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Barratt Southern Properties Limited  
Annual report  
for the year ended 30 June 1998

Registered no: 783112



# **Barratt Southern Properties Limited**

## **Annual report for the year ended 30 June 1998**

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## **Directors' report for the year ended 30 June 1998**

The directors present their report and the audited accounts for the year ended 30 June 1998.

### **Principal activities**

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

### **Review of business and future developments**

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

### **Dividends**

The directors do not recommend the payment of a dividend (1997: £Nil).

### **Directors**

The directors of the company at 30 June 1998, both of whom have been directors for the whole of the year ended on that date, were:

C A Dearlove (Chairman)  
D R Broadhead

### **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 Commercial 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 1998. 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Year 2000**

The directors recognise the importance of the Year 2000 issue and have endorsed a programme to ensure that all systems are compliant and all key risk areas are identified. The review at group level is in progress and it is currently envisaged that there will not be a material cost to the company. However, due to the complexity and uncertainty of the issue there is no absolute guarantee that problems will not be encountered. As a consequence, the directors will keep this issue under review.

## **Auditors**

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors. A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

## **By order of the board**



Company secretary  
15 October 1998

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

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**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 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PricewaterhouseCoopers*

Chartered Accountants and Registered Auditors  
Newcastle upon Tyne  
15 October 1998

**Profit and loss account  
for the year ended 30 June 1998**

	Notes	1998 £'000	1997 £'000
Turnover	2	<u>142</u>	<u>153</u>
Loss on ordinary activities before taxation	2	(89)	(90)
Taxation	4	<u>-</u>	<u>5</u>
Loss for the year	9	<u>(89)</u>	<u>(85)</u>

All activities of the company are continuing.

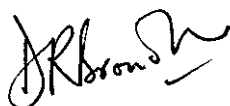
The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

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

**Balance sheet  
at 30 June 1998**

	Notes	1998 £'000	1997 £'000
<b>Current assets</b>			
Stocks	5	-	-
Debtors	6	104	190
		<u>104</u>	<u>190</u>
<b>Creditors: amounts falling due within one year</b>	7	(259)	(256)
<b>Net liabilities</b>		<u>(155)</u>	<u>(66)</u>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	(156)	(67)
<b>Equity shareholders' deficit</b>	10	<u>(155)</u>	<u>(66)</u>

The accounts on pages 4 to 9 were approved by the board of directors on 15 October 1998 and were signed on its behalf by:



Director

**Notes to the accounts  
for the year ended 30 June 1998**

**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 accounts under the historical cost convention.

**Cash flow**

The company is a wholly owned subsidiary of Barratt Commercial 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 (Revised) from publishing a cash flow statement.

**Transactions with related parties**

The company has taken advantage of the exemption permitted by Financial Reporting Standard No. 8 'Related Party Disclosures' and has not disclosed intra-group transactions with other companies in the Barratt Group.

**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.



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## 2 Loss on ordinary activities before taxation

	1998 £'000	1997 £'000
Turnover	142	153
Cost of sales	(231)	(243)
Loss on ordinary activities before taxation	<u>(89)</u>	<u>(90)</u>

The auditors did not receive any remuneration during the year (1997: £Nil).

## 3 Directors and employees

The company has no employees and none of the directors received any remuneration from the company during the year (1997: £Nil).

## 4 Taxation

	1998 £'000	1997 £'000
United Kingdom corporation tax at 31% (1997: 32.5%)		
Group relief receivable	-	(5)
	<u>(5)</u>	<u>(5)</u>

## 5 Stocks

	1998 £'000	1997 £'000
Work in progress	-	-

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

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## 6 Debtors

	1998 £'000	1997 £'000
Amounts falling due within one year		
Trade debtors	19	25
Amounts owed by group undertakings	73	153
Group relief receivable	12	12
	<u>104</u>	<u>190</u>

## 7 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Amounts owed to group undertakings	221	221
Other creditors	38	35
	<u>259</u>	<u>256</u>

## 8 Called up share capital

	1998 £	1997 £
Authorised:		
100 (1997: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 (1997: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

## 9 Profit and loss account

	£'000
At 1 July 1997	(67)
Loss for the year	<u>(89)</u>
At 30 June 1998	<u>(156)</u>

**10 Reconciliation of movements in equity shareholders' deficit**

	1998 £	1997 £
Loss for the financial year	(89)	(85)
Opening equity shareholders' deficit	(66)	19
Closing equity shareholders' deficit	<u>(155)</u>	<u>(66)</u>

**11 Contingent liabilities**

There are contingent liabilities in respect of guarantees entered into in the normal course of business.

**12 Ultimate parent company and controlling party**

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