds	(3,081)	(3,070)
Opening equity shareholders' funds	<u>10,648</u>	<u>13,718</u>
Closing equity shareholders' funds	<u>7,567</u>	<u>10,648</u>

**16 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 1994 these borrowings amounted to £27,888,000 (1993: £37,800,000).

**17 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 1991, 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 annual report of Barratt Developments PLC.

The pension cost charge for the year was £11,000 (1993: £16,000).

**18 Financial commitments**

At 30 June 1994 the company had annual commitments under non-cancellable operating leases for the hire of plant and machinery as follows:

	1994 £'000	1993 £'000
Leases which expire:		
Between two and five years inclusive	-	28
	<u>          </u>	<u>          </u>

**19 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.