

Company Number: 346732

**BRYANT HOMES SOUTHERN LIMITED
REPORT AND FINANCIAL STATEMENTS**

31 MAY 1999



BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 1999.

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 12. *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 £4,246,138 (1998 - £5,297,880) has been paid in the year. The retained profit of £10,534,895 (1998 - £7,460,738) 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 1999	1 June 1998	31 May 1999	1 June 1998
A MacKenzie	*	*	*	*
G F Potton (resigned 30.06.98)	*	*	*	*
C C Gabb	*	*	*	*
J P E Dennison	70,352	85,812	113,388	88,290
D S George	1,195	1,132	3,631	60,727
H M Dunstan	4,651	4,235	86,831	77,462
T W Massingham (resigned 16.09.98)	-	-	-	-
R W Monkman (appointed 19.10.98)	-	-	-	-
R G Perrill	-	-	32,657	84,657
L M Whiteman	2,100	2,009	19,124	17,336
L R Morrissey	4,419	4,195	61,656	61,656
M J Pink	-	-	11,682	-

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

No share options have been exercised during the year.

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. 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.

The average creditor payment period for the year under these terms was 94 days. (1998 - 26 days.)

6. YEAR 2000

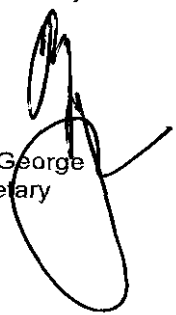
The year 2000 issue has been considered at a Group level and is commented on in the financial statements of *Bryant Group plc*, the ultimate parent.

7. AUDITORS

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

A handwritten signature in black ink, appearing to be 'D.S. George', is written over the printed name and title. The signature is stylized with a large loop at the bottom.

BRYANT HOMES SOUTHERN LIMITED

YEAR ENDED 31 MAY 1999

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 a 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 12 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

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

1 September 1999

BRYANT HOMES SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 1999

	Note	1999 £	1998 £
Turnover	1	203,177,248	203,276,199
Operating profit	1	28,098,441	24,792,842
Interest receivable		72,198	207,979
Dividends receivable		-	560,320
Amounts written off investments		-	(560,320)
Interest payable	3	(6,718,000)	(6,882,000)
Profit on ordinary activities before taxation	3	21,452,639	18,118,821
Tax on profit on ordinary activities	4	(6,671,606)	(5,360,203)
Profit on ordinary activities after taxation being the profit for the financial year		14,781,033	12,758,618
Dividend paid		(4,246,138)	(5,297,880)
Retained profit for the year		10,534,895	7,460,738
Retained profit brought forward		12,239,816	4,779,078
Retained profit carried forward		£ 22,774,711	£ 12,239,816

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 AT 31 MAY 1999

	Note	1999 £	1998 £
FIXED ASSETS			
Investments	5	371,693	371,693
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks and work in progress		232,222,491	187,052,400
Debtors	6	1,028,030	2,014,381
Cash at bank		9,585,786	13,258,302
		<hr/>	<hr/>
		242,836,307	202,325,083
CREDITORS: amounts falling due within one year	7	(207,731,916)	(177,381,210)
		<hr/>	<hr/>
NET CURRENT ASSETS		35,104,391	24,943,873
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		35,476,084	25,315,566
CREDITORS: amounts falling due after more than one year	8	(11,611,000)	(12,975,750)
Provisions for liabilities and charges	9	(990,373)	-
		<hr/>	<hr/>
NET ASSETS		£ 22,874,711	£ 12,339,816
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	10	100,000	100,000
Profit and loss account		22,774,711	12,239,816
		<hr/>	<hr/>
EQUITY SHAREHOLDER'S FUNDS		£ 22,874,711	£ 12,339,816
		<hr/>	<hr/>

Approved by the Board of Directors on

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.

6. DEFERRED TAXATION

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

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 1999

1. TURNOVER AND OPERATING PROFIT

	1999 £	1998 £
Turnover	203,177,248	203,276,199
Cost of sales	<u>166,974,740</u>	<u>171,238,668</u>
Gross profit	36,202,508	32,037,531
Administrative expenses	<u>8,104,067</u>	<u>7,244,689</u>
Operating profit	£ <u><u>28,098,441</u></u>	£ <u><u>24,792,842</u></u>

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

	1999 £	1998 £
After charging:		
Management charges, including auditors' remuneration for audit services £33,940 (1998 - £31,500)	£ 8,104,067	£ 7,244,689
Interest payable on group loan	£ <u><u>6,718,000</u></u>	£ <u><u>6,882,000</u></u>
After crediting:		
Net rents received	£ <u><u>55,345</u></u>	£ <u><u>176,629</u></u>

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 1999

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
Corporation tax at a rate of 30.833% (1998 - 31.0%)	6,600,451	5,517,455
Deferred taxation	14,013	-
Adjustment in respect of prior years	57,142	(157,252)
	<u>£ 6,671,606</u>	<u>£ 5,360,203</u>

5. INVESTMENTS HELD AS FIXED ASSETS

	1999 £	1998 £
Balance at 1 June 1998	371,693	932,013
Amount written off investments	-	(560,320)
Balance at 31 May 1999	<u>£ 371,693</u>	<u>£ 371,693</u>

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

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

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 1999

6. DEBTORS

	1999 £	1998 £
Deferred taxation	40,904	-
Other debtors	987,126	2,014,381
	<u>£ 1,028,030</u>	<u>£ 2,014,381</u>

7. CREDITORS: amounts falling due within one year

	1999 £	1998 £
Trade creditors	33,275,941	30,649,677
Amounts owed to other group companies	166,064,540	138,713,724
Corporation tax	6,598,054	4,941,803
Other creditors and accruals	1,793,381	3,076,006
	<u>£ 207,731,916</u>	<u>£ 177,381,210</u>

Trade creditors includes £22,494,188 (1998 - £22,414,640) which is secured against land acquired for development and £8,312,500 (1998 - Nil) secured by guarantee.

8. CREDITORS: amounts falling due after more than one year

	1999 £	1998 £
Trade creditors due between one and two years	<u>£ 11,611,000</u>	<u>£ 12,975,750</u>

Trade creditors are secured against land acquired for development, are interest free and have a weighted average life of 0.8 years.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 1999

9. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Balance at 1 June 1998	-
Transfer from creditors	1,083,711
Provided	280,529
Utilised	<u>(373,867)</u>
Balance at 31 May 1999	£ <u>990,373</u>

Provisions relate principally to completed sites and house maintenance.

10. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised:		
250,000 Ordinary shares of £1 each	£ <u>250,000</u>	£ <u>250,000</u>
Allotted, called up and fully paid:		
100,000 Ordinary shares of £1 each	£ <u>100,000</u>	£ <u>100,000</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	1999 £	1998 £
Profit for the year	14,781,033	12,758,618
Dividend paid	<u>(4,246,138)</u>	<u>(5,297,880)</u>
	10,534,895	7,460,738
Opening shareholder's funds	<u>12,339,816</u>	<u>4,879,078</u>
Closing shareholder's funds	£ <u>22,874,711</u>	£ <u>12,339,816</u>

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 MAY 1999

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. RELATED PARTY TRANSACTIONS

During the year certain directors received goods and services the cost of which was reimbursed by the individual directors. Amounts recharged and paid were: Mrs L M Whiteman £5,959. Disclosures in respect of Mr A MacKenzie and Mr C C Gabb are given in the accounts of Bryant Group plc.

Other than as noted above, no material contract in which directors of the company or other related parties had an interest subsisted at any time during the year. Transactions with other group companies are not disclosed as permitted by FRS8 as the company is a wholly owned subsidiary of Bryant Group plc, whose consolidated accounts are publicly available.

14. 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.

The company's immediate parent company is Bryant Homes plc.