

Company Number: 346732

BRYANT HOMES SOUTHERN LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MAY 1996



BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 1996.

1. ACTIVITIES

The principal activity of the company is the building and development of housing.

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 AND TRANSFER TO RESERVES

A dividend of £1,000,000 (1995: £3,511,934) has been paid in the year. The retained profit of £911,910 (1995: £1,539,746) has been transferred to reserves.

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		Share options of 25p each	
	31 May 1996	1 June 1995	31 May 1996	1 June 1995
A.Mackenzie	*	*	*	*
G.F.Potton	*	*	*	*
C.C.Gabb	41,283	36,361	151,992	138,806
J.P.E.Dennison	39,888	35,741	213,795	212,569
D.S.George	1,051	1,005	71,631	70,591
H.M.Jennings	256	253	89,536	85,636
J.R.Jones	11,154	10,636	201,460	196,323
N. Martin (resigned 1 October 1995)	-	-	-	-
T. W. Massingham	-	-	81,697	75,197
A.M.N.Wainwright	158	151	20,263	16,478
R. Perrill (appointed 1 October 1995)	-	-	84,657	71,557
L M Whiteman (appointed 1 June 1995)	5,129	2,920	19,625	19,014

*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

5. CREDITOR PAYMENT POLICY

The company agrees terms and conditions for its business transactions with suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

6. AUDITORS

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming 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 1996

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 judgement 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. 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

BRYANT HOMES 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 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche 30 September 1996

Deloitte & Touche
Chartered Accountants and Registered Auditors
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN

BRYANT HOMES SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 1996

	Note	1996 £	1995 £
Turnover	1	148,087,116	119,857,517
Operating profit	1	6,875,097	11,393,028
Interest receivable		49,586	14,825
Interest payable	3	(3,785,000)	(3,867,000)
Profit on ordinary activities before taxation	3	3,139,683	7,540,853
Tax on profit on ordinary activities	4	(1,227,773)	(2,489,173)
Profit on ordinary activities after taxation being the profit for the financial year		1,911,910	5,051,680
Dividend paid		(1,000,000)	(3,511,934)
Retained profit for the year		911,910	1,539,746
Retained profit brought forward		3,571,650	2,031,904
Retained profit carried forward		£ 4,483,560	£ 3,571,650

All material activities derive from continuing operations.


There are no recognised gains or losses other than the profit for the year. Accordingly, a statement of total recognised gains and losses has not been included.

BRYANT HOMES SOUTHERN LIMITED

BALANCE SHEET - 31 May 1996

	Note	1996 £	1995 £
FIXED ASSETS			
Investments	5	1,608,930	368,692
CURRENT ASSETS			
Stocks and work in progress		154,215,268	150,682,227
Debtors	6	1,954,104	1,711,826
Cash at bank		8,607,906	4,070,508
		164,777,278	156,464,561
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(159,272,648)	(152,645,486)
NET CURRENT ASSETS		5,504,630	3,819,075
TOTAL ASSETS LESS CURRENT LIABILITIES			
		7,113,560	4,187,767
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8	(2,530,000)	-
PROVISIONS FOR LIABILITIES AND CHARGES	9	-	(516,117)
NET ASSETS		£ 4,583,560	£ 3,671,650
CAPITAL AND RESERVES			
Called up share capital	10	100,000	100,000
Profit and loss account		4,483,560	3,571,650
EQUITY SHAREHOLDER'S FUNDS		£ 4,583,560	£ 3,671,650

Approved by the Board of Directors on 18 September 1996
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. BASIS OF ACCOUNTING

The financial statements are prepared on the historical 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 and selling overheads.

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

5. INVESTMENTS

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1996

1. TURNOVER AND OPERATING PROFIT

	1996 £	1995 £
Turnover	148,087,116	119,857,517
Cost of sales	135,608,643	102,876,159
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Gross profit	12,478,473	16,981,358
Administrative expenses	5,603,376	5,588,330
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Operating Profit	£ 6,875,097	£ 11,393,028
	<hr/> <hr/>	<hr/> <hr/>

Turnover includes sales to Bryant Group associated companies of £3,127,882 (1995 - £6,091,850).

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 ultimate parent company, whose emoluments are shown in the financial statements of Bryant Group plc.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1996 £	1995 £
After charging: Management charges, including auditors' remuneration for audit services £25,500 (1995 - £19,500)	£5,603,378	£5,512,350
Interest payable on group loan	£3,785,000	£3,867,000
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After crediting: Net rents received	£ 31,144	£ 39,135
	<hr/> <hr/>	<hr/> <hr/>

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1996

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
Corporation tax at a rate of 33% (1995 33%)	1,037,773	2,492,111
Adjustment in respect of prior years	190,000	(2,938)
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	£ 1,227,773	£ 2,489,173
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5. INVESTMENTS HELD AS FIXED ASSETS

	£
Balance at 1 June 1995 at cost	368,692
Transfer at cost	3,000
Acquisition at cost	1,237,238
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Balance at 31 May 1996 at cost	£ 1,608,930
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The company's subsidiaries, wholly owned operating 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 Homes South West Limited
Bryant Retirement Homes Limited
Bryad Developments Limited
Vigobridge Limited - dormant

The principal activity of the subsidiaries is the building and development of housing.

During the year:

- (1) Bryant Homes South West Limited was transferred in from a fellow subsidiary
- (2) Bryad Developments Limited was transferred in from the parent company with this company acquiring the remaining 50% from an external shareholder.

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 ACCOUNTS

Year ended 31 May 1996

6. DEBTORS

	1996 £	1995 £
Amounts owed by other group companies	1,322,562	116,717
Other debtors	631,542	1,595,109
	<hr/>	<hr/>
	£1,954,104	£1,711,826
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996 £	1995 £
Trade creditors	18,439,021	22,548,572
Amounts owed to other group companies	138,606,730	126,262,041
Amounts owed to group associated companies	-	214,531
Corporation Tax	1,225,713	2,642,473
Other creditors and accruals	1,001,184	977,869
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	£159,272,648	£152,645,486
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Trade Creditors includes £12,354,726 (1995 - £16,959,365) which is secured against land acquired for development.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1996	1995
Trade creditors	£ 2,530,000	£ -
	<hr/>	<hr/>

Trade creditors are secured against land acquired for development

9. PROVISIONS FOR LIABILITIES AND CHARGES

	1996	1995
Provisions principally in respect of additional costs on completed works	£ -	£ 516,117
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This balance has been reclassified to trade creditors in the year.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 May 1996

10. CALLED UP SHARE CAPITAL	1996	1995
	£	£
Authorised 250,000 Ordinary shares of £1 each	£250,000	£250,000
	<hr/>	<hr/>
Allotted called up and fully paid 100,000 Ordinary shares of £1 each	£100,000	£100,000
	<hr/>	<hr/>
11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	1996	1995
	£	£
Profit for the year	1,911,910	5,051,680
Dividends paid	(1,000,000)	(3,511,934)
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	911,910	1,539,746
Opening shareholders' funds	3,671,650	2,131,904
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Closing shareholders' funds	£4,583,560	£ 3,671,650
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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.

13. ULTIMATE PARENT COMPANY

Bryant Group plc which is registered in England and Wales, 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.