

Sir Lawrie Barratt, Chairman of Barratt Developments PLC (left) and Frank Eaton, Group Chief Executive, at The Moorings, Edgbaston, Birmingham. This quality development of 158 attractive homes - ranging from 1 bedroom apartments to 6 bedroom houses - is being built on the site of a former engineering works alongside the Edgbaston Reservoir. Prices range from £43,000 to £103,000 and the quality of construction was recognised in September 1993 by an NHBC "Top 100" Award, one of four achieved by Barratt in the West Midlands.



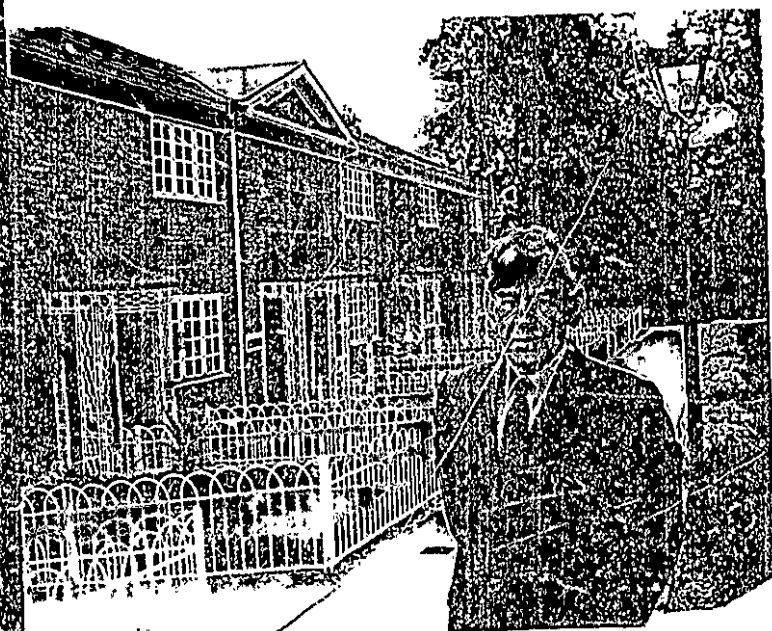
Cover: Sovereign View, Rotherhithe, London SE16. This award-winning £30 million development, just 10 minutes from Tower Bridge, enjoys one of the finest locations in London, with a quarter mile of River Thames frontage. Work commenced in November, 1992, on the 302 classically-designed homes, which are selling well ahead of construction at prices from £62,000 to £170,000.

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Barratt Developments PLC
Annual Report and Accounts for the
year ended 30th June 1993.
Registered in England No. 604574.

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CHAIRMAN'S STATEMENT



Sir Lawrie Barratt at Lakeside Grange, Weybridge, Surrey, an outstanding development of luxury homes in perhaps the finest location in the South East. Commenced in March, 1993, these £9 classically-styled 2 to 5 bedroom houses, priced from £140,000 to £389,000, are set in 22 acres of impressive and historic parkland, complete with magnificent lake.

During the year ended 30th June 1993 further considerable progress was made in restoring the fortunes of the Barratt Group, despite the very difficult conditions which continued in both the UK and USA housing markets.

Our pre-tax profit for the year to 30th June 1993 amounted to £20.4m against £11.3m in the previous year, an increase of 81%; post-tax profit amounted to £16.8m against £14.1m with earnings per share of 9.3p against 7.8p in the previous year.

A final dividend of 3p per share will be recommended, compared with 2p for the previous year, giving total dividends for the year of 4p per share, an increase of 100% on the previous year. This recommendation ensures that our shareholders participate fully in the benefits which follow the rebuilding of our profit base, whilst maintaining dividend cover of at least two times.

Group turnover amounted to £405m for the year to

June 1993 against £438m for the previous year. In the UK we achieved 4,988 legal completions, against 4,706 the previous year. Additionally, our construction subsidiary achieved 314 completions, making a total of 5,302 UK completions.

Our debt at 30th June 1993 amounted to £34m (gearing 18%) against debt in June 1992 of £57m. Total debt on and off balance sheet at 30th June 1993 amounted to £43m (gearing 22%) against total debt in June 1992 of £71m. The debt reduction which has been achieved from £205m in June 1991 to £43m in June 1993 has been effected without recourse to land sales. Indeed, during the past year we have significantly increased our land stocks. In the past month we have entered into agreements for the provision of three year term facilities with both our UK and USA banks, which will be adequate for our future needs, and on terms which will result in lower banking costs.

In the USA our principal objective during the year was to bring a further number of dormant sites into development so as to erode the static investment and the associated finance cost. Of the ten sites dormant at the beginning of the year, development has now commenced on five, comprising 800 plots, with the remaining five being actively progressed for commencement in the near future. We achieved 354 legal completions including our joint venture developments, against 541 the previous year. We incurred a trading loss of £700,000 in the USA, the same as the previous year. More importantly, we effected a further significant reduction in our USA debt.

Our leisure property division continued to be affected by the recession and a further small loss was incurred. We insist on very high standards in all our leisure resorts and we believe that the division will very shortly return to profitable trading.

Our Scottish-based contracting division enjoyed another successful year. While continuing to operate under very competitive conditions our subsidiary benefited from its reputation for providing quality construction on programme, enabling it to maintain its turnover and a useful contribution to the Group.

Further progress was also made in our commercial

property division which generated a good profit contribution to the Group. We profitably disposed of a further property and achieved good progress in enhancing the value of our remaining portfolio.

Our subsidiary in France produced a small loss: only 4 houses and an undeveloped building site remain to be sold to complete the liquidation of our investment in this subsidiary.

When our Interim Results were announced last March, we disclosed that as a consequence of the substantial progress made throughout the Group since July 1991, we had formulated a 3 Year Growth Plan to rebuild UK housing volume from 5,000 houses a year to 8,000 houses a year, to take effect progressively from July 1993. In the USA we are planning to increase sales from 350 to 730 houses a year through the three year period, which will be achieved by accelerating the development of our existing land stocks. We are confident that this growth in the UK and USA can be achieved with our existing resources whilst still adhering to our stated objective of operating within a maximum gearing of 50%.

Since the early part of 1993 a number of events have occurred throughout the UK housing market which I am convinced have halted the downward spiral in house prices and the reduced activity of the previous four years. The ratio of house prices to incomes is the lowest since 1970; mortgage interest rates are the lowest since 1968; repossessions are in decline; the number of people with negative equity has fallen substantially and the levels of unemployment appear to have peaked at 3 million. At the same time there is a pent-up demand from those who delayed entering the market during the recession and the continuing growth in the number of households. The foundations for a slow but sustained recovery are firmly in place. Since January last, housing starts and mortgage lending have increased and the monthly house price indices maintained by the Halifax Building Society and the Nationwide Building Society show prices rising during the first 8 months of 1993 by 1.9% and 4.4% respectively.

Following the success earlier this year of the launch of our two BES issues which raised £10m in a matter of days, we announced in September the launch of

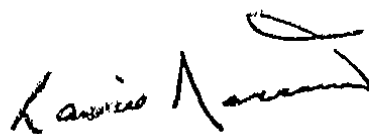
two new BES issues, again to raise a total of £10m, which will enable us to generate further sound business for the Group and a wider selection of new houses throughout the country for letting on assured tenancies to meet the strong demand. With these latest issues, investors are offered an extremely attractive investment opportunity with a contracted exit in five years and in addition, should property values resume their historic growth, investors may receive a higher return.

The Group already complies with most of the recommendations of the Cadbury current Code of Best Practice and will continue to review and develop its procedures to ensure continued sound corporate governance.

The recovery achieved by the Group over the past two years is very pleasing indeed to me. I would like to pay tribute to Frank Eaton, our Group Chief Executive, under whose leadership our management team have all worked so extremely well and efficiently.

When I returned to the Group to re-assume the role of Executive Chairman on 29th July 1991, I entered into a service agreement to fulfil these duties on a full-time basis for a period of three years, expiring on 28th July 1994. On the termination of this three year period, the Board has invited me to assume the role of Non-Executive Chairman for a further three year term expiring in July 1997, which I have gladly undertaken to do, devoting 50% of my time to the Group. I have total confidence in Frank Eaton's leadership to continue the successful development of the Group thereafter.

Whilst we have not yet realised the full financial benefits of our efforts over the past two years, I have great confidence in the future of the Group and I am certain our recovery will gain momentum.



GROUP CHIEF EXECUTIVE'S REVIEW



Frank Eaton, Group Chief Executive, at Cottam Village, Preston, an award-winning development of 79 homes on one of the latest sites acquired from the Commission for New Towns. Prices ranging from £50 000 to £158 000 have made the development one of the fastest-selling in the North West.

The Group has significantly improved profits and strengthened the balance sheet by continuing to focus on liquidating investment in developments producing poor returns and substantially reducing borrowings and costs. We are now strongly placed to benefit from an improving market, increasing volume and profit.

Throughout the financial year, our principal objectives continued to be the liquidation of investment in developments producing poor returns, reduced exposure to large single investments and tight controls on stock and work in progress. These actions have resulted in a further reduction of £25 million from the stock and work in progress, making a total reduction of £87 million over the two years since the Group was restructured in July 1991. With the additional benefit from sales of investment property and reduced part exchange holdings, the total cash inflow from operating activities amounted to £57 million in the year and £152 million over two years.

Overall borrowings on and off balance sheet reduced a further £28 million to £43 million (22%

Acaster Malbis, York. The 5 bedroom, 3 bathroom, 'Tennyson' house style from the award-winning Barrell Premier Collection of 74 individually designed homes ranging from studio apartments to 6 bedroom houses.



gearing) against £71 million (39% gearing) for the previous year. Over the two year period, total borrowings on and off balance sheet have reduced from £205 million (120% gearing) to £43 million (22% gearing). This has been achieved without recourse to land sales. In our continued pursuit of overall cost savings, administrative costs were reduced by a further 10% in the year, down to £18 million compared to £35 million two years ago, a 48% saving. Other development costs have been held firm without any significant increases in the year just ended.

Sound progress has been made over the last two years by the completion of 142 developments, many of which were old non-contributing sites. Many dormant sites with historic high land values have also been activated, thereby advancing the recovery of our investment. Notwithstanding the increased investment required to activate these developments, this two-pronged strategy has produced a cash inflow of £152 million and now places the company in a very strong position to re-invest in new developments producing full margins, thereby rebuilding volume and profits.

UK HOUSING

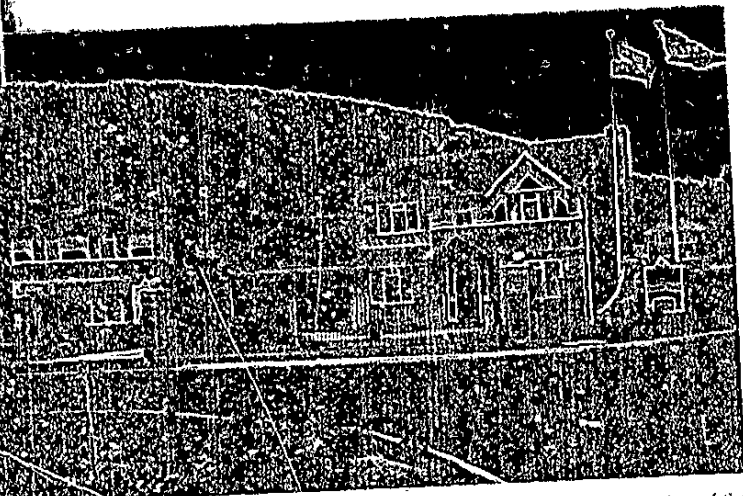
In the UK we acquired 5,905 plots in the year, 18% more than we used. Overall, our total UK land stock of 13,591 plots represents over two years' supply and is in line with our policy of maintaining a two year land bank.

UK sales completions increased to 4,988 from 4,706 in the previous year. The average selling price for private sales was £74,800, against £79,900, following changes in our product mix. Sales benefited considerably from our unrivalled part exchange service, which offers customers a fast and efficient house move without the worry of cancellations and breakdown of chains. In total we achieved 8,098 sales during the year, more than any other builder. This comprised 4,988 new housing sales, plus 314 completions by our construction subsidiary, and 2,796 part exchange resales.

Sales reservations in the first quarter of the financial year started poorly, being seriously affected by the reintroduction of Stamp Duty in August 1992 and the turmoil surrounding the UK's exit from the ERM in September. Following a period of adjustment, sales

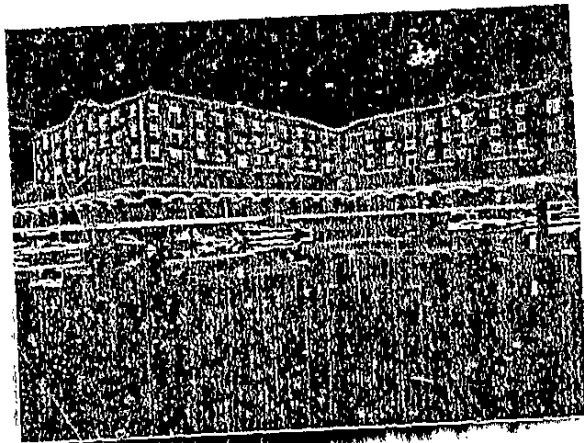


The attractive showhouse complex at Wellington Place, Herefield, Middlesex, was completed in August, 1993



In South Wales, Barratt has pioneered the regeneration of the Valleys, undertaking many successful developments, often on recycled derelict sites. The latest is at Grover's Field, Abercynon, pictured above.

St Peter's Marina Village, Newcastle upon Tyne. A new phase of this successful multi-tenure development is scheduled to commence in late 1993. The £30 million partnership project with Tyne and Wear Development Corporation, has created a new riverside community of 361 homes, offices and shops around a marina, on former industrial land.



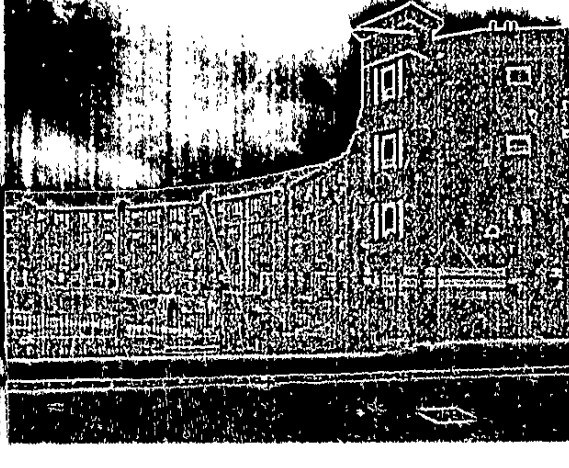
reservations progressively improved and by the end of the first half-year most of the early shortfall had been recovered. Throughout the second half of the year, an element of stability helped to maintain progressively improving sales reservations, which increased by 15% year on year. The improvement has continued since July 1993 and provides an encouraging start to the new financial year. In tandem with the improving market, the sales performance has benefited from the introduction of new developments offering a selection of product and locations more appropriate to the current market.

During the year we have continued to develop our "Premier Collection" range of 74 individual house styles. This programme of continuous product development helps to ensure that Barratt designs and specifications continue to reflect the changes demanded in today's market. The Premier Collection ranges from studio apartments to 6 bedroom houses and caters for all sectors of the market, at prices from £30,000 to £400,000. A diversity of elevational treatments allows the proven accommodation layouts to be used in all locations, whether rural or urban.

PARTNERSHIPS

Many of our developments are in areas of great housing need and are developed in partnership with Local Authorities, Housing Associations, Central Government, lending institutions and other housing agencies. During the year we enhanced our position as a leading partnership developer, commencing a wide variety of projects ranging in size from 6 units to over 700. At the Bonamy Estate in Bermondsey, London, we have now started to replace defective council housing with 702 new-build and refurbishment homes. The £30 million project will take over two years to complete and is one of the largest of its kind in the country.

Partnerships can produce much-needed multi-tenure developments with housing for rent, shared ownership and private sale. By bringing together the resources and skills of both private and public sectors, the most difficult housing problems can be overcome. The benefits are numerous. Dilapidated areas are replaced by modern secure homes for the benefit of the local population, employment is created and

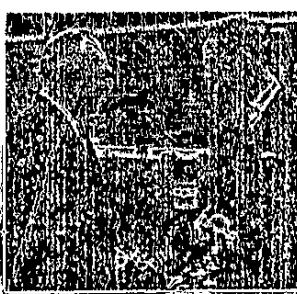


community pride restored. Barratt partnership developments have created over 10,000 affordable homes in the last decade: a track record that demonstrates our commitment to servicing every sector of UK housing need.

URBAN RENEWAL

Barratt was the first major developer to become actively involved in large-scale urban renewal and we have continued our long-term commitment to the regeneration of Britain's inner cities. Over 50% of our production is on land which has had a former use. By recycling disused but valuable resources such as land and buildings for housing development, innovative projects are transforming old docksides, factories, railway yards and slum clearance areas. To tackle successfully such a diverse range of refurbishment, new-build and conversion projects requires experience and expertise. Our technical, construction and management teams are skilled and well-qualified and capable of achieving further expansion in this area of activity.

HRH The Prince of Wales viewed the Barratt showhouse when he officially opened the National Garden Festival at Ebbw Vale in the summer of 1992. Prince Charles is pictured with Sir Lawrence Barratt.



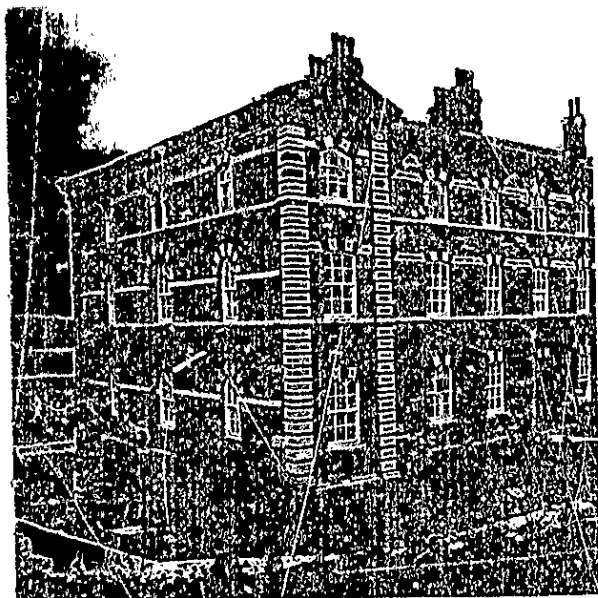
Hyde Park, Glasgow. This development of 169 affordable homes is part of a £30 million partnership programme between the community-based housing association, public bodies and private companies.



Admiral's Reach, Canning Town, London E16. A £23 million partnership with Newham Council and five housing associations has transformed the notorious Ronan Point estate where the failed high-rise flats have been replaced by traditional low-rise homes. The two year project was completed in 1993 and has provided 322 homes for rent, shared ownership and private sale.



Housing and Planning Minister Sir George Young (left) meets the first new tenants Lisa Cawston and Tony Brunt on the former Ronan Point site.



A semi-derelict Grade II listed former hospital at Pontefract, Yorkshire, has been transformed into 24 apartments, alongside 102 new homes in the grounds. The project received a special 1993 NHBC Conversion Award for quality workmanship.

QUALITY BUILDING

Continuing many years of success in the National House Building Council's "Pride In The Job" campaign, Barratt site management teams once again earned further recognition for construction excellence by winning 29 Top 100 Awards and Commendations in this year's campaign - equivalent to twice our market share. This is an independent endorsement of the high standards of construction skill and site management practice throughout the Barratt Group. In the Midlands area, one of our subsidiaries earned special recognition by achieving four Top 100 Awards from nine qualifying developments, an outstanding performance and a record for a single Barratt subsidiary. Success in the "Pride In The Job" campaign is a team effort and is wholly dependent upon the skills of our tradesmen, sub-contractors and construction management. To secure the continuity of those skills, we are investing in the future, implementing a comprehensive training programme for apprentices and trainees throughout the Group.

CONTRACTING

Barratt Construction, the general building and civil engineering subsidiary of the Group, offers a complete construction service throughout Scotland. The company has an excellent reputation for producing a very high standard of work on time and produced a very creditable performance in the year when considering the difficulties being experienced in the contracting industry. The company undertakes a wide variety of contracts for Local Authorities, Housing Associations and the private sector. The company has an experienced design and build team producing practical solutions for clients along with a management contracting service.

COMMERCIAL PROPERTY

Barratt Commercial is the Group's property development subsidiary and has operated successfully within the commercial property field for more than 30 years. It has completed many major commercial developments throughout the UK and also many purpose-built premises, providing a complete design, build and sale/lease package. The subsidiary produced another very useful contribution to the operating



Aberdeen Leisure Centre. Barratt Construction completed a £13 million contract providing a leisure pool, sports centre and ice rink complex for Aberdeen District Council.

profits of the Group. A good rental income is being achieved, with voids of only 2%; any disposals will be on a selective basis

LEISURE

Barratt International Resorts Limited, the Group's leisure subsidiary, made good progress in a very difficult market for the leisure industry, further increasing the number of Barratt timeshare owners and substantially increasing the number of apartment rentals effected in the year. The company has nine excellent leisure resorts in the UK and Spain, which offer a unique opportunity to our 27,000 timeshare owners to interchange holidays within the Barratt network. Each resort is located in an area of outstanding natural beauty and offers high quality accommodation and extensive all-year-round recreational facilities. Additionally, Barratt timeshare owners can exchange holidays worldwide, using an international exchange network.

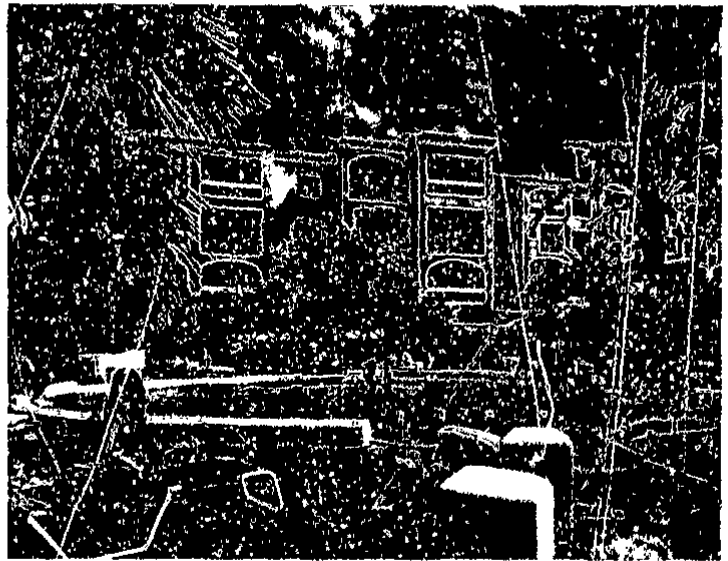
USA HOUSING

During the last financial year, the USA operation continued to experience difficult market conditions. The recession in California deepened, placing downward pressure on selling prices. This situation was aggravated by the majority of our developments carrying substantial investment and further compounded by 10 developments not started, carrying static investment. In addition, the subsidiary held substantial interests in a number of joint venture developments, of which 4 were inactive due to the difficulties of our joint venture developing and financial partners.

Against this background, our USA subsidiary has made good progress, resolving many of these issues by adopting the same strategy that has worked successfully in the UK over the past two years. Unfortunately, these successes occurred mainly in the second half of the year and had little impact on the full year performance.

Following the successful restructuring of the operation in the previous year, all our activities are now consolidated in the Southern California area.

In February 1993 the three large joint venture developments located at Mission Viejo, Orange



Doña Lola, one of three superb Barratt leisure timeshare resorts on the Mediterranean coastline. Close to Marbella, they all offer high quality apartments and extensive leisure facilities



8 houses Rosemead from quality built. In August 1993 all prices for \$910,000, up 150% from the original \$300,000. The house is now for sale at \$1,000,000.

County, were successfully acquired from our joint venture partners and whilst having the effect of immediately increasing our investment, this enabled us to reactivate construction, improve the contribution and subsequently reduce our total investment by 25% at the end of June. All three developments are selling well and will be fully completed within a year.

There now remain three joint ventures in progress, consisting of 126 units, all of which are performing satisfactorily and will be completed this year.

At the beginning of the last financial year, the subsidiary had 10 dormant sites with static investment; five of these are now in progress and the remaining five will be brought into production over the next year.

Notwithstanding the difficulties referred to, the subsidiary has made significant progress, effecting a substantial reduction in bank and joint venture debt from \$79 million to \$45 million, over the 12 month period. Joint venture debt will be completely eliminated this year.

The California housing market has experienced similar conditions to those which have existed in the UK over the past four years. House prices have fallen to such an extent that an over-correction has occurred. The demand for home ownership, however, remains strong. Mortgage rates are now at their lowest for 22 years, greatly enhancing affordability, and the California Association of Realtors reported that in August 1993, 40% of Californians could afford to buy a median-priced home, compared to 23% in 1990.

Our primary objective in the USA is to continue liquidating our investment down to a level which can be supported by the volume produced by the subsidiary. By accelerating the development of our excessive land holdings we will trade out of developments producing low returns, enabling us to, in due course, re-invest in new sites producing full margins.

With this strategy, we expect continuing improvements in the new financial year which should benefit further from the positive signs of a recovering market.



Mirador Mission Viejo, Orange County. Mission Viejo is probably the most successful town centre in the USA and in July 1993 Barratt American commenced work on an exciting new development of 300 homes. Prices start at \$144,000.



The Gallen, Moreno Valley, Riverside County. Launched in April 1993 with detached homes priced from \$126,000. Many of the 26 properties will have frontage to a championship golf course.

CONCLUSION

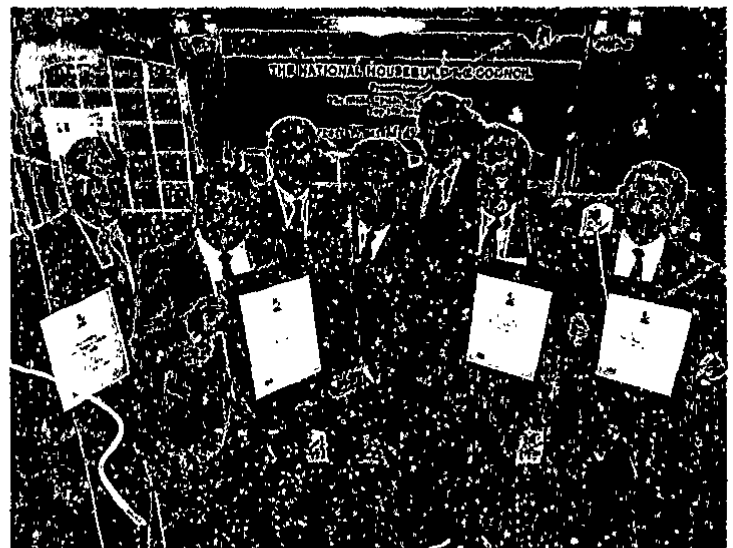
Following the sound progress achieved over the last two years in effecting substantial debt reduction and restoring the Group to profitable trading, we formulated a strategy to substantially increase our housing volume and announced our 3 Year Growth Plan in March last.

All elements are now in place for the improving UK housing market to be sustained and we are now strongly placed with all the necessary resources to increase our market share. The improving market is evidenced by a significant increase in our sales achieved since January last. Improvements are also emerging in the California housing market, where again all elements exist for a sustainable recovery.

In the UK we have an established network of 12 housing subsidiaries, all capable of generating increased volume, to which will be added two new housing subsidiaries each year as part of our 3 Year Growth Plan. The first two of these, based in North and South London, became operational in July 1993.



Woodridge Bristol Derelict land is being recycled for 96 affordable homes priced from under £40,000. John Redwood (right) then Inner Cities Minister, met first buyers, Paul Stone and Lisa Davis in March 1993



In 1993 Barratt won 14 NHBC "Top 100" Awards including 4 in the West Midlands. Peter Prince, NHBC Regional Director, presented these in September to (left to right) Tony Knight, Lance Locke, Bob Talbot and Keith Smith, accompanied by Sir Lawrie Barratt and Frank Eaton.

The framework is now in place to secure the planned growth in UK volume from 5,000 to 8,000 houses over the next three years and to achieve an increase in volume in the USA from 350 to 730 houses. Adequate land stocks exist to achieve this growth and these will be supplemented each year to permit future growth. We have a proven track record for achieving volume previously operating at levels of 16,500 houses in the UK and 1,750 in the USA.

We have adequate financial resources to achieve the planned growth and concurrently with this volume increase we will work to restore our pre-tax margins to the levels achieved throughout the Group for many years until recent times. I have every confidence that we have developed the firm foundation to move forward strongly and achieve the planned substantial growth in the future.

Frank Eaton

Frank Eaton
Group Chief Executive

7th October 1993

DIRECTORS AND PROFESSIONAL ADVISERS

Directors

Sir Lawrence Harratt
Chairman

A W Tait OBE *†§
Deputy Chairman

F Eaton
Chief Executive

M Norron
Deputy Chief Executive

F W Crawley *†§

D A Pretty

C A Dearlove

* Non-executive

† Member of the Remuneration Committee

§ Member of the Audit Committee

Non-Executive Directors

A W Tait OBE, 70, was appointed a non-executive director in 1988. The former Chairman of the National House Building Council, the Housing Research Foundation, and the New Homes Environmental Group, he is currently Chairman of Johnson Fry Property Limited and the Home Buyers' Advisory Service Limited.

F W Crawley, 67, was appointed a non-executive director in 1988. The former Deputy Chief Executive of Lloyds Bank Plc, he is now Chairman of the Alliance and Leicester Building Society, and of Girobank PLC.

Secretary

F Brown

Registrar

Independent Registrars Group Limited
Broseley House
Newlands Drive
Witham, Essex
CM8 2UL

Auditors

Coopers & Lybrand

Solicitors

Slaughter and May

Brokers

Cazenove & Co
NatWest Wood Mackenzie

Merchant Bankers

S G Warburg & Co

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the thirty-fifth annual general meeting of the company will be held at the Plaisterers Hall, 1 London Wall, London, EC2Y 5JU on 18th November 1993 at 2.30pm for the following purposes:

ORDINARY BUSINESS - RESOLUTIONS


1. To receive and adopt the directors' report and accounts for the year ended 30th June 1993.
2. To declare a dividend.
3. To re-elect directors: Mr D A Pretty, who retires by rotation and Mr C A Dearlove who retires at the first annual general meeting following his appointment.
4. To re-appoint Coopers & Lybrand, the retiring auditors, and to authorise the directors to fix their remuneration.

SPECIAL BUSINESS - RESOLUTIONS

To consider and, if thought fit, pass the following resolutions of which resolution 5 will be proposed as an ordinary resolution and resolution 6 will be proposed as a special resolution.

5. To generally and unconditionally authorise the board to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate nominal amount of £1,945,984 provided that this authority shall expire on the date of the next annual general meeting after the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the board may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.
6. That, subject to the passing of resolution 5 above, the board be, and it is hereby empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities (within the meaning of section 94 of the said Act) for cash pursuant to the authority conferred by resolution 5 above as if sub-section (1) of Section 89 of the said Act did not apply to any such allotment provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them provided that the directors may make such arrangements in respect of overseas holders of shares and in respect of fractional entitlements as they consider necessary or convenient; and
 - (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £902,701 being 5% of the nominal value of the existing issued share capital and shall expire on the date of the next annual general meeting of the company after the passing of this resolution save that the company may before such expiry make an offer or agreement which would, or might, require equity securities to be allotted after such expiry and the board may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

Registered Office
Wingrove House
Ponteland Road
Newcastle upon Tyne NE5 3DP

 By order of the board
F.F.
Secretary
18th October 1993

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him. A proxy need not be a member of the company.

The following documents will be available for inspection at the registered office, during business hours, from the date of this notice until the date of the annual general meeting, and on that day they will be available for inspection at the place of the meeting from 2.15pm until the conclusion of the meeting:

1. Copies of contracts of service of the directors with the company.
2. A statement of all transactions of directors (and of their family interests) in the share capital of the company for the past year.

DIRECTORS' REPORT

The directors submit their report and the accounts for the year ended 30th June 1993.

ACTIVITIES OF THE GROUP

The group's principal activity continues to be building and development.

A full review of the group's performance and prospects will be found in the Chairman's Statement on pages 2 and 3, and the Chief Executive's Review on pages 4 to 11.

RESULTS AND DIVIDENDS

The profit on ordinary activities for the year ended 30th June 1993 was £16.8m (1992 £14.1m). An interim dividend of 1p per share (1992 nil) was paid on 28th May 1993 and it is proposed to pay a final dividend of 3p per share (1992 2p) on 19th November 1993 to shareholders on the register at the close of business on 15th October 1993.

The dividends paid and proposed amount to £7.2m and the profit retained is £9.6m as shown in note 19 to the accounts.

ANNUAL GENERAL MEETING

The notice of the annual general meeting on page 13 contains two resolutions to be submitted as special business.

The two resolutions (numbers 5 and 6 respectively) request shareholder approval to renew for one year the directors' authority to allot unissued shares in the capital of the company and to authorise the directors to allot shares for cash up to a limit equal to 5% of the issued share capital without initially offering such shares to existing shareholders.

DIRECTORS AND THEIR SHAREHOLDINGS

The beneficial interests of the directors and their families in the ordinary share capital of the company are shown below:

ORDINARY SHARES OF 10P EACH

	30th June 1993		1st July 1992 (or later appointment)	
	fully paid	executive share option scheme	fully paid	executive share option scheme
Sir Lawrence Barratt	1,263,738	200,000	1,263,738	100,000
A W Tait	11,000	—	11,000	—
F Eaton	112,102	400,000	112,102	300,000
M Norton	52,616	400,000	52,616	300,000
F W Crawley	2,000	—	2,000	—
D A Pretty	14,519	200,000	14,519	100,000
C A Dearlove	1,186	140,000	1,186	100,000

No notification has been received of any change in the above interests during the period 30th June 1993 to 22nd September 1993.

Mr C A Dearlove was appointed a director on 1st December 1992.

Mr R W R James, who resigned as a director of the company on 30th October 1992, held at the date of his resignation a service contract with a then expiry date of 30th June 1995. The amount paid to Mr R W R James in consideration of his resignation is shown in note 9 to the accounts.

Under the provisions of article 81 of the company's memorandum and articles of association Mr D A Pretty retires and offers himself for re-election. Mr C A Dearlove retires in accordance with the provisions of article 79 and offers himself for re-election.

DIRECTORS' REPORT

Messrs Pretty and Dearlove have service contracts which expire on 30th November 1995 and 30th November 1993 respectively.

During the year the company maintained liability insurance for its directors and officers.

At no time during or at the end of the year did any director have a material interest in a contract of significance in relation to the business of the group.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMPLOYEES

The directors recognise the importance of good communication and relations with employees. The group is organised on a decentralised basis and the management of each subsidiary is encouraged to adopt such employee consultation as is appropriate.

It is group policy to give fair consideration to the employment needs of disabled people and to comply with current legislation with regard to disabled persons.

FIXED ASSETS

Movements on fixed assets during the year are set out in notes 11 and 12 to the accounts.

STATUTORY INFORMATION

At 22nd September 1993 notification had been received of the following interests which exceed a 3% interest in the issued share capital of the company.

	Date of Notification	Ordinary Shares of 10p Each	% of Issued Share Capital
The Capital Group Inc.	17.05.93	12,467,000	6.90%
The Prudential Insurance Group of America	10.08.93	5,648,150	3.13%
FM R Corporation	09.09.93	5,480,500	3.03%
Schroder Investment Management Limited	15.09.93	18,193,200	10.08%
Provident Mutual	20.09.93	6,480,000	3.59%

The company is not a close company under the provisions of the Income and Corporation Taxes Act 1988.

Charitable donations of £1,432 were made during the year.

No political contributions were made during the year.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the reappointment of Cooper & Lybrand as auditors to the company will be put to the annual general meeting.

On behalf of the board

F Brown, Secretary

Newcastle upon Tyne

14th October 1993

AUDITORS' REPORT

To the members of Barratt Developments PLC.

We have audited the accounts on pages 17 to 31 and the details of the principal associated undertakings and joint ventures on page 32.

Respective responsibilities of directors and auditors.

As described on page 15 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 group's and 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 affairs of the company and the group at 30th June 1993 and of the profit, total recognised gains, and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Coopers & Lybrand

Coopers & Lybrand

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

14th October 1993

ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The principal accounting policies, which have been applied consistently, are:

- (a) **Basis of accounting**
The group prepares its accounts on an historical cost basis.
- (b) **Changes in accounting policies and presentation of accounts**
The new accounting standard, FRS3, requires the adoption of accounting policies which differ from those previously adopted by the company. As a result, certain losses which in previous years were treated as exceptional items, in accordance with standard accounting practice at that time, are now shown within operating profit. Also, turnover and operating profit have been categorised as relating to continuing activities and a statement of total recognised gains and losses has been presented together with a reconciliation of movements in shareholders' funds and a note of historical cost profits and losses.
- (c) **Consolidation**
The group accounts include the results of the holding company and all its subsidiary undertakings. They also include the group's share of the results of associated undertakings.
- (d) **Turnover**
Turnover comprises the total proceeds of building and development on legal completion and the value of work executed on contracts during the year excluding inter-company transactions and value added tax. The sale proceeds of part exchange houses are not included in turnover.
- (e) **Interest payable**
Interest is written off when incurred.
- (f) **Properties held for sale**
Properties held for sale, comprising properties previously held for investment, are stated at the lower of cost and net realisable value.
- (g) **Stocks**
Stocks and work in progress are valued at the lower of cost and net realisable value.
Profit on contracting is taken on short term contracts when completed, and for long term contracts attributable profit is taken when the final outcome can be foreseen with reasonable certainty; provision is made for any anticipated losses. Amounts receivable in respect of long term contracts, in excess of amounts reflected in turnover, are held in creditors as payments on account.
- (h) **Depreciation**
Freehold properties are not depreciated as it is policy to maintain them to such a standard that the estimated residual value, based on prices prevailing at the time of acquisition or subsequent directors' valuation, is not less than book value. Any permanent diminution in the value of such properties is charged to the profit and loss account. Short leasehold properties are depreciated over the unexpired term of the lease and plant is depreciated on a straight line basis over its expected useful life which ranges from one to seven years.
- (i) **Leased assets**
Operating lease rentals are charged to the profit and loss account in equal instalments over the life of the lease.
- (j) **Exchange translations**
The assets and liabilities of overseas subsidiaries are translated at the rate of exchange ruling at the year end and the results are translated at an average rate for the year. Gains and losses arising from translation are transferred to reserves.
- (k) **Deferred taxation**
Provision is made under the liability method for those liabilities that are expected to arise in the foreseeable future.
- (l) **Pensions**
The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

GROUP PROFIT AND LOSS ACCOUNT
for the year ended 30th June 1993

	Note	1993 £m	Restated 1992 £m
TURNOVER		405.3	438.3
OPERATING PROFIT	1	27.3	28.5
SHARE PROFIT/(LOSSES) OF ASSOCIATED UNDERTAKINGS	12	0.4	(1.3)
PROFIT BEFORE INTEREST AND TAXATION		27.7	27.2
INTEREST PAYABLE	4	(7.3)	(15.9)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	20.4	11.3
TAXATION	5	(3.6)	2.8
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	16.8	14.1
DIVIDENDS	7	(7.2)	(3.6)
RETAINED PROFIT	19	9.6	10.5
EARNINGS PER SHARE	10	9.3p	7.8p

All activities of the Group are continuing.

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1993 £m	1992 £m
Profit on ordinary activities after taxation	16.8	14.1
Currency translation differences on foreign currency net investments	2.4	(1.1)
Total gains recognised since last annual report	19.2	13.0

GROUP BALANCE SHEET
at 30th June 1993

	Note	1993 £m	1992 £m
FIXED ASSETS			
Tangible assets	11	5.2	5.5
Investment in associated undertakings	12	6.1	12.2
		11.3	17.7
CURRENT ASSETS			
Properties held for sale		11.6	12.1
Stocks	13	315.0	306.0
Debtors due within one year	14	18.1	17.2
Debtors due after one year	14	16.5	17.6
Bank and cash		27.6	4.5
		388.8	357.4
CURRENT LIABILITIES			
Creditors due within one year	15	166.1	154.2
NET CURRENT ASSETS		222.7	203.2
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS DUE AFTER MORE THAN ONE YEAR	16	41.4	40.4
PROVISION FOR LIABILITIES AND CHARGES	17	0.1	0.1
		192.5	180.4
CAPITAL AND RESERVES			
Called up share capital	18	18.1	18.0
Share premium	19	84.9	84.9
Profit retained	19	89.5	77.5
		192.5	180.4

Approved by the board on 14th October 1993

Sir Lawrence Barratt
C A Dearlove

Directors

Lawrence Barratt
C A Dearlove

CASH FLOW STATEMENT
for the year ended 30th June 1993

	Note	1993 £m	1992 £m
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	56.9	95.3
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		3.0	3.3
Interest paid		(12.4)	(17.9)
Dividends paid		(5.4)	-
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(14.2)	(14.6)
TAXATION			
UK Corporation tax (paid)/recovered		(1.7)	8.2
Overseas taxation recovered		1.7	6.5
		-	14.7
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(0.2)	(0.4)
Sales of tangible fixed assets		-	2.6
Purchase of subsidiary undertakings (net of cash and cash equivalents acquired)	25	(1.0)	-
Capital contributions to associated undertakings		(1.6)	(2.0)
Distributions from associated undertakings		1.7	0.3
		(1.1)	0.5
NET CASH INFLOW BEFORE FINANCING		41.6	95.9
FINANCING			
Issue of ordinary share capital		(0.1)	-
Decrease in bills payable		5.0	95.0
Decrease/(Increase) in bank loans		14.0	(3.8)
Capital element of finance lease repayments		-	0.6
NET CASH OUTFLOW FROM FINANCING	22	18.9	91.8
INCREASE IN CASH AND CASH EQUIVALENTS	23	22.7	4.1
		41.6	95.9

NOTES TO THE ACCOUNTS

1. OPERATING PROFIT

	1993	Restated 1992
	£m	£m
Turnover	405.3	438.3
Cost of sales	359.9	389.6
Gross profit	45.4	48.7
Administrative expenses	18.1	20.2
	27.3	28.5

An amount of £6.1m representing exceptional provisions against work-in-progress and separately disclosed in the 1992 profit and loss account has, in accordance with FRS3, been included in the restated cost of sales figure for 1992 as shown above. There are no similar provisions in 1993.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION IS STATED

	1993	1992
	£m	£m
After charging:		
Directors' remuneration		
- emoluments	1.0	1.1
- compensation for loss of office	0.1	0.1
Depreciation		
- tangible owned fixed assets	0.5	0.8
- tangible fixed assets held under finance leases	-	0.1
Operating lease charges		
- hire of plant, machinery and vehicles	3.9	4.0
- other	1.6	1.2
Auditors' remuneration		
- audit services	0.1	0.1
(company: £2,250 - (1992 : £2,000))		
After crediting:		
Rental income	2.3	3.1
Profit on sale of fixed assets	-	1.3
Auditors' remuneration for non-audit services in the year amounted to £25,000 (company: £20,000).		

3. ANALYSIS BY GEOGRAPHICAL AREA

	United Kingdom		USA		Total	
	1993	1992	1993	1992	1993	1992
	£m	£m	£m	£m	£m	£m
Turnover by origin	372.7	400.1	32.6	38.2	405.3	438.3
Profit/(loss) before interest and tax	28.4	27.9	(0.7)	(0.7)	27.7	27.2
Net assets/(liabilities)	201.4	183.5	(8.9)	(4.1)	192.5	180.4

There is no material difference between turnover by origin and turnover by destination. In the opinion of the directors the activities of the group fall into one class of business, that of building and development.

4. INTEREST PAYABLE

	1993	1992
	£m	£m
Payable: On bank loans and overdrafts		
Repayable within 5 years not by instalments	8.1	16.9
Repayable within 5 years by instalments	0.9	2.7
	9.0	19.6
Less: Receivable	1.7	3.7
	7.3	15.9

NOTES TO THE ACCOUNTS

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £m	1992 £m
UK corporation tax at a rate of 33% (1992 33%):		
Current	5.0	0.1
Over provision in respect of previous years:		
Current	(1.4)	(1.1)
	3.6	(1.0)
Overseas taxation	—	(1.8)
	3.6	(2.8)

At 30th June 1993 there are unabsorbed tax losses of £10.2m (1992 £9.0m) available to set off against future trading profits of certain UK subsidiary undertakings. In addition there are unabsorbed tax losses of £13.2m (1992 £8.8m) available to set off against future trading profits of the US subsidiary undertaking.

6. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1993 £m	1992 £m
The profit attributable to shareholders is dealt with in the accounts of:		
The company	8.1	6.1
Subsidiary undertakings	8.3	9.3
Associated undertakings	0.4	(1.3)
	16.8	14.1

In accordance with the provisions of the Companies Act 1985 a separate profit and loss account for the company is not presented.

7. DIVIDENDS

	1993 £m	1992 £m
Interim 1p per share (1992 Nil)	1.8	—
Final 3p per share proposed (1992 2p)	5.4	3.6
	7.2	3.6

8. EMPLOYEES

	1993 £m	1992 £m
The average number of persons employed by the group in building and development, excluding sub contractors, was 2,200 (1992 2,400).		
Employee costs (including directors) comprise:		
Wages and salaries	31.9	36.5
Social security	2.9	3.5
Pension costs	0.8	1.0
	35.6	41.0

The Group operates a defined benefit final salary scheme, throughout the UK, the assets of which are held in a separate trustee administered fund.

The pension cost has been assessed in accordance with the advice of a qualified actuary using the projected unit method in a review of the scheme as at 1st December 1991. The main long term actuarial assumptions were that the investment return would be 9.0% per annum and that salary increases, inclusive of promotion, would average 7.5% per annum. The market value of the assets of the scheme on 1st December 1991 was £25.6m. The actuarial value of these assets represented 131% of the value of the benefits for service to the date of the valuation allowing for future salary increases.

In levying the pension cost, the surplus in the scheme after an adjustment for the recent changes in Advance Corporation Tax is being spread as fixed amounts over the future working lifetime of the existing members. For the purpose of funding the scheme, the surplus is spread over a shorter period as a level percentage of members' salaries.

The total UK employer contribution in respect of the year ended 30th June 1993 amounted to £278,000 (1992 £252,500), while the amount charged to the profit and loss account was £843,000 (1992 £914,000). This converted the balance sheet prepayment of £12,500, at 30th June 1992, to a provision of £12,500 at 30th June 1993.

NOTES TO THE ACCOUNTS

9. DIRECTORS

The remuneration of the chairman was £213,712 (1992 £216,512 – chairman and former chairman).

The remuneration of the highest paid director was £217,454 (1992 £216,512).

The remuneration of United Kingdom directors, (excluding pension contributions), including the chairman and highest paid director was in the ranges below:

	Number of Directors			Number of Directors	
	1993	1992		1993	1992
£ 15,001 – £ 20,000	1	1	£155,001 – £160,000	1	–
£ 20,001 – £ 25,000	1	1	£160,001 – £165,000	–	1
£ 35,001 – £ 40,000	–	1	£175,001 – £180,000	1	2
£ 50,001 – £ 55,000	1	–	£180,001 – £185,000	–	1
£ 70,001 – £ 75,000	1	–	£210,001 – £215,000	1	–
£150,001 – £155,000	–	1	£215,001 – £220,000	1	–

The sum of £70,000 has been charged in these accounts with regard to compensation for loss of office in respect of Mr R W R James.

10. EARNINGS PER SHARE

The earnings per share calculation is based on a profit after taxation of £16.8m (1992 £14.1m) and 180.5m ordinary shares (1992 180.4m).

11. TANGIBLE FIXED ASSETS

	Freehold Property	Plant	Group Total	Company Total Plant
	£m	£m	£m	£m
Cost				
At 1st July 1992	4.8	7.3	12.1	0.2
Additions	–	0.2	0.2	–
Disposals	(0.1)	(1.3)	(1.4)	(0.1)
Exchange adjustments	–	0.1	0.1	–
At 30th June 1993	4.7	6.3	11.0	0.1
Accumulated depreciation				
At 1st July 1992	0.2	6.4	6.6	0.1
Provision for the year	–	0.5	0.5	–
Disposals	(0.1)	(1.3)	(1.4)	–
Exchange adjustments	–	0.1	0.1	–
At 30th June 1993	0.1	5.7	5.8	0.1
Net book value at 30th June 1993	4.6	0.6	5.2	–
Net book value at 30th June 1992	4.6	0.9	5.5	0.1

NOTES TO THE ACCOUNTS

12. INVESTMENT IN ASSOCIATED UNDERTAKINGS

	Long Term Joint Ventures £m	Associated Undertakings £m	Loans to Associated Undertakings £m	Total £m
Cost				
At 1st July 1992	9.2	0.4	12.6	22.2
Additions	—	—	1.6	1.6
Distributions	(1.3)	—	(0.4)	(1.7)
Exchange movements	1.9	—	—	1.9
Transfer on acquisition of Partners Interest	(6.8)	(0.2)	(9.4)	(16.4)
At 30th June 1993	3.0	0.2	4.4	7.6
Share of post acquisition reserves				
At 1st July 1992	(2.7)	(4.8)	—	(7.5)
Movements in year	0.7	(0.3)	—	0.4
Exchange adjustments	(0.5)	—	—	(0.5)
Transfer on acquisition of Partners Interest	2.9	3.9	—	6.8
At 30th June 1993	0.4	(1.2)	—	(0.8)
Amounts written off				
At 1st July 1992	(2.5)	—	—	(2.5)
Exchange adjustments	(0.5)	—	—	(0.5)
Transfer on acquisition of Partners Interest	2.3	—	—	2.3
At 30th June 1993	(0.7)	—	—	(0.7)
Net book value at 30th June 1993	2.7	(1.0)	4.4	6.1
Net book value at 30th June 1992	4.0	(4.4)	12.6	12.2

On 18th September 1992 Barratt London Limited completed the acquisition of the remaining 50% of the share capital of Barratt Rosehaugh Co-Partnership Limited for a total consideration of £1.25m. Additionally, on 12th February 1993 Barratt American Incorporated acquired the 50% interest of the Home Capital Corporation in the Pacific Hills Anacapa, Bonair and Napoli partnerships for a total consideration of \$1.75m. Further details of the consideration and net assets acquired are given in note 24. Turnover and operating profit relating to the acquired activities were £8.9m and £0.5m respectively.

The principal associated undertakings are set out on page 32.

13. STOCKS

	1993 £m	1992 £m
Work in progress	202.8	184.5
Showhouse complexes and houses awaiting legal completion	103.9	121.5
Properties in Business Expansion Schemes	8.3	—
	315.0	306.0

In March 1993 the Group launched two Business Expansion Scheme companies to provide assured tenancy housing. A total of £9.4m, net of expenses, was subscribed to the two companies and a major portion of this amount was used to purchase properties at market value from various Barratt subsidiaries. The Group has given a guarantee that there will be sufficient cash resources available for distribution from the BES companies in 1998 to provide the BES investors with a guaranteed return per share. As the guarantee is in place the sale of the properties to the BES companies has not been recognised in these accounts. The properties are held in the balance sheet at their original cost of £8.3m. The sale proceeds of £9.2m are held in creditors and the profit attributable to the properties of £0.9m has not been recognised in these accounts.

NOTES TO THE ACCOUNTS

14. DEBTORS

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Due within one year				
Trade debtors	9.0	8.3	-	-
Amounts recoverable on contracts	0.6	0.4	-	-
Other debtors	5.0	4.7	2.0	2.5
Prepayments	1.6	2.0	0.1	0.2
Corporation tax recoverable	1.9	1.8	0.1	0.1
	18.1	17.2	2.2	2.8
Due after more than one year				
Secured loans	11.9	11.8	-	-
Advance corporation tax recoverable	2.5	2.4	-	-
Other debtors	2.1	3.4	-	-
	16.5	17.6	-	-
	34.6	34.8	2.2	2.8

15. CREDITORS DUE WITHIN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Bank loans and overdrafts	43.2	40.1	-	8.3
Trade creditors including deferred land payments	66.2	58.6	-	-
Payments on account	1.5	2.1	-	-
Payroll taxation including social security	1.1	1.2	-	-
Corporation tax	5.8	2.8	-	-
Advance corporation tax	2.1	1.2	-	-
Proposed dividend	5.4	3.6	5.4	3.6
Other creditors	10.3	9.3	1.2	1.3
Accruals and deferred income	30.5	35.3	2.1	2.6
	166.1	154.2	8.7	15.8

16. CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	1993	1992	1993	1992
	£m	£m	£m	£m
Bank loans	8.7	6.5	8.1	6.4
Trade creditors including deferred land payments	11.5	16.5	-	-
Bills payable	10.0	15.0	10.0	15.0
Other creditors	2.0	2.4	-	-
Accruals and deferred income	9.2	-	-	-
	41.4	40.4	18.1	21.4

The bills payable are drawn under a long term multiple option facility, and on payment these bills can be replaced at the company's option by further bills or other forms of bank lending.

NOTES TO THE ACCOUNTS

16. CREDITORS DUE AFTER MORE THAN ONE YEAR *continued*

	1993 £m	Group 1992 £m
Bank loans at interest rates related to normal base rates include amounts due:		
Between 1 and 2 years	0.6	0.3
Between 2 and 5 years	8.1	6.2
	8.7	6.5

	1993 £m	Group 1992 £m
Other creditors include:		
Repayable, other than by instalments, between 2 and 5 years at an interest rate of 5.5%	1.1	0.9
Total creditors include £89.4m (1992 £80.8m) secured on the assets of the group.		

17. PROVISION FOR LIABILITIES AND CHARGES

	Group 1993 £m	Group 1992 £m	Company 1993 £m	Company 1992 £m
Deferred taxation:				
Tax allowances in excess of depreciation	0.1	0.1	—	—
Other timing differences	—	—	0.2	0.2
	0.1	0.1	0.2	0.2

Full provision has been made for deferred taxation. The company liability arises on intra group items and is eliminated on consolidation.

18. CALLED UP SHARE CAPITAL

	1993 £m	1992 £m
Authorised 200,000,000 ordinary shares of 10p each	20.0	20.0
Allotted and issued ordinary shares of 10p each		
Fully paid - 180,540,157 ordinary shares	18.1	18.0

The issued share capital of the company was increased during the year to 180,540,157 ordinary shares of 10p each by the issue of 130,000 ordinary shares of 10p each for a consideration of £175,400 in satisfaction of options duly exercised in accordance with the rules of the executive share option scheme.

In connection with the 7,740 restricted ordinary shares of 10p each and the 2,100 ordinary shares of 10p each 1p paid in issue at 30th June, 1992 under the terms of the executive share incentive scheme, the company made and received the final call of £4,116 on the 2,100 ordinary shares of 10p each 1p paid and in accordance with the rules of the scheme cancelled the aforementioned holdings in exchange for the issue of 9,840 ordinary shares of 10p each fully paid.

As at 30th June 1993 the following options issued in accordance with the rules of the executive share option scheme were outstanding:

Date of Grant	Option Price	Directors	Senior Executives	Not Exercisable After
17.12.1986	155p	253,000	762,500	16.12.1996
28.12.1987	225p	140,000	180,000	27.12.1997
26.04.1988	192p	—	75,000	25.04.1998
27.12.1988	176p	—	75,000	26.12.1998
27.12.1991	38p	475,000	2,035,000	22.12.2001
15.12.1992	67p	440,000	1,065,000	14.12.2002

NOTES TO THE ACCOUNTS

19. RESERVES

	Share premium £m	Profit retained £m	Total £m
Group			
At 1st July 1992	84.9	77.5	162.4
Movement for the year	-	9.6	9.6
Exchange adjustments	-	2.4	2.4
At 30th June 1993	84.9	89.5	174.4
Company			
At 1st July 1992	84.9	29.8	114.7
Movement for the year	-	0.9	0.9
Exchange adjustments	-	3.9	3.9
At 30th June 1993	84.9	34.6	119.5

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993 £m	1992 £m
Profit on ordinary activities after taxation	16.8	14.1
Dividends	(7.2)	(3.6)
	9.6	10.5
Other recognised gains and losses relating to the year (net)	2.4	(1.1)
New share capital issued	0.1	-
Net addition to shareholders' funds	12.1	9.4
Opening shareholders' funds	180.4	171.0
Closing shareholders' funds	192.5	180.4

21. NET CASH INFLOW FROM OPERATING ACTIVITIES

	1993 £m	Restated 1992 £m
Operating profit	27.3	28.5
Profit on sale of tangible fixed assets	-	(1.3)
Depreciation charges	0.5	0.9
Decrease in stocks	24.8	62.6
Decrease in properties held for sale	0.5	10.3
(Increase)/Decrease in debtors	(0.9)	3.4
Increase/(Decrease) in creditors	4.7	(9.1)
	56.9	95.3

NOTES TO THE ACCOUNTS

22. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Bills payable loans and finance lease obligations 1993 £m	Share capital (including premium) 1993 £m	Total 1993 £m	Bills payable loans and finance lease obligations 1992 £m	Share capital (including premium) 1992 £m	Total 1992 £m
At 1st July	59.4	102.9	162.3	158.4	102.9	261.3
Issue of ordinary share capital	-	0.1	0.1	-	-	-
(Decrease) in bills payable	(5.0)	-	(5.0)	(95.0)	-	(95.0)
(Decrease)/Increase in bank loans	(14.0)	-	(14.0)	3.8	-	3.8
Bank loans of acquired subsidiary undertakings	7.0	-	7.0	-	-	-
Capital element of finance lease repayments	-	-	-	(0.6)	-	(0.6)
Exchange adjustments	11.9	-	11.9	(7.2)	-	(7.2)
At 30th June	59.3	103.0	162.3	59.4	102.9	162.3

23. CASH AND CASH EQUIVALENTS

	1993 £m	1992 £m	Change in Year £m
a) Analysis of balances as shown in the balance sheet			
Bank and cash	27.6	4.5	23.1
Bank loans and overdrafts payable within one year	(43.2)	(40.1)	(3.1)
	(15.6)	(35.6)	20.0
Less: Financing included in bank loans and overdrafts payable within one year	40.6	37.9	2.7
	25.0	2.3	22.7
	1993 £m	1992 £m	
b) Analysis of changes during year			
At 1st July	2.3	(1.8)	
Net cash inflow	22.7	4.1	
At 30th June	25.0	2.3	

24. PURCHASE OF SUBSIDIARY UNDERTAKINGS

	1993 £m
Net assets acquired	
Stocks	17.2
Debtors	0.3
Creditors	(1.2)
Bank and cash	0.2
Bank loans	(7.0)
	9.5
Satisfied by	
Cash	1.2
Debtor balance waived	1.0
	2.2
Add investment in associated undertaking prior to acquisition	7.3
	9.5

The fair value of assets and liabilities acquired are the same as the balance sheet values disclosed above.

NOTES TO THE ACCOUNTS

25. ANALYSIS OF THE NET OUTFLOW OF CASH AND CASH EQUIVALENTS IN RESPECT OF THE PURCHASE OF SUBSIDIARY UNDERTAKINGS

	1993 £m
Cash consideration	1.2
Bank and cash acquired	(0.2)
	1.0

26. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Shareholdings at cost £18.1m (1992 £18.1m).

The principal subsidiary undertakings are set out on page 31.

27. OPERATING LEASE OBLIGATIONS

	Group			
	1993		1992	
	Land and buildings £m	Other £m	Land and buildings £m	Other £m
Annual commitments:				
Operating leases which expire:				
Within one year	0.1	0.2	0.2	0.4
Between two and five years	0.1	2.1	0.3	1.6
In five years or more	0.8	-	1.6	-
	1.0	2.3	2.1	2.0

28. CONTINGENT LIABILITIES

The company has guaranteed certain bank borrowings of its subsidiary undertakings amounting to £19.7m (1992 £17.5m). In addition there are contingent liabilities in respect of guarantees relating to certain subsidiaries entered into in the normal course of business.

The US subsidiary undertaking has three sites under development through joint venture agreements on which only 126 units remain to legally complete. In the normal course of business the partners in one of these joint ventures are jointly and severally liable for bank loans to finance the development. The total external finance in this US joint venture at 30th June 1993 was £1.3m (1992 £12.2m). Adequate provision has been made in respect of the group's interest in the joint ventures as at 30th June 1993 and the directors consider that the possibility of any material loss accruing to the subsidiary undertaking as a result of these arrangements is unlikely.

There is an unprovided potential charge to Californian unitary tax in the sum of £2.0m (1992 £2.8m). Opposition to this tax continues in the USA and it is uncertain whether or not this liability will arise.

COMPANY BALANCE SHEET
at 30th June 1993

	Note	1993 £m	1992 £m
FIXED ASSETS			
Tangible assets	11	--	0.1
Investment in subsidiary undertakings	26	18.1	18.1
		18.1	18.2
CURRENT ASSETS			
Due from subsidiary undertakings		251.1	224.9
Debtors due within one year	14	2.2	2.8
Bank and cash		13.1	1.1
		266.4	228.8
CURRENT LIABILITIES			
Due to subsidiary undertakings		119.9	76.9
Creditors due within one year	15	8.7	15.8
NET CURRENT ASSETS		137.8	136.1
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS DUE AFTER MORE THAN ONE YEAR	16	18.1	21.4
PROVISIONS FOR LIABILITIES AND CHARGES	17	0.2	0.2
		137.6	132.7
CAPITAL AND RESERVES			
Called up share capital	18	18.1	18.0
Share premium	19	84.9	84.9
Profit retained	19	34.6	29.8
		137.6	132.7

Approved by the board on 14th October 1993

Sir Lawrence Barratt
CA Dearlove } Directors

Lawrence Barratt
C. Dearlove

GROUP STRUCTURE AND DIRECTORY

PRINCIPAL SUBSIDIARY UNDERTAKINGS

GROUP OFFICE

Barratt Developments PLC,
Wingrove House,
Ponteland Road,
Newcastle upon Tyne,
NE5 3DP.
Tel: 091 286 6811
Fax: 091 271 2242

COMMERCIAL PROPERTY

*Barratt Commercial Ltd,
Wingrove House,
Ponteland Road,
Newcastle upon Tyne,
NE5 3DP.
Tel: 091 286 6811
Fax: 091 271 2242

LEISURE PROPERTY

*Barratt International
Resorts Ltd,
Grosvenor House,
110 Manor Road,
Wallington,
Surrey,
SM6 0DW.
Tel: 081 773 2111
Fax: 081 669 3212

USA

**Barratt American Inc.,
2035 Corte Del Nogal,
Suite 100,
Carlsbad,
California CA92009,
United States of America.
Tel: 0121 619 431 0800
Fax: 0121 619 929 6430

UK NORTHERN REGION

*Barratt Northern Ltd,
Barratt House,
Airport Industrial Estate,
Kenton,
Newcastle upon Tyne,
NE3 2EQ.
Tel: 091 286 9866
Fax: 091 271 5985

*Barratt Scotland Ltd,
Mayfield House,
7 Maggie Wood's Loan,
Falkirk,
FK1 5SJ.
Tel: 0324 20011
Fax: 0324 25916

Barratt Leeds Ltd,
80 Bradford Road,
Idle,
Bradford,
BD10 8TD.
Tel: 0274 617621
Fax: 0274 618940

Barratt Newcastle Ltd,
Barratt House,
Airport Industrial Estate,
Kenton,
Newcastle upon Tyne,
NE3 2EQ.
Tel: 091 286 9866
Fax: 091 271 5985

Barratt York Ltd,
Richmond House,
Millfield Lane,
Poppleton,
York,
YO2 6PH.
Tel: 0904 797961
Fax: 0904 781665

*Barratt Construction Ltd,
4 Newton Terrace,
Glasgow,
G3 7PJ.
Tel: 041 224 3500
Fax: 041 224 3525

Also at

Golf Road,
Ellon,
Aberdeenshire,
AB41 9AT.
Tel: 0358 720765
Fax: 0358 724043

UK CENTRAL REGION

*Barratt Central Ltd,
Midland House,
New Road,
Halesowen,
West Midlands,
B63 3HY.
Tel: 021 585 5303
Fax: 021 585 5535

Barratt Chester Ltd,
2 Vicar's Lane,
Chester,
CH1 1QT.
Tel: 0244 311301
Fax: 0244 320381

Barratt East Midlands Ltd,
Broadgate House,
Humber Road,
Beeston,
Nottingham,
NG9 2EF.
Tel: 0602 22421
Fax: 0602 431308

Barratt Manchester Ltd,
Worral House,
683 Chester Road,
Manchester,
M16 0QS.
Tel: 061 872 0161
Sales Enq: 061 872 6004
Fax: 061 848 7332

Also Sales Office at:

333 Garstang Road,
Fulwood,
Preston,
PR2 4UP.
Tel: 0772 774411
Fax: 0772 774461

Barratt West Midlands Ltd,
Midland House,
New Road,
Halesowen,
West Midlands,
B63 3HY.
Tel: 021 585 5303
Fax: 021 585 5535

UK SOUTHERN REGION

*Barratt Southern Ltd,
Grosvenor House,
110 Manor Road,
Wallington,
Surrey,
SM6 0DW.
Tel: 081 647 9699
Fax: 081 647 9050

Barratt Bristol Ltd,
Barratt House,
Almondsbury Business Centre,
Woodlands,
Almondsbury,
Bristol,
BS12 4QH.
Tel: 0454 202202
Fax: 0454 612277

Barratt London Ltd,
Warton House,
150 High Street,
Stratford,
London,
E15 2NE.
Tel: 081 555 3242
Fax: 081 519 5530

Barratt North London Ltd,
Grosvenor House,
110 Manor Road,
Wallington,
Surrey,
SM6 0DW.
Tel: 081 647 9699
Fax: 081 647 9050

Barratt Southern Counties Ltd,
Barratt House,
Chestnut Avenue,
Guildford,
Surrey,
GU2 5HG.
Tel: 0483 525533
Fax: 0483 301406

Barratt South London Ltd,
Grosvenor House,
110 Manor Road,
Wallington,
Surrey,
SM6 0DW.
Tel: 081 647 9699
Fax: 081 647 9050

Barratt South Wales Ltd,
Oak House,
Fenarth Road,
Cardiff,
CF1 7LW.
Tel: 0222 724334
Fax: 0222 723675

All of the shares in the above are wholly owned by subsidiary undertakings except those marked * which are owned by the parent

All the above are registered in England and Wales except those marked:

* which are registered in Scotland ** which are registered in USA

GROUP STRUCTURE AND DIRECTORY

PRINCIPAL ASSOCIATED UNDERTAKINGS:

	Barratt Interest	Activity	Issued Ordinary Share Capital	Class of Shares
Severn Link Developers Limited Owned jointly with Hanson Properties Limited	50%	A single completed development in Chepstow	1,000	£1
Ferry Quay Developments Limited Owned jointly with Westbury Homes (Wales) Limited and Second City (South West) Limited	33⅓%	Development of a residential site in Cardiff	990	£1

The above associated undertakings are registered in England and Wales and operate in the United Kingdom. The investment in the associated undertakings is held by subsidiary undertakings.

JOINT VENTURES:

	Barratt Interest
Paloma Associates I Partnership A general partnership between Barratt American Incorporated and Brighton Paloma Associates on which 13 units remain to legally complete. Profits, losses and liabilities are shared equally by the partners.	50%
Windsong Partners A general partnership between Barratt American Incorporated and Pacific Gateway Development Corporation on which 101 units remain to legally complete. Profits, losses and liabilities are shared equally by the partners.	50%
Dav Bar II Partnership A general partnership between Barratt American Incorporated and Davidson Pacific Limited on which 12 units remain to legally complete. Profits, losses and liabilities are shared equally by the partners.	50%

All of the above joint ventures operate in the State of California, USA.

FIVE YEAR RECORD AND FINANCIAL CALENDAR

FIVE YEAR RECORD

Year	Turnover £m	Profit/(loss) before tax £m	Share capital and reserves £m	earnings/ (loss) pence	Per ordinary share	
					dividend pence	net assets pence
1993	405.3	20.4	192.5	9.3	4.0	107
1992	438.3	11.3	180.4	7.8	2.0	100
1991	465.9	(105.9)	171.0	(51.7)	3.2	95
1990	579.8	30.2	270.9	10.8	12.0	150
1989	586.5	77.5	269.5	27.3	17.9	151

FINANCIAL CALENDAR

Announcement of results:	
Half year	24th March 1993
Full year	22nd September 1993
Dividends:	
Interim Paid	28th May 1993
Final payable	19th November 1993
Annual Report passed to shareholders	22nd October 1993
Annual General Meeting	19th November 1993