

Touche Ross & Co.

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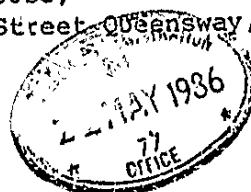
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BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

REPORT AND FINANCIAL STATEMENTS

31 May 1985

Touche Ross & Co.,
Kensington House,
136 Suffolk Street Queensway,
Birmingham.
B1 1LZ.



Touche Ross & Co.

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

REPORT AND FINANCIAL STATEMENTS

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BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

OFFICERS AND PROFESSIONAL ADVISERS

Directors

A.C. Bryant
R.G. Davies
A. Mackenzie
A.G. Davis
E. Salloway
C.A. Narburgh
R.L. Killick
G.L. Holland
T.V. Flower
J. Russam
G.F. Potton
J.P.E. Dennison

Secretary

J.P.E. Dennison

Registered office

Cranmore House,
Shirley,
Solihull,
West Midlands.
B90 4SD

Auditors

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

Bankers

Lloyds Bank PLC,
39 Threadneedle Street,
London,
EC2R 8AU

Solicitors

Evershed & Tomkinson
10 Newhall Street,
Birmingham.
B3 3LX

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 1985.

1. ACTIVITIES

The principal activity of the company is that of commercial and private house developments. All construction work is carried out by a fellow subsidiary. On 1 June 1984 Bryant Homes Southern Limited transferred its trade to Shottery Estate Limited. On that date Shottery Estate Limited changed its name to Bryant Homes Southern Limited and Bryant Homes Southern Limited changed its name to Shottery Estate Limited and on the same day Shottery Estate Limited (formerly Bryant Homes (Southern) Limited) ceased to trade.

2. REVIEW OF DEVELOPMENTS

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 page 8. 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 and 10.

3. DIVIDENDS AND PROFIT AND LOSS ACCOUNT

No dividends have been paid or proposed. Movements in the Profit and Loss Account are given on page 4.

4. FUTURE PROSPECTS

The directors consider that the company is well placed to continue to perform satisfactorily given a favourable trading climate.

5. DIRECTORS

The following were directors of the company during the year and their interests at 1 June 1984 and 31 May 1985 in the shares of the ultimate holding company were:-

		Ordinary shares of 25p each	
		1 June 1984	31 May 1985
		or date of appointment	
A.C. Bryant	(appointed 1 June 1984)	*	*
R.G. Davies		*	*
A. Mackenzie	(appointed 1 June 1984)	*	*
A.G. Davis		97,000	97,000
E. Salloway		25,000	25,000
C.A. Narburgh		500	500
R.L. Killick		75,000	67,000
G.L. Holland	(appointed 1 June 1984)	2,000	2,000
T.V. Flower	(appointed 1 January 1985)	600	2,830
J. Russam	(appointed 1 January 1985)	560	560
G.F. Potton	(appointed 1 January 1985)	400	400
J.P.E. Dennison	(appointed 1 January 1985)	10,000	10,000

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

At no time during the year did any director have any interest in the shares of the company.

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

DIRECTORS' REPORT

6. 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 1970.

7. AUDITORS

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

By Order of the Board

John Dennison

Secretary

Touche Ross & Co

Chartered Accountants

Kensington House

136 Suffolk Street, Queensway
Birmingham B1 1LL

AUDITORS' REPORT TO THE MEMBERS

of

BRYANT HOMES SOUTHERN LIMITED

(formerly Shottery Estate Limited)

We have audited the financial statements on pages 4 to 10 in accordance with approved 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 1985 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

14th October 1985

Touche Ross & Co

Chartered Accountants

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

PROFIT AND LOSS ACCOUNT

Year ended 31 May 1985

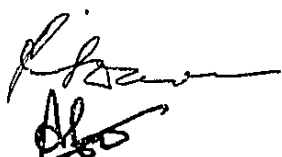
	Note	1985 £	1984 £
Turnover		29,379,638	421,654
Change in work in progress		1,310,254	-
Other operating income		<u>263,223</u>	<u>692</u>
		30,953,115	422,346
Materials (including land) and consumables		6,144,673	66,754
Other external charges - inter-group		19,171,129	270,346
Other external charges		362,031	(11,530)
Other operating charges		<u>2,739,444</u>	<u>77,458</u>
		28,417,277	403,028
Interest receivable		14,030	-
Interest payable		<u>(332,113)</u>	<u>-</u>
Profit on ordinary activities before taxation	2	2,217,755	19,318
Tax charge/(credit) on profit on ordinary activities	3	<u>871,879</u>	<u>(26,885)</u>
Profit for the financial year		1,345,876	46,203
Profit and loss account brought forward		<u>850,382</u>	<u>804,179</u>
Profit and loss account carried forward		<u>£ 2,196,258</u>	<u>£ 850,382</u>

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

BALANCE SHEET - 31 May 1985

	Note	£	1985	£	1984	£
FIXED ASSETS						
Investments	4			100		-
CURRENT ASSETS						
Stocks	5	41,309,002			1,780,300	
Debtors	6	263,479			27,545	
Cash at bank and in hand		519,987			3,379	
			42,092,468			1,811,224
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR						
Bank overdraft		3,509,829			-	
Trade creditors	7	6,540,261			205,825	
Amounts owed to group companies		28,448,057			636,345	
Taxation		456			113,080	
Accruals and deferred income		254,463			1,317	
			38,753,066			956,567
NET CURRENT ASSETS				3,339,402		854,657
TOTAL ASSETS LESS CURRENT LIABILITIES				3,339,502		854,657
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR						
	8	776,938			-	
PROVISION FOR LIABILITIES AND CHARGES						
	9	365,306			3,275	
				1,142,244		3,275
				£ 2,197,258		£ 851,382
CAPITAL AND RESERVES						
Called up share capital	10			1,000		1,000
Profit and loss account				2,196,258		850,382
				£ 2,197,258		£ 851,382

The financial statements were approved by the Board of Directors on 14 October 1985

)
) Directors
)

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31 May 1985

	1985 £	1984 £
SOURCE OF FUNDS		
Profit before taxation being total generated from operations	2,196,122	19,318
APPLICATION OF FUNDS		
Taxation paid	-	135,253
(DECREASE)/INCREASE IN WORKING CAPITAL	£ 2,196,122	£ (115,935)
 Increase/(decrease) in:		
Work in progress	8,753,707	-
Land for development	30,755,793	365,387
Amount owed by group companies	(27,265)	(285,914)
Other debtors	229,831	280
Ground rents	190,224	-
 Decrease/(increase) in:		
Creditors and provisions	(6,997,304)	246,688
Amount owed to group companies	(27,715,643)	(440,199)
 (Decrease)/increase in bank balances	5,189,343 (2,993,221)	(113,758) (2,177)
	£ 2,196,122	£ (115,935)

Summary of the effects of the acquisition of the assets of Shottery Estate Limited (formerly Bryant Homes Southern Limited).

Net assets acquired	£
Land for development	18,610,820
Work in progress	7,738,693
Debtors	171,016
Ground rents	150,726
Amounts owed by group companies	10,128
Creditors	(5,812,994)
Amounts owed by group companies	(10,490,581)
Bank overdraft less cash at bank	(562,856)
	9,814,952
Transferred to Bryant Holdings	£ (9,814,952)

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

ACCOUNTING POLICIES

1. ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention.

2. LAND FOR DEVELOPMENT

Land for development is stated at the lower of cost and net realisable value.

3. TURNOVER

Turnover represents the sales value of completed work done for third parties. Profit is taken on financial completion in respect of sales of land and houses.

4. STOCKS

(a) Work in progress is valued at the lower of cost and net realisable value. Interest costs are written off as incurred. Cost represents direct materials, labour and appropriate overheads.

(b) Land for development represents land for housing and commercial development including deposits, options money and the full purchase price where there are unconditional contracts, and is valued at the lower of cost and net realisable value. Interest costs are written off as incurred.

(c) Ground rents are valued at the lower of cost and net realisable value. Cost represents an apportionment of the cost of land and house building costs applicable to each plot. The resulting valuation represents six years net rents receivable (1984 - six years).

5. DEFERRED TAXATION

Deferred taxation is provided at the anticipated rate on differences which arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, except where the tax effect of these differences is expected to continue in the future.

BRYANT HOMES SOUTHERN LIMITED
(formerly Shotttery Estate Limited)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1985

1. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' remuneration

Directors who are also directors of the holding company are remunerated for their services by that company.

Other directors of the company are employees of Bryant Group Services Limited and are remunerated by that company. They received total emoluments during the year of £249,221 (1984 - £132,893) but it is not practical to allocate this between their services for various group companies.

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

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1985 £	1984 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration	6,750	529
Overhead and management charges	1,053,356	10,276
	<hr/>	<hr/>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Taxation based on the profits for the year provided at 45% (1984 - 50%) comprises:-

Corporation tax	872,293	-
Contribution by group companies in respect of losses surrendered	-	(27,488)
Adjustment in respect of prior years	(414)	603
	<hr/>	<hr/>
Taxation charge/(credit)	£ 871,879	£ (26,885)

The taxation charge for the year has been reduced by £118,400 (1984 - £Nil) by trading losses transferred with the trade of the former Bryant Homes Southern Limited (now Shotttery Estate Limited). The taxation credit for 1984 was increased by £35,250 by stock relief.

4. INVESTMENTS HELD AS FIXED ASSETS	1985 £
Shares in subsidiaries at cost	
Balance at 1 June	-
Acquisition	100
	<hr/>
Balance at 31 May	100

The company's subsidiary, wholly owned and incorporated in the United Kingdom is Bryant Management Services Limited.

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1985

5. STOCKS	1985 £	1984 £
Land for development	32,392,321	1,780,300
Work in progress	9,048,947	-
Trade in properties	109,925	-
Ground rents	<u>190,224</u>	<u>-</u>
	41,741,417	1,780,300
Less payments on account	<u>(432,415)</u>	<u>-</u>
	<u>£ 41,309,002</u>	<u>£ 1,780,300</u>

6. DEBTORS

Trade debtors	-	-
Amounts owed by group companies	-	27,265
Other debtors	<u>263,479</u>	<u>280</u>
	<u>£ 263,479</u>	<u>£ 27,545</u>

7. CREDITORS

Creditors includes £5,842,228 (1984 - £Nil) which is secured against land for developments.

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

Corporation tax payable 1 December 1986	<u>£ 776,938</u>	<u>£ -</u>
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9. PROVISIONS FOR LIABILITIES AND CHARGES

	Balance at 1 June 1984	Transferred from Shottery Estate	Charged to profit and loss account	Balance at 31 May 1985
Provisions	<u>£ 3,275</u>	<u>£ 380,978</u>	<u>£ (18,947)</u>	<u>£ 365,306</u>

Provisions include principally provisions for cost of maintenance under guarantees and additional costs on completed contracts.

BRYANT HOMES SOUTHERN LIMITED
(formerly Shottery Estate Limited)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1985

10. CALLED UP SHARE CAPITAL

	Authorised £	Allotted and fully paid 1985 £	1984 £
Authorised, allotted and fully paid			
Ordinary shares of £1 each	900	900	900
3% non-cumulative preference shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>
	<u>£ 1,000</u>	<u>£ 1,000</u>	<u>£ 1,000</u>

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

11. LAND FOR DEVELOPMENT

Expenditure committed at 31 May 1985	<u>£ 1,020,119</u>	<u>£ -</u>
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12. CONTINGENT LIABILITIES

The company has guaranteed performance bonds amounting to £3,564,462.