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BARRATT SOUTH WALES LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1983



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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 1983.

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 £565,945.

An interim dividend of £73,600 has been paid, and the directors recommend a final dividend of £146,900, with the balance of £345,445 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	
P. Burnett	- Appointed 3rd May 1983
T. P. Hartley	- Resigned 3rd May 1983
J. M. Scott	
F. H. Merrifield	
R. D. Foakes	
E. B. Melhuish	
T. G. Holbrook	

Mr. J. M. Scott and Mr. F. H. Merrifield retire by rotation in accordance with Article 89 of the company's Articles of Association and, being eligible, offer themselves for re-election.

Mr. P. Burnett 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. K. A. Janes 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 1983 in the scheme included the following directors of the company:-

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

J. M. Scott
F. H. Merrifield

1,300
1,300

CHANGE OF OWNERSHIP

On 1st July 1982 the whole of the company's issued share capital was transferred from Barratt Southern Limited to Barratt Midlands Limited.

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

26th August 1983

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 1983 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

CARDIFF

26th August 1983

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

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 1983

	<u>Notes</u>	<u>1983</u>	<u>1982</u>
		£000	£000
TURNOVER		11,539	7,722
		=====	=====
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	917	604
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	351	(100)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		566	704
DIVIDENDS	10	221	250
		-----	-----
PROFIT RETAINED		345	454
		===	===

BARRATT SOUTH WALES LIMITED

BALANCE SHEET AT 30TH JUNE 1983

	<u>Notes</u>	<u>1983</u>	<u>1982</u>
		£000	£000
FIXED ASSETS			
Tangible assets	5	9	14
CURRENT ASSETS			
Stocks	7	4,282	4,131
Debtors	8	501	426
Cash in hand		1	6
		4,784	4,563
CURRENT LIABILITIES - Creditors due within one year	9	3,234	3,310
NET CURRENT ASSETS		1,550	1,253
TOTAL ASSETS LESS CURRENT LIABILITIES		1,559	1,267
CREDITORS DUE AFTER MORE THAN ONE YEAR	9	-	56
PROVISIONS FOR LIABILITIES AND CHARGES	11	3	-
		1,556	1,211
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	12	1	1
Profit and loss account	13	1,555	1,210
		1,556	1,211
		=====	=====

P. BURNETT

J. M. SCOTT

) Directors

The financial statements were approved by the board of directors on 25th August 1983.

BARRATT SOUTH WALES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30TH JUNE 1983

	<u>1983</u>	<u>1982</u>
SOURCE	£000	£000
Profit on ordinary activities before taxation	917	604
Items not involving the movement of funds: Depreciation	6	6
GENERATED FROM OPERATIONS	<u>923</u>	<u>610</u>
Group relief received	178	-
FUNDS AVAILABLE	<u>1,101</u> =====	<u>610</u> =====
APPLICATION		
Purchase of tangible fixed assets	1	3
Taxation	77	-
Dividends	74	250
Repayment of loan	-	800
TOTAL APPLICATION OF FUNDS	<u>152</u>	<u>1,053</u>
INCREASE IN WORKING CAPITAL		
Stocks	151	2,021
Debtors	253	16
Creditors	266	(844)
	<u>822</u>	<u>2,246</u>
Movement in net liquid funds:		
Cash at bank and in hand	279	(1,636)
	<u>1,101</u> =====	<u>610</u> =====

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1983

1. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Turnover	11,539	7,722
Cost of sales	9,630	6,369
Gross Profit	<u>1,909</u>	<u>1,353</u>
Administrative expenses	738	466
Interest payable	261	283
Interest receivable	(7)	-
	<u>917</u>	<u>604</u>
Profit on ordinary activities before taxation is stated		
After charging:		
Directors' management remuneration	167	99
Depreciation	6	6
Plant hire and car leasing	75	55
Auditors' remuneration	9	8
	<u>=====</u>	<u>=====</u>

2. INTEREST PAYABLE

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
On bank loans, overdrafts and other loans:		
Repayable within 5 years not by instalments	<u>261</u>	<u>251</u>
Group interest payable	<u>-</u>	<u>32</u>

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
United Kingdom Tax at 52%		
Corporation tax	349	78
Deferred tax	3	-
Prior years	(1)	(178)
	<u>351</u>	<u>(100)</u>
	===	===

4. DIRECTORS AND EMPLOYEES

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Employee costs:		
Wages and salaries	412	297
Social security costs	41	34
Pension costs	29	2
	<u>482</u>	<u>333</u>
	===	===

The average number of persons employed by the company was:

	<u>Number</u>	<u>Number</u>
Building and development	60	48
	=====	=====

Directors remuneration excluding pension contributions:

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Chairman	N11	N11
	===	===
Highest paid director	41	30
	===	===

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. DIRECTORS AND EMPLOYEES (Continued)

Remuneration of other directors

	<u>Number</u>	<u>Number</u>
£0 - £5,000	2	3
£5,001 - £10,000	-	2
£15,001 - £20,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	3	-
£30,001 - £35,000	1	-
	<u>==</u>	<u>==</u>

5. TANGIBLE ASSETS

	<u>Plant</u>
	<u>£000</u>
Cost:	
At 1st July 1982	29
Additions	1
	<u>30</u>
At 30th June 1983	
Depreciation:	
At 1st July 1982	15
Charge for year	6
	<u>21</u>
At 30th June 1983	
Net book value:	
At 1st July 1982	14
	<u>==</u>
At 30th June 1983	9
	<u>==</u>

At the 30th June 1983 the company had authorised and contracted for £Nil (1982 - £Nil) and authorised but not contracted £Nil (1982 - £Nil) of expenditure on tangible assets.

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. GROUP COMPANIES

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Amounts due from group companies	253	264
Amounts due to group companies	220	2
	<u>33</u>	<u>262</u>
	===	===

7. STOCKS

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Work in progress	2,233	3,060
Finished goods	2,049	1,071
	<u>4,282</u>	<u>4,131</u>
	=====	=====

8. DEBTORS

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Due within one year:		
Trade debtors	-	-
Amounts owed by group and subsidiary companies	253	264
Other debtors	80	115
Prepayments	47	17
	<u>380</u>	<u>396</u>
Due in more than one year:		
Other debtors	121	30
	<u>501</u>	<u>426</u>
	=====	=====

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

9. CREDITORS

	<u>Due within one year</u>		<u>Due after more than one year</u>	
	<u>1983</u>	<u>1982</u>	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Bank loans and overdrafts	1,434	1,718	-	-
Trade creditors	431	469	-	-
Amounts owed to group and subsidiary companies	220	2	-	-
Payroll taxation including social security	34	30	-	-
Taxation	349	78	-	-
Dividend payable	147	-	-	-
Other creditors	480	884	-	56
Accruals	139	129	-	-
	<u>3,234</u>	<u>3,310</u>	<u>-</u>	<u>56</u>
	=====	=====	=====	=====

- (a) Included in bank loans and overdrafts is a secured bank loan of £1,250,000 (1982 - £1,250,000).
- (b) Included in other creditors are land creditors of which £201,000 (1982 - £671,000) is secured.

BARRATT SOUTH WALES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. DIVIDENDS

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Paid	74	250
Proposed	147	-
	<u>221</u>	<u>250</u>
	<u>===</u>	<u>===</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1983</u>	<u>1982</u>
	<u>£000</u>	<u>£000</u>
Deferred taxation		
At 1st July 1982	-	-
Transfer to profit and loss account	3	-
At 30th June 1983	<u>3</u>	<u>-</u>
	<u>===</u>	<u>===</u>
Comprising of:		
Sundry timing differences	3	-
	<u>3</u>	<u>-</u>
	<u>===</u>	<u>===</u>

If full provision had been made for deferred taxation, a further £4,500 (1982 - £7,100) would have been provided.

12. SHARE CAPITAL

Authorised:

100 Ordinary shares of £1 each	<u>£100</u>	<u>£100</u>
	<u>===</u>	<u>===</u>

Alotted, issued 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 1982	1,210
Retained profit	<u>345</u>
At 30th June 1983	<u>1,555</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 employees both retired and current.

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.