



Annual Report 1975



Barratt
Developments Limited



Group activities

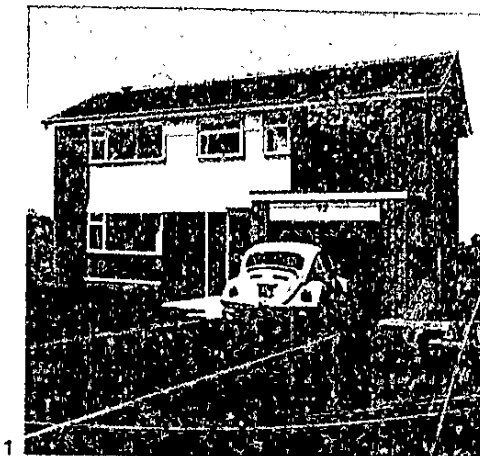
Barratt

Developments Limited
and subsidiary companies

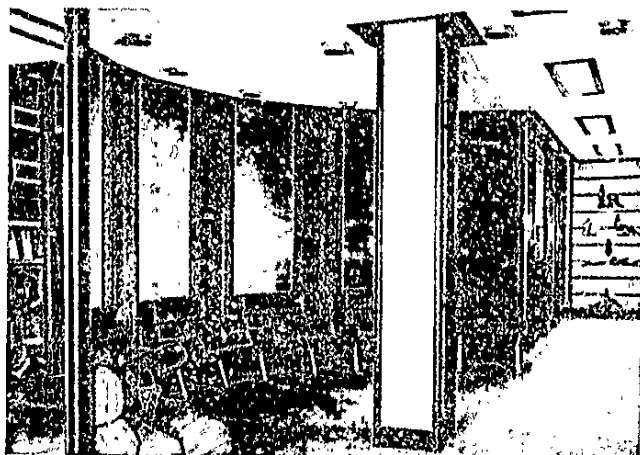


Left Industrial building for Beecham Products
Barratt Developments (Aberdeen) Limited
1 Darras Hall, Northumberland
Barratt Developments (Northern) Limited
2 Shop Fitting Contract for Bally Shoes at Manchester
Barratt (Shopfitters) Limited

3 Wigan, Lancashire
Barratt Developments (North West) Limited
4 The Wirral, Cheshire
Barratt Developments (Chester) Limited
5 Clinterty Agricultural College, Aberdeenshire
Barratt Developments (Aberdeen) Limited



1



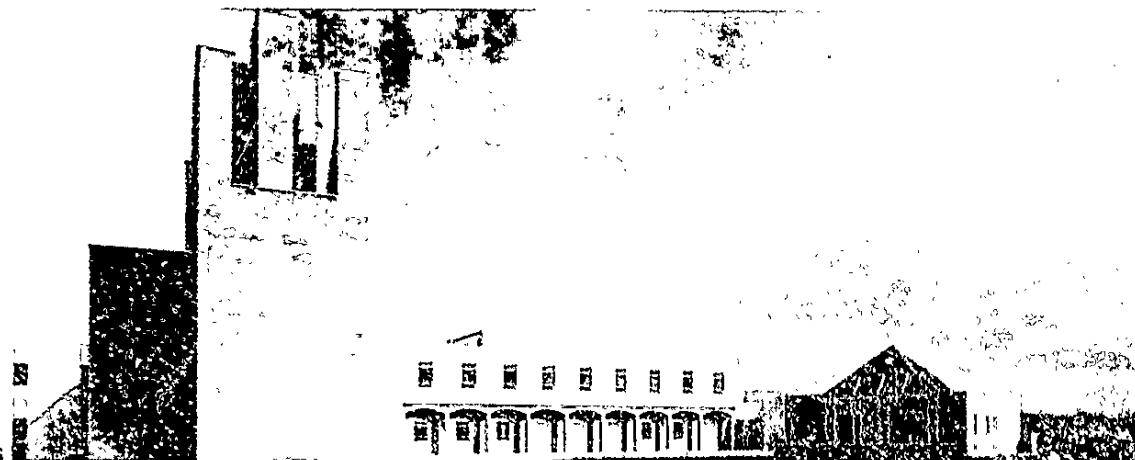
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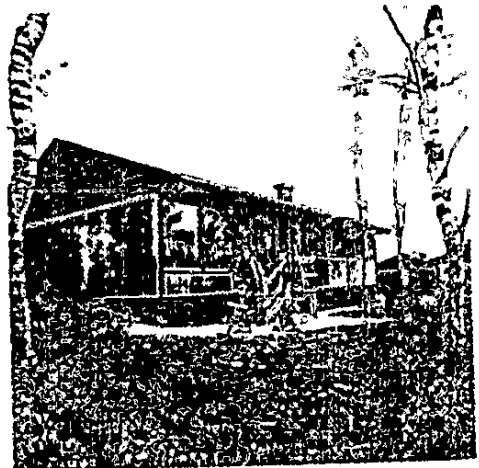


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Developments Limited
and subsidiary companies

1 Bridlington, Yorkshire
Barratt Developments (Hull) Limited
2 Norwegian Housing Contract Development at
Aboyno for Grampian Regional Council
Barratt Developments (Aberdeen) Limited

3 Norwegian Housing Contract at Potterton
for Grampian Regional Council
Barratt Developments (Aberdeen) Limited
4 Alloa, Clackmannanshire
Barratt Developments (Scotland) Limited





Directors

L. A. BARRATT, F.C.I.S. (Chairman and Managing Director)
J. CASSIDY, F.C.A. (Deputy Chairman)
R. V. THOMPSON, B.Sc., C.Eng., M.I.Mun.E.
W. H. BRUCE
J. W. SHAW
A. F. RAWSON

Secretary and Registered Office

R. W. R. JAMES, A.C.A., A.T.I.I.
Wingrove House Ponteland Road
Newcastle upon Tyne NE5 3DP

Registrar

LLOYDS BANK LIMITED
Registrar's Department
The Causeway Goring-by-Sea
Worthing West Sussex BN12 6DA

Bankers

CLYDESDALE BANK LIMITED
LLOYDS BANK LIMITED
MIDLAND BANK LIMITED
NATIONAL WESTMINSTER BANK LIMITED
WILLIAMS & GLYN'S BANK LIMITED

Solicitors

HADAWAY & HADAWAY
Newcastle upon Tyne
SLAUGHTER AND MAY
London

Auditors

DELOITTE & CO.
Hadrian House Higham Place
Newcastle upon Tyne NE1 8BP



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Developments Limited

Notice of meeting

NOTICE IS HEREBY GIVEN that the seventeenth Annual General Meeting of the company will be held at the Queen's Hotel, City Square, Leeds, on Wednesday, 26th November 1975 at 12.00 noon for the following purposes:

- 1 To receive and adopt the directors' report and the audited accounts of the company for the year ended 30th June 1975.
- 2 To declare a dividend.
- 3 To re-elect directors: Mr. J. W. Shaw who retires by rotation and Mr. A. F. Rawson who has been appointed since the last Annual General Meeting.
- 4 To authorise the directors to fix the remuneration of the auditors.
- 5 To transact any ordinary business of the company.

By order of the board
R. W. R. James
Secretary

Wingrove House
Ponteland Road
Newcastle upon Tyne NE5 3DP
31st October 1975

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.

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 11.45 a.m. until the conclusion of the meeting:

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

We hereby certify this to be a true copy of every Balance Sheet laid before the Company in General Meeting during the period to which this Return relates (including every document required by law to be annexed to the Balance Sheet) together with the Directors and Auditors' Reports thereon.

Signed _____ Director

Signed _____ Secretary



Chairman's statement

In spite of the severe depression which continued to affect the house building industry, causing the collapse of a number of competitors, I am pleased to announce that in the year ended 30th June 1975 your company made significant progress. The major problems which afflicted the building industry, and more particularly the private housing sector, during our year ended 30th June 1974, continued unabated in the succeeding twelve months. The worst of the problems continued to be inflation which escalated at an even faster rate than the previous year thus substantially increasing our costs of production. Again, however, your company built more houses and completed more contracts than in the previous year and came fairly close to repeating the previous year's record profit amidst this major recession in the industry.

Profit

The group profit for the year amounted to £6.059m against £6.525m last year. Our interim results for the six months ended 31st December 1974 showed a decrease of 23% on the comparable first six months of the previous year whereas our profit in respect of the six months ended 30th June 1975 is over 10% higher than the comparable second six months of the previous year. This improvement was assisted by a substantial increase in turnover which amounted to £44.593m for the year to June 1975 against £31.844m for the previous year. This large increase in turnover was achieved by a substantial increase in the number of houses completed and sold which amounted to 4,250 for the year against 3,150 the previous year, being an increase of 35% notwithstanding a major downturn within the private housing sector. We achieved this substantial increase by taking a larger share of the reduced British housing sector arising from our determination to overcome and adapt ourselves to the problems prevailing, thus retaining our position as Britain's second largest house builders. We have allocated an even higher proportion of our production in the provision of low cost houses to meet the needs of first-time buyers. In addition we successfully introduced into our housing activities Scandinavian houses in volume for both the public and private housing sectors. Your company has been appointed the British agent for Moelven Brug timber houses produced in Norway and during the past year has obtained package deal contracts from local authorities in Scotland amounting to £6m. Many hundreds of these houses have already been built by our Aberdeen-based subsidiary and on one site completed recently houses were constructed at the rate of ten per week. The qualities of insulation, fittings and finishes have introduced new housing standards to Britain and record construction times ranging from one week for the 'Instant' houses to five weeks for the large panel houses.

We increased our involvement in varied contracting activities during the year which included a number of industrial buildings serving North Sea oil interests, educational buildings, public works contracts, shop fitting and industrial painting. Our commercial development programme continued to make progress with the completion of two new office developments which have been fully let and another office development almost completed and substantially let.

Finance

Notwithstanding the considerable expansion which took place, our bank borrowings were substantially reduced during the year by almost £5m. In April last we effected a successful Rights Issue which generated net funds of £2.82m. The stock appreciation relief provisions of the Finance Acts 1975 will enable the company to defer payment of Corporation Tax, previously provided in the company's accounts, amounting to £5.7m. £2.6m of this amount had originally been provided in the accounts at the then effective current rate of Corporation Tax of 43% and we have therefore made further provision of £0.55m to bring the amount deferred up to the current rate of 52%.

The company's borrowings are all confined to major clearing banks from whom we have available unused facilities of over £10m to assist our future working capital requirements.

Dividends

As forecast at the time of our Rights Issue your board are proposing a final dividend of 4.72855p per share, which, together with the interim dividend of 1.27145p per share already paid, makes a total for the year of 6.0p per share. After taking account of the tax credit imputed to shareholders this is equivalent to 9.172378p per share and compares with 5.88p per share paid last year.



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Land and properties

Advantage has been taken of the favourable opportunities which existed to continue to acquire development land to strengthen further the land stocks within our existing areas of operation and also to create developments in new parts of Britain where we were not formerly represented. Land is the basic raw material of the house building industry and it is impossible to begin to comprehend the damage being inflicted on this industry by the present government's hasty and ill-considered actions in introducing the Community Land Bill and the proposed Development Land Tax legislation.

Notwithstanding the problems currently prevailing within the building industry and the property sector your board are of the opinion that the market value of the group's investment properties and land bank for residential, commercial and industrial development are all substantially in excess of cost.

Acquisitions and new subsidiary companies

During the year two new subsidiary companies were formed to operate within new geographical areas. Barratt Developments (Chester) Limited was formed in July 1974 to serve the areas of Merseyside, Wirral and North Wales and is now very successful and firmly established in the area, operating on seven sites.

Barratt Developments (Midlands) Limited was formed in August 1974 to serve the Midlands area. This new subsidiary has also been successfully established and is operating on eight sites.

Two acquisitions were made during the year which further add to your company's overall involvement within the industry. In March 1975 we completed the acquisition of Presenic Stone Company Limited who manufacture a range of precast concrete products from their works at Peterhead and Alloa serving North East Scotland and Central Scotland respectively. Presenic hold the Lignacite franchise to manufacture and market Lignacite building blocks throughout Scotland and production has already been increased substantially.

In April 1975 we concluded the acquisition of Marchwiel Joinery Limited (now known as Barratt (Joinery) Limited) which specialises in the production of timber framed housing, laboratory design engineering and contract furnishing from its modern industrial premises at Middlewich, Cheshire. Timber framed housing is currently produced exclusively for the public sector at a rate of 1,000 houses per annum. The products of the laboratory design engineering and furniture division are marketed under the trade name 'Zeta' and customers include schools, colleges, universities, as well as major chemical manufacturers. The contract furnishing division concentrates on the production of hotel furniture and this activity will complement the existing connections which Barratt (Shopfitters) have established in the hotel and catering industry.

Management

The outstanding quality of your company's management is self evident in the expansion which has taken place throughout the year and my grateful thanks go to them for their supreme efforts which enabled your group to surge forward yet again. We have a strong team of loyal dedicated men and our management team has been considerably strengthened during the year to enable us to cope with the continued expansion of the group.

During the year it was necessary for Mr. A. N. P. Brown to reduce his business commitments for health reasons and resign but I am pleased to say he is actively continuing to assist us as a consultant. Mr. H. F. Thornton also resigned and was succeeded as group financial director and deputy chairman by Mr. J. Cassidy, chairman of our Manchester and Chester based subsidiaries, who you will know has materially contributed to the success of the group for many years.

I am pleased to welcome Mr. A. F. Rawson who has been appointed to our main board after many successful years with the group as managing director of Barratt Developments (North West) Limited. With Mr. Rawson's great depth of experience I am certain he will make a significant contribution to our group.

The future

Our supreme confidence in the future of the British building industry remains unimpaired notwithstanding the prevailing problems. At the present time the forward sales position



for the group's new houses and contracting orders is at record levels but even more significant is the high proportion of forward house sales which have been legally contracted and the number of package deals negotiated with local authorities. We are operating on a record number of sites with our contracting activities and we are 'building houses to make homes in' on over 150 developments throughout England, Scotland and Wales. We are confident that we shall continue to take an increasing share of the national private housing sector boosted by our policy of providing the major part of our production in the provision of low cost houses to meet the needs of the first-time buyers. We are also confident that our manufacturing activities will increase production and profitability. In the property investment sector we shall continue to develop on selected sites where demand is high and the yield is right. I would like to record our appreciation of those bankers and building societies with whom we work in such close co-operation for their help and confidence which is of major assistance to us in facing the future.

L. A. Barratt, Chairman

6th October 1975

Directors' report

The directors have pleasure in submitting their report and the audited accounts for the year ended 30th June 1975.

Activities of the company and its subsidiary companies

The group's activities are building and development, contracting and property investment.

During the year the whole of the issued share capitals of Presenic Stone Company Limited and Marchwiel Joinery Limited, now Barratt (Joinery) Limited, were acquired. The consideration for Presenic was £125,000 and for Marchwiel £195,000, both in cash. Presenic has been established over thirty years and manufactures a range of precast concrete products at works situated at Peterhead, North East Scotland and Alloa, Central Scotland. Barratt (Joinery) specialises in the production of timber framed housing, laboratory design engineering and furniture and contract furnishing and is centred at Middlewich, Cheshire.

Reorganisation

The transfer of the development activities of the company to Barratt Developments (Northern) Limited has been completed and this explains the substantial changes in the holding company's balance sheet compared with 1974.

Turnover and profit

Building and development and contracting
Land sales
Property investment

Turnover	Profit
£'000	£,000
43,323	5,303
948	492
322	264
<u>£44,593</u>	<u>£6,059</u>



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Dividends

The directors recommend the payment of a final dividend of 4.72855p per share as proposed in the circular to shareholders dated 21st March 1975. The company has obtained consent from H.M. Treasury for payment of the dividend. This together with the interim dividend of 1.27145p per share would make a total for the year of 6p which after taking account of the imputed tax credit would amount to 9.172378p per share and compares with 5.88p per share paid last year.

If approved by the shareholders the final dividend will be paid on 27th November 1975 to shareholders on the register at close of business on 31st October 1975.

Share capital

The issued share capital of the company was increased during the year as follows:

Issued share capital at 1st July 1974	£'000
Scrip dividend January 1975	1,370
Rights issue	38
Scrip dividend April 1975	489
	8
	<u>£1,905</u>

The rights issue in March 1975 raised £2.8m of new capital by the issue of 4,885,393 ordinary shares of 10p each at 60p. The purpose of this issue was to increase the capital base of the company in order to take advantage of opportunities for continued expansion.

Directors and their shareholdings

The directors who held office throughout the year were:

L. A. Barratt
R. V. Thompson

Mr. J. Cassidy was appointed to the board on 10th July 1974 and Mr. W. H. Bruce and Mr. J. W. Shaw were appointed on 11th October 1974.

Mr. A. F. Rawson has been appointed to the board on 1st July 1975.

Mr. H. F. Thornton resigned on 31st December 1974. Mr. A. N. P. Brown resigned as a director of the holding company on 31st January 1975 due to ill health but continues his association with the group in a consultative capacity.

As indicated in the last report Mr. P. Wardle resigned on 12th July 1974. Following completion of the transfer of the development activities of the company to Barratt Developments (Northern) Limited Mr. R. Whitfield and Mr. M. Hewitt both resigned on 11th October 1974 but continue as directors of the latter company.

Directors beneficial interests in the shares of the company were as follows:

	30th June 1975			1st July 1974 or subsequent date of appointment		
	ordinary shares of 10p each			ordinary shares of 10p each		
	fully paid	executive share incentive scheme with restricted rights 1p paid	fully paid	fully paid	executive share incentive scheme with restricted rights 1p paid	fully paid
L. A. Barratt	1 982,593	—	—	2,985,897	—	—
J. Cassidy	5,492	10,000	5,000	3,250	—	—
R. V. Thompson	15,426	25,000	12,500	39,250	25,000	12,500
W. H. Bruce	110,882	10,000	5,000	109,294	—	—
J. W. Shaw	1,850	10,000	5,000	—	—	—

In addition throughout the year Mr. J. Cassidy was beneficially interested in £4,875 of 6½% convertible unsecured loan stock 1992/1997.



No notification has been received of any change in the above interests during the period from 30th June 1975 to the date of this report. At the date of this report Mr. A. F. Rawson is beneficially interested in 2,201 fully paid ordinary shares of 10p each and £2,750 of 6½% convertible unsecured loan stock 1982/1997.

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

Substantial interests

So far as the board is aware no person, other than Mr. L. A. Barratt, is interested in 10% or more of the issued share capital of the company.

Fixed assets

The movements of fixed assets during the year are set out in note 14 on page 15.

Employees

The average number of persons employed by the group under contracts of service during the year was 2,225 and their aggregate remuneration amounted to £6,946,000.

Exports

There were no exports during the year.

Taxation

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

Auditors

The auditors, Deloitte & Co., are willing to continue in office and will be re-appointed under the provisions of S.159(2) Companies Act 1948.

By order of the board
R. W. R. James
Secretary

Newcastle upon Tyne
6th October 1975



Barratt

Developments Limited
and subsidiary companies

Auditors' report

In our opinion, based on our examination and on the reports of the auditors of certain subsidiary companies not audited by us, the accounts set out on pages 9 to 18:

- (i) give, so far as concerns the members of Barratt Developments Limited, a true and fair view of the state of affairs at 30th June 1975 and of the profit and source and application of funds for the year ended on that date and
- (ii) comply with the Companies Acts 1948 and 1967.

Deloitte & Co.
Chartered Accountants

Newcastle upon Tyne
6th October 1975

Barratt

Developments Limited
and subsidiary companies



Consolidated profit and loss account for the year ended 30th June 1975

	Note	1975 £'000	1974 £'000
Turnover	1	<u>£44,593</u>	<u>£31,844</u>
Profit before taxation	2	6,059	6,525
Taxation on profit for the year	3	<u>3,205</u>	<u>3,487</u>
		2,854	3,038
Transfer to deferred taxation to take account of stock appreciation relief in respect of previous years	3	<u>557</u>	<u>—</u>
Extraordinary item	4	<u>2,297</u>	<u>3,038</u>
Profit available for appropriation		291	—
Dividends	5	<u>2,588</u>	<u>3,038</u>
Retained profit		<u>1,075</u>	<u>537</u>
		<u>£1,513</u>	<u>£2,501</u>
Dividend cover		2.4	5.7
Earnings per share	7		
Basic earnings per ordinary share of 10p		14.3p	20.1p
Fully diluted earnings per ordinary share of 10p		14.1p	19.4p
Note:			
The provisions of stock appreciation relief were introduced after 30th June 1974 and for comparison purposes the earnings per share after relating such relief to the appropriate years would be:			
Basic earnings per ordinary share of 10p		17.8p	20.1p
Fully diluted earnings per ordinary share of 10p		17.4p	19.4p

The attached notes form an integral part of these accounts



Barratt

Developments Limited
and subsidiary companies

Consolidated balance sheet at 30th June 1975

	Note	1975		1974	
		£'000	£'000	£'000	£'000
Capital employed					
Share capital	8		1,905		1,370
Reserves					
Share premium	9	9,181		6,647	
Revenue	10	8,677	17,052	7,175	13,822
			19,763		15,192
Goodwill			7,406		7,406
			12,357		7,786
Loan stock	11		895		1,313
Mortgages	12		95		99
Deferred taxation	13		7,728		1,672
			£21,075		£10,870
Employment of capital					
Fixed assets	14		4,710		2,641
Subsidiary company not consolidated	15		195		—
Deferred assets			486		212
Ground rents			1,052		875
Current assets					
Undeveloped land		13,804		12,366	
Stock and work in progress		14,174		12,643	
Debtors		8,343		6,119	
		£36,321		£31,128	
Current liabilities					
Bank overdraft	16	6,686		11,573	
Creditors		10,667		6,072	
Current taxation	17	3,439		5,910	
Dividend		897		431	
		£21,689		£23,986	
Net current assets			14,632		7,142
			£21,075		£10,870

The attached notes form an integral part of these accounts

L. A. Barratt
J. Cassidy } Directors



Balance sheet at 30th June 1975

	Note	1975 £'000	1974 £'000
Capital employed			
Share capital	8	1,905	1,370
Reserves			
Share premium	9	9,181	6,647
Revenue	10	<u>4,429</u>	<u>3,770</u>
		15,515	11,787
Loan stock	11	895	1,313
Deferred taxation	13	—	100
		<u>£16,410</u>	<u>£13,200</u>
Employment of capital			
Fixed assets	14	23	243
Deferred assets		483	212
Investment in subsidiary companies	18	16,572	9,767
Ground rents		—	600
Current assets			
Undeveloped land		—	2,571
Stock and work in progress		—	5,633
Debtors	20	—	1,709
Dividends receivable		<u>1,075</u>	<u>437</u>
		<u>£1,095</u>	<u>£10,350</u>
Current liabilities			
Bank overdraft (secured)		246	3,690
Creditors		65	1,444
Current taxation	17	555	2,407
Dividend		<u>897</u>	<u>431</u>
		<u>£1,763</u>	<u>£7,972</u>
Not current liabilities		(668)	2,378
		<u>£16,410</u>	<u>£13,200</u>

The attached notes form an integral part of these accounts

L. A. Barratt
J. Cassidy } Directors



Barratt

Developments Limited
and subsidiary companies

Notes to the accounts

1 Accounting policies

(a) Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the holding company and all of its subsidiary companies, except Barratt (Joinery) Limited (see note 15).

(b) Turnover

Turnover represents sale of completed properties, amounts invoiced for work done, rents, property management fees receivable and proceeds from the sale of land, excluding inter-company transactions.

(c) Basis of taking profit

(i) Profit is taken on houses when they are ready for occupation and a contract for sale is in existence.

(ii) Profit on general contracting is taken only when contracts are complete; provision is made for any anticipated losses on contract.

(d) Deferred taxation

Deferred taxation represents provision for corporation tax at:

(i) a rate of 52% on the excess of net book value of assets on which capital allowances are claimed over their corresponding tax written down values.

(ii) a rate of 52% on the relief for stock appreciation under the provisions of the Finance Acts 1975.

(iii) rates of between 40% and 52% applicable at the dates of revaluation of undeveloped land on the surplus over its historic cost. This only applies to land held by subsidiary companies which were acquired after June 1972 at the date of acquisition.

(iv) a rate of 30% on the surplus arising on revaluation of freehold properties.

(e) Investment properties

Investment properties built by the group are included at direct cost together with a proportion of overheads.

(f) Depreciation

Plant, machinery, vehicles and equipment are depreciated, after taking account of regional development grants, in order to write off book value on a straight line basis over the expected useful lives of the assets in the business.

No depreciation has been provided in respect of freehold properties or leasehold properties held on long lease.

(g) Deferred assets

Deferred assets represent advance corporation tax recoverable against future corporation tax liabilities.

(h) Ground rents

Ground rents are valued on a basis of up to nine years purchase.

(i) Undeveloped land

Undeveloped land is valued at the lower of cost or net realisable value, except in the case of companies acquired after 30th June 1972 where undeveloped land is included at directors' valuation at the date of acquisition on an open market basis as between a willing buyer and a willing seller. Cost includes legal costs of purchase only and excludes finance charges.

(j) Stock and work in progress

Stock is valued at the lower of cost on a first in first out basis, or net realisable value. Work in progress is valued at the lower of cost with no addition for office overheads, or net realisable value. In the case of commercial developments cost includes a proportion of overheads.

(k) Goodwill

Goodwill represents the excess of the cost of shares over the book value of net assets in subsidiary companies at the date of acquisition, except in the case of companies acquired after 30th June 1972 where net assets include undeveloped land at directors' valuation on an open market basis as between a willing buyer and a willing seller less provision for corporation tax on the excess over book value.



Notes to the accounts (continued)

	1975 £'000	1974 £'000
2 Profit before taxation		
After crediting:		
Profit on land sales	492	564
Net rent receivable	264	169
Interest	52	32
After charging:		
Directors' management remuneration	179	143
Interest on 6½% unsecured loan stock	58	85
Interest on long term loans	7	8
Interest on bank overdrafts and other short term loans	1,232	1,416
Depreciation	382	267
Hire of plant and machinery	773	487
Auditors remuneration	34	19
3 Taxation		
Corporation tax based on the profit for the year at a rate of 52%	3,321	3,668
Transfer to deferred taxation—plant	119	15
Transfer to deferred taxation—stock appreciation relief	132	—
Transfer from deferred taxation—undeveloped land revaluation	(367)	(196)
	<u>£3,205</u>	<u>£3,487</u>
Transfer to deferred taxation in respect of stock appreciation relief to increase the provision to the current corporation tax rate of 52%	<u>£557</u>	<u>£ —</u>
4 Extraordinary item		
Surplus arising on purchase and cancellation of £419,000 6½% convertible unsecured loan stock	<u>£291</u>	<u>£ —</u>
5 Dividends		
Interim paid 4th April 1975 of 1.27145p per share (1974 0.779p)	178	106
Proposed final of 4.72855p per share (1974 3.1606p)	897	431
	<u>£1,075</u>	<u>£537</u>
6 Particulars of directors' remuneration		
Chairman	£34	£24
Highest paid director	£—	£28
Other directors	Number of directors	
£ 0—£ 2,500	2	—
£12,501—£15,000	2	—
£15,001—£17,500	—	3
£17,501—£20,000	1	—
£20,001—£22,500	2	2
£22,501—£25,000	1	—
£27,501—£30,000	1	—
7 Earnings per share		
The basic earnings per share is calculated on earnings of £2,297,000 (1974 £3,038,000) and on the weighted average of 16,059,670 ordinary shares during the year (1974 13,624,922). The fully diluted earnings per share is based on earnings of £2,325,000 (1974 £3,079,000) and on 16,530,505 ordinary shares which include 470,835 shares being the maximum into which the 6½% convertible unsecured loan stock 1992/1997 becomes convertible (1974 14,316,264). In the note on page 9 the adjusted earnings per share is calculated on earnings of £2,854,000 and the fully diluted earnings on earnings of £2,882,000.		



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Developments Limited
and subsidiary companies

Notes to the accounts (continued)

	1975 £'000	1974 £'000
8 Share capital		
Authorised 25,000,000 ordinary shares of 10p each	<u>£2,500</u>	<u>£2,500</u>
Issued		
Ordinary shares of 10p each		
Fully paid 19,036,960 ordinary shares	1,904	1,369
Partly paid 118,000 ordinary shares 1p paid	<u>1</u>	<u>1</u>
	<u>£1,905</u>	<u>£1,370</u>
Details of the changes in share capital during the year are set out in the directors' report.		
9 Share premium		
At 1st July 1974	6,647	5,896
Scrip dividend January 1975	134	144
Rights issue	2,443	—
Scrip dividend April 1975	66	—
Arising on the acquisition of the issued share capital of subsidiary companies	—	556
	<u>9,290</u>	<u>6,696</u>
Expenses relating to issues of shares	<u>109</u>	<u>49</u>
	<u>£9,181</u>	<u>£6,647</u>
10 Revenue reserves		
The group		
At 1st July 1974	7,175	4,674
Profit for year retained	<u>1,513</u>	<u>2,501</u>
	<u>8,688</u>	<u>7,175</u>
Applicable to subsidiary company sold during the year	<u>11</u>	<u>—</u>
	<u>£8,677</u>	<u>£7,175</u>
The company		
At 1st July 1974	3,770	2,916
Profit for year retained	<u>325</u>	<u>854</u>
Internal profit on transfer of a subsidiary company to another group company	<u>334</u>	<u>—</u>
	<u>£4,429</u>	<u>£3,770</u>
11 Loan stock		
This represents 6½% convertible unsecured loan stock 1992/1997. The holders of this loan stock have the right to convert their holdings in whole or in part into fully paid ordinary shares of 10p each in any of the years 1975 to 1979 inclusive on the basis of 190p nominal of loan stock for each ordinary share.		
12 Mortgages	£'000	£'000
At 7½% per annum repayable in 1987	94	94
At 8½% per annum repayable by instalments until 1983	<u>1</u>	<u>5</u>
	<u>£95</u>	<u>£99</u>



Notes to the accounts (continued)

	1975 £'000	1974 £'000
13 Deferred taxation		
The group		
Plant	368	249
Stock appreciation relief	6,267	—
Undeveloped land revaluation	1,055	1,422
Property revaluation	38	1
	<u>£7,728</u>	<u>£1,672</u>
The company		
Plant	<u>£—</u>	<u>£100</u>

At the balance sheet date a further provision of £258,000 (1974 £339,000) in respect of deferred taxation on undeveloped land would be required to make full provision at the current corporation tax rate of 52%.

It is not known whether the stock appreciation provisions of the Finance Acts 1975 will continue but no adjustment has been made to the relief claimed for the years ended 30th June 1974. If these provisions were continued in respect of the current year approximately £400,000 would be transferred from current taxation to deferred taxation.

14 Fixed assets

	Freehold property £'000	Leasehold property £'000	Plant machinery vehicles and equipment £'000	Total £'000
The group				
Cost or valuation				
At 1st July 1974	564	1,454	1,285	3,303
Additions	866	637	779	2,282
Reclassification	32	(32)	—	—
On acquisition of new subsidiary company	198	—	144	342
Disposals	(6)	(10)	(173)	(189)
	<u>1,654</u>	<u>2,049</u>	<u>2,035</u>	<u>5,738</u>
At 30th June 1975	—	2	1,026	1,028
Accumulated depreciation				
Net book value at 30th June 1975	<u>£1,654</u>	<u>£2,047</u>	<u>£1,009</u>	<u>£4,710</u>
Net book value at 30th June 1974	<u>£564</u>	<u>£1,451</u>	<u>£626</u>	<u>£2,641</u>
The company				
Cost or revaluation				
At 1st July 1974	—	4	522	526
Additions	—	—	22	22
Group transfers	—	(4)	(501)	(505)
Disposals	—	—	(14)	(14)
	<u>—</u>	<u>—</u>	<u>29</u>	<u>29</u>
At 30th June 1975	—	—	6	6
Accumulated depreciation				
Net book value at 30th June 1975	<u>£—</u>	<u>£—</u>	<u>£23</u>	<u>£23</u>
Net book value at 30th June 1974	<u>£—</u>	<u>£2</u>	<u>£241</u>	<u>£243</u>

Net book value at 30th June 1975 includes freehold property of £14,000 (1974 £14,000) and leasehold property of £351,000 (1974 £352,000) at professional valuation undertaken in 1968.

The leasehold properties are all held on long leases with the exception of one property net book value £1,000 held on a short lease.

The major additions during the year were group built investment properties of £1,221,000 including residential property amounting to £328,000.



Barratt

Developments Limited
and subsidiary companies

Notes to the accounts (continued)

15 Subsidiary company not consolidated

The accounts of the recently acquired company Barratt (Joinery) Limited are not consolidated on the grounds that their finalisation would have unduly delayed the preparation of the consolidated accounts. In the opinion of the directors this omission has no material effect on the results of the group.

16 Bank overdrafts

Bank overdrafts of the group amounting to £6,299,000 (1974 £10,839,000) were secured.

17 Current taxation

The group

Corporation tax payable on or before 1st March 1977
Corporation tax payable on or before 1st March 1976
Advance corporation tax payable on dividend paid or proposed
Schedule F income tax payable

Less corporation tax recoverable

The company

Corporation tax payable on or before 1st January 1977
Corporation tax payable on or before 1st January 1976
Advance corporation tax payable on dividends paid or proposed
Schedule F income tax payable

1975	1974
£'000	£'000

3,106	3,187
166	2,446
535	264
—	13

3,807	5,910
-------	-------

388	—
-----	---

£3,439	£5,910
--------	--------

20	768
----	-----

—	1,362
---	-------

535	264
-----	-----

—	13
---	----

£555	£2,407
------	--------

18 Investment in subsidiary companies

Ordinary and preference shares at cost
Amount owed by subsidiary companies

Amount owed to subsidiary companies

12,340	7,441
--------	-------

4,232	2,373
-------	-------

16,572	9,814
--------	-------

—	47
---	----

£16,572	£9,767
---------	--------

The increase in ordinary and preference shares relates mainly to the group reorganisation involving the transfer of the development activities of the holding company to Barratt Developments (Northern) Limited.

Barratt

Developments Limited
and subsidiary companies



Notes to the accounts (continued)

At 30th June 1975 the following were wholly owned subsidiary companies registered in England except where otherwise stated:

Barratt Developments (Aberdeen) Limited (registered in Scotland)
Barratt Developments (Armley) Limited
Barratt Developments (Carlisle) Limited
Barratt Developments (Chester) Limited
Barratt Developments (Haxby) Limited
Barratt Developments (Hull) Limited
Barratt Developments (Leeds) Limited
Barratt Developments (Manchester) Limited
Barratt Developments (Midlands) Limited
Barratt Developments (Northern) Limited
Barratt Developments (North West) Limited
Barratt Developments (Properties) Limited
Barratt Developments (Scotland) Limited (registered in Scotland)
Barratt Developments (York) Limited
Barratt (Joinery) Limited
Barratt (Painters) Limited
Barratt (Shopfitters) Limited
Armley Builders Supplies Limited
Birkdale Homes Limited (incorporated in Bahama Islands)
S. Cookson & Son Limited
Manor Estates (York) Limited
Marple Development Company Limited
Presenic Stone Company Limited (registered in Scotland)

All companies operate principally in their country of incorporation.
Certain dormant companies have not been shown.

19 Contingent liabilities

No provision has been made in these accounts for guarantees given to secure the overdraft facilities of certain subsidiary companies. In the opinion of the directors no loss will arise as a result of these guarantees.



Barratt

Developments Limited
and subsidiary companies

Statement of source and application of funds for the year ended 30th June 1975

	1975 £'000	1974 £'000	1974 £'000
Source of funds			
Profit before taxation		6,059	6,525
Adjustments for items not involving the movement of funds:			
Depreciation		382	267
Increase in ground rents		(177)	(319)
Total generated from operations		<u>6,264</u>	<u>6,473</u>
Funds from other sources:			
Rights issue		2,822	—
Deferred taxation in subsidiaries at date of acquisition†*		37	1,575
Sale of fixed assets		67	58
Shares issued in part consideration of the acquisition of subsidiary*		—	551
		<u>9,190</u>	<u>8,657</u>
Application of funds			
Purchase of fixed assets†*	(2,528)	(734)	
Tax paid	(488)	(1,398)	
Dividends paid	(363)	(672)	
Purchase of Barratt (Joinery) Limited	(195)	—	
Purchase of loan stock	(127)	—	
Mortgage repaid	(4)	(4)	
Purchase of goodwill on acquisition of subsidiaries*	—	(3,705)	(993)
		<u>5,485</u>	<u>4,856</u>
Increase in working capital†*			
Increase in undeveloped land *	1,438	4,500	
Increase in stock and work in progress	1,531	5,656	
Increase in debtors	2,224	1,498	
Increase in creditors	(4,595)	(1,184)	
Movement in net liquid funds:			
Decrease (increase) in bank overdrafts	4,887	5,485 (5,614)	4,856
Summary of the effects of the acquisition of			
†1975 Presenic Stone Company Limited			
*1974 Barratt Developments (Haxby) Limited			
Barratt Developments (Aberdeen) Limited			
	1975 £'000	1974 £'000	
Net assets acquired:			
Fixed assets	245	225	
Undeveloped land	—	3,923	
Deferred taxation	(37)	(1,575)	
Working capital	(83)	511	
Goodwill	—	993	
	<u>£125</u>	<u>£4,077</u>	
Discharged by: cash	125	3,526	
shares issued	—	551	
	<u>£125</u>	<u>£4,077</u>	



Analysis of ordinary shareholdings

CATEGORY	Number of accounts		Number of shares	
	Number	% of total	Number	% of total
Insurance companies	15	0.32	932,205	4.91
Banks	38	0.82	518,586	2.73
Pension funds	20	0.43	988,819	5.21
Nominee holdings	196	4.22	4,917,741	25.91
Other corporate bodies	224	4.82	3,910,816	20.61
Individuals	4,149	89.39	7,708,793	40.63
Total	4,642	100.00	18,976,960	100.00
HOLDINGS				
1 to 500	1,948	41.96	515,111	2.72
501 to 2,500	2,083	44.87	2,319,872	12.22
2,501 to 10,000	415	8.94	1,908,658	10.06
10,001 to 25,000	74	1.59	1,227,940	6.47
25,001 to 50,000	47	1.01	1,722,184	9.07
50,001 to 100,000	38	0.82	2,807,126	14.79
100,001 and over	37	0.81	8,476,069	44.67
Total	4,642	100.00	18,976,960	100.00

This table excludes 59,000 restricted ordinary shares issued under the executive share incentive scheme.

Group operating companies

Barratt Developments (Aberdeen) Ltd.
Golf Road, Ellon, Aberdeenshire AB4 9AT.
Telephone: Ellon 20765.

Barratt Developments (Scotland) Ltd.
2 Melville Street, Falkirk, Stirlingshire FK1 1HZ.
Telephone: Falkirk 20011.

Barratt Developments (Northern) Ltd.
Wingrove House, Ponteland Road,
Newcastle upon Tyne NE5 3DP.
Telephone: Newcastle 869866.

Barratt Developments (Carlisle) Ltd.
27 English Street, Carlisle CA3 8JW.
Telephone: Carlisle 34411.

Barratt Developments (Haxby) Ltd.
Richmond House, Millfield Lane, Poppleton,
York YO2 6PH. Telephone: York 793222.

Barratt Developments (York) Ltd.
Richmond House, Millfield Lane, Poppleton,
York YO2 6PH. Telephone: York 793222.

Barratt Developments (Hull) Ltd.
15 High Street, Market Weighton,
North Humberside, YO4 3AQ.
Telephone: Market Weighton 2536.

Barratt Developments (Armley) Ltd.
32 Arndale Centre, Otley Road, Leeds LS6 2TT.
Telephone: Leeds 783434.

Barratt Developments (Leeds) Ltd.
32 Arndale Centre, Otley Road, Leeds LS6 2TT.
Telephone: Leeds 783434.

Barratt Developments (North West) Ltd.
Worrall House, 683 Chester Road,
Manchester M16 0QS.
Telephone: Manchester 872 1402.

Barratt Developments (Chester) Ltd.
27 Newgate Street, Chester CH1 1DE.
Telephone: Chester 317977.

Barratt Developments (Midlands) Ltd.
Clifton House, 126 Nottingham Road,
Long Eaton, Nottingham NG10 2BZ.
Telephone: Long Eaton 68661.

Barratt (Shopfitters) Ltd.
Arundel Works, Worsley Street, Hulme,
Manchester M15 4NE.
Telephone: Manchester 833 0821.

Barratt (Painters) Ltd.
Worrall House, 683 Chester Road,
Manchester M16 0QS.
Telephone: Manchester 872 1402

Barratt (Joinery) Ltd.
King Street, Middlewich, Cheshire CW10 9LG.
Telephone: Middlewich 3221.

Presenic Stone Company Ltd.
P.O. Box 17, Longside Airfield,
Aberdeenshire AB4 6HZ.
Telephone: St. Fergus 318.



Barratt

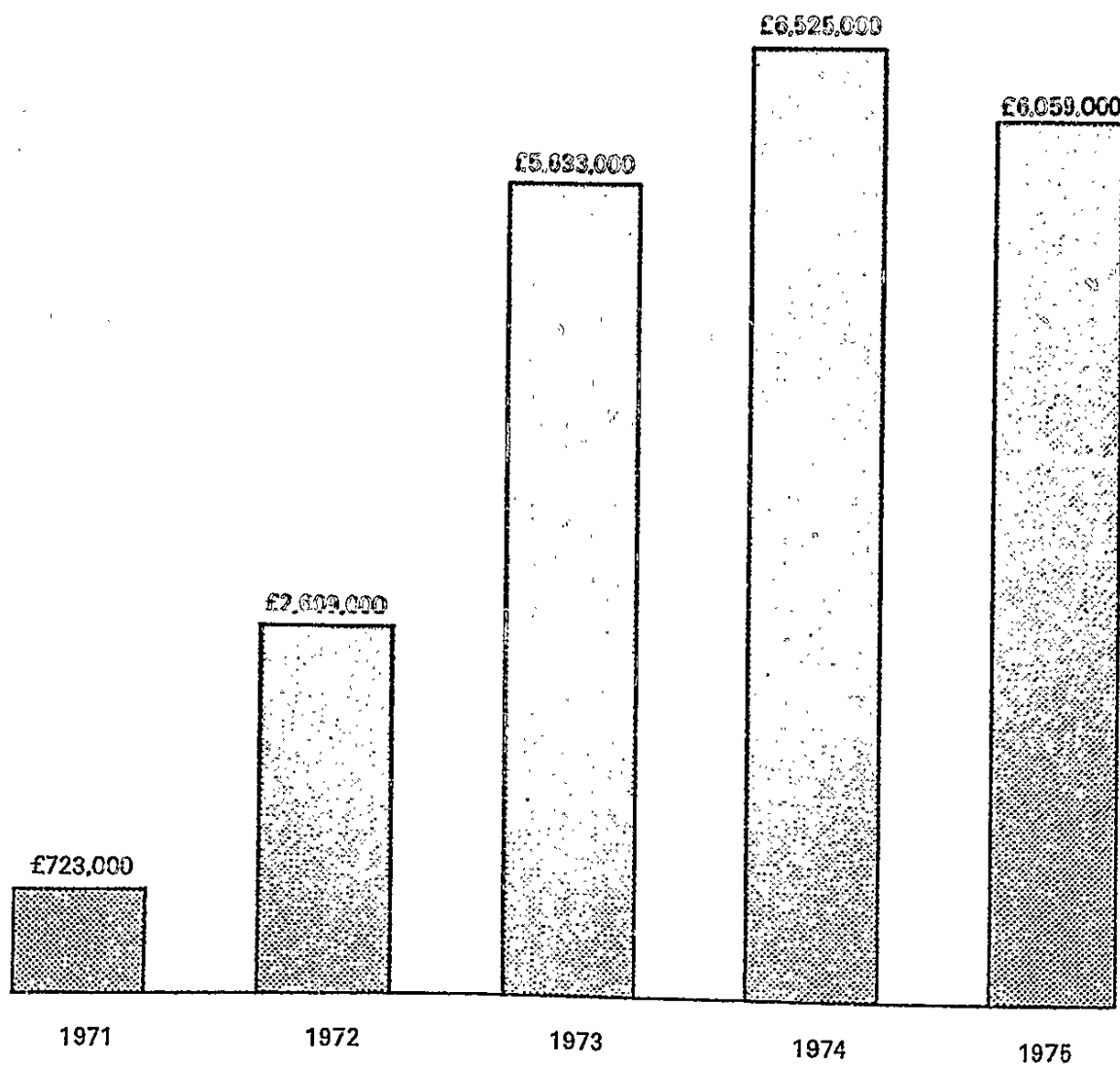
Developments Limited
and subsidiary companies

Five year record

Year ended 30th June	Turnover £'000	Profit before taxation £'000	Corporation tax rate %	Per share		Dividend cover
				Earnings p	Gross Dividends p	
1971	2,953	723	40	4.3	2.1	2.2
1972	10,585	2,609	40	13.2	5.3	3.0
1973	21,801	5,833	42.5	22.3	5.6	6.1
1974	31,844	6,525	52	20.1	5.9	5.7
1975	44,593	6,059	52	14.3*	9.2	2.4

*see note on the Profit and Loss account on page 9.

Earnings per share have been adjusted to take account of the rights issue made during the year.
Earnings and dividends per share have been adjusted to allow for the 1 for 4 scrip issue made in November 1971 and the 1 for 2 scrip issue made in December 1972.



Group activities

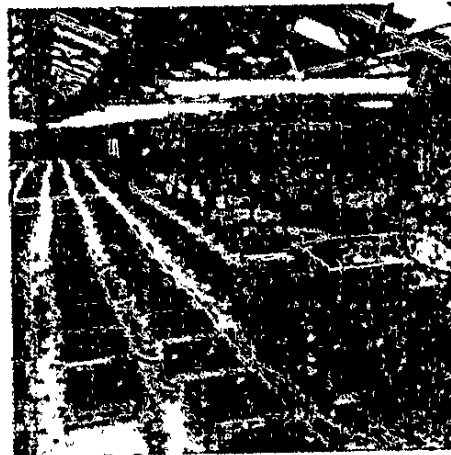
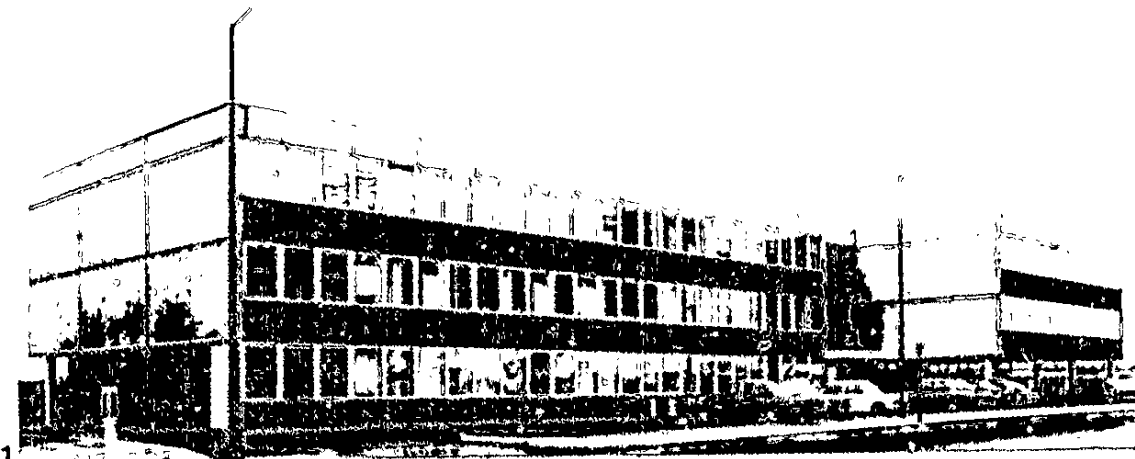
Barratt

Developments Limited
and subsidiary companies



1 Office Development at Thornaby New Town, Teesside
Barratt Developments (Properties) Limited
2 Hucknall, Nottinghamshire
Barratt Developments (Midlands) Limited

3 Precast Floor Units for Royal Infirmary Glasgow
Presanic Stone Co. Ltd.
4 Carlisle, Cumbria
Barratt Developments (Carlisle) Limited





Barratt

Developments Limited
and subsidiary companies

1 Knaresborough, Yorkshire
Barratt Developments (Armley) Limited
2 'Zeta' Laboratory Installation for Shell Research
Station at Ellesmere Port, Cheshire
Barratt (Joinery) Limited
3 York, Yorkshire
Barratt Developments (Haxby) Limited

Right Industrial Painting Contract for Hawker-
Siddeley at Woodford, Cheshire
Barratt (Painters) Limited
4 Easingwold, Yorkshire
Barratt Developments (York) Limited
5 Leeds, Yorkshire
Barratt Developments (Leeds) Limited



1



2



3



4



5



Barratt

Developments Limited
and subsidiary companies

1 Knaresborough, Yorkshire
Barratt Developments (Armley) Limited
2 'Zeta' Laboratory Installation for Shell Research
Station at Ellesmere Port, Cheshire
Barratt (Joinery) Limited
3 York, Yorkshire
Barratt Developments (Haxby) Limited

Right Industrial Painting Contract for Hawker-
Siddley at Woodford, Cheshire
Barratt (Painters) Limited
4 Easingwold, Yorkshire
Barratt Developments (York) Limited
5 Leeds, Yorkshire
Barratt Developments (Leeds) Limited



1



2



3



4



5

