

BARRATT SOUTH WALES LIMITED

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 1984



BARRATT SOUTH WALES LIMITED

FINANCIAL STATEMENTS

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BARRATT SOUTH WALES LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30th June 1984.

ACTIVITIES

The principal activities of the Company are building and development.

The directors are pleased with the progress of the business during the year and consider the state of affairs at the end of the year and the future prospects of the company to be satisfactory.

PROFIT AND APPROPRIATIONS

The profit for the year after taxation was £254,319.

An interim dividend of £21,800 has been paid, and the directors recommend a final dividend of £137,900, with the balance of £94,619 being carried to reserves.

TAXATION

The Company is not a close company under the provisions of the Income and Corporation Taxes Act 1970.

DIRECTORS

The directors of the company during the year were:-

|                  |   |                  |
|------------------|---|------------------|
| K. A. Janes      | - | Resigned 19.3.84 |
| P. Burnett       |   |                  |
| T. P. Hartley    | - | Appointed 1.4.84 |
| J. M. Scott      |   |                  |
| F. H. Merrifield |   |                  |
| R. D. Foakes     |   |                  |
| E. B. Melhuish   |   |                  |
| T. G. Holbrook   |   |                  |

Mr. R. D. Foakes and Mr. E. B. Melhuish retire by rotation in accordance with Article 89 of the company's Articles of Association and, being eligible, offer themselves for re-election.

Mr. T. P. Hartley retires in accordance with Article 95 of the company's Articles of Association and, being eligible, offers himself for re-election.

None of the directors has any interests in the share capital of the Company. The interests of Mr. T. P. Hartley and Mr. P. Burnett in the shares of other group companies are shown in the annual reports of Barratt Developments PLC and Barratt Midlands Limited respectively.

BARRATT SOUTH WALES LIMITED

DIRECTORS' REPORT (Continued)

On 21st November 1979, the shareholders of Barratt Developments PLC approved an employee share participation scheme within the terms of the Finance Act 1978 under which, directors and employees who have served the Group for a minimum of three years will be allocated ordinary shares.

The participants for the year ended 30th June 1984 in the scheme included the following directors of the company:-

The beneficial interest in the  
10p ordinary shares of Barratt  
Developments PLC under this scheme

|                  | <u>1984</u> | <u>1983</u> |
|------------------|-------------|-------------|
|                  | £           | £           |
| J. M. Scott      | 1,300       | 1,300       |
| F. H. Merrifield | 1,300       | 1,300       |
| T. G. Holbrook   | 700         | 700         |

AUDITORS

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the re-appointment of Deloitte Haskins & Sells, as auditors to the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



R.D. FOAKES  
Company Secretary

18th September 1984

AUDITORS' REPORT TO THE MEMBERS OF BARRATT SOUTH WALES LIMITED

We have audited the financial statements on pages 5 to 15 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 30th June 1984 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

*Deloitte Haskins & Sells*

DELOITTE HASKINS & SELLS

Chartered Accountants

16 Cathedral Road  
CARDIFF

18th September 1984

BARRATT SOUTH WALES LIMITED

ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The company prepares its annual financial statements on the historical cost basis of accounting.

(b) TURNOVER

Turnover represents legal completions of new houses and amounts invoiced for other income excluding inter company transactions.

(c) BASIS OF TAKING PROFIT

Building profit is taken on the legal completion of new house sales.

(d) STOCKS

Stocks are valued at the lower of cost and net realisable value.

(e) FIXED ASSETS

Tangible assets are valued at cost less accumulated depreciation.

Plant is depreciated on a straight line basis over its expected useful life which ranges from one to ten years.

(f) DEFERRED TAXATION

Provision is made for deferred taxation for all liabilities that may arise in the foreseeable future.

BARRATT SOUTH WALES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1984

|  | <u>Notes</u> | <u>1984</u>     | <u>1983</u>     |
|--|--------------|-----------------|-----------------|
|  |              | £000            | £000            |
| TURNOVER   |              | 12,004<br>===== | 11,539<br>===== |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 1            | 381             | 917             |
| TAX ON PROFIT ON ORDINARY<br>ACTIVITIES          | 3            | 127<br>-----    | 351<br>-----    |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION  |              | 254             | 566             |
| DIVIDENDS  | 9            | 160<br>-----    | 221<br>-----    |
| PROFIT RETAINED                                  |              | 94<br>=====     | 345<br>=====    |

BARRATT SOUTH WALES LIMITED

BALANCE SHEET AT 30TH JUNE 1984

|  | <u>Notes</u> | <u>1984</u>  | <u>1983</u>  |
|--|--------------|--------------|--------------|
|  |              | £000         | £000         |
| FIXED ASSETS   |              |              |              |
| Tangible assets  | 5            | <u>13</u>    | <u>9</u>     |
| CURRENT ASSETS   |              |              |              |
| Stocks   | 6            | 4,589        | 4,282        |
| Debtors  | 7            | 688          | 501          |
| Cash in hand   |              | <u>1</u>     | <u>1</u>     |
|  |              | 5,278        | 4,784        |
| CURRENT LIABILITIES - Creditors<br>due within one year | 8            | <u>3,629</u> | <u>3,234</u> |
| NET CURRENT ASSETS                                     |              | <u>1,649</u> | <u>1,550</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES                  |              | 1,662        | 1,559        |
| PROVISIONS FOR LIABILITIES AND CHARGES                 | 10           | <u>12</u>    | <u>3</u>     |
|  |              | <u>1,650</u> | <u>1,556</u> |
|  |              | =====        | =====        |
| CAPITAL AND RESERVES                                   |              |              |              |
| Called up share capital                                | 12           | 1            | 1            |
| Profit and loss account                                | 13           | <u>1,649</u> | <u>1,555</u> |
|  |              | <u>1,650</u> | <u>1,556</u> |
|  |              | =====        | =====        |

T. P. HARTLEY )

J. M. SCOTT )

Directors

*Thomas Hartley*  
*John M. Scott*

The financial statements were approved by the board of directors on 18th September 1984.



BARRATT SOUTH WALES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH JUNE 1984

|   | <u>1984</u> | <u>1983</u> |
|---|-------------|-------------|
|   | <u>£000</u> | <u>£000</u> |
| SOURCE  |             |             |
| Profit on ordinary activities before taxation | 381         | 917         |
| Items not involving the movement of funds:    |             |             |
| Depreciation                                  | 6           | 6           |
| GENERATED FROM OPERATIONS                     | 387         | 923         |
| Group relief received                         | -           | 178         |
| FUNDS AVAILABLE                               | 387         | 1,101       |
|   | =====       | =====       |
| APPLICATION                                   |             |             |
| Purchase of tangible fixed assets             | 10          | 1           |
| Taxation                                      | 344         | 77          |
| Dividends                                     | 169         | 74          |
| TOTAL APPLICATION OF FUNDS                    | 523         | 152         |
| INCREASE IN WORKING CAPITAL                   |             |             |
| Stocks  | 307         | 151         |
| Debtors                                       | 187         | 253         |
| Creditors                                     | (87)        | 266         |
|   | 930         | 822         |
| Movement in net liquid funds:                 |             |             |
| Cash at bank and in hand                      | (543)       | 279         |
|   | 387         | 1,101       |
|   | =====       | =====       |

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1984

1. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

|                         | <u>1984</u> | <u>1983</u> |
|-------------------------|-------------|-------------|
|                         | <u>£000</u> | <u>£000</u> |
| Turnover                | 12,004      | 11,539      |
| Cost of sales           | 10,540      | 9,630       |
| Gross Profit            | 1,464       | 1,909       |
| Administrative expenses | 828         | 738         |
| Interest payable        | 274         | 261         |
| Interest receivable     | (19)        | (7)         |
|                         | 381         | 917         |
|                         | =====       | =====       |

Profit on ordinary activities before  
taxation is stated

After charging:

|                                    |       |       |
|------------------------------------|-------|-------|
| Directors' management remuneration | 147   | 167   |
| Depreciation                       | 6     | 6     |
| Plant hire and car leasing         | 83    | 75    |
| Auditors' remuneration             | 9     | 9     |
|                                    | ===== | ===== |

2. INTEREST PAYABLE

|   | <u>1984</u> | <u>1983</u> |
|---|-------------|-------------|
|   | <u>£000</u> | <u>£000</u> |
| On bank loans, overdrafts and other loans:  |             |             |
| Repayable within 5 years not by instalments | 233         | 261         |
|   | ===         | ===         |
| Group interest payable                      | 41          | -           |
|   | ===         | ===         |

NOTES TO THE FINANCIAL STATEMENTS (Continued)

|   | <u>1984</u> | <u>1983</u> |
|---|-------------|-------------|
|   | <u>£000</u> | <u>£000</u> |
| United Kingdom Tax at 48.75% (1983 - 52%) |             |             |
| Corporation tax - current                 | 123         | 349         |
| - prior years                             | (5)         | (1)         |
| Deferred tax - current                    | 7           | 3           |
| - prior years                             | 2           | -           |
|   | <u>127</u>  | <u>351</u>  |

#### 4. DIRECTORS AND EMPLOYEES

|                       | <u>1984</u> | <u>1983</u> |
|-----------------------|-------------|-------------|
| Cost:                 | <u>£000</u> | <u>£000</u> |
| Wages and salaries    | 641         | 563         |
| Social security costs | 57          | 47          |
| Pension costs         | 43          | 40          |
|                       | <u>741</u>  | <u>650</u>  |

|                          | <u>Number</u> | <u>Number</u> |
|--------------------------|---------------|---------------|
| Building and development | 73            | 60            |

|                       | <u>1984</u> | <u>1983</u> |
|-----------------------|-------------|-------------|
|                       | <u>£000</u> | <u>£000</u> |
| Chairmen              | <u>Nil</u>  | <u>Nil</u>  |
| Highest paid director | <u>35</u>   | <u>41</u>   |

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. DIRECTORS AND EMPLOYEES (Continued)

Remuneration of other directors

|                   | <u>1984</u>   | <u>1983</u>   |
|-------------------|---------------|---------------|
|                   | <u>Number</u> | <u>Number</u> |
| £NIL - £5,000     | 1             | 2             |
| £20,001 - £25,000 | 3             | -             |
| £25,001 - £30,000 | 1             | 3             |
| £30,001 - £35,000 | -             | 1             |
|                   | ===           | ===           |

5. TANGIBLE ASSETS

|                   | <u>Plant</u> |
|-------------------|--------------|
|                   | <u>£000</u>  |
| Cost:             |              |
| At 1st July 1983  | 30           |
| Additions         | 10           |
| At 30th June 1984 | 40           |
| Depreciation:     |              |
| At 1st July 1983  | 21           |
| Charge for year   | 6            |
| At 30th June 1984 | 27           |
| Net book value:   |              |
| At 1st July 1983  | 9            |
| At 30th June 1984 | 13           |

At the 30th June 1984 the company had authorised and contracted for £Nil (1983 - £Nil) and authorised but not contracted £Nil (1983 - £Nil) of expenditure on tangible assets.

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

|   |              |              |
|---|--------------|--------------|
| 6. STOCKS   | <u>1984</u>  | <u>1983</u>  |
|   | <u>£000</u>  | <u>£000</u>  |
| Work in progress  | 1,320        | 2,233        |
| Showhouse complexes and houses<br>awaiting legal completion | 3,269        | 2,049        |
|   | <u>4,589</u> | <u>4,282</u> |
|   | =====        | =====        |
| 7. DEBTORS  | <u>1984</u>  | <u>1983</u>  |
|   | <u>£000</u>  | <u>£000</u>  |
| Due within one year:  |              |              |
| Amounts owed by group companies                             | 131          | 253          |
| Other debtors   | 245          | 80           |
| Prepayments   | 108          | 47           |
|   | <u>484</u>   | <u>380</u>   |
| Due in more than one year:                                  |              |              |
| Other debtors   | 204          | 121          |
|   | <u>688</u>   | <u>501</u>   |
|   | ===          | ===          |

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. CREDITORS

|   | <u>Due within one year</u> |              |
|---|----------------------------|--------------|
|   | <u>1984</u>                | <u>1983</u>  |
|   | <u>£000</u>                | <u>£000</u>  |
| Bank loans and overdrafts                     | 1,977                      | 1,434        |
| Trade creditors                               | 659                        | 431          |
| Amounts owed to group companies               | 175                        | 220          |
| Payroll taxation<br>including social security | 44                         | 34           |
| Taxation                                      | 123                        | 349          |
| Dividend payable                              | 138                        | 147          |
| Other creditors                               | 351                        | 480          |
| Accruals                                      | 162                        | 139          |
|   | <u>3,629</u>               | <u>3,234</u> |
|   | =====                      | =====        |

(a) Included in bank loans and overdrafts is a secured bank loan of £1,250,000 (1983 - £1,250,000). See also Note (14).

(b) None of the land creditors, included in other creditors, are secured. (1983 - £201,000).

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. DIVIDENDS

|          | <u>1984</u> | <u>1983</u> |
|----------|-------------|-------------|
|          | <u>£000</u> | <u>£000</u> |
| Paid     | 22          | 74          |
| Proposed | 138         | 147         |
|          | <u>160</u>  | <u>221</u>  |
|          | <u>===</u>  | <u>===</u>  |

10. PROVISIONS FOR LIABILITIES AND CHARGES

|                                       | <u>1984</u> | <u>1983</u> |
|---------------------------------------|-------------|-------------|
|                                       | <u>£000</u> | <u>£000</u> |
| Deferred taxation                     |             |             |
| At 1st July 1983                      | 3           | -           |
| Transfer from profit and loss account | 9           | 3           |
| At 30th June 1984                     | <u>12</u>   | <u>3</u>    |
|                                       | <u>===</u>  | <u>===</u>  |

11. DEFERRED TAXATION

|  | <u>1984</u> | <u>1983</u> |
|--|-------------|-------------|
|  | <u>£000</u> | <u>£000</u> |
| Tax allowances in excess of depreciation | 5           | -           |
| Sundry timing differences                | 7           | 3           |
|  | <u>12</u>   | <u>3</u>    |
|  | <u>===</u>  | <u>===</u>  |

Full provision for deferred taxation has been made in 1984. If full provision had been made for deferred taxation in 1983, a further £4,500 would have been provided.

12. CALLED UP SHARE CAPITAL

|                                     | <u>1984</u> | <u>1983</u> |
|-------------------------------------|-------------|-------------|
| Authorised:                         |             |             |
| 100 Ordinary shares of £1 each      | <u>£100</u> | <u>£100</u> |
|                                     | <u>===</u>  | <u>===</u>  |
| Allotted, called up and fully paid: |             |             |
| 100 Ordinary shares of £1 each      | <u>£100</u> | <u>£100</u> |
|                                     | <u>===</u>  | <u>===</u>  |

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. PROFIT AND LOSS ACCOUNT

|                   | <u>£000</u>  |
|-------------------|--------------|
| At 1st July 1983  | 1,555        |
| Retained profit   | <u>94</u>    |
| At 30th June 1984 | <u>1,649</u> |
|                   | =====        |

14. CONTINGENT LIABILITIES

Guarantees have been given by the company together with charges over certain assets to secure the overdraft facilities of certain fellow subsidiary companies.

15. PENSION OBLIGATIONS

The pension scheme operated by Barratt Southern Limited, a fellow subsidiary, covers the company's obligations to provide pensions to those eligible.

Based on the latest actuarial valuation it is considered that the present funding arrangements are satisfactory and adequate to meet the future liabilities of the fund.

16. ULTIMATE HOLDING COMPANY

The ultimate holding company is Barratt Developments PLC which is incorporated in Great Britain and registered in England.