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BRYANT HOMES SOUTHERN LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MAY 1990

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BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 May 1990.

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 4 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 5 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

No dividends have been paid (1989 - £ 337,671).

4. DIRECTORS

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

	Ordinary shares of 25p each	
	1 June 1989	31 May 1990
	(or date of appointment)	
A.C.Bryant	*	*
A.Mackenzie	*	*
M.Dalton	18,469	23,589
C.C.Gabb (Resigned 19 March 1990)	-	-
D.S.George (Appointed 1 June 1989)	5,565	591
G.L.Holland	39,660	36,872
H.M.Jennings (Appointed 1 June 1989)	-	-
R.Jones	16,003	10,216
G.F.Potton	17,978	11,123
N.Smith	-	-

*Interests in the shares of the ultimate holding 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 any subsidiary of Bryant Group plc.

BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

5. CLOSE COMPANY STATUS

So far as the directors are aware, the company is not a close company within the meaning of the Income and Corporation Taxes Act 1988.

6. AUDITORS

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

By Order of the Board

D.S. George
Secretary

AUDITORS' REPORT TO THE MEMBERS

of

BRYANT HOMES SOUTHERN LIMITED

We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1990 and of its loss and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

12 October 1990

Touche Ross & Co.

Touche Ross & Co.
Chartered Accountants
Kensington House ,
136 Suffolk Street Queensway ,
Birmingham.
B1 1LL

BRYANT HOMES SOUTHERN LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 May 1990

	Note	1990 £	1989 £
Turnover	1	73,094,012	91,329,544
Operating (Loss) / Profit	1	(1,263,991)	14,448,111
Interest receivable		310,489	183,929
Interest payable	3	(2,437,000)	(4,312,578)
(Loss) / Profit on ordinary activities before taxation	3	(3,390,502)	10,319,462
Tax on (loss) / profit on ordinary activities	4	(1,194,716)	3,608,638
(Loss) / profit for the financial year		(2,195,786)	6,710,824
Dividend		-	337,671
Retained (loss) / profit for the year		(2,195,786)	6,373,153
Retained profit brought forward		15,445,406	9,072,253
Retained profit carried forward		£13,249,620	£15,445,406

BRYANT HOMES SOUTHERN LIMITED

BALANCE SHEET - 31 May 1990

	Note	1990 £	1989 £
FIXED ASSETS			
Investments	5	10,800	800
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks and work in progress		109,778,841	127,429,260
Debtors	6	5,747,438	2,427,911
Cash at bank		6,129,395	-
		<hr/>	<hr/>
		121,655,674	129,857,171
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	107,398,033	113,117,429
		<hr/>	<hr/>
NET CURRENT ASSETS		14,257,641	16,739,742
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,268,441	16,740,542
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES	8	(918,821)	(1,195,136)
		<hr/>	<hr/>
		£13,349,620	£15,545,406
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	100,000	100,000
Profit retained		13,249,620	15,445,406
		<hr/>	<hr/>
		£13,349,620	£15,545,406
		<hr/>	<hr/>

Approved by the board on 25 September 1990

A.C.Bryant

A.Mackenzie

)
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) Directors

BRYANT HOMES SOUTHERN LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31 May 1990

	1990 £	1989 £
SOURCE OF FUNDS		
Profit on ordinary activities before taxation being amount generated from operations	-	10,319,462
Increase in creditors	536,109	7,693,689
Increase in amounts owed to group companies	5,703,056	18,568,952
Decrease in stocks	17,650,419	-
Increase in amount owed to associated companies	-	2,336,137
Decrease in amounts owed by associated companies	-	386,300
Decrease in other debtors	-	144,220
	<hr/>	<hr/>
	£23,889,584	£39,448,760
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Loss on ordinary activities before taxation being amount absorbed by operations	3,390,502	-
Taxation paid	5,644,376	2,805,592
Increase in amounts owed by group companies	1,010,402	1,172
Increase in other debtors	434,444	-
Increase in amounts owed by associated companies	1,954,290	-
Decrease in amounts owed to associated companies	640,467	-
Dividend paid	-	337,671
Investments (transferred) / purchased	10,000	(100)
Increase in stocks	-	36,331,291
	<hr/>	<hr/>
	13,084,481	39,525,626
Items not involving the movement of funds:		
Decrease in provisions	319,095	88,949
Decrease / (Increase) in bank overdraft	10,486,008	(165,815)
	<hr/>	<hr/>
	£23,889,584	£39,448,760
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BRYANT HOMES SOUTHERN LIMITED

ACCOUNTING POLICIES

1. CONSOLIDATED ACCOUNTS

As the company is a wholly owned subsidiary no consolidated financial statements for the company and its subsidiaries and associate 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 1990

1. TURNOVER AND OPERATING PROFIT

	1990 £	1989 £
Turnover	73,094,012	91,329,544
Cost of sales	71,295,054	72,651,750
	<hr/>	<hr/>
Gross profit	1,798,958	18,677,794
Administrative expenses	3,062,949	4,229,683
	<hr/>	<hr/>
Operating (loss) / profit	£(1,263,991)	£14,448,111
	<hr/> <hr/>	<hr/> <hr/>

Turnover includes sales to associated companies of £10,217,456 (1989 - £11,306,676).

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. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1990	1989
After charging:		
Overhead and management charges, including audit fee £20,000 (1989 - £19,950)	£3,018,045	£4,142,685
Interest payable on group loan	£2,437,000	£4,312,578
	<hr/>	<hr/>
After crediting:		
Net rents received	£ 8,808	£ 31,316
	<hr/> <hr/>	<hr/> <hr/>

BRYANT HOMES SOUTHERN LIMITED
NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1990

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

	1990	1989
	£	£
Corporation tax at a rate of 35%	-	3,589,533
Group relief	(1,309,624)	-
Deferred taxation	122,389	22,279
Adjustment in respect of prior years	(7,481)	(3,174)
	<hr/>	<hr/>
	£(1,194,716)	£3,608,638
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5. INVESTMENTS HELD AS FIXED ASSETS

	Subsidiaries	Associates	Total
	£	£	£
Balance at 1 June 1989	300	500	800
Movements in the year	10,000	-	10,000
	<hr/>	<hr/>	<hr/>
Shares at cost	£10,300	£500	£10,800
	<hr/>	<hr/>	<hr/>

The company's subsidiaries, wholly owned and incorporated in the United Kingdom are:-

Bryant Homes Hertford Limited
 Bryant Homes Weald Limited
 Consolidated Retail Stores Limited
 La Chaumiere Limited

The company's associate is Vigobridge Limited which is incorporated in the United Kingdom and owned 50% with Allied Irish Banks plc.

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

6. DEBTORS

	1990	1989
	£	£
Amounts owed by subsidiary companies	1,027,236	16,834
Amounts owed by associated companies	3,922,280	1,967,990
Deferred taxation	-	79,609
Other debtors	797,922	363,478
	<hr/>	<hr/>
	£5,747,438	£2,427,911
	<hr/>	<hr/>

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1990

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1990	1989
	£	£
Bank overdraft	-	4,356,613
Trade creditors	19,041,043	18,789,755
Amounts owed to group companies	81,582,245	75,879,189
Amounts owed to associated companies	3,940,785	4,581,252
Corporation tax	1,692,158	8,653,639
Other creditors and accruals	1,141,802	856,981
	<hr/>	<hr/>
	£107,398,033	£113,117,429
	<hr/>	<hr/>

Creditors includes £11,290,000 (1989 - £10,498,000) which is secured.

8. PROVISIONS FOR LIABILITIES AND CHARGES	1990	1989
	£	£
Other provisions	876,041	1,195,136
Deferred taxation	42,780	-
	<hr/>	<hr/>
	£ 918,821	£1,195,136
	<hr/>	<hr/>

Other provisions are principally in respect of additional costs on completed work. Deferred taxation is in respect of interest receivable and other timing differences.

9. CALLED UP SHARE CAPITAL	1990	1989
Authorised		
Ordinary shares of £1 each	£250,000	£250,000
	<hr/>	<hr/>
Allotted and fully paid		
Ordinary shares of £1 each	£100,000	£100,000
	<hr/>	<hr/>

Bryant Group plc which is incorporated in the United Kingdom, is the ultimate holding company.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1990

10. 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.