

929652/27

H.C. JANES (SERVICES) LIMITED



REPORT AND ACCOUNTS
FOR THE FIFTEEN MONTHS ENDED
30th JUNE 1976

DELOITTE & CO. HILLIER, HILLS, FRARY & CO.
Chartered Accountants



929652/28.

H.C. JANES (SERVICES) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the fifteen months ended 30th June 1976.

ACTIVITIES

The principal activity of the company is the provision of specialist building services.

RESULTS AND DIVIDENDS

The profit for the period, after tax, amounted to £1,412. None of the turnover was exported. The directors recommend the payment of a final dividend of £10,000. No dividends were paid in the year ended 31st March 1975.

DIRECTORS AND THEIR SHAREHOLDINGS

The directors who held office at 30th June 1976 and throughout the period ended on that date were:

A. Bebbington
R.C. Janes
J.B.B. Lunt

Messrs. H.W. Janes and L.R. Sell M.B.E. who were directors at 1st April 1975 resigned on 31st March 1976 and Mr. J.K. Lee resigned on 24th June 1976.

Since 30th June 1976 Mr. R.C. Janes' appointment has been terminated and Mr. L.A. Barratt F.C.I.S. has been appointed a director.

Mr. J.B.B. Lunt retires by rotation and, being eligible, offers himself for re-election. Mr. L.A. Barratt retires and, being eligible, offers himself for re-election.

The directors' beneficial interests in the shares of the parent company H.C. Janes Limited were exchanged during the period for shares in Barratt Developments Limited. Their holdings were as follows:

	30th June 1976 Barratt Developments Limited Ordinary shares of 10p each	31st March 1975 H.C. Janes Limited Ordinary shares of 25p each
J.K. Lee	-	-
J.B.B. Lunt	363	330

The other directors were directors of H.C. Janes Limited and their shareholdings are shown in the report and accounts of that company.

No contracts of significance in relation to the company's business in which the directors had an interest subsisted at any time during the fifteen months.

AUDITORS

During the period Deloitte & Co. were appointed joint auditors with Hillier, Hills, Frary and Co.

BY ORDER OF THE BOARD

A. BEBBINGTON

Secretary

28th October 1976



REPORT OF THE AUDITORS TO THE MEMBERS OF
H.C. JANES (SERVICES) LIMITED

We have examined the accounts set out on pages 3 to 8 which have been prepared on the historical cost basis of accounting.

In our opinion, based on our examination, the accounts give, on the basis stated above, a true and fair view of the state of affairs of the company at 30th June 1976 and of the profit and source and application of funds for the fifteen months ended on that date and comply with the Companies Acts 1948 and 1967.

Deloitte & Co.
Chartered Accountants
London

Hillier, Hills, Frary & Co.,
Chartered Accountants
Luton

28th October 1976

28th October 1976

H.C. JANES (SERVICES) LIMITED

PROFIT AND LOSS ACCOUNT

FIFTEEN MONTHS ENDED 30th JUNE 1976

	Notes	Fifteen months ended 30th June 1976 £	Year ended 31st March 1975 £
Turnover	2	£990,614 =====	£578,247 =====
Profit/(loss) before taxation	3	3,268	(90,967)
Taxation	5	1,856 -----	(49,632) -----
Profit/(loss) after taxation		1,412	(41,335)
Proposed dividend		10,000 -----	- -----
Deficit for period		£ (8,588) =====	£(41,335) =====

STATEMENT OF RETAINED PROFITS AND LOSSES

Deficit for the period		(8,588)	(41,335)
Retained profits at beginning of period:			
As previously reported		22,058	56,325
Prior period adjustment	2	13,538	20,606
As restated		35,596 -----	76,931 -----
Retained profits at end of period		£ 27,008 =====	£ 35,596 =====

The notes on pages 5 to 7 form part of these accounts.

H.C. JANES (SERVICES) LIMITED

BALANCE SHEET 30th JUNE 1976

	<u>Notes</u>	<u>30th June 1976</u> £	<u>31st March 1975</u> £
CAPITAL EMPLOYED			
Share capital	6	100	100
Reserves		27,008	35,596
		<u>27,108</u>	<u>35,696</u>
Deferred taxation	2	33,777	27,421
		<u>£ 60,885</u> =====	<u>£ 63,117</u> =====
EMPLOYMENT OF CAPITAL			
Fixed assets	7	2,471	2,824
Current assets:			
Stock and work in progress	2	255,563	250,976
Debtors		54,198	73,439
Amount owing from Group companies		468,773	473,978
Cash and bank balances		447	68
Group taxation relief receivable		-	13,674
		<u>789,981</u>	<u>812,135</u>
Current liabilities:			
Creditors		333,851	317,007
Amount owing to Group companies		171,380	157,437
Bank overdraft	8	211,000	277,398
Proposed dividend		10,000	-
Group taxation relief payable		5,336	-
		<u>731,567</u>	<u>751,842</u>
Net current assets		<u>58,414</u>	<u>60,293</u>
		<u>£ 60,885</u> =====	<u>£ 63,117</u> =====

L.A. BARRATT)	
)	Directors
A. BEBBINGTON)	

The notes on pages 5 to 7 form part of these accounts.

H.C. JAMES (SERVICES) LIMITED

NOTES TO THE ACCOUNTS FOR THE FIFTEEN MONTHS ENDED 30th JUNE 1976

1. ACCOUNTING PERIODS

These accounts have been made up for the periods of fifteen months ended 30th June 1976 and twelve months ended 31st March 1975. These periods are referred to as 1976 and 1975 in the notes.

2. ACCOUNTING POLICIES

(a) ACCOUNTING BASIS

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

(b) TURNOVER

Turnover represents amounts invoiced for work done, including, in the case of long term contracts an element of attributable profit.

(c) BASIS OF TAKING PROFIT

- (i) On short term contracts and inter-group work done, profit is taken on physical completion.
- (ii) On long term contracts, attributable profit is taken when there is a reasonable certainty that a contract is profitable: provision is made for any anticipated losses on contracts.

(d) DEFERRED TAXATION

Deferred taxation represents the deferred liability for corporation tax at:

- (i) a rate of 52% on the excess of the net book value of assets on which capital allowances are claimed over the corresponding written down values for taxation purposes.
- (ii) a rate of 52% on the relief for stock appreciation under the Provisions of the Finance Acts 1975 and 1976.

(e) DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets after deducting government grants, over the expected useful life of the asset using the reducing balance method.

(f) STOCK AND WORK IN PROGRESS

Stock is valued at the lower of cost and net realisable value. Work in progress is valued at the lower of cost including, in the case of long term contracts, attributable profits less foreseeable losses, or net realisable value. Progress payments receivable are deducted from work in progress.

(g) CHANGES IN ACCOUNTING POLICIES

- (i) The policy followed in accounting for work in progress was changed during 1976. Previously, work in progress was valued at cost plus overheads and remained as work in progress until the final account was settled. In accordance with standard accounting practice, short term contracts are valued at the lower of cost and net realisable value and long term contracts are valued at cost plus attributable profit, less foreseeable losses. The credit to sales occurs at the point of physical completion for all contracts.

NOTES TO ACCOUNTS (continued)

(g) CHANGE IN ACCOUNTING POLICIES (continued)

In restating the results for 1975 on the basis of the new policy, losses totalling £19,791 before tax (attributable tax credit £12,723) have been included. In the years prior to 1st April 1974 additional profits totalling £43,325 before tax (attributable tax £22,559) would have been earned on the basis of the new policy.

(ii) The policy followed in accounting for deferred taxation was changed in 1976 from the deferral to the liability basis. This has had the effect of increasing the provision required at 31st March 1974 by £160.

3. PROFIT BEFORE TAXATION	1976 £	1975 £
Profit/(loss) before taxation is stated after charging:		
Interest on bank overdraft	19,729	19,445
Depreciation	353	314
Hire of plant and machinery	27,038	15,625
Auditors' remuneration	1,025	1,400
Directors' management remuneration	17,217	12,065
	=====	=====
4. DIRECTORS' REMUNERATION		
Emoluments of chairmen:-		
L.B. Sell, M.B.E. (12 months)	Nil	Nil
R.C. Janes (3 months)	Nil	-
Emoluments of highest paid director	8,125	6,175
	=====	=====
Number of other directors whose emoluments were within the ranges	Number of directors	
£0 to £2,500	2	-
£5,001 to £7,500	1	2
5. TAXATION	£	£
United Kingdom corporation tax based on the profits for the period	-	-
Group relief receivable at 52%	(4,500)	(12,113)
Transfer to(from) deferred taxation	6,356	(24,805)
Under provision of tax in prior years	-	9
Adjustment on restatement of profits (see note 2(g))	-	(12,723)
	£1,856	£(49,632)
	=====	=====
6. SHARE CAPITAL		
Authorised, issued and fully paid shares of £1 each	100	100
	===	===

NOTES TO ACCOUNTS (continued)

7. FIXED ASSETS

	<u>1976</u> £	<u>1975</u> £
Plant, equipment and vehicles:		
At cost	5,867	5,867
Accumulated depreciation	<u>3,396</u>	<u>3,043</u>
	£2,471	£2,824
	=====	=====

8. BANK OVERDRAFT

The company is a party, with its immediate parent company H.C. Janes Limited, and certain other companies in the group, to a joint banking account with Barclays Bank Limited. The overdraft on this account is secured on building land owned by the parent and certain of the subsidiary companies. Each of the companies being a party to the joint account has agreed to be jointly and severally liable for the indebtedness on such account which amounted to £2,888,711 at 30th June 1976 (31st March 1975 £1,410,893). The bank operates memorandum accounts for each of the joint holders and the balance shown in this balance sheet is the balance on its memorandum account. This memorandum account does not constitute a balance in account between this company and the bank.

9. ULTIMATE HOLDING COMPANY

The ultimate holding company is Barratt Developments Limited, incorporated in the United Kingdom.

H.C. JANES (SERVICES) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE FIFTEEN MONTHS ENDED 30th JUNE 1976

	<u>30th June 1976</u>	
	<u>£</u>	<u>£</u>
SOURCE OF FUNDS		
Profit before taxation		3,268
Adjustments for items not involving the movement of funds:		
Depreciation		<u>353</u>
TOTAL GENERATED FROM OPERATIONS		<u>£3,621</u> =====
INCREASE IN WORKING CAPITAL		
Increase in stock and work in progress	15,587	
Decrease in debtors	(42,620)	
Increase in creditors	(36,123)	
Movement of net liquid funds:		
Decrease in bank overdraft	<u>66,777</u>	
		<u>£3,621</u> =====