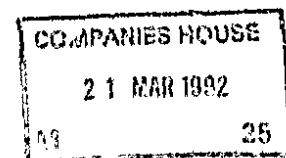


Ref: 5328M FIK

Company Number: 346732

BRYANT HOMES SOUTHERN LIMITED
REPORT AND FINANCIAL STATEMENTS
31 MAY 1991



BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 May 1991.

1. ACTIVITIES

The activities of the company are building and development.

2. REVIEW OF ACTIVITIES

The company has performed in line with expectations. 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 perform satisfactorily given a favourable trading climate.

3. DIVIDENDS

No dividends have been paid or proposed in the year.

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 1990	31 May 1991
	(or date of appointment)	
A.C.Bryant	*	*
A.Mackenzie	*	*
G.F.Potton	*	*
D.S.George	591	852
G.L.Holland	36,872	28,897
H.M.Jennings	-	-
J.R.Jones	10,216	17,846
M.P.Lewis	3,600	4,650
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 the company or any other subsidiary of Bryant Group plc.

BRYANT HOMES SOUTHERN LIMITED

DIRECTORS' REPORT

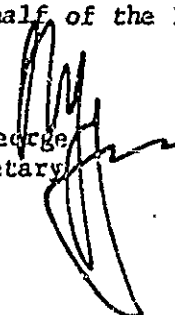
5. CLOSE COMPANY STATUS

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.

Approved by the Board of Directors
and signed on behalf 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 1991 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.

23 September 1991

Touche Ross No

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 1991

	Note	1991 £	1990 £
Turnover	1	68,806,702	73,094,012
Operating Loss	1	(5,419,747)	(1,263,991)
Interest receivable		443,752	310,489
Interest payable	3	(2,155,000)	(2,437,000)
Amounts written off investments	5	(144,407)	--
Loss on ordinary activities before taxation	3	(7,275,402)	(3,390,502)
Tax on loss on ordinary activities	4	(2,425,836)	(1,194,716)
Loss for the financial year		(4,849,566)	(2,195,786)
Retained profit brought forward		13,249,620	15,445,406
Retained profit carried forward		£ 8,400,054	£13,249,620


BRYANT HOMES SOUTHERN LIMITED

BALANCE SHEET - 31 May 1991

	Note	1991 £	1990 £
FIXED ASSETS			
Investments	5	367,492	10,800
		<hr/>	<hr/>
CURRENT ASSETS			
Stocks and work in progress		127,103,534	109,778,841
Debtors	6	11,490,711	5,747,438
Cash at bank		-	6,129,395
		<hr/>	<hr/>
		138,594,245	121,655,674
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	129,631,753	107,398,033
		<hr/>	<hr/>
NET CURRENT ASSETS		8,962,492	14,257,641
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,329,984	14,268,441
		<hr/>	<hr/>
PROVISIONS FOR LIABILITIES AND CHARGES	8	(829,930)	(918,821)
		<hr/>	<hr/>
		£ 8,500,054	£13,349,620
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	100,000	100,000
Profit retained		8,400,054	13,249,620
		<hr/>	<hr/>
		£ 8,500,054	£13,349,620
		<hr/>	<hr/>

Approved by the board on 23 September 1991

Signed on behalf of the Board of Directors



A. Mackenzie

Director

BRYANT HOMES SOUTHERN LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended 31 May 1991

	1991 £	1990 £
SOURCE OF FUNDS		
Increase in creditors	-	336,104
Increase in amounts owed to group companies	6,937,848	5,703,056
Decrease in stocks	-	17,650,419
Taxation	771,899	-
Increase in amount owed to associated companies	574,239	-
Decrease in other debtors	425,392	-
	<hr/>	<hr/>
	£ 8,709,378	£23,889,584
	<hr/>	<hr/>
APPLICATION OF FUNDS		
Loss on ordinary activities before taxation being amount absorbed by operations	7,275,402	3,390,502
Taxation	-	5,644,376
Increase in stocks	17,324,693	-
Increase in amounts owed by group companies	3,247,089	1,010,402
Increase in other debtors	-	434,444
Increase in amounts owed by associated companies	2,921,571	1,954,290
Decrease in amounts owed to associated companies	-	640,467
Decrease in creditors	3,687,664	-
Investments transferred	501,099	10,000
	<hr/>	<hr/>
	34,957,518	13,084,481
Items not involving the movement of funds:		
Decrease in provisions	88,891	319,095
Amounts written off investments	(144,407)	-
(Increase)/ Decrease in bank overdraft	(26,192,624)	10,436,008
	<hr/>	<hr/>
	£ 8,709,378	£23,889,584
	<hr/>	<hr/>

BRYANT HOMES SOUTHERN LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared in accordance with statements of standard accounting practice issued by UK accountancy bodies.

The particular accountancy 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 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 1991

1. TURNOVER AND OPERATING LOSS

	1991 £	1990 £
Turnover	68,806,702	73,094,012
Cost of sales	70,064,237	71,295,054
Gross (loss) / profit	(1,257,535)	1,798,958
Administrative expenses	4,162,212	3,062,949
Operating loss	£(5,419,747)	£(1,263,991)

Turnover includes sales to associated companies of £14,576,959 (1990 - £10,217,456).

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 ON ORDINARY ACTIVITIES BEFORE TAXATION

	1991	1990
After charging:		
Overhead and management charges, including audit fee £20,000 (1990 - £20,000)	£4,086,859	£3,018,045
Interest payable on group loan	£2,155,000	£2,437,000
After crediting:		
Net rents received	£ 2,698	£ 8,808

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1991

4. TAX ON LOSS ON ORDINARY ACTIVITIES

	1991	1990
	£	£
Group relief at a rate of 33.8% (1990 - 35%)	(2,482,040)	(1,309,624)
Deferred taxation	56,405	122,389
Adjustment in respect of prior years	(201)	(7,481)
	<hr/>	<hr/>
	£(2,425,836)	£(1,194,716)
	<hr/>	<hr/>

5. INVESTMENTS HELD AS FIXED ASSETS

	Subsidiaries	Associates	Total
	£	£	£
Balance at 1 June 1990	10,300	500	10,800
Movements in the year	501,099	-	501,099
Amounts written off	(144,407)	-	(144,407)
	<hr/>	<hr/>	<hr/>
Balance at 31 May 1991	£366,992	£500	£367,492
	<hr/>	<hr/>	<hr/>

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

Bryant Homes Hertford Limited
 Bryant Homes Weald Limited
 Bryant Homes Thames Valley Limited
 Bryant Retirement Homes Limited
 Bryant Management Services 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

	1991	1990
	£	£
Amounts owed by subsidiary companies	4,274,330	1,027,236
Amounts owed by associated undertakings	2,093,851	1,422,280
Loans to associated undertakings due after more than one year	4,750,000	2,500,000
Other debtors	372,530	797,922
	<hr/>	<hr/>
	£11,490,711	£5,747,438
	<hr/>	<hr/>

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1991

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1991	1990
	£	£
Bank overdraft	20,063,229	-
Trade creditors	15,657,868	19,041,043
Amounts owed to group companies	88,520,093	81,582,245
Amounts owed to associated companies	4,515,024	3,940,785
Corporation tax	38,226	1,692,158
Other creditors and accruals	837,313	1,141,802
	<hr/>	<hr/>
	£129,631,753	£107,398,033
	<hr/>	<hr/>

Creditors includes £8,643,273 (1990 - £11,290,000) which is secured.

8. PROVISIONS FOR LIABILITIES AND CHARGES	1991	1990
	£	£
Other provisions	730,745	876,041
Deferred taxation	95,185	42,780
	<hr/>	<hr/>
	£ 829,930	£ 918,821
	<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	1991	1990
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 registered in England and Wales, is the ultimate holding company.

BRYANT HOMES SOUTHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 1991

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.