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BARRATT SCOTTISH PROPERTIES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 30th JUNE 1981

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BARRATT SCOTTISH PROPERTIES LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the year ended 30th June 1981.

ACTIVITIES

The company's principal activities are property investment and development.

PROFIT AND APPROPRIATIONS

The profit for the year after taxation was £314,853.

The directors recommend a dividend of £112,767 in addition to the £123,706 already paid. The remaining profit of £78,380 being carried to reserves.

EXPORTS

There were no exports during the year.

TAXATION

The company does not fall within the close company provision of the Income and Corporation Taxes Act 1970.

DIRECTORS

The directors of the company during the year were:

Mr W.H. Bruce (Chairman)
Mr W. Learmonth
Mr R.W.R. James
Mr I.G. McCallum
Mr J. Terry
Mr N.G. Scott

Mr R.W.R. James and Mr I.G. McCallum retire in accordance with the Articles of Association and, being eligible, offer themselves for re-election.

Mr W.H. Bruce and Mr R.W.R. James are directors of the ultimate holding company Barratt Developments Limited, and their interests in the shares of the group are disclosed in that company's accounts.

Mr W. Learmonth and Mr I.G. McCallum are directors of the immediate holding company Barratt Developments (Scotland) Limited and their interests in the shares of the group are disclosed there.

Of the remaining directors only Mr J. Terry had any interest in the shares of Barratt Developments Limited the relevant share holding being:

	30th June 1981	1st July 1980
Ordinary shares	2,343	1,500

DIRECTORS' REPORT (continued)

On 21st November 1979 the shareholders of Barratt Developments Limited 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 in the scheme for the year ended 30th June 1981 included the following directors of the company:-

Mr. W.H. Bruce
Mr. W.S. Learmonth
Mr. R.W.R. James

PROPERTY REVALUATION

The companies' fully let and completed investment properties were revalued at 30th June 1981 by F.G. Burnett, Chartered Surveyors.

AUDITORS

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the reappointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD

G.N. AITKEN

Secretary

30th October 1981.

REPORT OF THE AUDITORS
TO THE MEMBERS OF BARRATT SCOTTISH PROPERTIES LIMITED

We have audited the accounts on pages 5 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30th June 1981 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1980.

Deloitte Haskins + Sells.

DELOITTE HASKINS & SELLS

Chartered Accountants

Edinburgh

5th November 1981.

BARRATT SCOTTISH PROPERTIES LIMITED

ACCOUNTING POLICIES

(a) BASIS OF ACCOUNTING

The company prepares its annual accounts on the historical cost basis including the revaluation of certain assets.

(b) TURNOVER

Turnover includes amounts receivable from the rentals of investment properties and the proceeds of sale of multi-ownership properties.

(c) DEFERRED TAXATION

Provision is made for deferred taxation, at the current rates of taxation except where there is a reasonable probability that no such liability will arise in the foreseeable future.

(d) DEPRECIATION

No depreciation is provided on investment properties.

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

(e) UNDEVELOPED LAND

Undeveloped land is valued at the lower of cost and net realisable value. Cost includes legal costs of purchase and where applicable development land tax but excludes finance charges.

NVESTMENT PROPERTIES

ivestment properties are included in the accounts at cost or valuation. ost comprises direct costs of construction, but excludes financing charges.

(g) WORK IN PROGRESS

Work in progress is stated at cost and represents developments held for resale. Cost comprises direct costs of construction, but excludes financing charges.

BARRATT SCOTTISH PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th JUNE 1981

	Notes	1981 £	1980 £
TURNOVER		£691,673	£384,090
(LOSS) BEFORE TAXATION	1	(314,901)	(227,997)
TAXATION	2	(629,754)	(199,760)
PROFIT/(LOSS) AFTER TAXATION		314,853	(28,237)
EXTRAORDINARY ITEM		-	728
		314,853	(27,509)
DIVIDENDS	4	236,473	77,592
RESERVE TRANSFER		£ 78,380	£(105,101)

Deloitte Haskins+Sells

BARRATT SCOTTISH PROPERTIES LIMITED

BALANCE SHEET AT 30th JUNE 1981

	Notes	1981 £	1980 £
INVESTMENT PROPERTIES	5	12,234,332	6,666,470
FIXED ASSETS	6	10,962	36,248
INVESTMENTS	7	323,477	324,953
		12,568,771	7,027,671
LOANS		13,839	43,403
CURRENT ASSETS			
Undeveloped land		280,548	299,587
Work in progress		2,092,819	-
Debtors		177,047	103,727
Due from group companies		30	704,612
Group relief receivable		421,473	259,000
Bank balances and cash		549	7,998
		2,972,466	1,374,924
CURRENT LIABILITIES			
Bank overdraft (secured)	13	122,542	952,629
Creditors		370,284	635,685
Due to group companies		10,148,141	4,213,254
Current taxation	8	24,645	64,998
Dividend	4	112,767	65,809
		10,778,379	5,932,375
NET CURRENT LIABILITIES		(7,805,913)	(4,557,451)
		£4,776,697	£2,513,623
Financed by:			
SHARE CAPITAL	9	1,553,922	1,553,922
RESERVES	10	3,222,775	939,101
		4,776,697	2,493,023
DEFERRED TAXATION	11	-	20,600
		£4,776,697	£2,513,623

The accounts were approved by the Board of Directors on 2nd October 1981.

W.H. BRUCE)
)
) Directors
)
I.G. McCALLUM)

Deloitte Haskins+Sells

BARRATT SCOTTISH PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 30th JUNE 1981

	1981 £	1980 £
SOURCE OF FUNDS		
FUNDS UTILISED IN OPERATIONS		
(Loss) before taxation	(314,901)	(227,997)
Adjustment for items not involving the movement of funds:		
Profit on sale of investment properties	(538,627)	(22,499)
Loss on sale of fixed assets	4,699	-
Depreciation	12,492	9,292
	(836,337)	(241,204)
FUNDS FROM OTHER SOURCES		
Proceeds of sale of fixed assets	12,113	-
Proceeds of sale of investment properties	1,197,369	112,500
Group relief received	437,000	-
Loan repayment	29,564	11,344
Extraordinary item	-	728
	£ 839,709	£(116,632)
APPLICATION OF FUNDS		
Payment of tax	40,454	97,000
Payment of dividends	189,515	11,783
Purchase of fixed assets	4,018	27,493
Additions to investment properties	4,021,310	3,474,330
Purchase of shares in subsidiaries	-	250,659
	4,255,297	3,861,265
INCREASE/(DECREASE) IN WORKING CAPITAL		
(Decrease)/increase in undeveloped land	(19,039)	290,400
Increase in work in progress	2,092,819	-
Increase in debtors	73,320	2,735
(Increase) in group balances	(6,650,727)	(3,543,494)
Decrease/(increase) in creditors	265,401	(531,129)
	(4,238,226)	(3,781,488)
MOVEMENT IN NET LIQUID FUNDS:		
Decrease/(increase) in bank overdraft and cash	822,638	(196,409)
	£ 839,709	£(116,632)

BARRATT SCOTTISH PROPERTIES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th JUNE 1981

1. LOSS BEFORE TAXATION

	1981 £	1980 £
After crediting:		
Property investment income	584,891	384,090
Interest	3,844	20,299
Profit on sale of investment properties	538,627	22,499
After charging:		
Directors' management remuneration	89,901	40,726
Interest on bank borrowings and loans repayable within 5 years	76,590	150,288
Interest on group loans	706,466	221,063
Depreciation	12,492	9,292
Auditors' remuneration	3,887	6,425

2. TAXATION

	1981 £	1980 £
Corporation tax 52%	101	-
Group relief for the current year at 52%	(421,473)	(246,000)
Over provided in previous year	(187,782)	-
Transfer (from)/to deferred taxation	(20,600)	10,600
Irrecoverable A.C.T. written off	-	35,640
	£(629,754)	£(199,760)

3. DIRECTORS' REMUNERATION
EXCLUDING PENSION CONTRIBUTIONS

	1981	1980
Chairman	£ -	£ -
Highest paid director	£39,789	£30,023

Remuneration of other directors:

	Number of directors 1981	1980
£ 0 - £ 5,000	2	3
£ 5,001 - £10,000	-	1
£20,001 - £25,000	2	-

NOTES TO THE ACCOUNTS (continued)

4. DIVIDENDS

	1981 £	1980 £
Paid	123,706	11,783
Proposed	112,767	65,809
	£236,473	£77,5[illegible]

5. INVESTMENT PROPERTIES

	£
Cost and valuation	
At 1st July 1980	6,666,470
Revaluation surplus	2,205,294
Additions	3,480,264
Group transfers in	541,046
Group transfers out	(658,742)
At 30th June 1981	12,234,332
Comprising:	
Heritable	7,782,874
Long leasehold	4,451,458
	£12,234,332
Comprising:	
Cost	2,187,332
Valuation 1981	10,047,000
	£12,234,332

Fully let and completed investment properties were revalued at 30th June 1981 by F.G. Burnett, Chartered Surveyors, at an open market value based on existing use.

NOTES TO THE ACCOUNTS (continued)

6. FIXED ASSETS

	Plant £
Cost	
At 1st July 1980	85,388
Additions	4,018
Group transfers	(2,920)
Disposals	(28,803)
	57,683
Accumulated depreciation	46,721
Net book value at 30th June 1981	£ 10,962
Net book value at 30th June 1980	£36,248

7. INVESTMENTS

	1981 £	1980 £
Shareholdings at cost less amounts written off	413,159	413,159
Amounts due to subsidiaries	(165,182)	(163,706)
	247,977	249,453
Associated company	75,500	75,500
	£323,477	£324,953

The subsidiaries at 30th June 1981 were Pittodrie Trade and Property Company Limited and Donibristle Estates Limited, both wholly owned and registered in Scotland.

In the opinion of the directors the value of the company's investment in Donibristle Estates Limited and Pittodrie Trade and Property Company Limited is not less then the amount at which it is stated in the balance sheet.

The associated company is Straiton Estates Limited, also registered in Scotland, in which the company owns 15,750 ordinary shares of £1 each, which is a 37½% shareholding.

No dividends were received during the year under review. The directors are of the opinion that this investment is worth not less than its value in the balance sheet, but the trading results are not significant to the company's results and therefore have not been incorporated in the accounts.

Group accounts have not been prepared as the company is a wholly owned subsidiary of Barratt Developments (Scotland) Limited.

NOTES TO THE ACCOUNTS (continued)

8. CURRENT TAXATION

	1981 £	1980 £
Corporation tax payable	1,671	42,024
Advance corporation tax	22,974	22,974
	£24,645	£64,998

9. SHARE CAPITAL

	1981	1980
Authorised, issued and fully paid:		
15,539,220 shares of 10p each	£1,553,922	£1,553,922

10. RESERVES

	Share premium account £	Property revaluation reserve £	Revenue reserve £	Total £
At 1st July 1980	7,336	692,318	239,447	939,101
Profit retained	-	-	78,380	78,380
Revaluation surplus	-	2,205,294	-	2,205,294
At 30th June 1981	£ 7,336	£2,897,612	£317,827	£3,222,775

NOTES TO THE ACCOUNTS (continued)

11. DEFERRED TAXATION

	1981 £	1980 £
Property revaluation	-	10,000
Plant	-	10,600
	£ -	£20,600

If full provision had been made for deferred taxation, the amount of tax deferred would have been:

Plant	307,343	397,000
Property revaluation	1,462,858	686,680
Losses	-	(263,000)
	£1,770,201	£820,680

12. CAPITAL COMMITMENTS

	1981	1980
Authorised and contracted for	£1,825,622	£3,425,268
Authorised but not contracted for	£3,086,399	£3,686,850

13. BANK BORROWINGS AND GUARANTEES

Standard Security over Ladywell House has been granted to the Clydesdale Bank Limited for the company's overdraft. In addition, on 18th February 1981 the company undertook to guarantee to the Clydesdale Bank Limited the bank borrowings of its immediate Holding Company, Barratt Developments (Scotland) Limited. At 30th June 1981 these borrowings amounted to £5,148,688.

14. ULTIMATE HOLDING COMPANY

The ultimate holding company is Barratt Developments Limited which is incorporated in Great Britain.