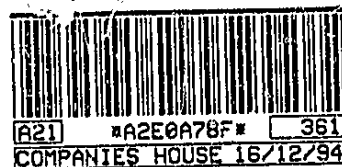


Ref: 0953d

Company Number: 346732

BRYANT HOMES SOUTHERN LIMITED
REPORT AND FINANCIAL STATEMENTS

31 MAY 1994



BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 May 1994.

1. ACTIVITIES

The activities of the company are building and development.

2. REVIEW OF ACTIVITIES

The company has performed satisfactorily given the general economic climate. Further details of the company's performance are given in the Profit and Loss Account on page 5 and the notes on pages 8 and 9. The position of the company at the end of the year is set out in the Balance Sheet on page 6 and the notes on pages 9 to 11. The directors consider that the company is well placed to continue to perform satisfactorily given a favourable trading climate.

3. DIVIDENDS

A dividend of £1,000,000 has been paid in the year (1993 nil).

4. DIRECTORS

The following were directors of the company during the year and their interests in the shares of the ultimate parent company were :-

	Ordinary shares of 25p each	
	31 May 1994	1 June 1993
		(Or date of appointment)
A.Mackenzie	*	*
G.F.Potton	*	*
C.C.Gabb	28,411	27,514
J.P.E.Dennison (Appointed 20 September 1993)	28,530	28,530
D.S.George	967	937
H.M.Jennings	-	-
J.R.Jones	8,111	25,261
M.P.Lewis (Resigned 1 December 1993)	-	-
N.Martin (Appointed 1 December 1993)	-	-
T.W.Massingham	-	-
A.M.N.Wainwright (Appointed 14 March 1994)	-	-

*Interests in the shares of the ultimate parent company are shown in the directors' report of Bryant Group plc.

At no time during the year did any director have any interest in the shares of the company or any other subsidiary of Bryant Group plc.


BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

5. AUDITORS

The auditors, Touche Ross & Co. have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D.S. George
Secretary

BRYANT HOMES SOUTHERN LIMITED

Year ended 31 May 1994

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently
- * make judgements and estimates that are reasonable and prudent
- * state whether applicable accounting standards have been followed
- * 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 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 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.

AUDITORS' REPORT TO THE MEMBERS

of

ERVANT JONES SOUTHERN LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants and Registered Auditors
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

25 October, 1994

BRYANT HOMES SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 1994

	Note	1994 £	1993 £
Turnover	1	121,058,524	105,229,165
Operating Profit/(Loss)	1	4,581,551	(3,052,975)
Interest receivable		28,006	194,617
Interest payable	3	(571,239)	(1,981,000)
Profit/(Loss) on ordinary activities before taxation	3	4,038,318	(4,839,358)
Tax on profit/(loss) on ordinary activities	4	(1,331,634)	1,605,770
Profit/(Loss) for the financial year		2,706,684	(3,233,588)
Dividend paid		(1,000,000)	-
Retained profit/(loss) for the financial year		1,706,684	(3,233,588)
Retained profit brought forward		325,220	3,558,808
Retained profit carried forward		£ 2,031,904	£ 325,220

All material activities derive from continuing operations.

There are no recognised gains or losses other than the profit for the year.

BRYANT HOMES SOUTHERN LIMITED

BALANCE SHEET - 31 May 1994

	Note	1994 £	1993 £
FIXED ASSETS			
Investments	5	368,692	367,392
CURRENT ASSETS			
Stocks and work in progress		111,484,849	96,782,895
Debtors - due within one year	6	21,962,631	4,586,142
Debtors - due after more than one year	6	-	5,000,000
Cash at bank		885,111	2,926,202
		134,332,591	109,295,239
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	132,092,007	108,712,770
NET CURRENT ASSETS		2,240,584	582,469
TOTAL ASSETS LESS CURRENT LIABILITIES		2,609,276	949,861
PROVISIONS FOR LIABILITIES AND CHARGES	8	(477,372)	(524,641)
		£ 2,131,904	£ 425,220
CAPITAL AND RESERVES			
Called up share capital	9	100,000	100,000
Profit & loss A/C		2,031,904	325,220
	10	£ 2,131,904	£ 425,220

The Financial Statements were
approved by the board of directors on 20 September 1994

Signed on behalf of the Board of Directors

A. Mackenzie

Director



BRYANT HOMES SOUTHERN LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards.

The particular accounting policies adopted are described below.

1. CONSOLIDATED ACCOUNTS

As the company is a wholly owned subsidiary no consolidated financial statements for the company and its subsidiaries have been prepared.

2. ACCOUNTING CONVENTION

The financial statements are prepared on the historic cost basis of accounting.

3. TURNOVER AND PROFIT TAKING

Turnover represents sales of newly constructed homes and land. Profit is taken on legal completion.

4. STOCKS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost represents direct costs plus site overheads.

Ground rents are valued at the lower of cost and net realisable value.

5. DEFERRED TAXATION

Provision is made for all liabilities that are considered likely to arise in the future.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1994

1. TURNOVER AND OPERATING PROFIT/(LOSS)

	1994 £	1993 £
Turnover	121,053,524	105,229,165
Cost of sales	111,347,542	103,783,219
Gross profit	9,710,982	1,445,946
Administrative expenses	5,129,431	4,498,921
Operating Profit/(Loss)	£ 4,581,551	£(3,052,975)

Turnover includes sales to associated companies of £13,431,130 (1993 - £13,948,222).

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees and is managed by Bryant Group Services Limited.

Details of the emoluments of directors are shown in the financial statements of Bryant Group Services Limited, except for those directors who are also directors of the holding company, whose emoluments are shown in the financial statements of Bryant Group plc.

3. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994	1993
After charging:		
Management charges, including auditors remuneration - audit services £21,000 (1993 - £22,000)	£5,072,564	£4,438,764
Interest payable on group loan	£ 571,239	£1,981,000
After crediting:		
Net rents received	£ 23,681	£ 28,305

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1994

4. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1994 £	1993 £
Corporation tax at a rate of 33% (1993 33%)	(1,342,834)	1,548,308
Deferred taxation	12,376	49,439
Adjustment in respect of prior years	(1,176)	8,023
	<hr/>	<hr/>
	£(1,331,634)	£ 1,605,770
	<hr/>	<hr/>

5. INVESTMENTS HELD AS FIXED ASSETS

	Subsidiaries £	Associates £	Total £
Balance at 1 June 1993	366,892	500	367,392
Transfers	500	(500)	-
Additions	1,300	-	1,300
	<hr/>	<hr/>	<hr/>
Balance at 31 May 1994	£368,692	£ -	£368,692
	<hr/>	<hr/>	<hr/>

The company's subsidiaries, wholly owned and incorporated in England and Wales are:-

Bryant Homes Hertford Limited
Bryant Homes Weald Limited
Bryant Homes Thames Valley Limited
Bryant Homes Wessex Limited
Bryant Retirement Homes Limited
Vigobridge Limited

In the period to 11 May 1994 the company had a 50% interest in the share capital of Vigobridge Limited. On 12 May 1994 the company acquired the remaining shares for a consideration of £500.

Investments are stated at cost less provisions for permanent diminution in value.

The directors are of the opinion that the value of the company's interest in its investments is not less than the amount stated.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1994

6. DEBTORS	1994 £	1993 £
Due within one year:		
Amounts owed by subsidiary companies	21,641,608	1,693,717
Amounts owed by associated undertakings	-	694,632
Group relief recoverable	-	1,561,497
Other debtors	321,023	636,296
	<hr/>	<hr/>
	£21,962,631	£ 4,586,142
	<hr/>	<hr/>

Due after more than one year:

Loans to associated undertakings	£ -	£ 5,000,000
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1994 £	1993 £
Trade creditors	24,440,692	9,398,018
Amounts owed to group companies	102,789,727	94,891,688
Amounts owed to associated companies	2,654,122	3,648,604
Corporation Tax	1,335,361	-
Other creditors and accruals	872,105	774,460
	<hr/>	<hr/>
	£132,092,007	£108,712,770
	<hr/>	<hr/>

Creditors includes £18,106,603 (1993 - £4,877,000) which is secured against land acquired for development.

8. PROVISIONS FOR LIABILITIES AND CHARGES	1994 £	1993 £
Other provisions	477,372	512,265
Deferred taxation	-	12,376
	<hr/>	<hr/>
	£477,372	£524,641
	<hr/>	<hr/>

Other provisions are principally in respect of additional costs on completed work. The deferred tax balance at 31 May 1993 was transferred to the profit and loss account in the year. As at 31st May 1994 there is no deferred tax which has not been provided for.

BRYANT HOMES SOUTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1994

	1994	1993
9. CALLED UP SHARE CAPITAL		
Authorised Ordinary shares of £1 each	£250,000	£250,000
Allotted and fully paid Ordinary shares of £1 each	£100,000	£100,000
 10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
	1994	1993
	£	£
Profit/(Loss) for the year	2,706,684	(3,233,588)
Dividends Paid	(1,000,000)	-
	<hr/>	<hr/>
	1,706,684	(3,233,588)
Opening shareholders' funds	425,220	3,658,808
	<hr/>	<hr/>
Closing shareholders' funds	2,131,904	425,220
	<hr/>	<hr/>

11. ULTIMATE PARENT COMPANY

Bryant Group plc which is registered in England, is the company's ultimate parent company. Copies of the group financial statements can be obtained from The Secretary, Bryant Group Plc, Cranmore House, Cranmore Boulevard, Solihull, West Midlands, B90 4SD.

12. CONTINGENT LIABILITIES

The company has given unlimited guarantees on the bank borrowings of certain other group companies.

Performance bonds and other building guarantees have been entered into in the normal course of business.