

Barratt Southern Properties Limited
Annual report
for the year ended 30 June 1996

Registered no: 783112



Coopers
& Lybrand

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Directors' report for the year ended 30 June 1996

The directors present their report and the audited accounts for the year ended 30 June 1996.

Principal activities

The company's principal activities are the development of and trading in commercial properties.

Review of business

The directors note the progress of the business during the year and consider the state of affairs at the end of the year to be satisfactory.

Results and dividends

The loss for the year after taxation was £1,000 (1995: £22,000).

The directors do not recommend the payment of a dividend (1995: £Nil).

Directors

The directors of the company at 30 June 1996, all of whom have been directors for the whole of the year ended on that date, were:

D R Broadhead
C A Dearlove

Directors' interests

None of the directors had any interests in the share capital of the company during the year or at the year end. The interests of Mr C A Dearlove in the shares of the ultimate parent company Barratt Developments PLC, are shown in that company's accounts.

The interests of Mr D R Broadhead in the shares of the ultimate parent, Barratt Developments PLC are shown in the accounts of Barratt Commerical Limited (formerly Barratt Southern Limited).

Directors' responsibilities

The directors are required by UK company law to prepare accounts for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 30 June 1996. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the board



Company secretary
28 April 1997

**Report of the auditors to the members of
Barratt Southern Properties Limited**

We have audited the accounts on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

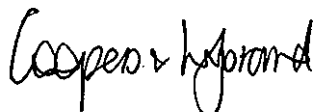
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 June 1996 and of the loss and total recognised losses for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
Newcastle upon Tyne
28 April 1997

**Profit and loss account
for the year ended 30 June 1996**

	Notes	1996 £'000	1995 £'000
Turnover	2	<u>189</u>	<u>187</u>
Loss on ordinary activities before taxation	2	(33)	(48)
Taxation	4	<u>32</u>	<u>26</u>
Retained loss for the year	9	<u>(1)</u>	<u>(22)</u>

All activities of the company are continuing.

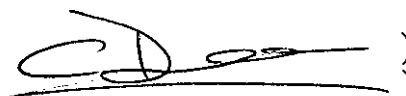
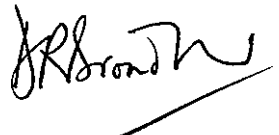
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

Balance sheet at 30 June 1996

	Notes	1996 £'000	1995 £'000
Current assets			
Stocks	5	-	1
Debtors	6	275	284
		<u>275</u>	<u>285</u>
Creditors: amounts falling due within one year	7	(256)	(265)
Net assets		<u>19</u>	<u>20</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	18	19
		<u>19</u>	<u>20</u>
Equity shareholders' funds	10	<u>19</u>	<u>20</u>

The accounts on pages 4 to 9 were approved by the board of directors on 28 April 1997 and were signed on its behalf by:



) Directors

**Notes to the accounts
for the year ended 30 June 1996****1 Principal accounting policies**

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The company prepares its annual accounts on the historic cost basis.

Cash flow

The company is a wholly owned subsidiary of Barratt Commercial Limited (formerly Barratt Southern Limited) and the cash flows of the company are included in the consolidated cash flow statement of Barratt Developments PLC. Consequently, the company is exempt under the terms of Financial Reporting Standard No 1 from publishing a cash flow statement.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes legal costs of purchase, development land tax, where applicable, and direct construction costs but excludes finance charges.

Turnover

Turnover represents gross rents receivable. Turnover excludes value added tax.

Deferred taxation

Provision is made for deferred taxation by the liability method to the extent that a liability is expected to arise in the foreseeable future.

2 Loss on ordinary activities before taxation

	1996 £'000	1995 £'000
Turnover	189	187
Cost of sales	(222)	(235)
	<u> </u>	<u> </u>
Gross loss	(33)	(48)
Interest receivable	-	-
	<u> </u>	<u> </u>
	<u>(33)</u>	<u>(48)</u>

All of the activities of the company are continuing.

The auditors did not receive any remuneration during the year (1995: £Nil).

3 Directors and employees

The company has no employees and none of the directors received any remuneration from the company during the year (1995: £Nil).

4 Taxation

	1996 £'000	1995 £'000
United Kingdom corporation tax at 33% (1995: 33%):		
Prior	(25)	-
Group relief receivable	(7)	(26)
	<u> </u>	<u> </u>
	<u>(32)</u>	<u>(26)</u>

5 Stocks

	1996 £'000	1995 £'000
Work in progress	-	1
	<u> </u>	<u> </u>

The company also owns several reversionary interests in leasehold properties which it intends to dispose of and which have previously been written down to nil value.

6 Debtors

	1996 £'000	1995 £'000
Amounts falling due within one year		
Trade debtors	18	33
Amounts owed by parent and fellow subsidiary companies	250	225
Group relief receivable	7	26
	<u>275</u>	<u>284</u>

7 Creditors: amounts falling due within one year

	1996 £'000	1995 £'000
Amounts owed to parent and fellow subsidiary companies	221	221
Other creditors	35	44
	<u>256</u>	<u>265</u>

8 Called up share capital

	1996 £	1995 £
Authorised:		
100 (1995: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 (1995: 100) ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

The ordinary shares in issue carry equal rights to dividends, equal voting rights and would rank equally on winding up.

9 Profit and loss account

	£'000
At 1 July 1995	19
Retained loss for the year	(1)
	<hr/>
At 30 June 1996	18
	<hr/>

10 Reconciliation of movements in equity shareholders' funds

	1996 £	1995 £
Loss for the financial year	(1)	(22)
Opening equity shareholders' funds	20	42
	<hr/>	<hr/>
Closing equity shareholders' funds	19	20
	<hr/>	<hr/>

11 Contingent liabilities

As part of the group's financing arrangements the company has given cross-guarantees, in conjunction with fellow United Kingdom subsidiaries, in respect of certain group borrowings. At 30 June 1996 these borrowings amounted to £678,000 (1995: £73,034,000).

In addition there are contingent liabilities in respect of guarantees entered into in the normal course of business.

12 Ultimate parent company

The directors regard Barratt Developments PLC, a company registered in England and Wales, as the ultimate parent company. Copies of the ultimate parent company's accounts may be obtained from Barratt Developments PLC, Wingrove House, Ponteland Road, Newcastle upon Tyne, NE5 3DP.