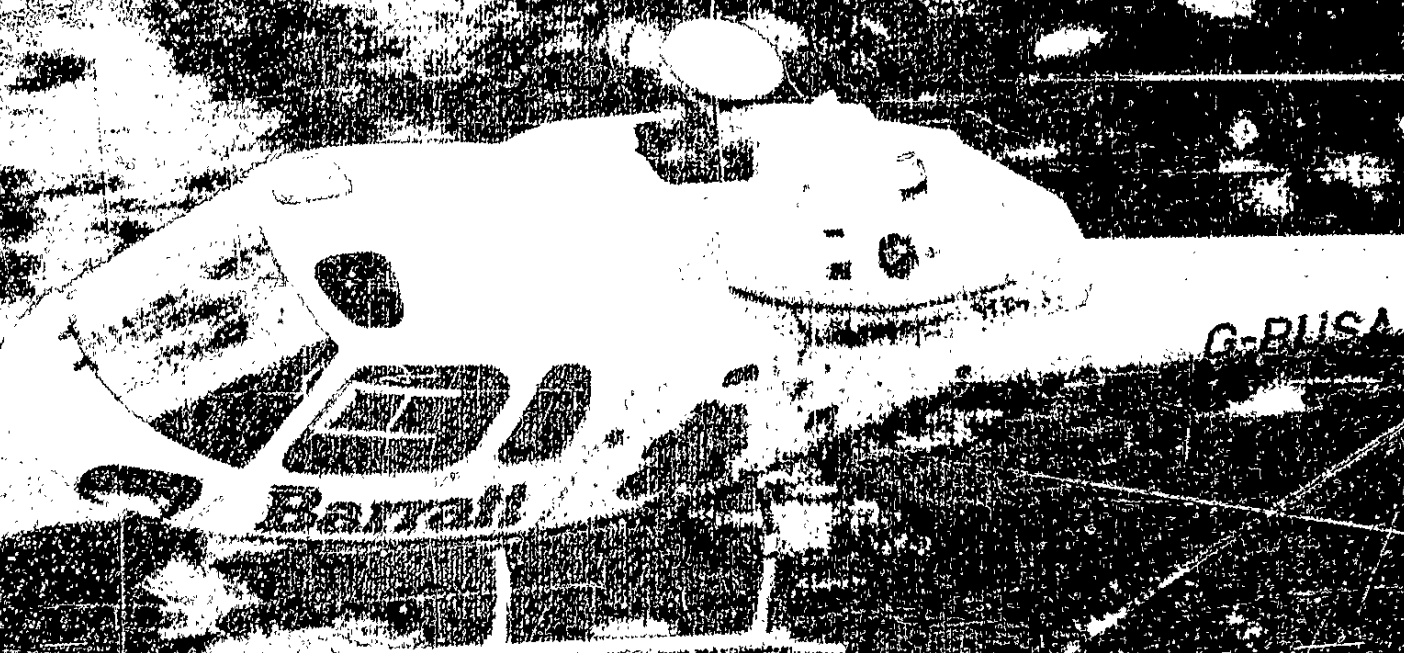


# BARRATT

The 1982 Annual Report and Accounts



Over 80% of all British and American families would like to own their own homes. The opportunities for both the housebuyer and the housebuilder have never looked better.

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Steady growth in times of change  
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## FEATURES

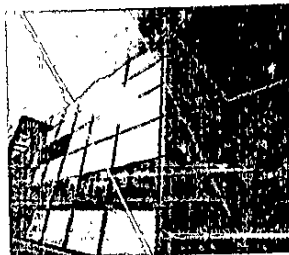


The patterns of social life are breaking up and reforming in Britain today. The building industry must react to these new demands: and the demands themselves can only be monitored and assessed through the continued use of intelligent research. Pages 6-18

It is a commonly held idea that Britain is over-provided with commercial and industrial buildings. In fact, the majority of this property, either through design

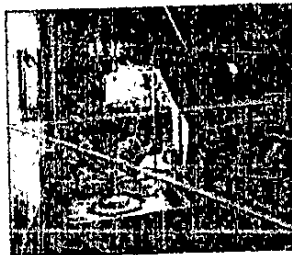
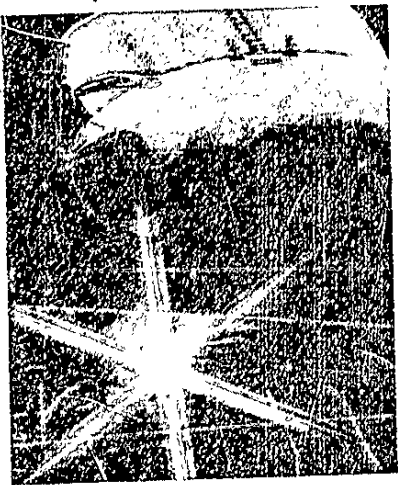
or location, is quite unsuited to modern business

On pages 24-28, Barratt reviews the progress of its property investment portfolio, which has now achieved a rent roll of £4 million.



The average-priced American house can only be afforded by around 10% of potential housebuyers. As in Britain, there is a real need

for a more realistic approach to affordable housing. In California, Barratt has taken that approach and is bringing the house within the buyer's buying range. Pages 32-34.



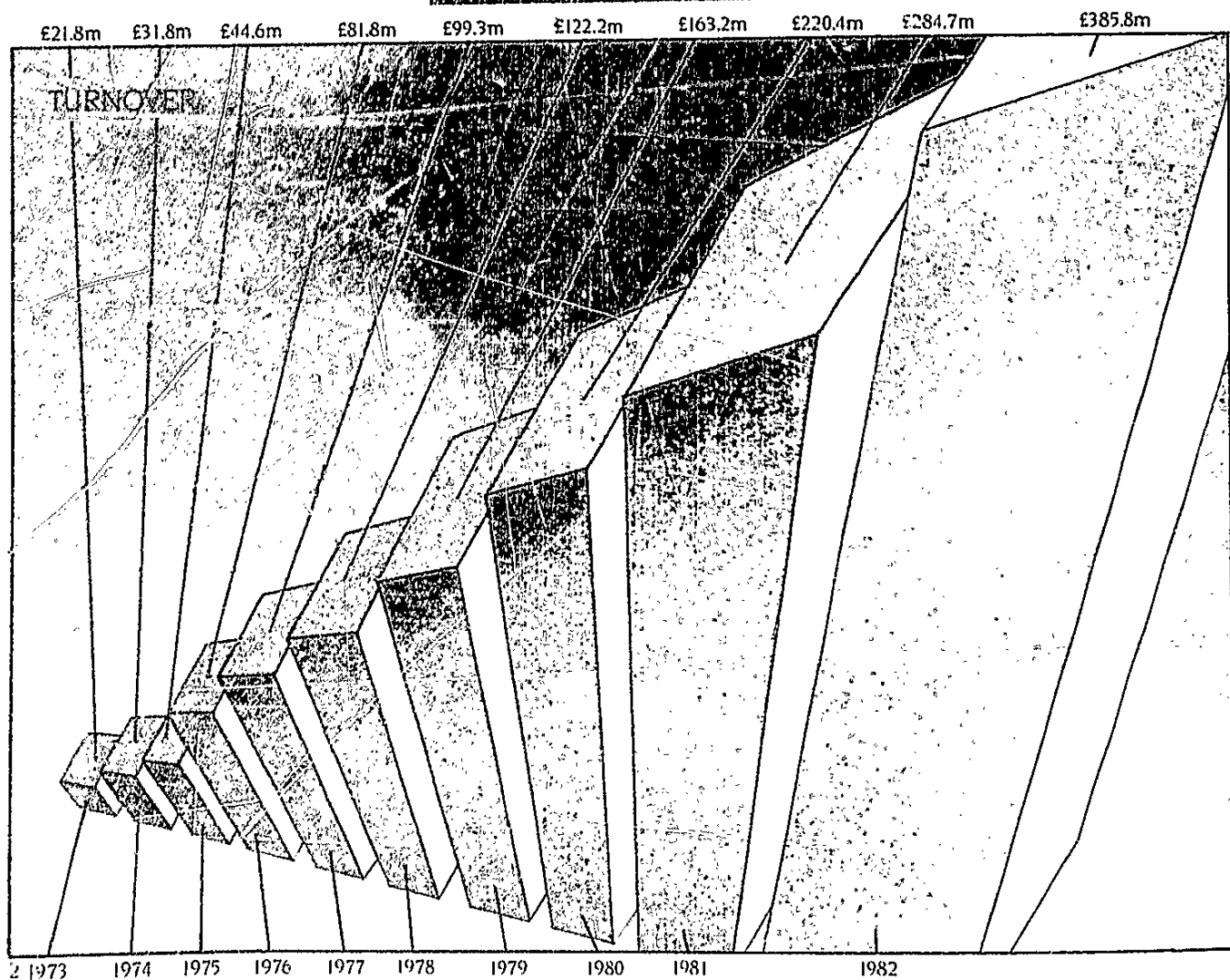
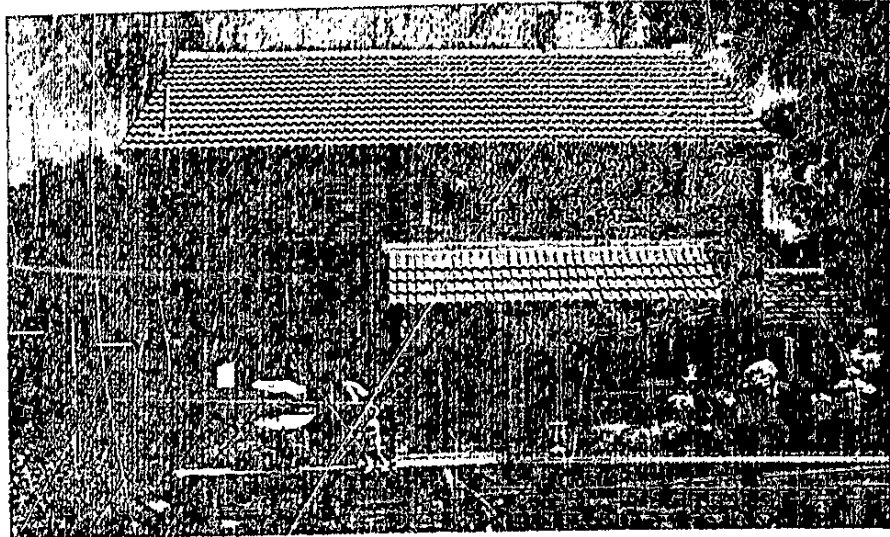
To meet the ever-changing needs of today's housebuyers, Barratt is continually developing new purchase plans and financial aids. A review of this thinking, and the way in which it is brought to public attention, on pages 35-38.

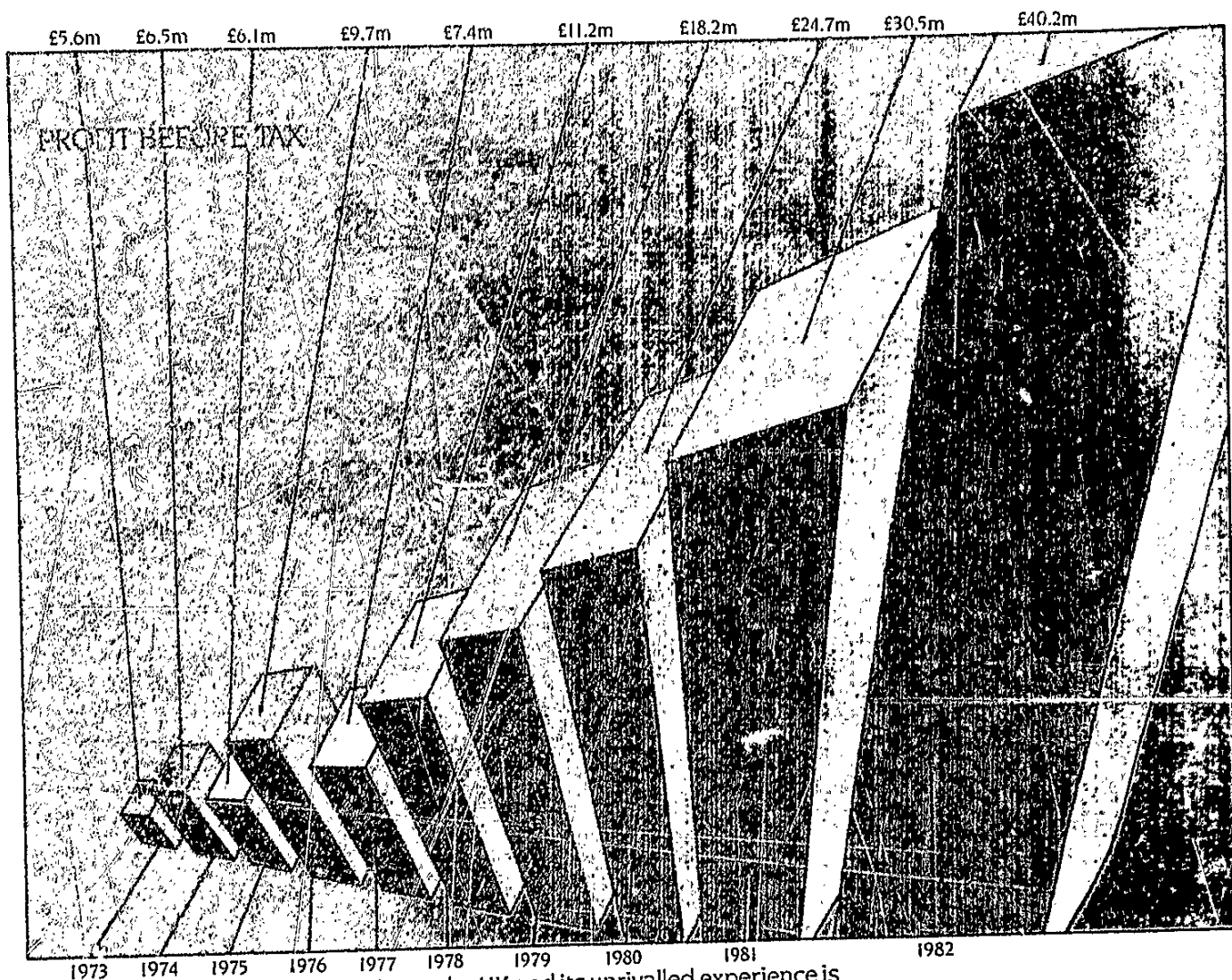


## THE YEAR'S PROGRESS

### Steady growth in times of change

Over two years before the 1974 recession jolted the rest of the industry to a late—and for many builders, too late—awareness that it had to change to survive, Barratt had embarked upon the first of its major research programmes.



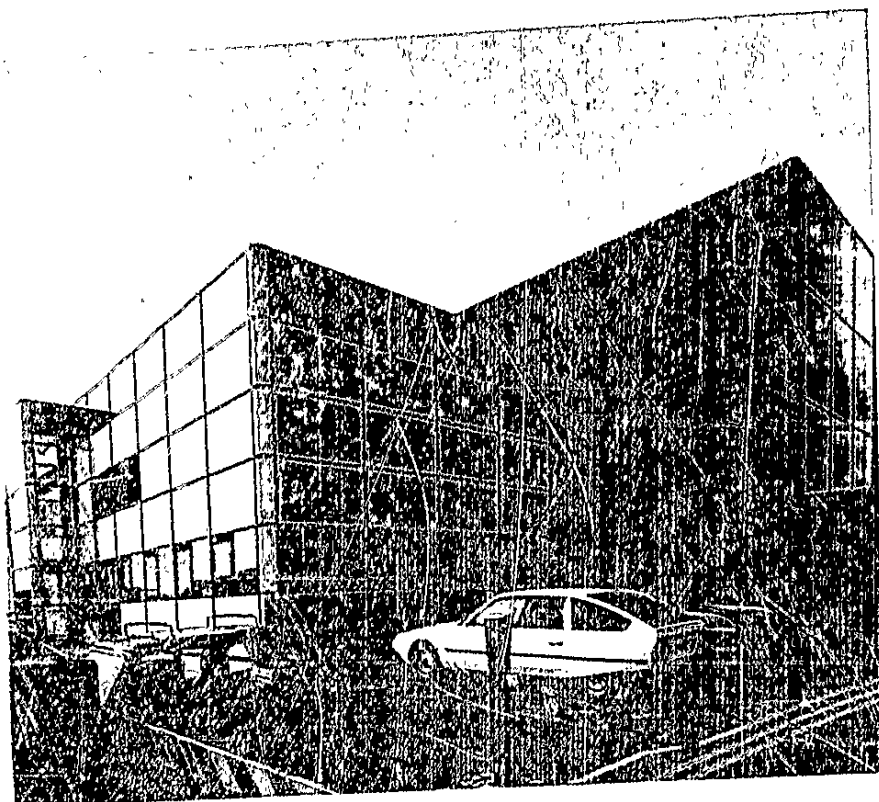


The success of these methods in both assessing and forecasting market needs and trends has never been in doubt since then: in a single decade the company has seen an increase in turnover from £22 million to £400 million.

Barratt is now unquestionably the largest private housebuilder in

the UK and its unrivalled experience is now being applied across the Atlantic. Facing similar marketing conditions to those in the UK, Barratt American is poised to become a major force in the Californian housebuilding scene, with its introduction of new product designs, new financial programmes and marketing policies.





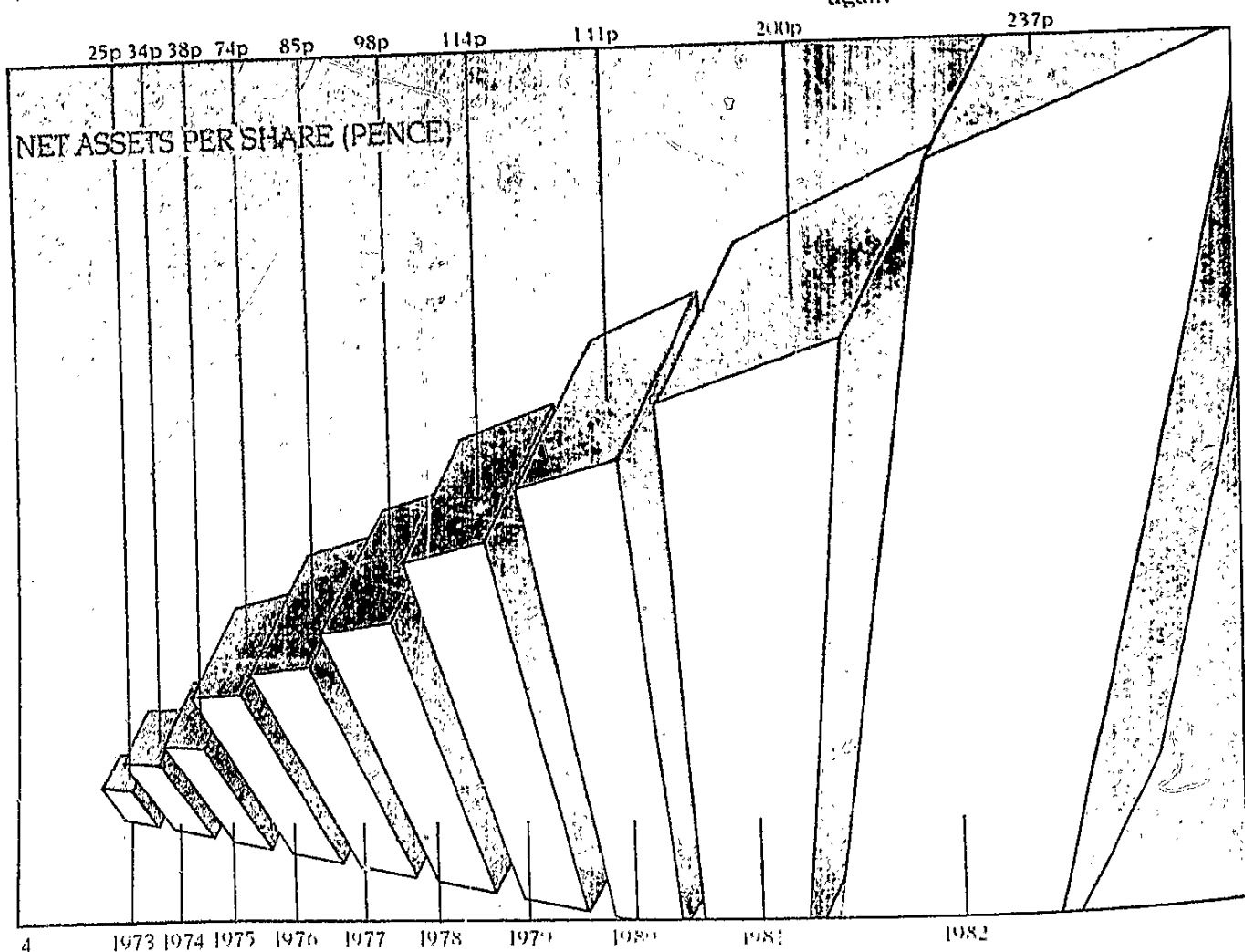
Specialised contracting: the Flight Simulator Training Centre at Aberdeen

Although housebuilding is still the mainstream activity of the Group its profit base has been expanded through diversification into other key activities of the construction industry — these will be looked at in some detail later in this report.

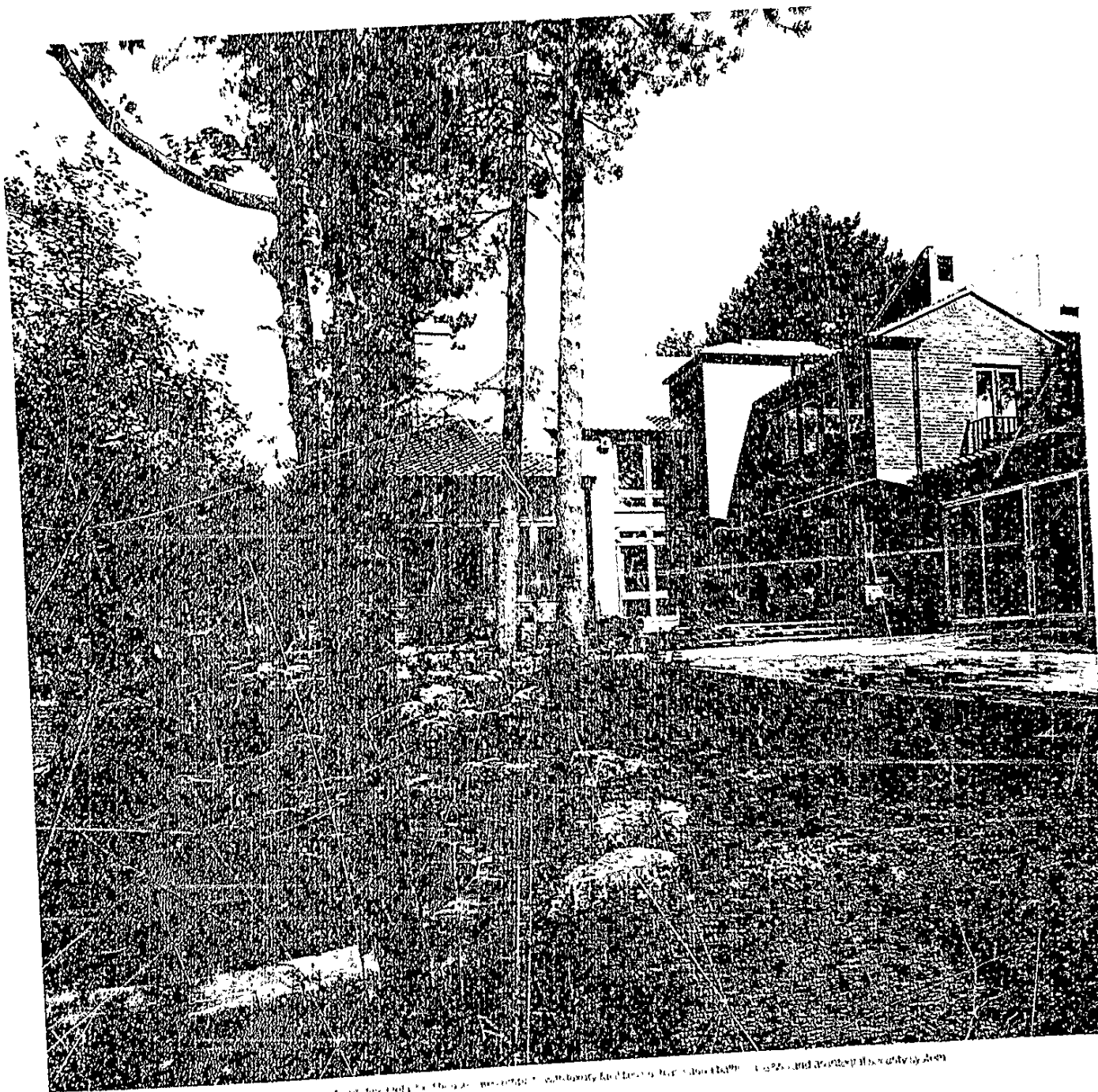
During the course of 1981–1982, another difficult and challenging period, Barratt has again demonstrated its ability to outlive recession.

In all spheres of activity, an intelligent use of research, marketing techniques and product design has enabled Barratt sales to increase — even against a background of general decline elsewhere in the industry.

The Group does not believe in defeatism. Whilst recession is world-wide we believe Britain will come out of it faster than most. Historically the building industry has led the country out of recessions, and the Group is confident that this will happen once again.







An example of a high-contrast photograph of a residential scene. The image is characterized by deep blacks and bright whites, with a grainy, high-contrast quality. The scene depicts a large tree in the foreground, a fence, and a two-story house in the background.

# HOUSEBUILDING AND RENOVATION

## Meeting the market needs

Although well over three-quarters of all British families would like to own their own houses, only just over a half actually do so.

That's the lowest home ownership rate of any major country in the English speaking world.

Barratt is doing more than any other builder in the country to tackle this problem, by building and selling 14,000 houses last year: that's around one in every eight of all new private houses in the UK.

The increasing volume of Barratt sales is not simply the result of value-for-money design, quality workmanship and sensible prices.

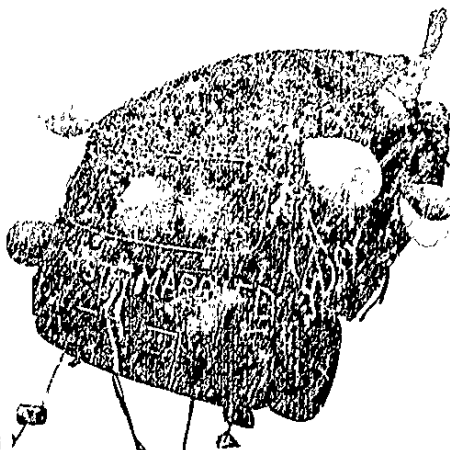
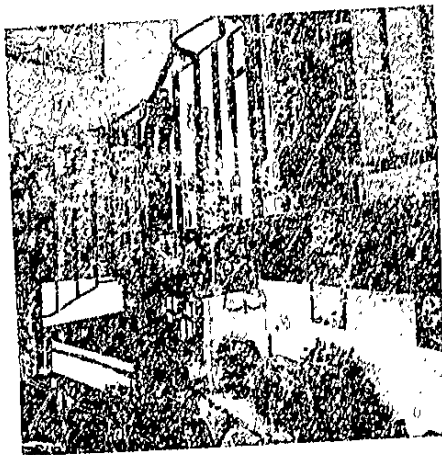
Most importantly, perhaps, Barratt has made houses easy to buy.



Family home at Church Green, Bletchley. Barratt build with a careful eye on location, blending 'village-style' houses into a rural atmosphere.







Barratt houses for first-time buyers. A combination of a clever use of space inside (left, Christchurch, Hampshire) and a pleasant, open aspect outside (right, Kempston, near Bedford 3-bedroom detached housing).

The unique range of Barratt special Purchase Plans gives help to every kind of purchaser.

To understand who these purchasers are, and what kind of houses and help they require, the Company is constantly researching their present and future needs.

As can be seen in the panels opposite, such research shows the way in which housebuilding attitudes must change before home ownership can increase.

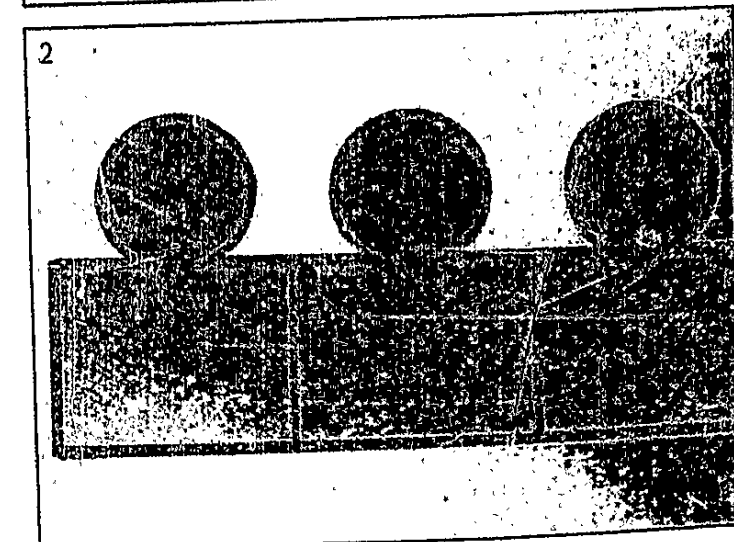
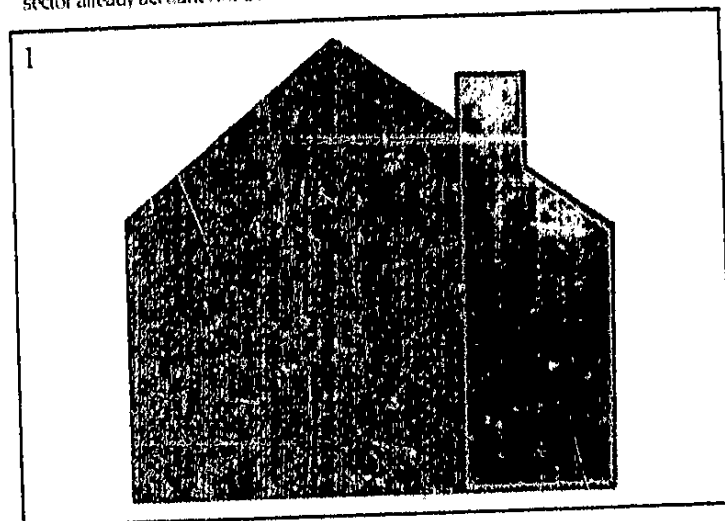
Reacting and adapting to these trends, Barratt offer the widest choice and price range of houses, bungalows, apartments and studio homes in the country, bringing ownership within reach of every market sector.

For instance, this year saw the introduction of Studio '2'. This is specifically geared to a market sector which, despite its growing size, has been largely ignored until now: those young couples who find even the lowest priced conventional house beyond their financial means.

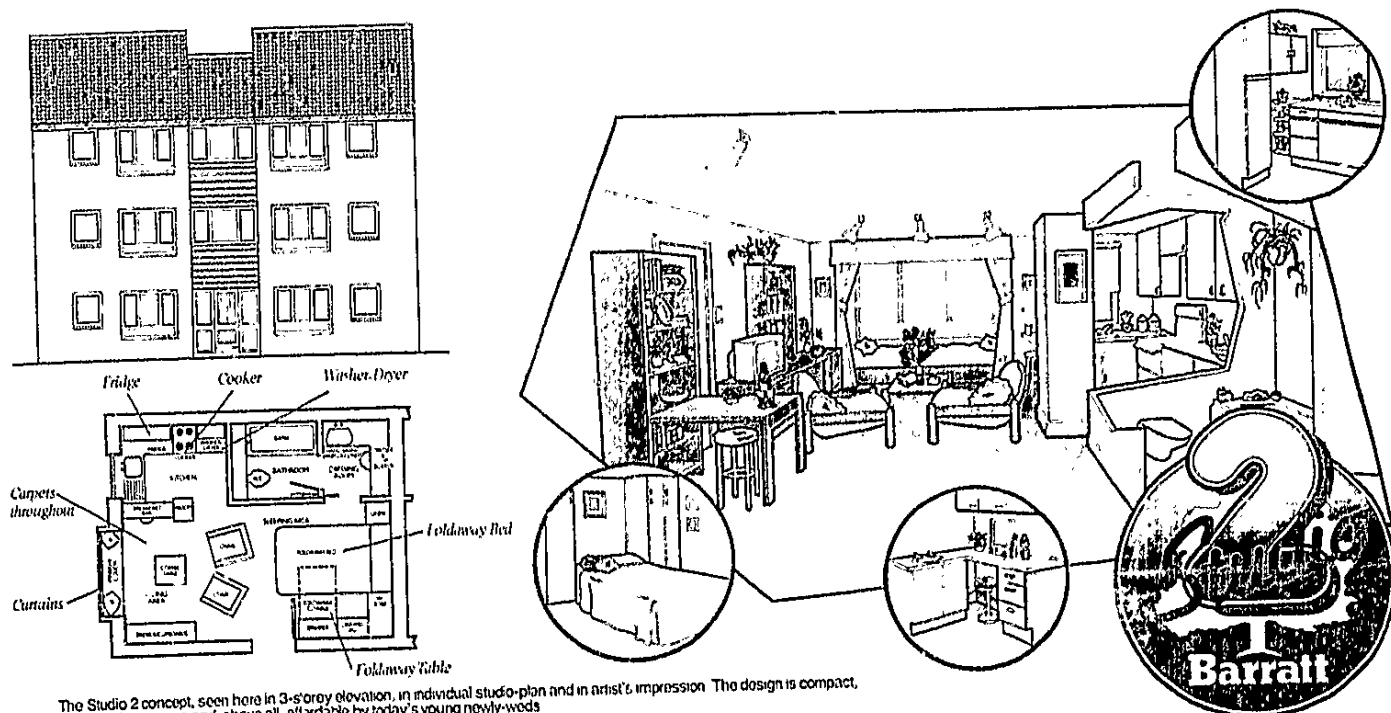
Formerly, the unsatisfactory solutions to their problems have been to rent a room or, worse still, to move in with their parents.

Fully fitted and furnished and with a full-size fold-away double bed, Studio '2' gives such young couples complete independence at an affordable price. Houses containing six, eight or twelve Studio '2's will become part of the careful mix of styles on future Barratt developments around the country.

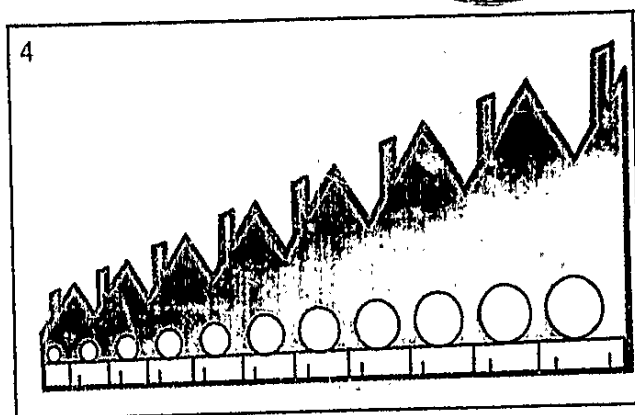
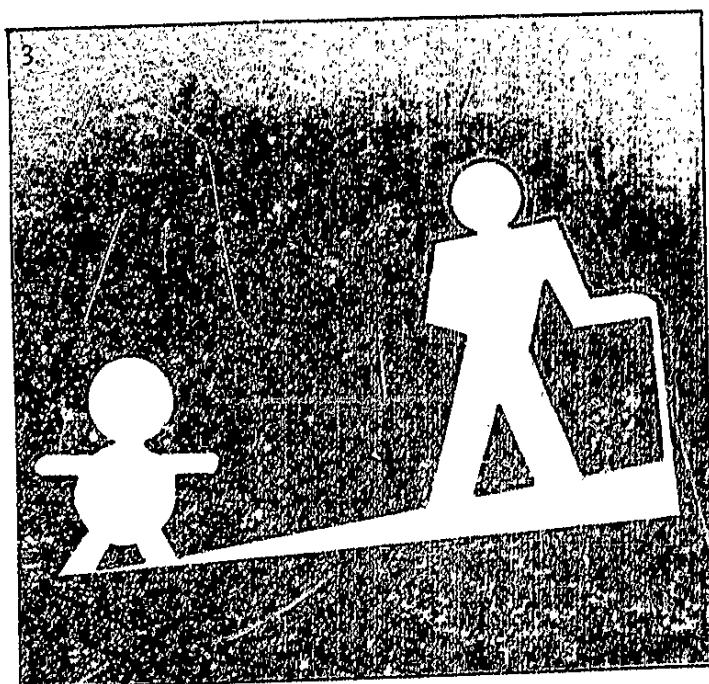
Since 1961 the proportion of people living in their own in this country has doubled to over 4.5 million. This 8 sector already accounts for 24% of all households.



2 Eight out of ten people still live in a family unit headed by a married couple—but once again this static figure conceals a vital change: twenty years ago the average family comprised 3.1 people, now it has shrunk to 2.7. Multi-family households are on the decrease too—down to 7% from 12% in 1961.



The Studio 2 concept, seen here in 3-story elevation, in individual studio-plan and in artist's impression. The design is compact, deceptively spacious and, above all, affordable by today's young newly-weds.



- 3 Counterbalancing the lower birth-rate is an equally dramatic increase in early retirements and the number of retired people. In fact the elderly represent the fastest growing population profile of all. Many of them are singles.
- 4 An overall observation: although the total population of Britain may only rise by 2% over the next decade, the demand for new housing – of the right type – will rise by 10% at the very least.

The more things remain the same, the more they change.

The total population figure for Britain is set to stay the same. Even a ten year projection forecasts no more than a 2% increase.

But within this seemingly unchanging population, many social upheavals are taking place.

The traditional socio-economic groups are regrouping, and forming totally new patterns.

As the national birth rate steadies, the number of older people in the community obviously increases. All too often, their specific housing needs have been neglected. The Barratt Group has recognised the presence of a growing market of retired and elderly people who wish to retain the independence of their own homes, at the same time as drawing upon residential help if it is needed.

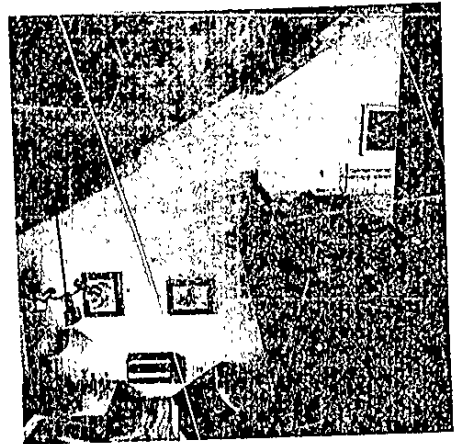
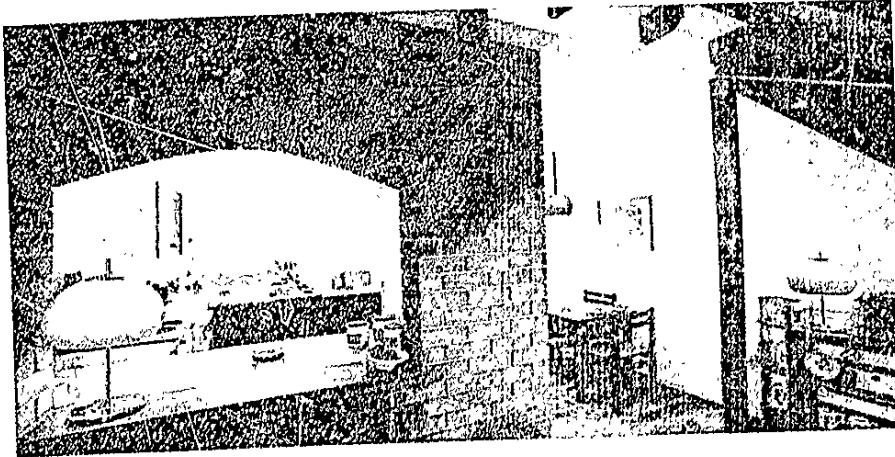
For these people, the Company is building special developments of serviced houses and flats. (See right).



At Cove, near Aberdeen, Barratt have built these single-storey houses for retired people. They are easy to run, situated close to neighbourhood amenities, fully serviced and supervised.



At the new city of Milton Keynes is this Barratt development in Two Mile Ash - energy saving houses - carefully landscaped to create an open, country environment.

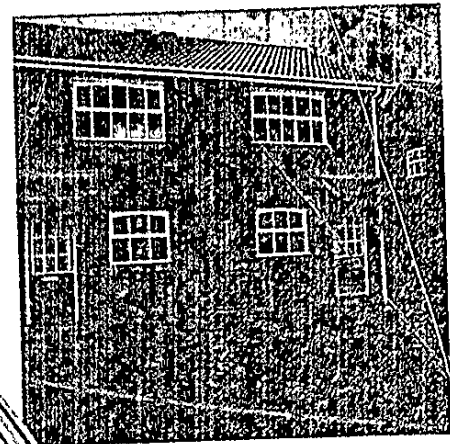
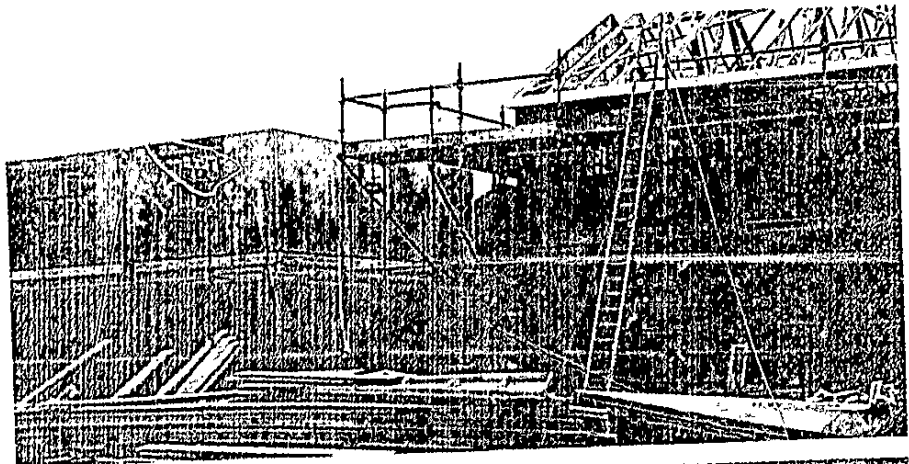


## Improving the standard of living

Barratt is constantly assessing the progress of experimental construction techniques, but only when these have been conclusively tested and proved will the Company introduce new concepts to production.

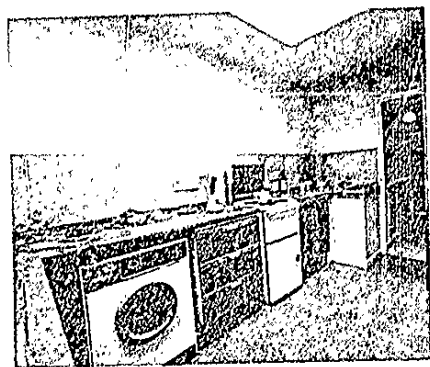
For instance, the Company is so confident of the advantages of its range of Energy Saver houses that they now account for over 50% of total output.

Energy Savers reduce heat loss through walls by providing a far higher thermal efficiency than traditional construction methods—and their success in reducing heating bills is reflected by the fact that no other builder has won so many Electricity Council Medallion Awards for energy-saving design.

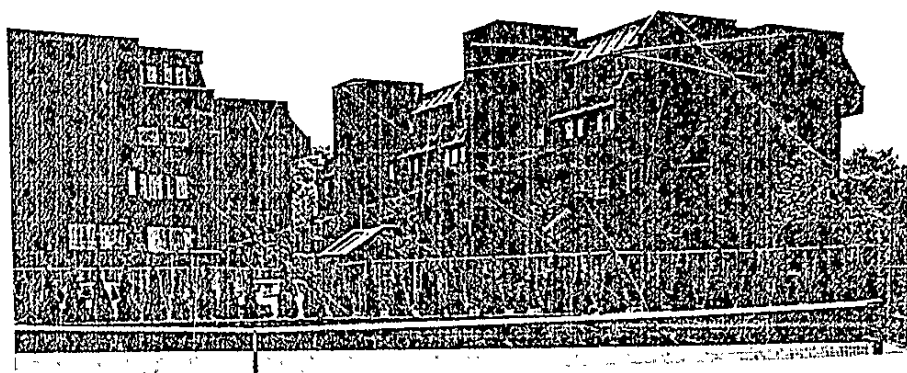


Above, the interior of a Kensington style timber framed house, showing the versatile use of space. Centre and below, a Barratt timber-framed house in construction and after completion. The energy saving concept has been so successful, it has won many Electricity Council Medallion Awards (right).

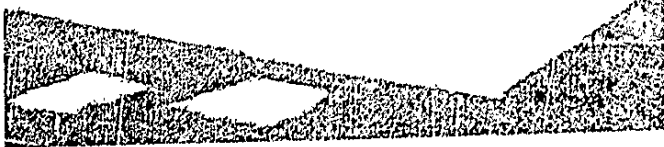
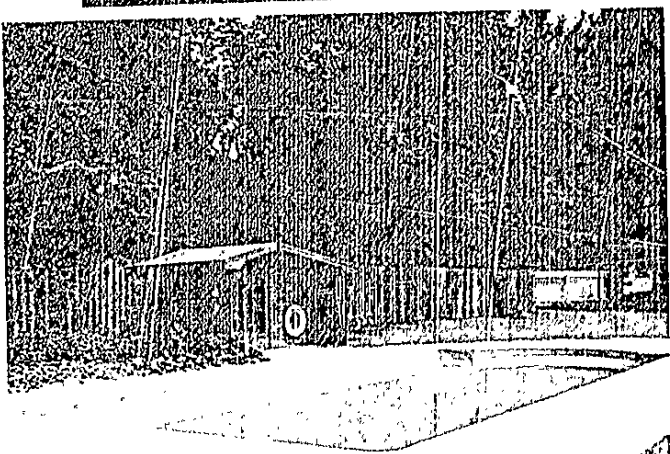




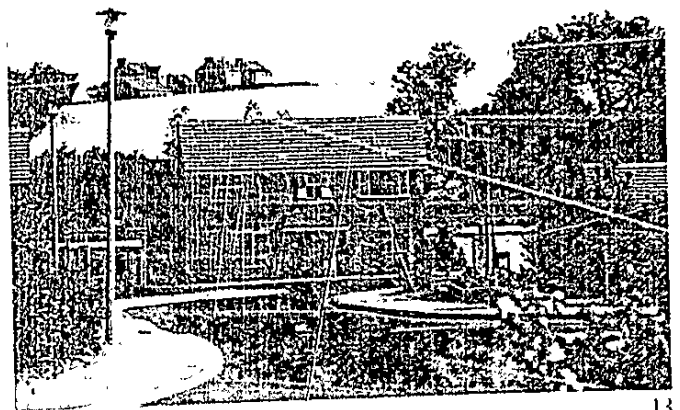
Specialist luxury housing, the Jacobean Grange, top, at Knowle near Solihull, and the interior and exterior of some luxury city apartments at Park C, J11 in London's Golders Green







The large villa built in 1900 at Heliópolis, São Paulo, is complete with its own swimming pool. Below, two examples of how Barral built houses in complexes in which each house retains its own privacy and individuality.



## Private initiative to help the public sector.

In Britain today, there are over 1.4 million sub-standard homes, and over 400 square miles of derelict inner city land.

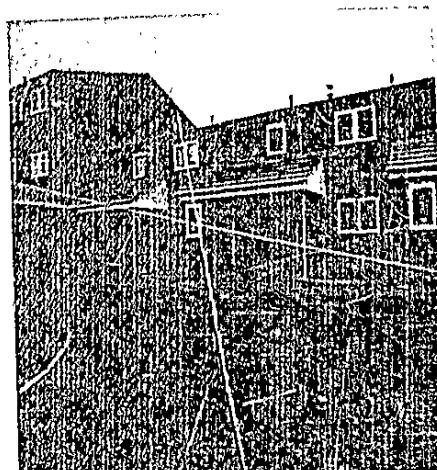
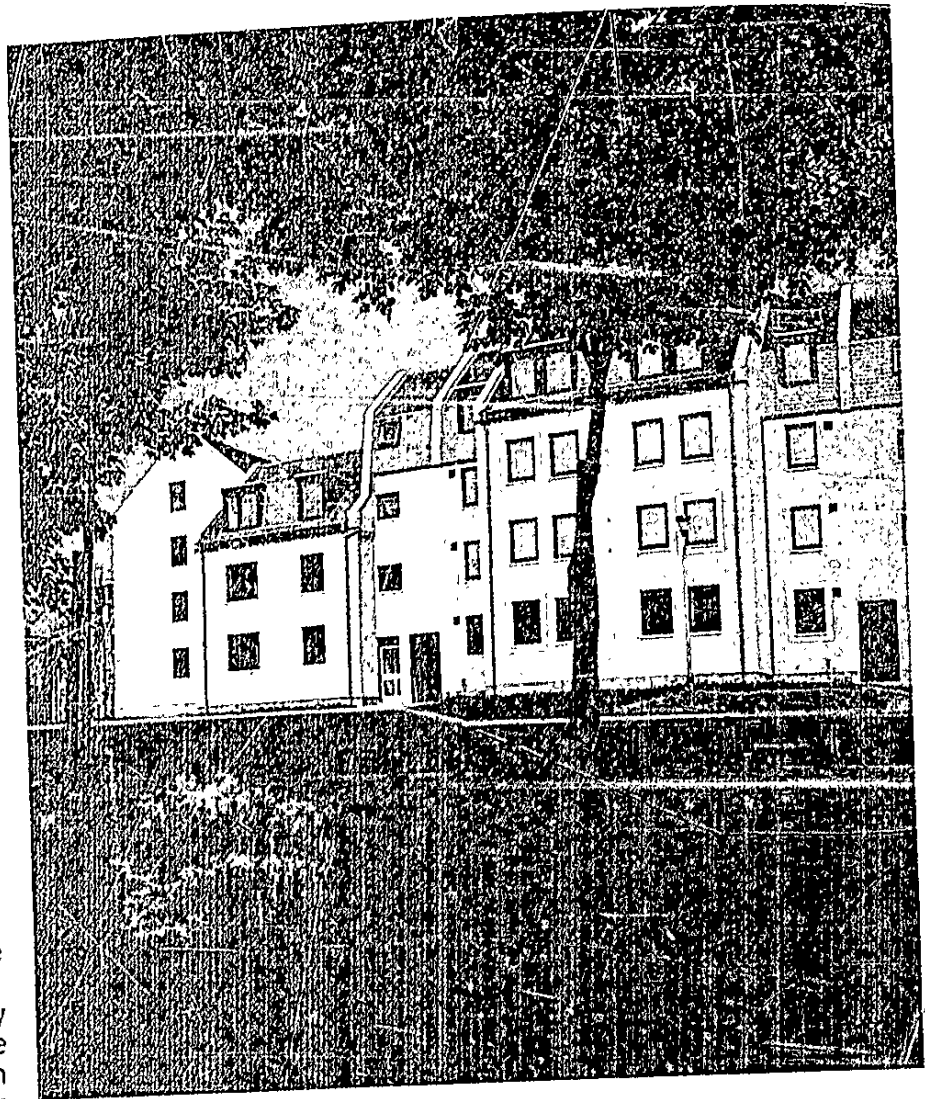
If the houses could be repaired and renovated, they would provide homes for over 5 million people—that's rather like building a new city the size of Birmingham, Liverpool, Leeds, Manchester, Bristol, Bradford, Aberdeen, Glasgow and Edinburgh all combined.

Such a repair programme would cost around £14 billion, and there is no chance of this money being provided through public funds.

Although Local Authorities around the entire country are only too aware of the growing housing problems within their own areas of responsibility, the 1982 half-year figures from the Department of the Environment—ironically published on 5th August and coinciding with the announcement of a 1½% cut in the mortgage rate—showed that public sector housing starts had reached the lowest level since the end of the war.

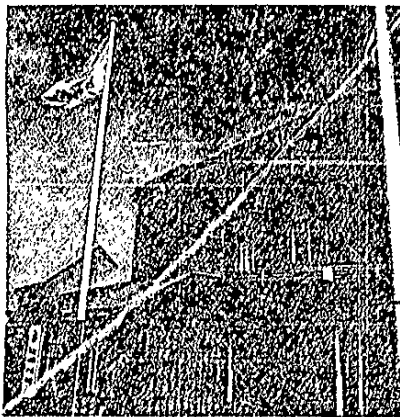
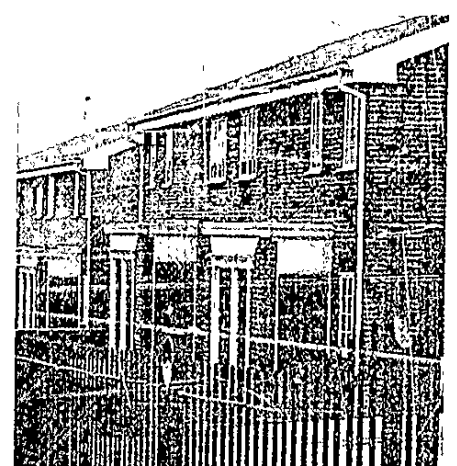
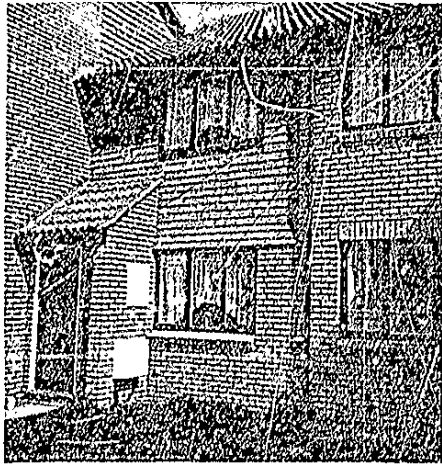
With housing representing only 2.9% of planned public expenditure in 1983/1984, it is obvious that even with the best of intentions councils will be unable to cope with the demands facing them.

The only conclusion is this, that initiative must come from outside the public sector as well as from within it.



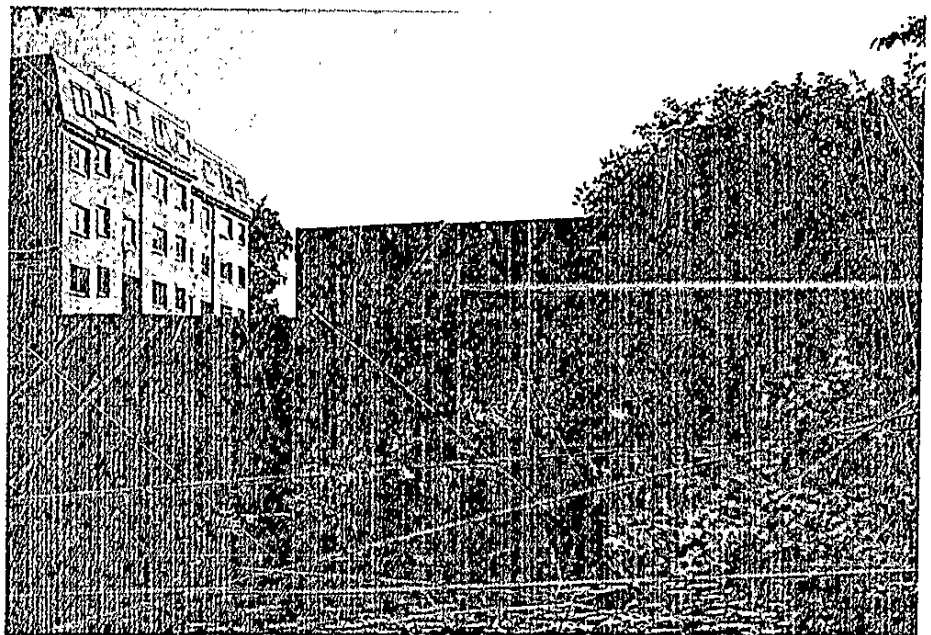
New housing provided by Barratt for Local Authorities. Top for the Aberdeen District Council at Richmond Walk, Rosemont, bottom left flats for the GLC at Wellingborough, bottom right for Stevenage Council at Shephall Poplars, Stevenage.





The two photographs on the left of the page show the Barratt use of land bought from the London Docklands Development Commission at Beckton, London. 180 houses were built and sold within 10 months

Centre top, derelict land at Ordsall Lane, Salford, the sort of inner city area Barratt are working to regenerate. Top right, a completed inner city project at Freeland Street, Liverpool. The central photograph shows the clean, open feel of the Barratt redevelopment at Killermont Grove, Central Glasgow



The private sector must do everything within its power to help. Given the co-operation of central and local government, responsible companies are keen to make their contribution.

For this reason, Barratt has now formed four new Urban Renewal subsidiaries. Their specific brief is to explore the ways in which Authorities can be helped in the provision of more housing, in the restoration of dilapidated but basically sound properties, and in the general upgrading of the urban environment.

Strategically situated in major

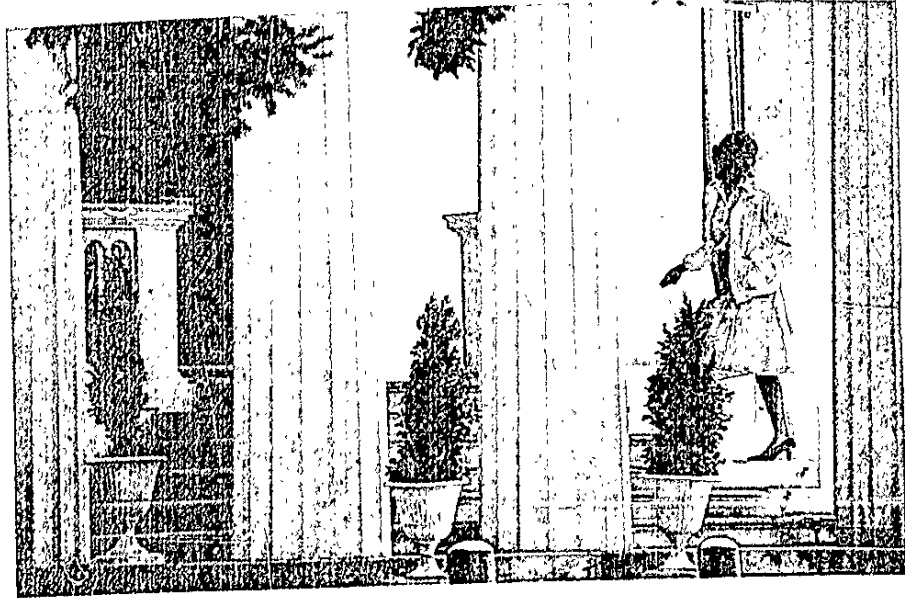
conurbation areas, two of the new companies—Urban Renewal Northern and Urban Renewal Scotland—are already fully operational, and the Southern and the Midlands companies will be so very shortly.

The new companies have developed and are implementing a number of Urban Development Action Plans.

These innovative plans are designed to provide low cost—and in some cases no-cost—ways for Local Authorities and other public bodies to fulfil their development programmes and implement new housing projects.

Building the best of the new—and re-building the best of the old.

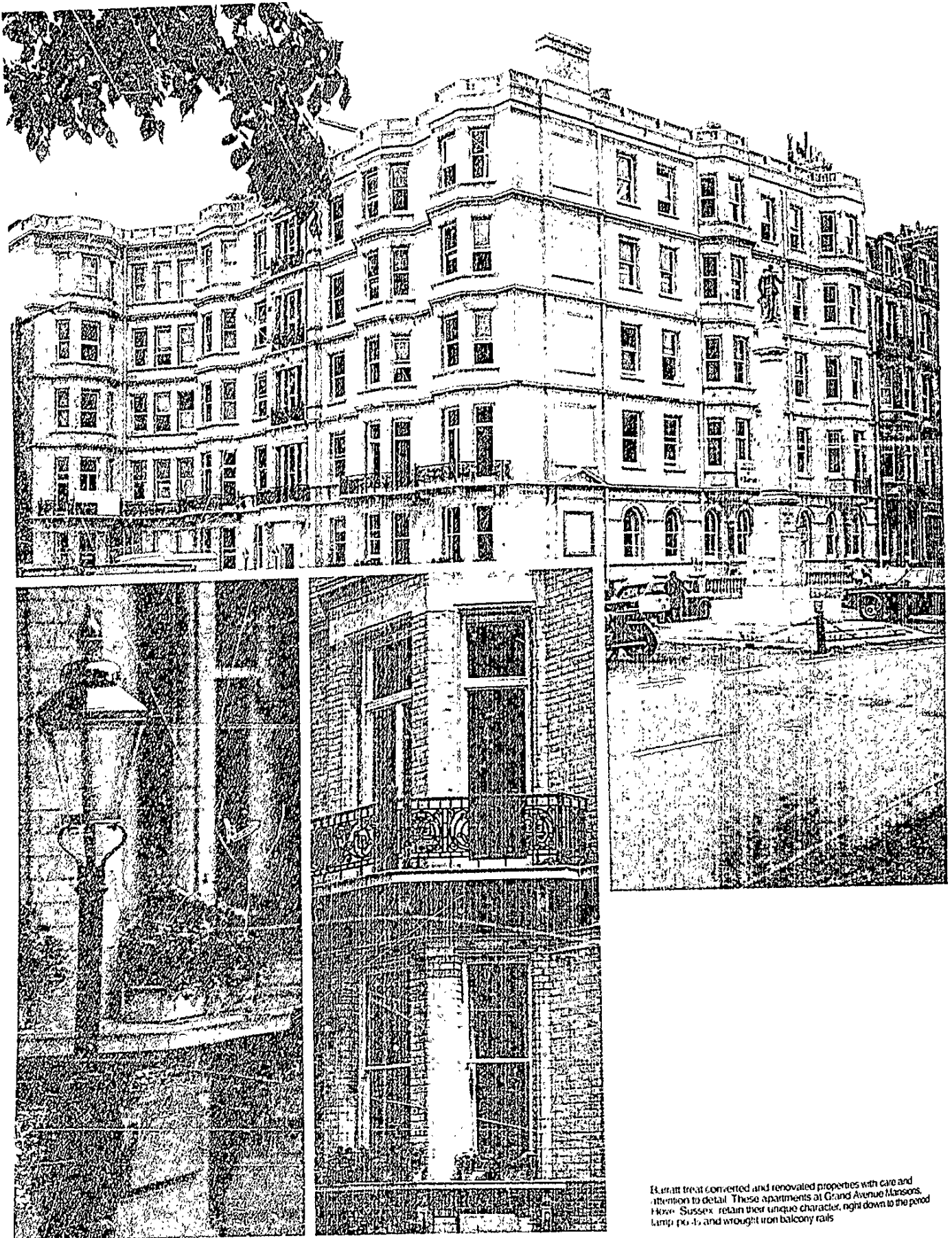
In addition to the introduction of new concepts and the building of houses from £15,000 to over £400,000, the Group continues to be the leader in the field of renovating historic properties. With the installation of the most up-to-date fittings and equipment, this conservation work not only provides magnificent new homes, but also rescues from dereliction some of the country's finest Grade I and II listed buildings.



At Laleham Abbey in Middlesex (top and above), Barratt have lovingly restored a fine building and brought people back to live in it and enjoy it. Brockhampton Park, opposite, is a Cotswold mansion built in 1645. It now contains 21 luxury apartments.







K&M treat converted and renovated properties with care and attention to detail. These apartments at Grand Avenue Mansions, Hove, Sussex, retain their unique character, right down to the period lamp posts and wrought iron balcony rails.

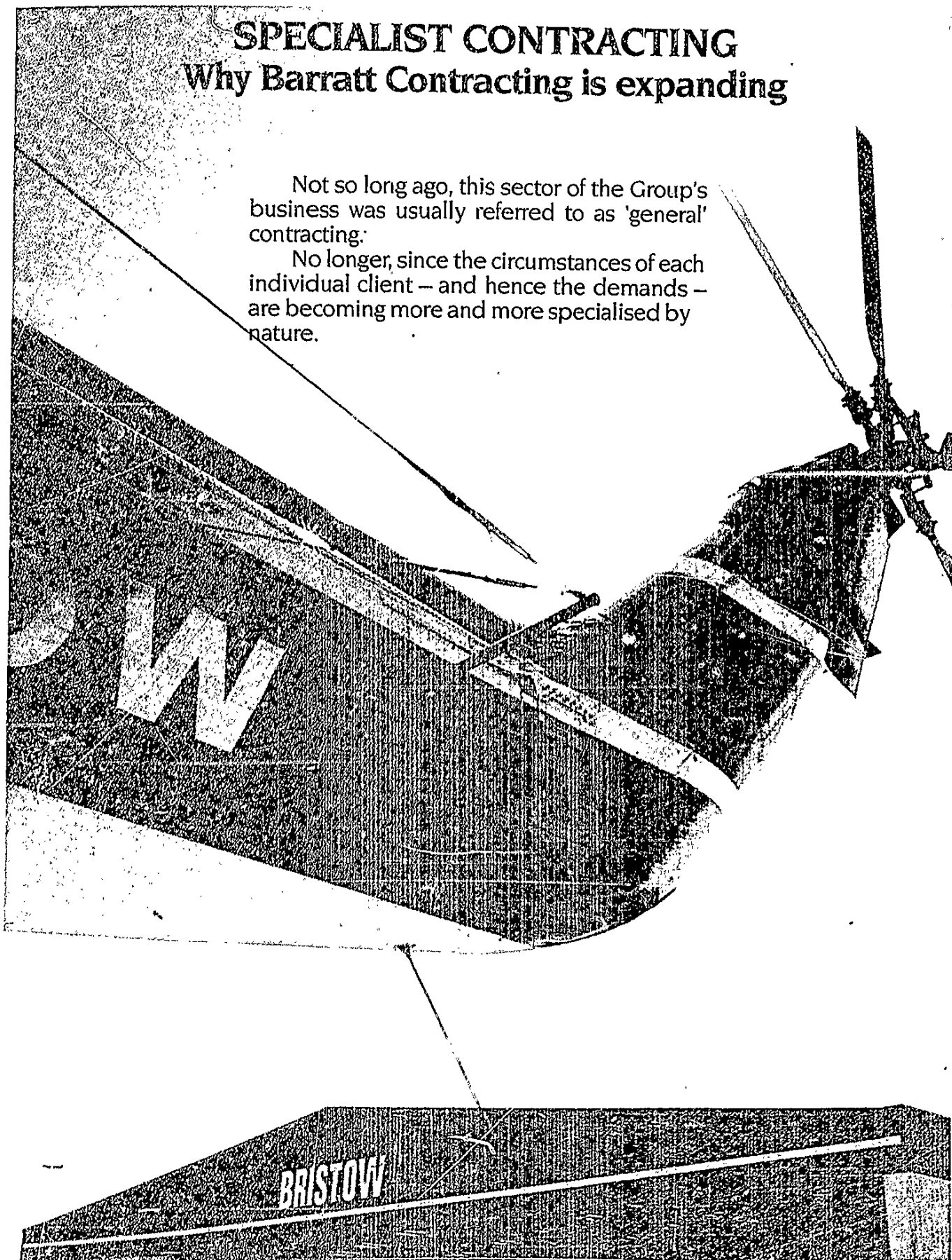


## SPECIALIST CONTRACTING

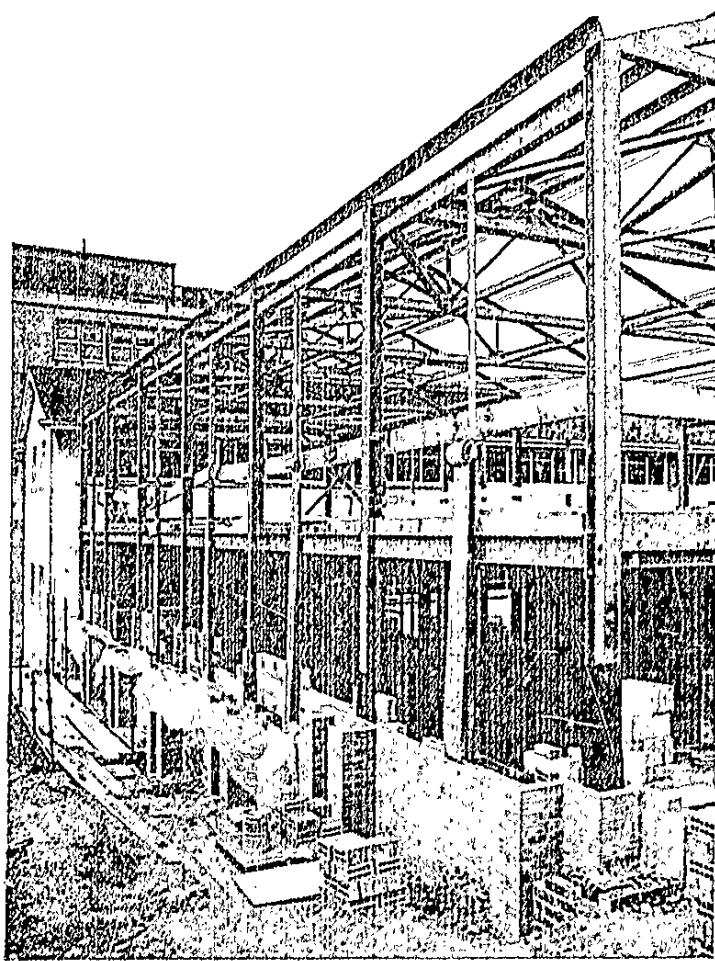
### Why Barratt Contracting is expanding

Not so long ago, this sector of the Group's business was usually referred to as 'general' contracting:

No longer, since the circumstances of each individual client – and hence the demands – are becoming more and more specialised by nature.



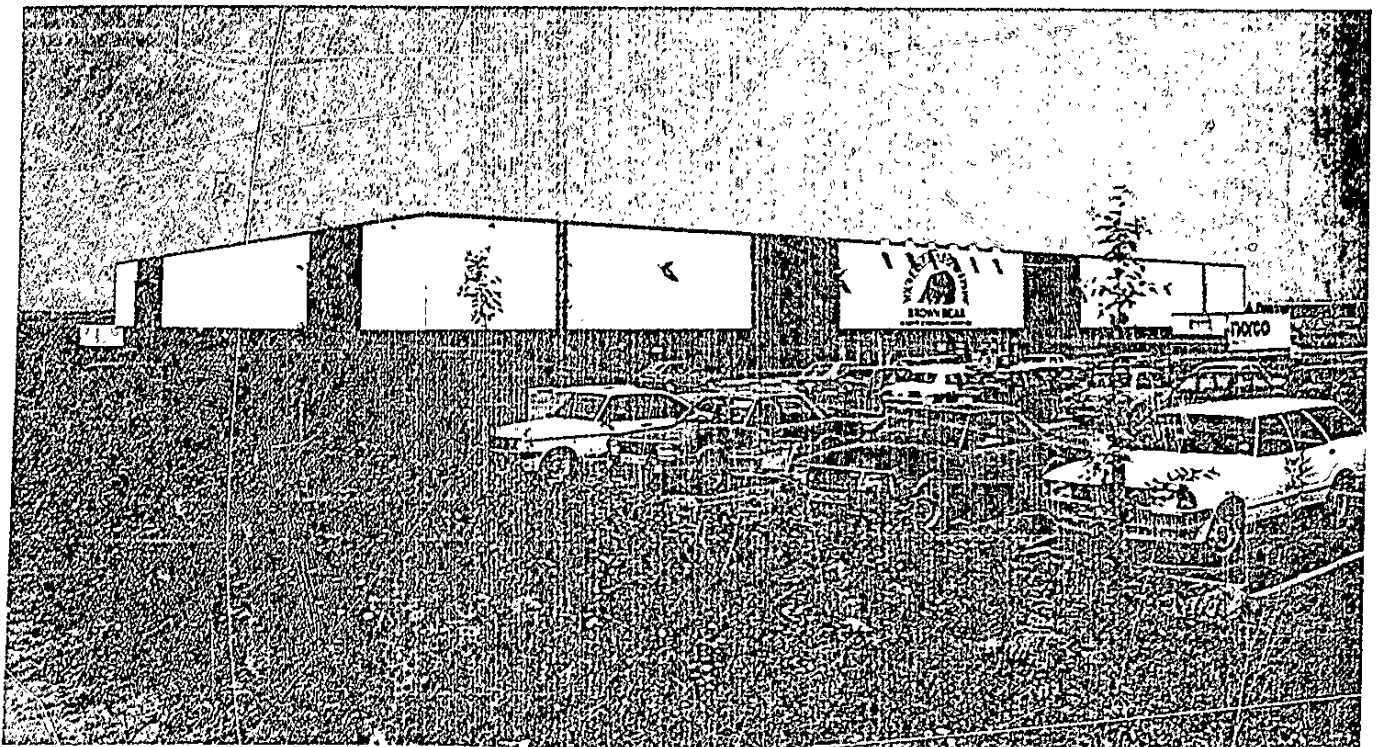
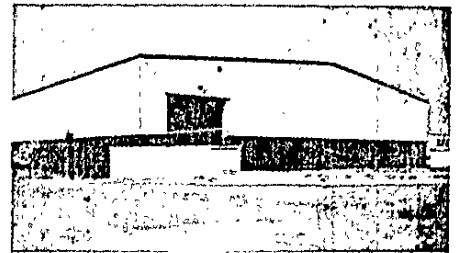
For Bristow Helicopters, Barratt have created a passenger terminal and hangar/workshop as a base for their North Sea Air Traffic Control operations, the biggest expansion of air transport in recent years. The Bristow base is at Aberdeen.



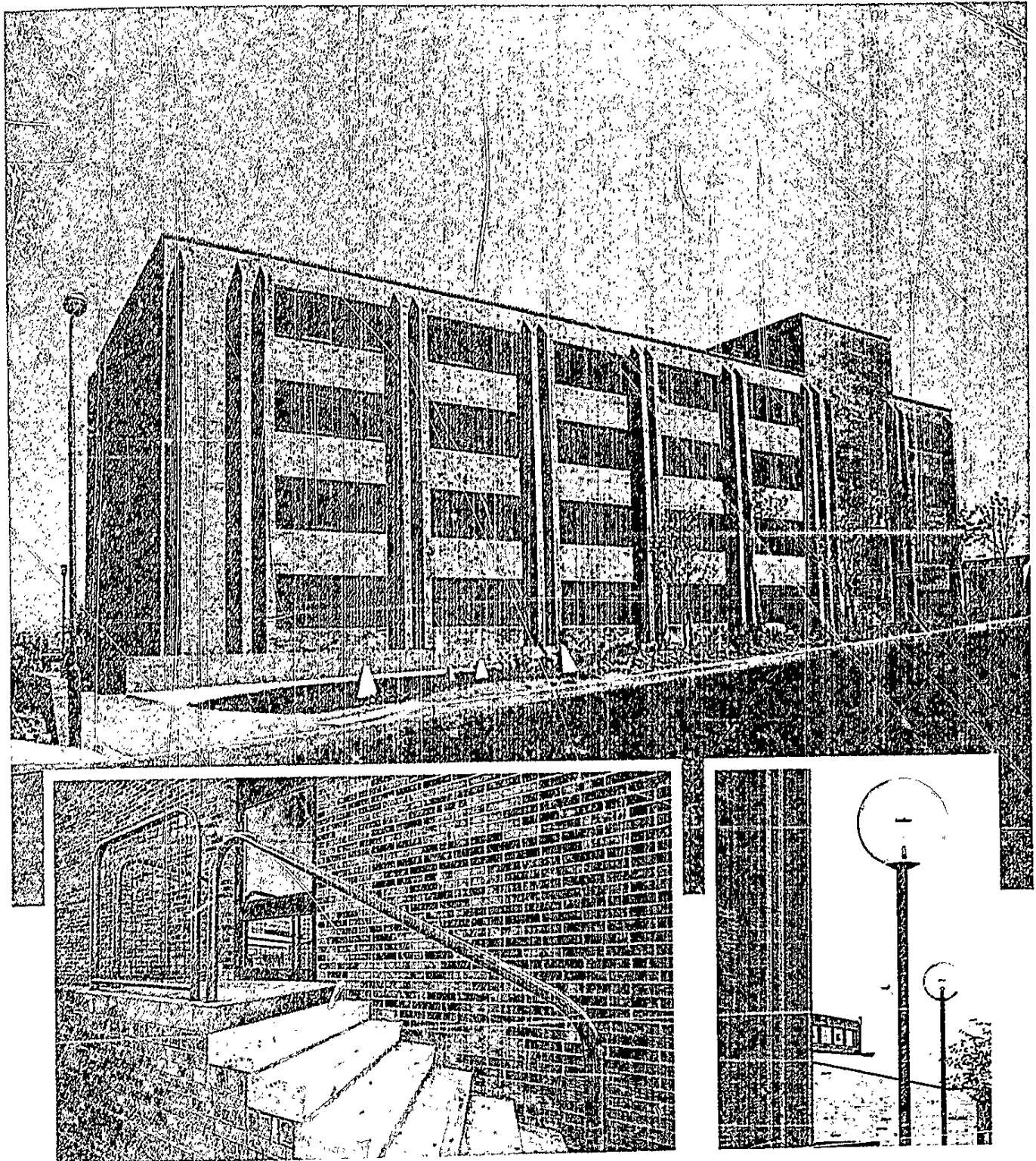
Historically, the role of the contractor was to carry out without question instructions based on plans and other specifications. There the involvement ended.

But it is now becoming appreciated that a builder's specialist expertise can be of very real help in determining the cost effectiveness of any project. As a result, it is becoming the practice to call in Barratt consultants at the design stage or even earlier.

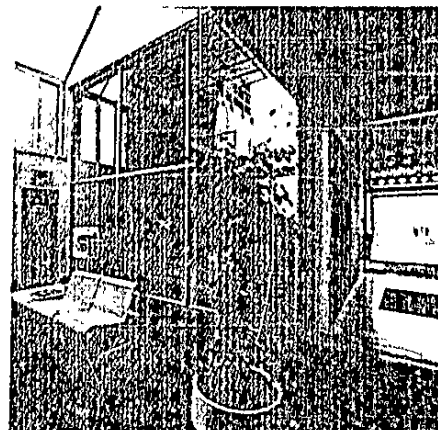
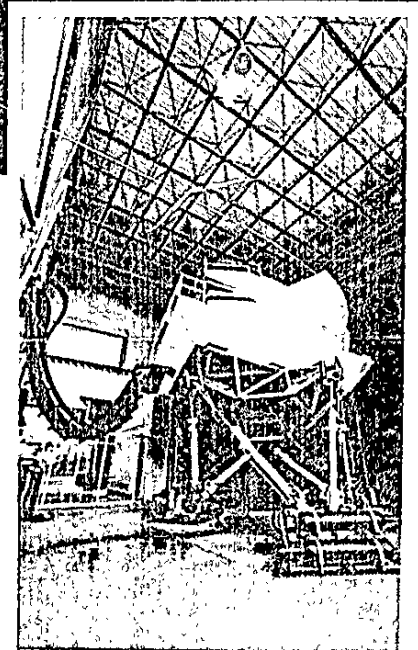
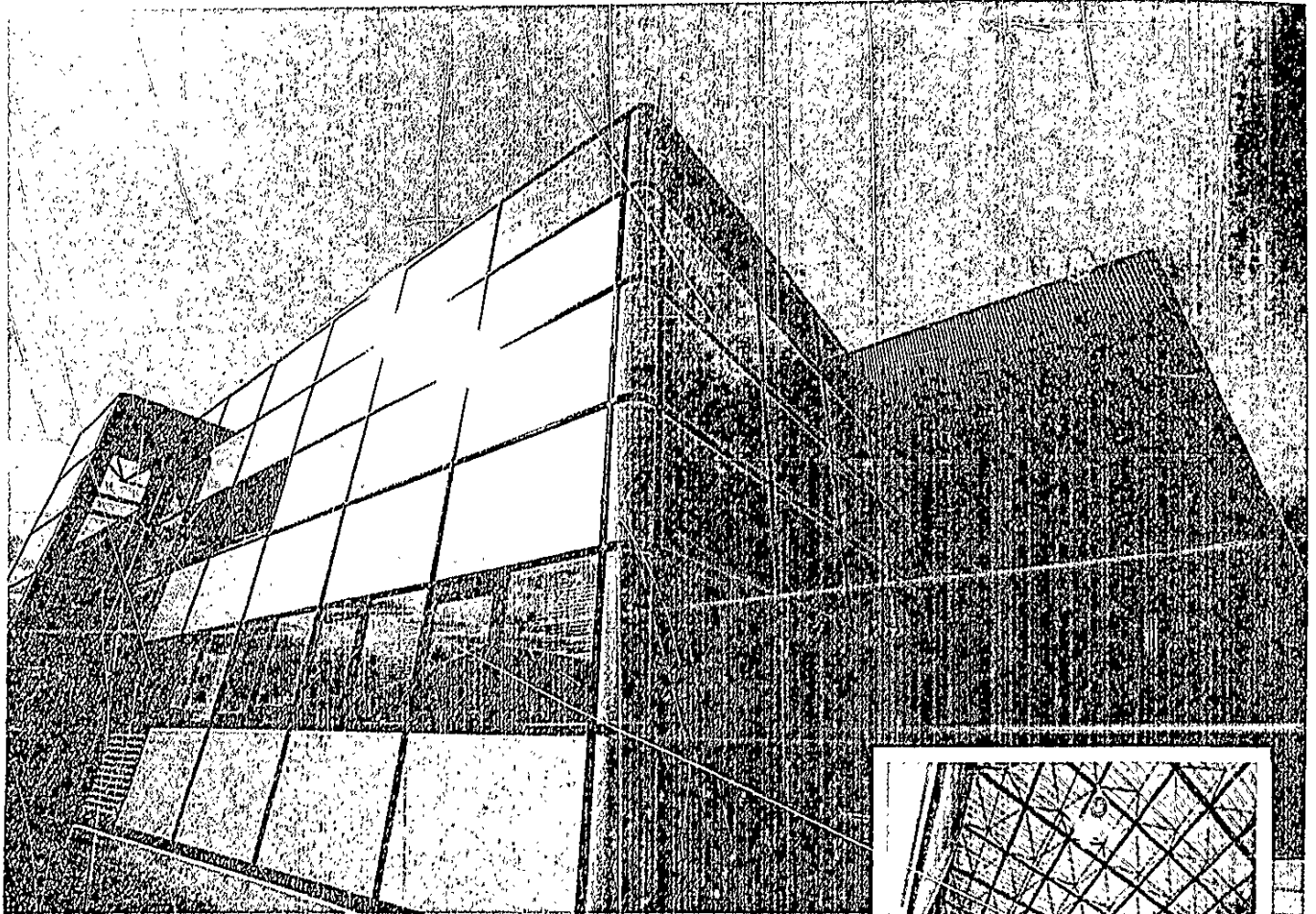
All the usual measures of a contractor's performance — quality, reliability, the meeting of deadlines — still apply, but now management is part of the mix.



The Department of Agriculture and Fisheries called in Barratt to design and construct an extension to their Torry Marine Laboratory, Aberdeen (above left). Barratt have also been closely involved with developing the Bridge of Don Trading Estate, Aberdeen. The Adaption Warehouse in Edinburgh is part of a 100,000 square foot development. The Brown Bear hypermarket in Glasgow is another Barratt development on a different part of the same estate.

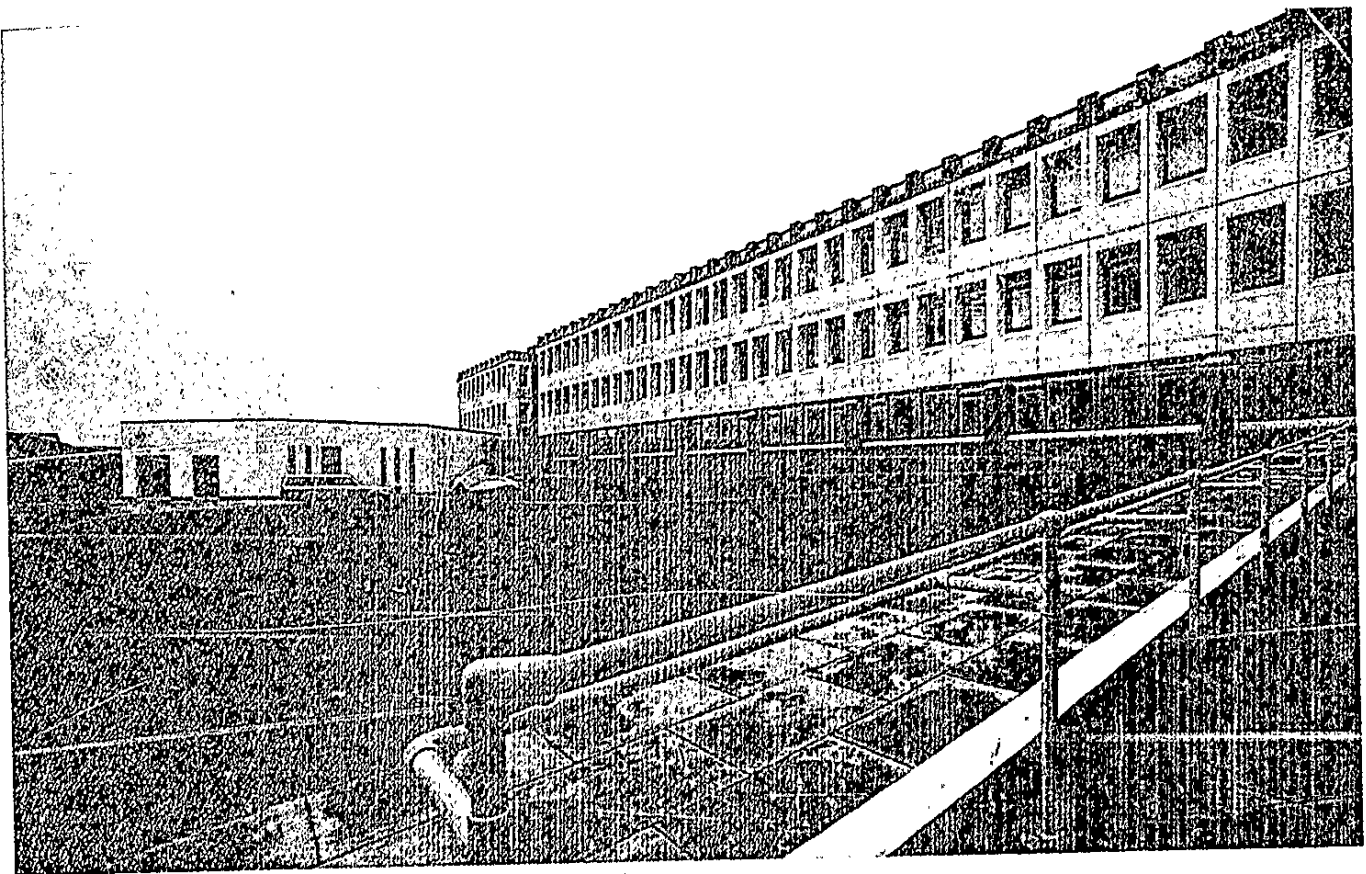


Lomond House is an office block at Almond Vale South, Livingston West Lothian. Barratt care shows in the use of colour on safety features and the installations of efficient, elegant ground lighting.

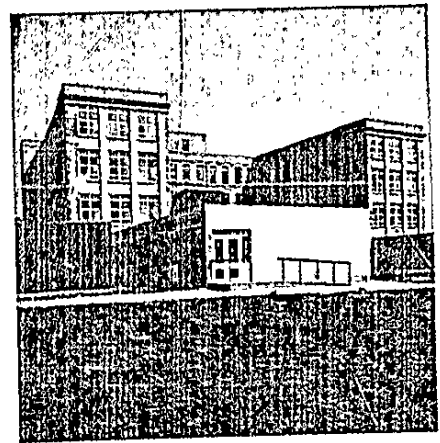
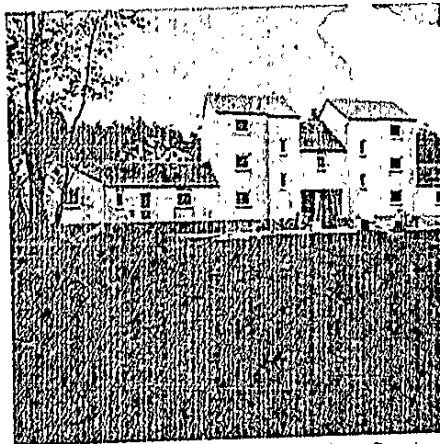
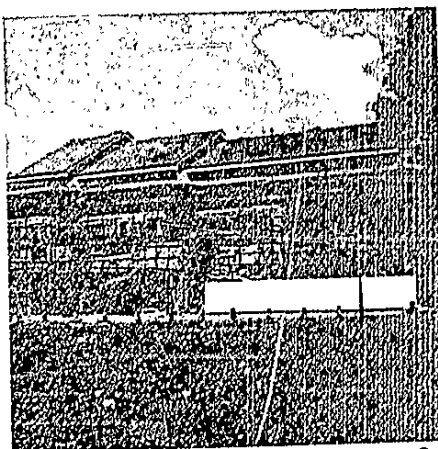


Barratt are used to tackling extremely specialised building projects. These photographs show aspects of a building housing an advanced Flight Simulator at Aberdeen. Barratt constructed a custom built home for its high technology hardware.





Dyce Academy, Aberdeen, designed and built with the needs of modern higher education in mind



Above, left to right, more Barratt contracting projects: Dunstan Court, Staines; Inshes Wood, a development of 74 houses for the Scottish Special Housing Association at Inverness; and an extension to the Royal Infirmary, Aberdeen

It is this capability for total service that is the key to the Group's success in the sector.

Locally based, yet backed by national resources, the multi-disciplined Barratt teams are well qualified to give advice not only on design and specification but also on

site selection and, where required, even on funding.

Constructive thinking about construction – that's the promise to every client, whether a Local Authority, the Armed Forces, a Nationalised Industry or a private enterprise, whether large or small.

## INVESTMENT PROPERTY PORTFOLIO

### The right buildings in the right locations

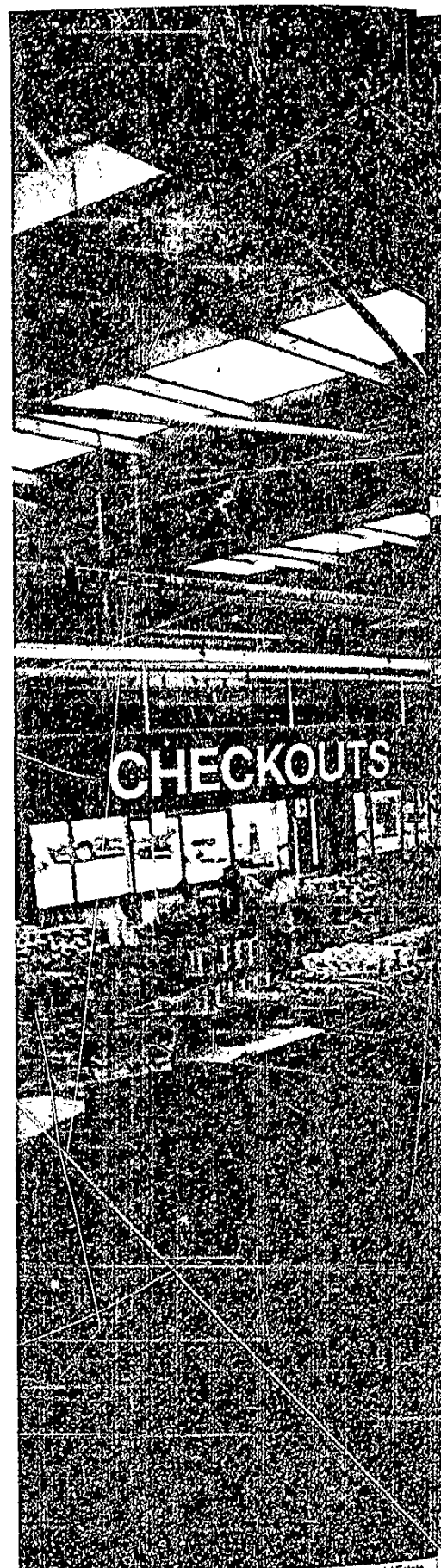
Barratt is in the total shelter business and British industry and commerce have a constant requirement for new factories and offices to replace outmoded buildings or to cope with expansion.

It is commonly perceived that there is an over-supply of commercial and industrial buildings. Looked at purely in terms of vacant square-footage there may be some justification for this.

However, the essential point that is often overlooked is that much of this property is quite unsuitable for modern business needs — either by reason of design or of location, and often by both.

Self evidently there are national economic features which suggest that the property investor should have high on his list of priorities South East England and North East Scotland.

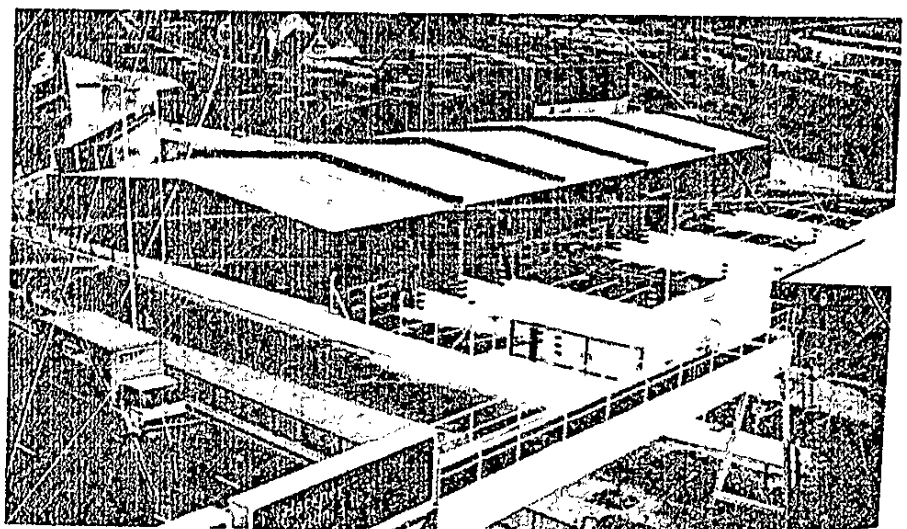
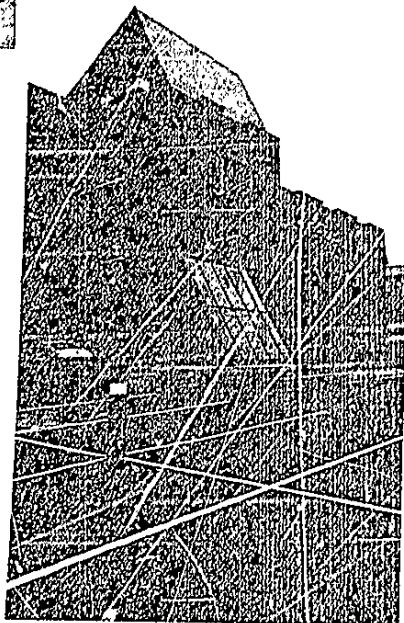
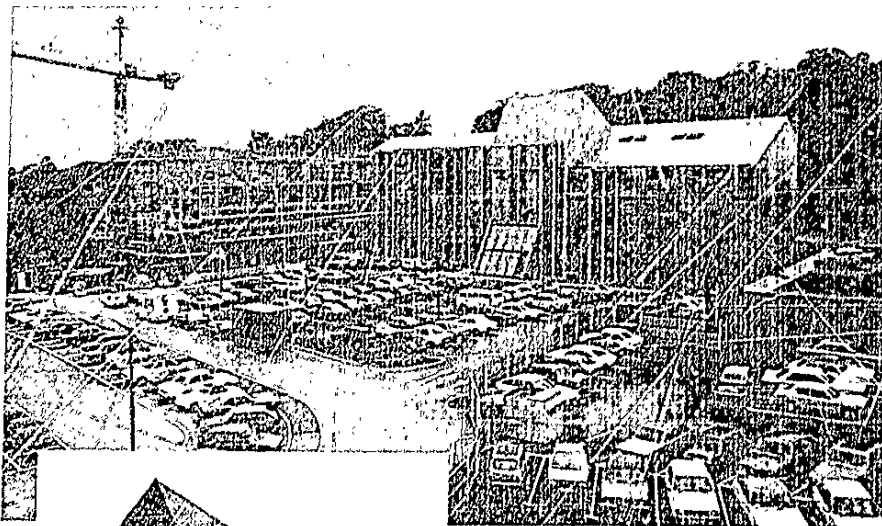
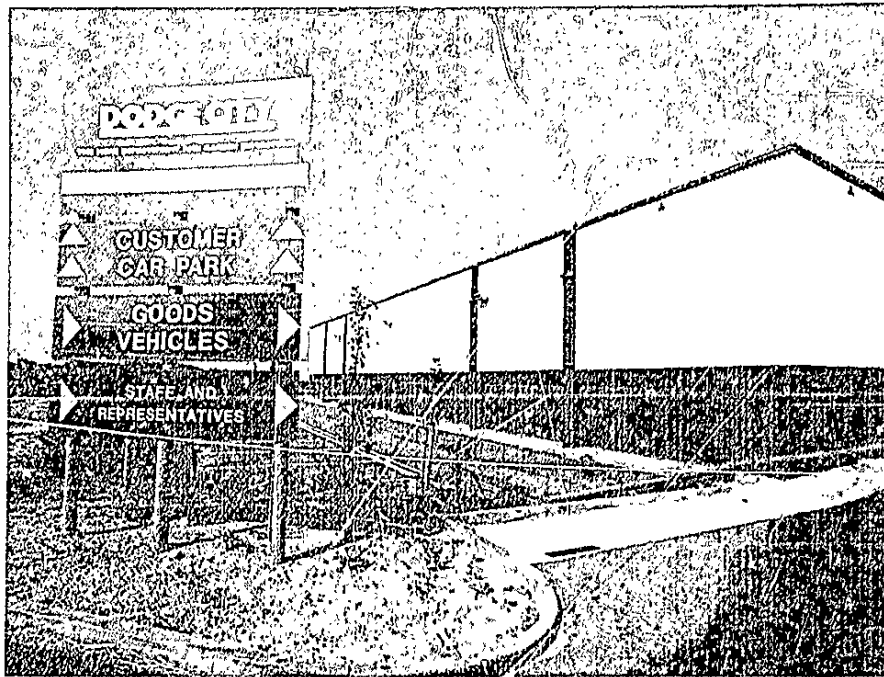
Naturally the Barratt Group is active in these two areas with 150,000 square feet of offices under construction in such places as Camberley, Bromley and Bracknell and a further 40,000 square feet planned for Central London, plus a major project in Aberdeen involving 60 acres of prime development land.



The interior of the huge Dodge City DIY Centre on the Murcar Industrial Estate, Aberdeen, built and owned by the Barratt Group.







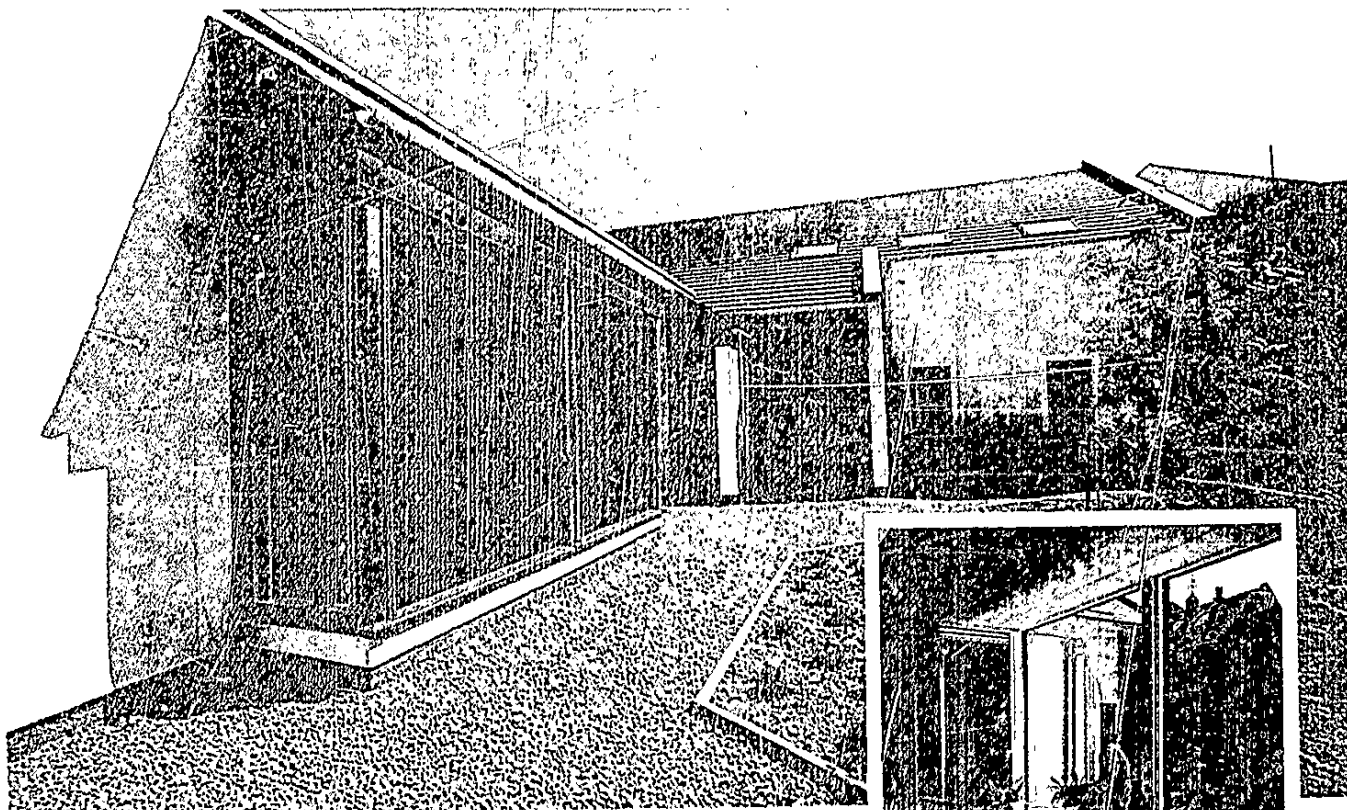
It would be a mistake, however, to overlook trends elsewhere. The Group's development at Lichfield, Staffordshire, for instance, has created 50,000 square feet of industrial property, which is virtually fully let.

This demonstrates a continuing market for modern industrial accommodation in the West Midlands, despite the existence of thousands of square feet of redundant property.

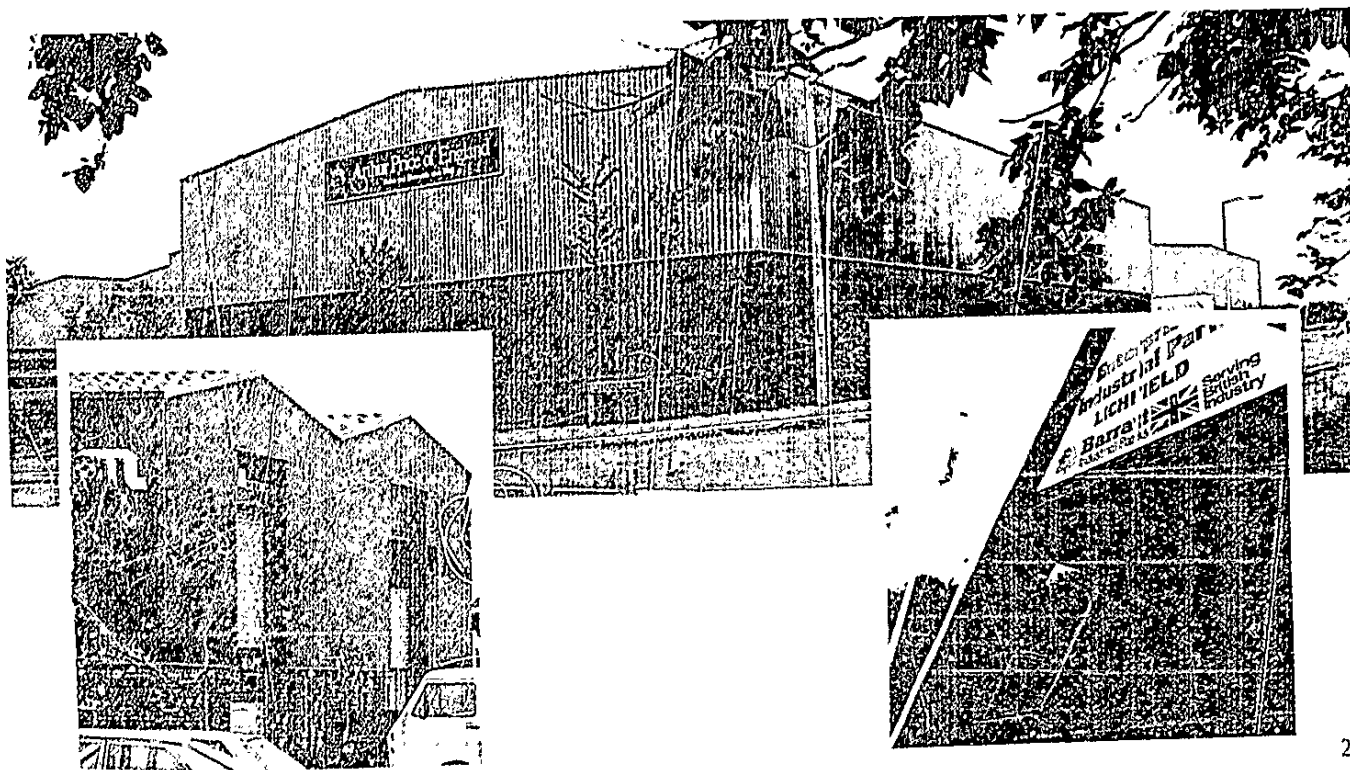
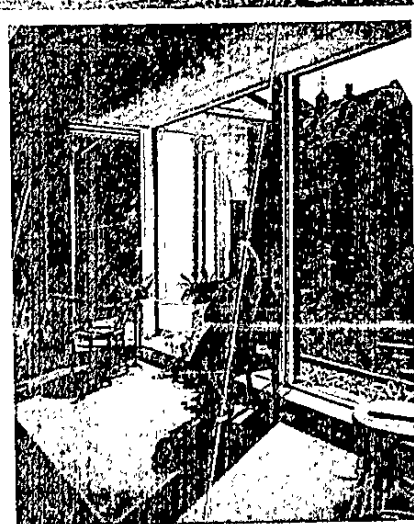
Well located, well designed buildings are still in great demand throughout the UK and Barratt appreciate that it is vital to understand each user's specific requirements and to provide the kind of environment in which both employers and employees are happy to work: already leasing from Barratt are such organisations as the Civil Aviation Authority, Her Majesty's Government, multi-national oil companies, banks, breweries, insurance companies and many more.

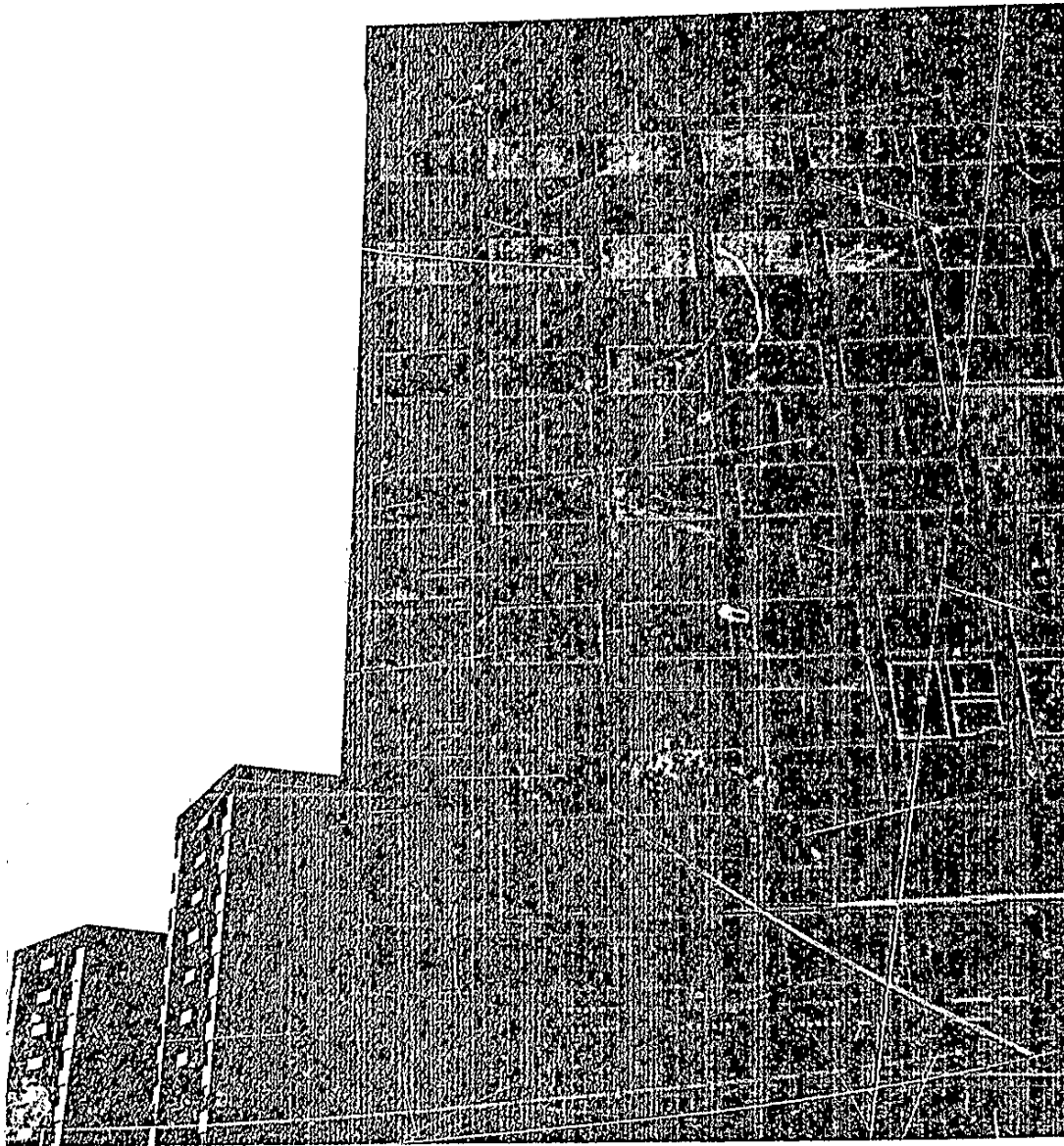
In 1980 the Group had set an annualised rent roll target of £4 million by 1982. This has been achieved, and will continue to grow steadily and selectively by application of development and marketing expertise.

More Barratt investments. From top to bottom: the Dodge City DIY Centre, Aberdeen; Cedar House, Camberley; an office block under construction; the completed Beech House, Camberley; Glender Road, a complex of light industrial units in London's East End.



Examples of how Barratt blend landscape with architecture. Top, a new medical centre at Loth, Scotland, and below the Lichfield Industrial Estate, Staffordshire. At bottom right an on-site Barratt Sales and Letting Office.



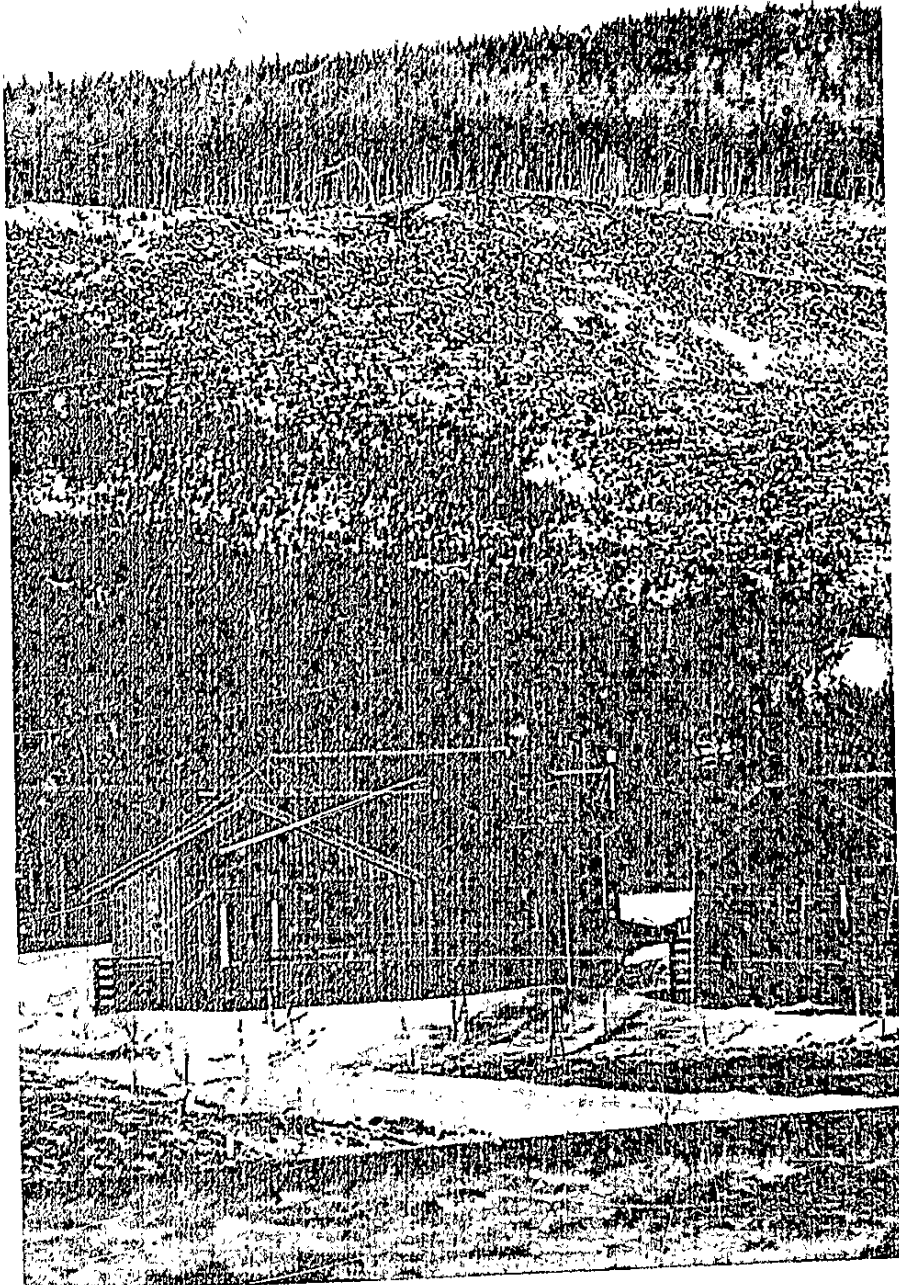


The Tynegate Precinct modern office block in Newcastle



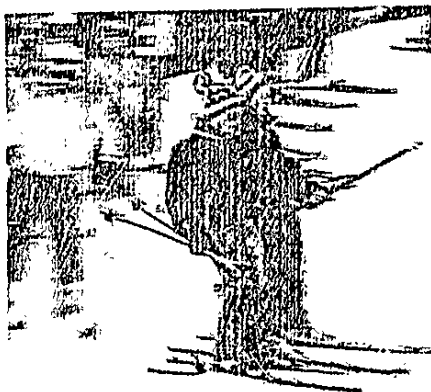
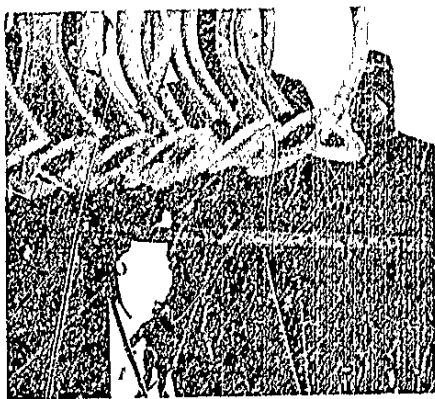
# THE LINK BETWEEN LEISURE AND PROPERTY

At first sight, Barratt's entry into the leisure industry might seem to be a major move from the Group's established area of expertise. The link, however, is there. The link is property.



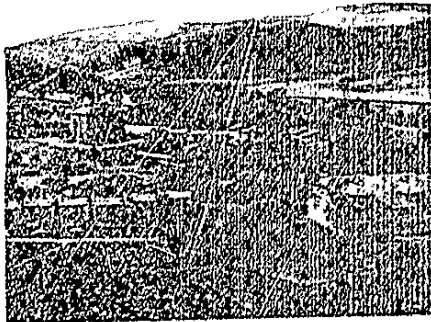
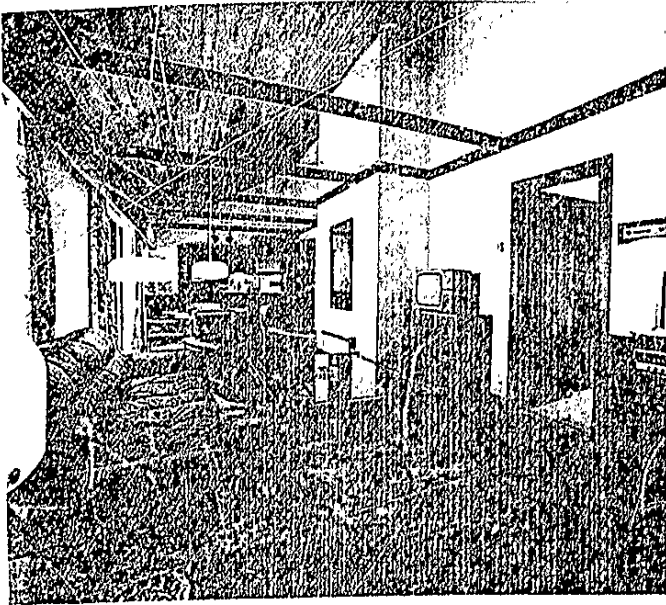
Barratt at Aviemore

Many of the special skills involved in the development of a quality holiday complex are the skills which Barratt have perfected in the development of residential and industrial projects: those of site selection, design and marketing, the assembly of suitable purchase packages, and so on. Both activities — leisure development and the development of residential or industrial property — require exactly what Barratt can best provide, the design and marketing of the right property for a specific market.



Dallaber Village, Aviemore. A Barratt leisure development superbly sited for winter and summer sports. Opposite page: top left, the interior of a Barratt multi-ownership Lodge. Centre, views of Plas Talgarth, Wales and Forest Hills, Scotland. Bottom, Aviemore multi-ownership Lodges.





The Group's first leisure development was aimed directly at the multi-ownership holiday market. The project was sited at Dalfaber Village, Aviemore, Scotland. Its success was immediate, and a result of the site's unique location and the provision, by Barratt, of exceptional accommodation (described by 'Which?' Magazine in their 1981 survey of multi-ownership properties in the UK as "probably the most luxurious we saw."). The golf course opened in Spring '82 and earned high praise from the golf professionals who played it. The Central Building, with additional recreational facilities, is in construction now and can only expand Dalfaber's success.

In August '82, the Group acquired Multi-Ownership & Hotels Ltd., a company formed in 1975 to introduce the concept of multi-owned leisure property to Britain. The company is now developing three projects in Britain: two in Scotland, one in Snowdonia, all in prime locations and all to the highest specifications, the twin secrets of multi-ownership leisure property success.

The growth of planned leisure through the 1980's and into the next decade is assured: the application of expertise in property development will make sure that the Barratt Group stays at the very front of that growth.



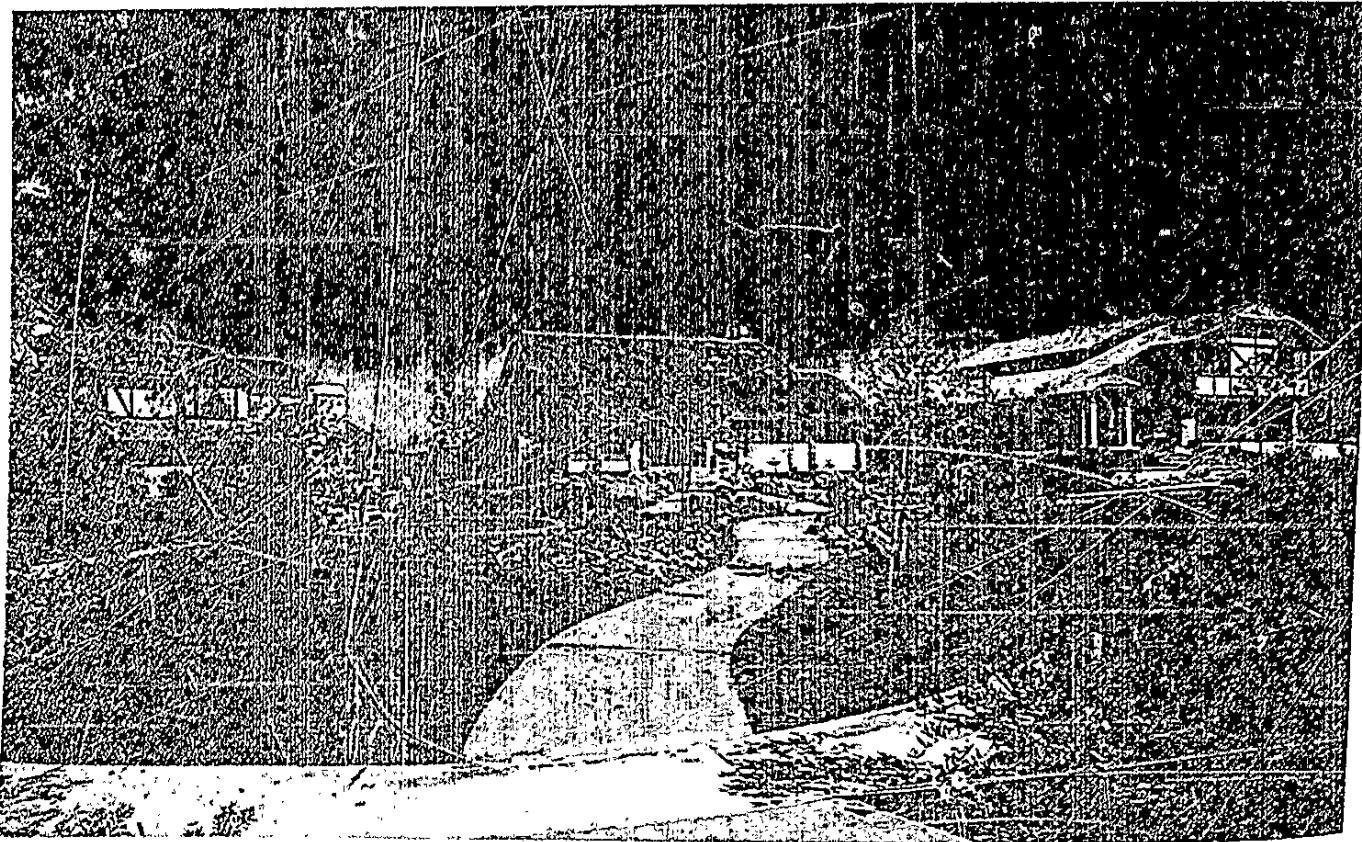
## BARRATT IN AMERICA

### Facing up to new realities

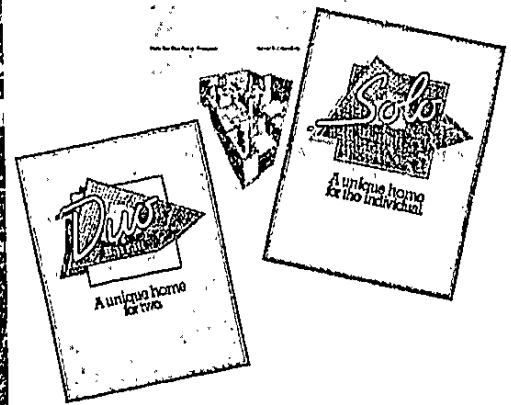
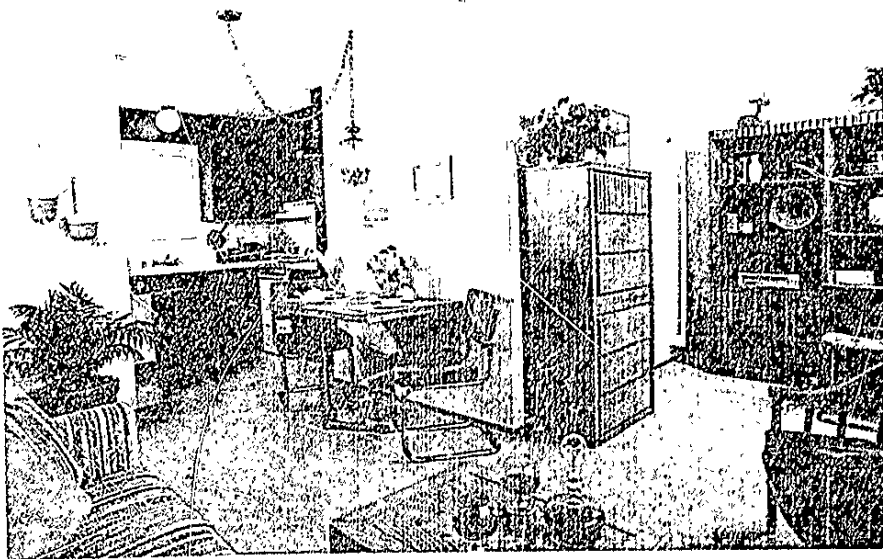
For the first time in many Americans' living memory, there is a genuine shortage of money. Interest rates have rocketed to an all-time high. Unused to operating in such a climate, the building industry has by and large tried to ignore it and has carried on building the same kind of houses.

The result has been that the average-priced American home is now beyond the reach of 90% of potential purchasers.

However, one builder in the States has had a great deal of experience in helping housebuyers through difficult times: and that builder is Barratt.



Barratt, American style: detached, ranch-format housing at Vista San Ramon, near Los Angeles, California.



In California, Barratt is already embarked upon a programme to bring the house within the reach of the buyer. The Company is putting to use all its unrivalled experience, from product design to purchase plans.

Quite simply, the average new house being built in the USA is too large for most purchasers to afford. Clever utilisation of space has enabled Barratt designs to retain the essential 'feel' of American-style homes whilst bringing down prices to realistic levels.

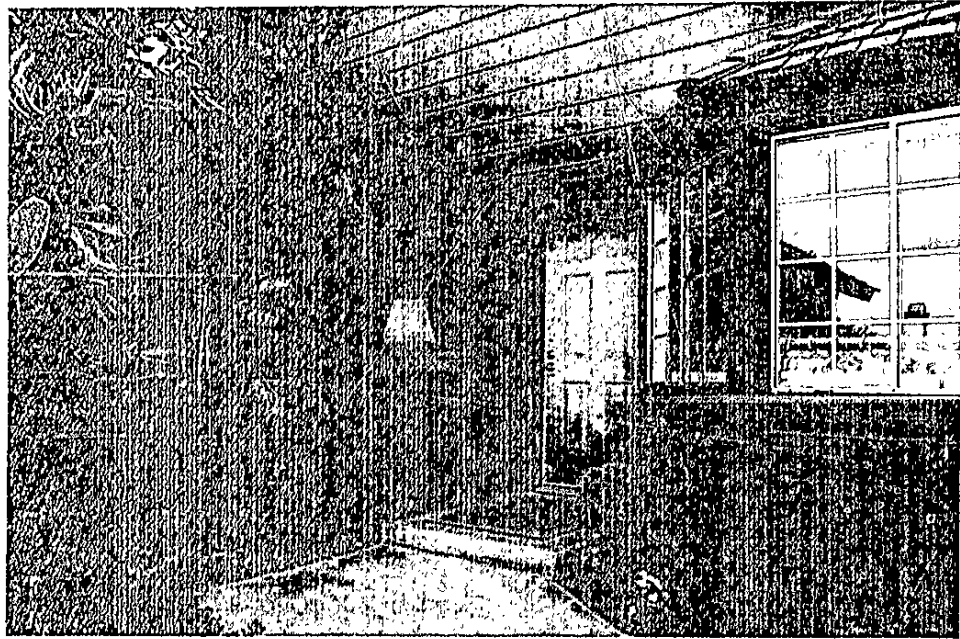
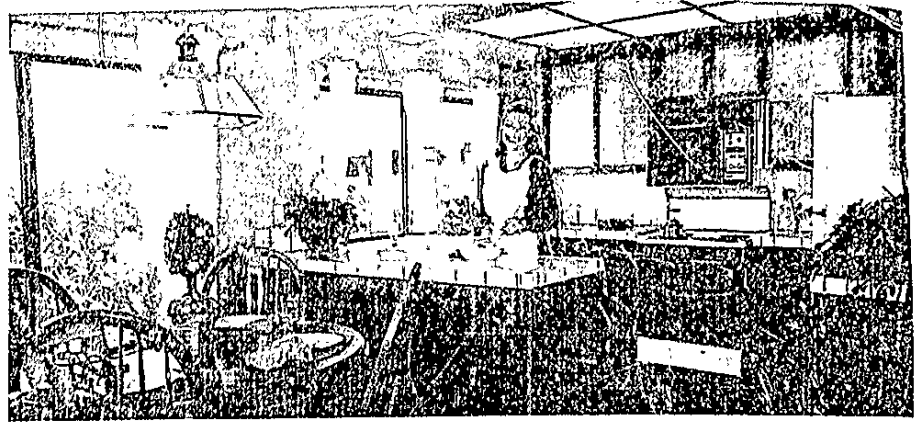
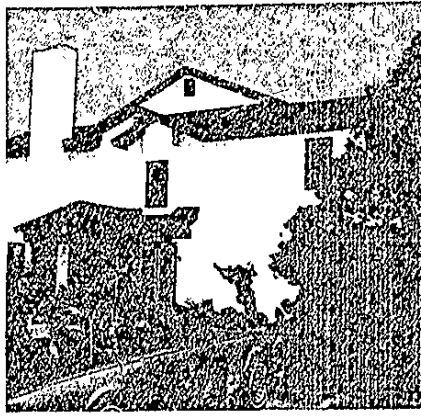
A prime example lies in the American launch of Studio Solo and Studio Duo, the American equivalent of Studio '2'.

Research established that an estimated 7,000,000 people in California are living as single persons. Equally staggering, the demand for single person accommodation is increasing by some 500,000 units every year. The interest generated by Studio Solo was reflected by the fact that five TV stations covered the launch.

The success of Solo in America shows the kind of direction which Barratt intend to take: the Company is confident that its innovative ideas will allow it to steadily build up sales even in such a difficult economic period.



The Barratt American Duo and Solo schemes have been a runaway success. The top two photographs show the interior of Studio Solo apartments. Bottom, a new Barratt housing project at Woodlands, California.



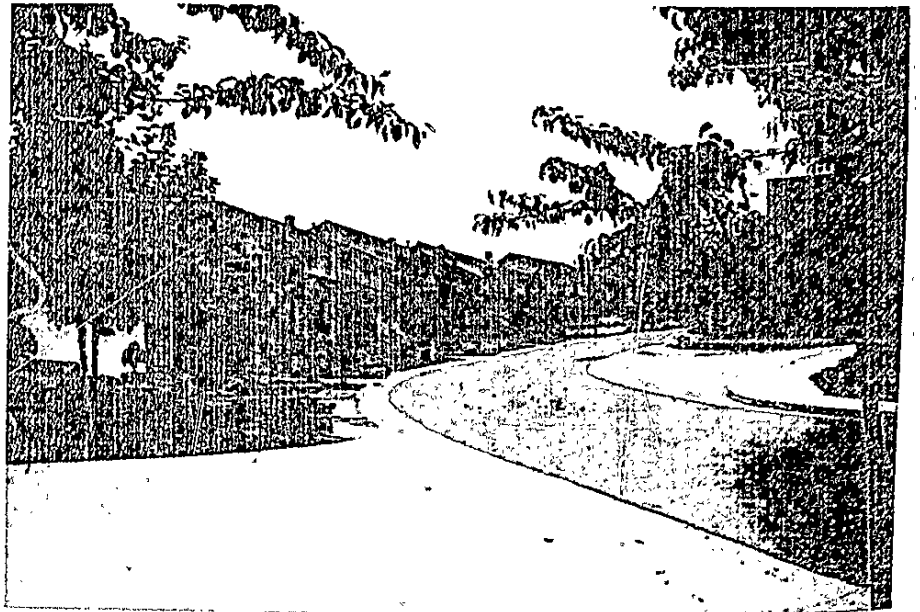
The demands of the more affluent Californian have not been forgotten, of course: it is the aim of Barratt American to provide a full variety of homes statewide to meet the needs of all sectors of the community.

Americans are also starting to face up to an inner city housing problem which is very similar to the problems that Barratt have been tackling in the UK.

Barratt has already started its first urban renewal project in California, in Sacramento. Similar developments will follow in other major Californian cities.

And once again, Barratt have access to a fund of experience that is quite unavailable to other real estate developers.

3-1

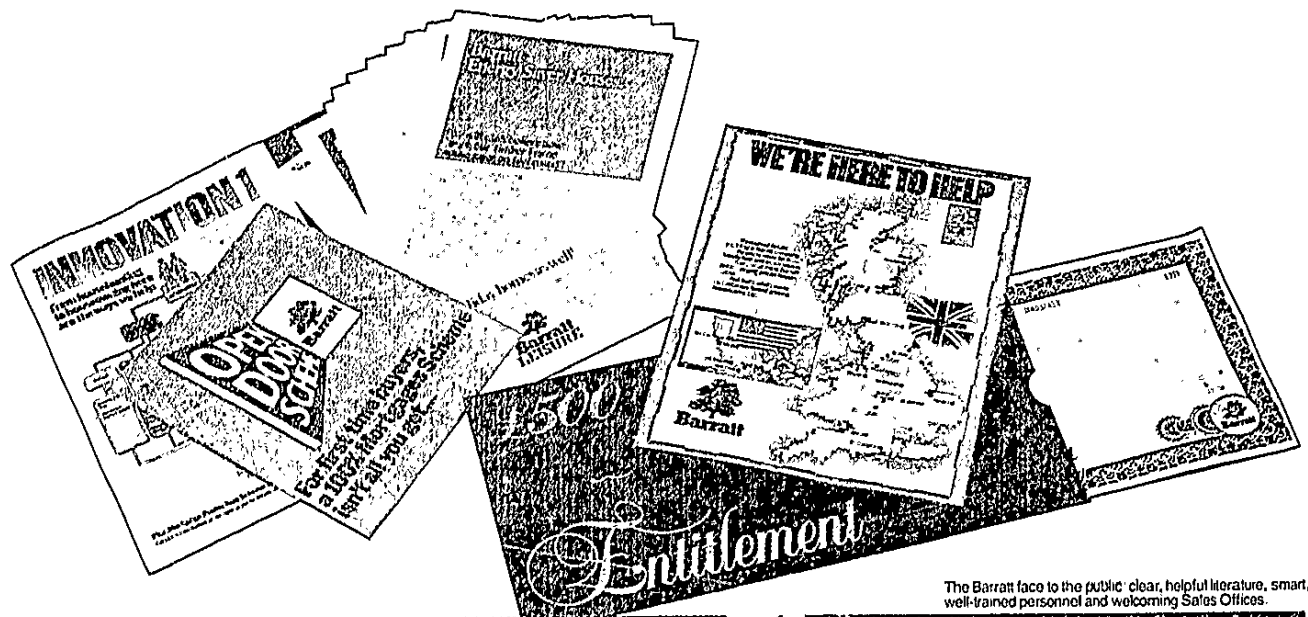


Top left Barratt condominiums at Encinitas near San Diego. Top right a Barratt home interior Granada Trails Centre a Ridgecrest Plan 3 showhouse Orangewood Bottom detached family homes at Meadowland Milpitas



# MARKETING

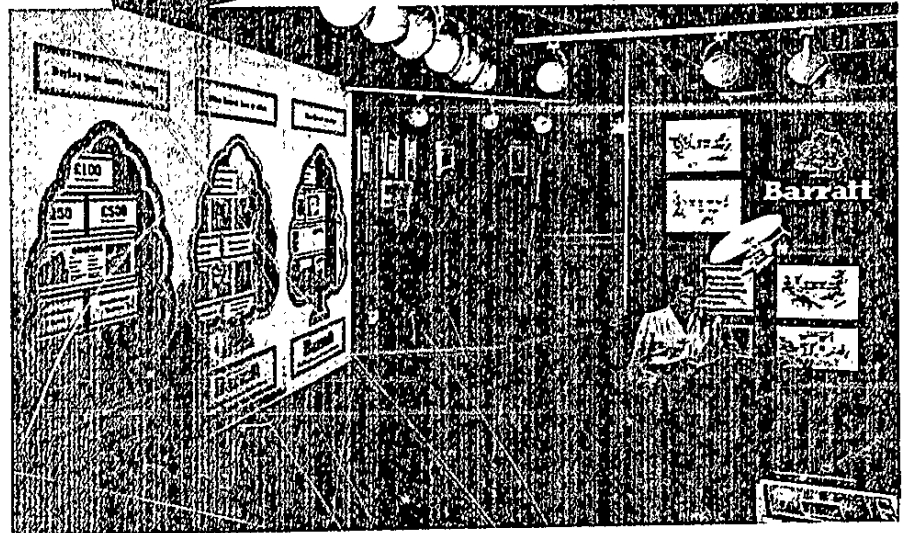
## Helping the buyer to buy



The Barratt face to the public: clear, helpful literature, smart, well-trained personnel and welcoming Sales Offices.

The Barratt Group is radically different from the traditional house-builder in that it is highly consumer orientated. Carefully planned, positive marketing strategies underpin all of its activities.

With its philosophy of making houses easy to buy – and of implanting that fact in the public mind – the company operates more Purchase Plans than any other builder, to help everyone from the first time buyer onwards.



The Plans meet the majority of requirements – from 100% mortgages facilities, to help with deposit saving, from a £250 and Move In Plan to the arranging of a house exchange. The benefits to purchasers of the Barratt Part Exchange Plan can be measured by the fact that last year the Group sold 3,300 second-hand houses bought in this way.

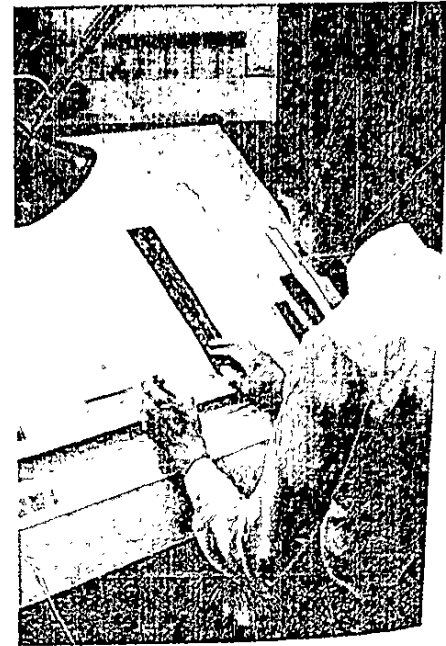
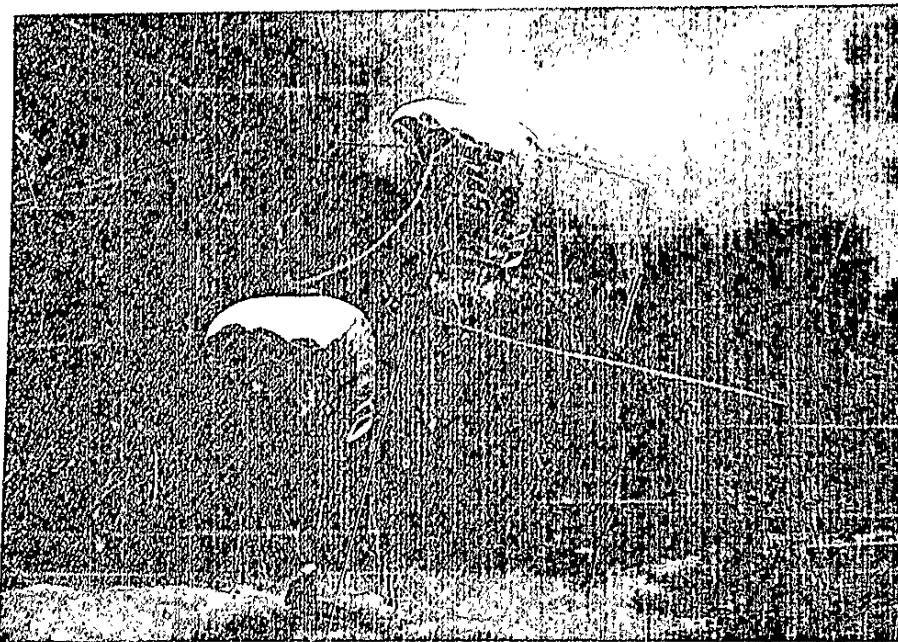
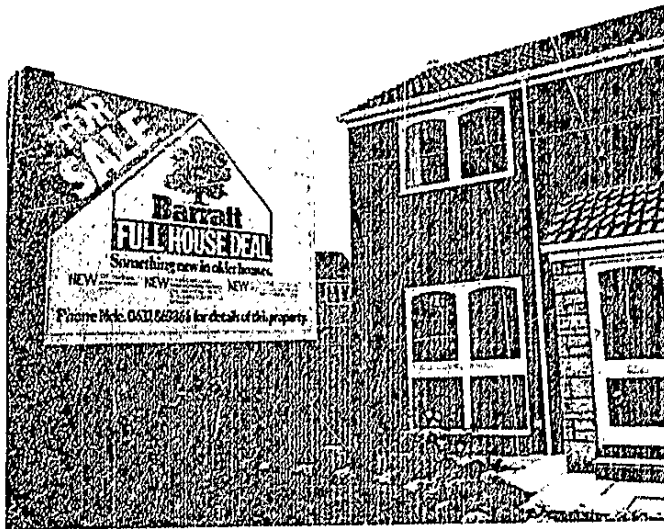
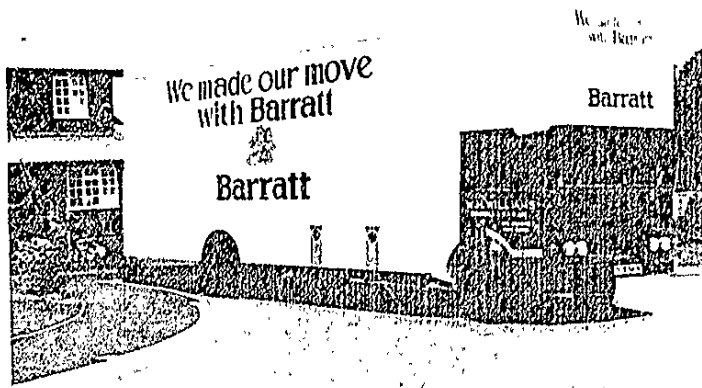
Ultimately, however, it is the Company's relationship with its customers that counts. The business is about people and every member of staff is aware that he or she is the

Company's ambassador when talking to a prospective buyer. Barratt runs regular training courses, ensuring that Sales Consultants give good counsel to their clients, and understand their varying circumstances.

Furnished showhouses are an integral part of every Barratt development. The developments themselves are well laid out and attractively landscaped, allowing househunters ample time to appreciate the potential of both the site and the particular housestyles they are considering.





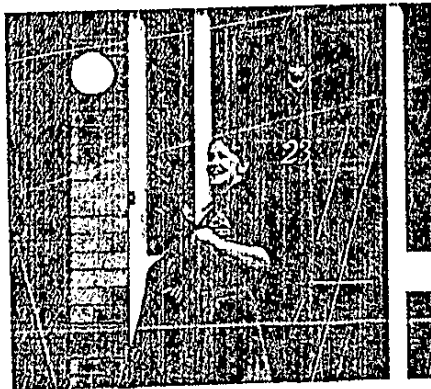
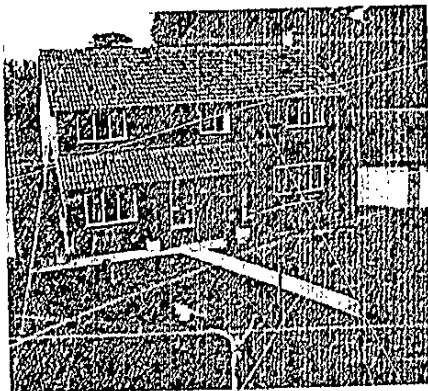
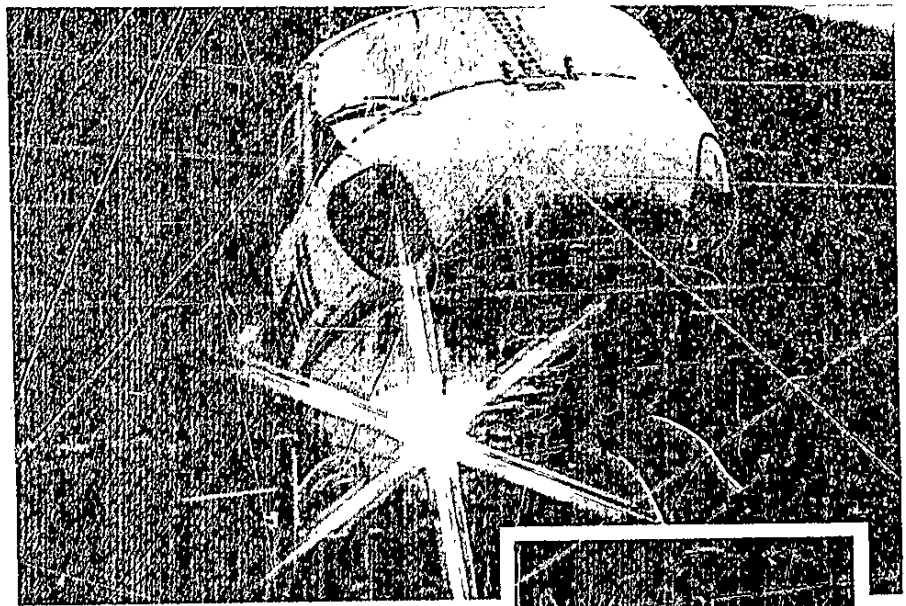


Barratt believe in presenting a strong identity to the public through the use of colour and appearance of their buildings. Home, Earls Court, London, centre right



As the market leader, the Company ensures that it communicates with the market. At national level in both the UK and California, the famous Barratt helicopter commercials maintain and increase a background of Company awareness, against which the national press advertising drives home the ease of buying Barratt. At local levels, individual subsidiaries use press, radio and television to sell specific developments and housestyles.


Communications with house buyers and investors continue with exhibitions, posters, showhouse openings, and publications such as the BARRATT STANDARD and ARINA a magazine designed as a forum for everyone involved in the building industry.



On location, John Platts, Director of the 1982 Barratt Helicopters commercial. All the ingredients are there: a clear, strong message and a formidable team to make it so. Of course, the famous Barratt helicopter.

"£250 down and we could move into a Barratt house tomorrow!"

"Then marry me today!"

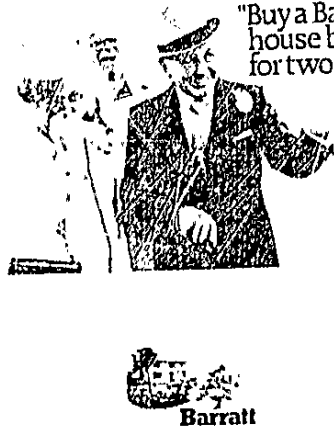


**Barratt**

Each year, Barratt helps more newlyweds buy houses of their own than any other builder.

"What do we do now the family's gone?"

"Buy a Barratt house built for two!"



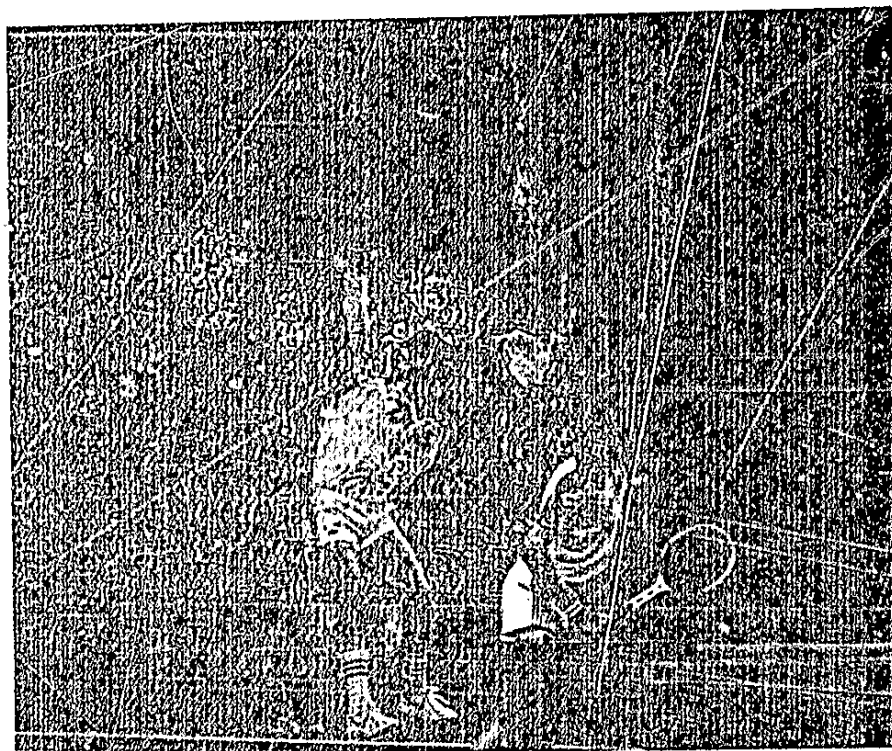
**Barratt**

Each year, Barratt helps more people buy houses of their own than any other builder.

Now, for buyers of an unlanded property

# Something new in older houses.

**NEW** 100% mortgage guaranteed subject to status.  
**NEW** Complete with cooker, fridge and washing machine, plus carpets throughout and flowered curtains in bedrooms and bathrooms.  
**NEW** Legal fees, survey, fees, stamp duty and up to £200 return of cash paid for year.

The sponsorship of major national events such as the World Doubles Tennis Championship has also brought the Barratt name to the attention of the mass media.

The relationship with the media is reciprocal: increasingly, at both national and local levels, it is Barratt spokesmen who are sought out whenever a specialist commentary from the housebuilding industry is needed to clarify the influence of mortgage rate changes, new construction techniques and other subjects of interest to the housebuyer.

# THE GROUP STRUCTURE

## The success of decentralisation

In sharp contrast to the centralised structure of most of its competitors, the Barratt Group is structured into some 40 operating subsidiaries. Each is a profit centre in its own right, with a high degree of delegated authority. And each board is chaired by a member of the Group Board, who has responsibility either for a specific operating area or for a centralised management function.

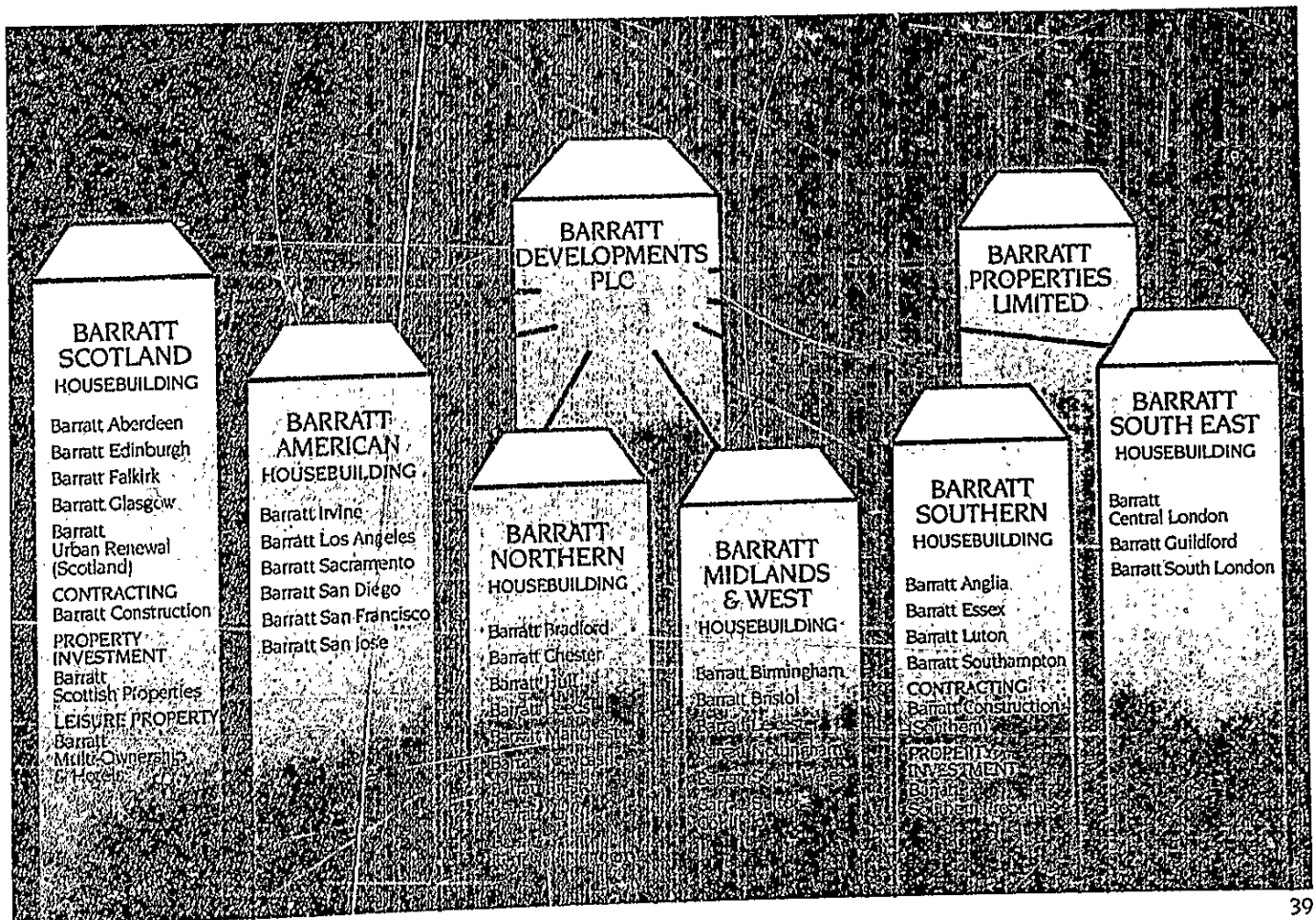
With a sophisticated reporting

system and short lines of communication throughout the network – assisted by the famous helicopters and the other company aircraft – Barratt has been able to maintain a balance between the disciplines necessary for a public company and the encouragement of that entrepreneurial initiative essential to any successful business.

Decentralisation and the delegation of authority gives far greater job satisfaction for the

employees. Local companies have local knowledge and goodwill and can act on their own, yet are backed by the strength of Group management and financial resources.

This management philosophy ensures that problems and opportunities are quickly identified, and action taken – and has enabled Barratt to grow at an incomparably faster rate than any other builder in the UK.



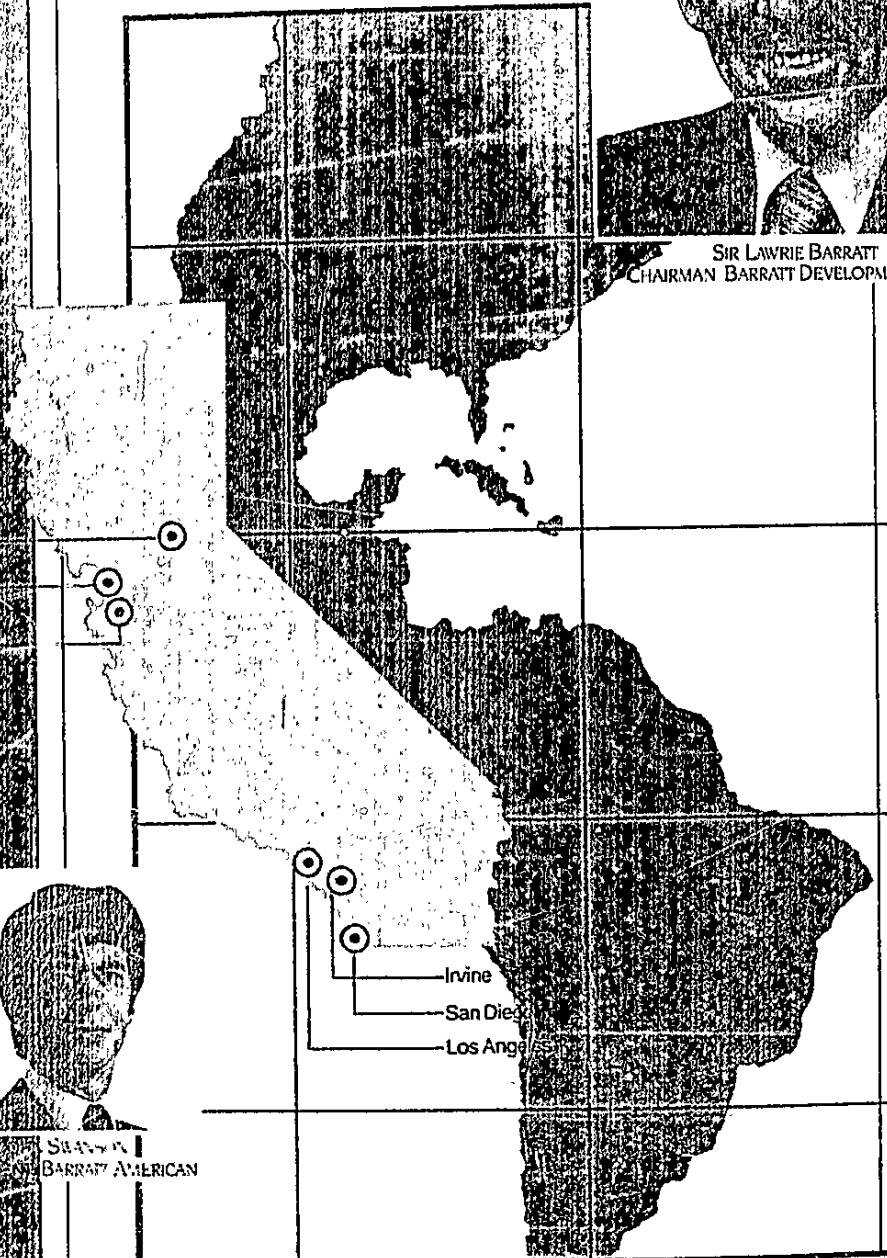




SIR LAWRIE BARRATT  
CHAIRMAN BARRATT DEVELOPMENTS PLC



SHAWN BARRATT  
PRESIDENT BARRATT AMERICAN







**BILL BRUCE**  
DEPUTY CHAIRMAN BARRATT DEVELOPMENTS PLC  
CHAIRMAN BARRATT SCOTLAND



**BOB JAMES**  
GROUP FINANCE DIRECTOR



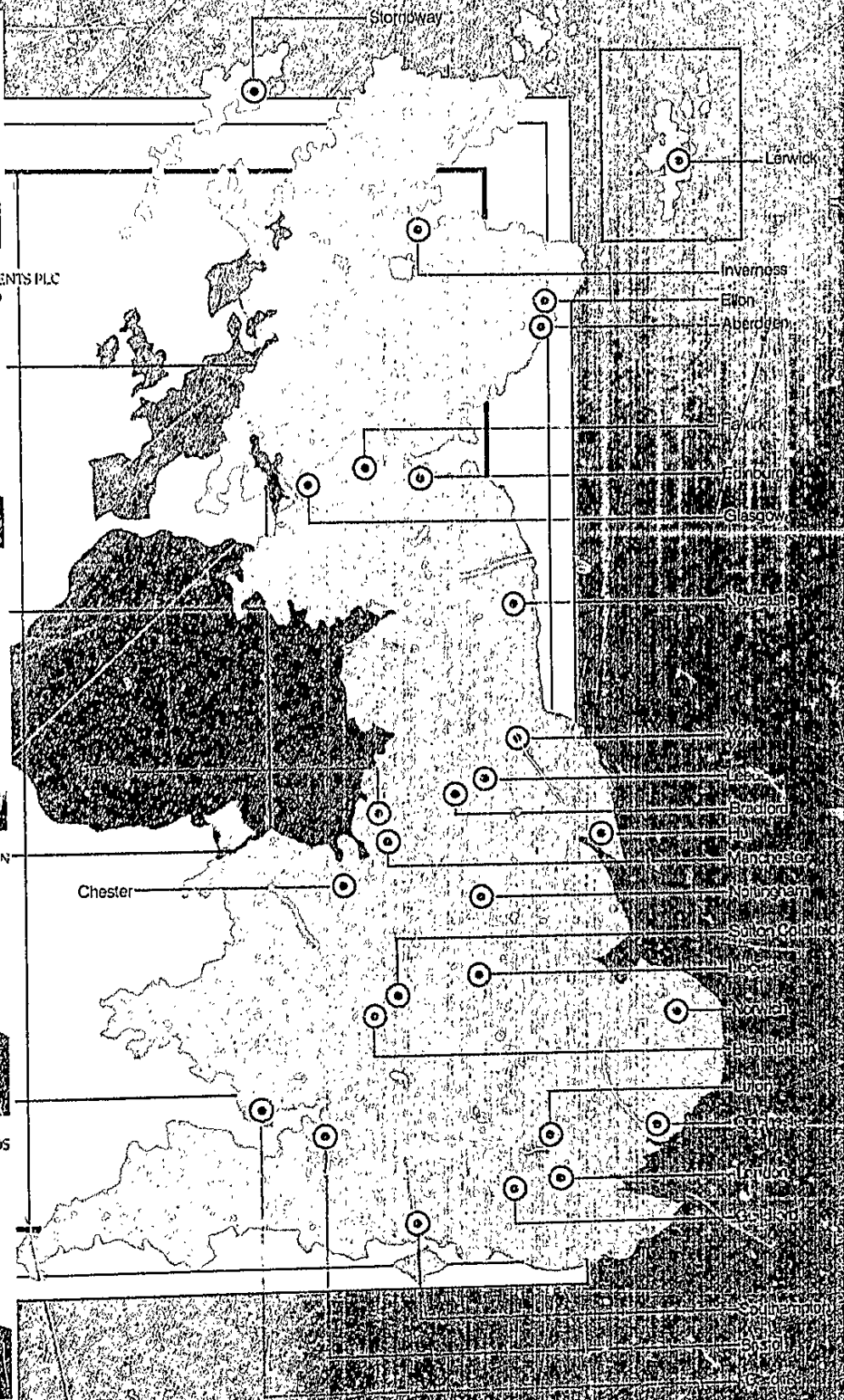
**TERRY VAN RIE**  
CHAIRMAN BARRATT NORTHERN



**KEN JONES**  
CHAIRMAN BARRATT MIDLANDS



**FRANCIS JONES**  
CHAIRMAN BARRATT SOUTHERN & SOUTH EAST



# The Barratt Group.

## GROUP OFFICE

Barratt Developments PLC,  
Wingrove House, Ponteland Road,  
Newcastle upon Tyne, NE5 3DR.  
Telephone: Newcastle 0632 866811.  
Telex: 538210.

## GROUP LONDON OFFICE

12 Carlos Place, London W1Y 7AH.  
Telephone: 01-493 9222.  
Telex: 299069.

## PROPERTY INVESTMENT

Barratt Properties Limited,  
8 Jesmond Road, Newcastle upon Tyne, NE2 4PQ.  
Telephone: 0632 818494.

## SCOTLAND REGION

Barratt Scotland Limited,  
Ythan Terrace, Ellon, Aberdeenshire, AB4 9LJ.  
Telephone: 0358 20054.  
Telex: 739770.

## HOUSEBUILDING

Barratt Aberdeen Limited,  
Marischal House, 30 Upperkirkgate, Aberdeen,  
AB1 1AU. Telephone: 0224 573262.

Barratt Edinburgh Limited,  
Braehead Mains, 603 Queensferry Road,  
Barnston, Edinburgh, EH4 6EA.  
Telephone: 031 339 7094.

Barratt Falkirk Limited,  
Mayfield House, 7 Maggie Woods Loan,  
Falkirk, Stirlingshire FK1 5SJ. Telephone: 0324 20011.

Barratt Glasgow Limited,  
90 St Vincent Street, Glasgow, G2 5UB.  
Telephone: 041 226 4031.

Barratt Urban Renewal (Scotland) Limited,  
150 West George Street, Glasgow, G2 2HG.  
Telephone: 041 352 1124.

## CONTRACTING

Barratt Construction Limited,  
Golf Road, Ellon, Aberdeenshire, AB4 9AT.  
Telephone: 0358 20765.  
Pardovan, Philipstoun, West Lothian, EH49 7RX.  
Telephone: 050 683 4701/4.

## PROPERTY INVESTMENT

Barratt Scottish Properties Limited,  
17 Great Stuart Street, Edinburgh EH3 7LT.  
Telephone: 031 226 4509.

## LEISURE PROPERTY

Barratt Multi-Ownership & Hotels Limited,  
6 Half Moon Street, London, W1Y 7RA.  
Telephone: 01 629 2731.

## NORTHERN REGION

Barratt Northern Limited,  
Alpha House, Rowlandsway, Wythenshawe,  
Manchester, M22 5QR. Telephone: 061-499 2455.

## HOUSEBUILDING

Barratt Bradford Limited,  
Idle, Bradford, West Yorkshire, BD10 8TD.  
Telephone: 0274 617621.

Barratt Chester Limited,  
2 Vicars Lane, Chester, CH1 1OT.  
Telephone: 0244 311301.  
Sales Enquiries: 0244 317992.

Barratt Hull Limited,  
General Buildings, 165/173 Beverley Road, Hull,  
North Humberside, HU3 1TY. Telephone: 0482 28645.

Barratt Leeds Limited,  
Kerry House, Kerry Street, Off Town Street,  
Horsforth, Nr. Leeds, LS18 4AW.  
Telephone: 0532 589222.

Barratt Manchester Limited,  
Worrall House, 683 Chester Road, Manchester,  
M16 0QS. Telephone: 061 872 1402.  
Sales Enquiries: 061 872 6004.

Barratt Newcastle Limited,  
Barratt House, Airport Industrial Estate,  
Kenton, Newcastle upon Tyne, NE3 2EQ.  
Telephone: 0632 869866.

Barratt Preston Limited,  
Buckingham House, Glovers Court, Preston,  
PR1 3LS. Telephone: 0772 22222.

Barratt York Limited,  
Richmond House, Millfield Lane, Poppleton, York,  
YO2 6PH. Telephone: 0904 797961.

Barratt Urban Renewal (Northern) Limited,  
23 Lime Street, Liverpool, L1 1JG.  
Telephone: 051 708 8767.

## MIDLANDS & WEST REGION

Barratt Midlands Limited,  
3rd Floor, North Wing, Monaco House, Bristol Street,  
Birmingham, B5 7AS. Telephone: 021 622 6278/9.

## HOUSEBUILDING

Barratt Birmingham Limited,  
54 Hagley Road, Fiveways, Edgbaston, Birmingham,  
B16 8PA. Telephone: 021 454 2981.

Barratt Bristol Limited,  
7 Hill Street, Bristol, Avon, BS1 5RU.  
Telephone: 0272 214701.

Barratt Leicester Limited,  
Chamwood House, Barkby Thorpe Lane,  
Thurmaston, Leicester, LE4 8GP.  
Telephone: 0533 696773/7.

Barratt Nottingham Limited,  
Broadgate House, Humber Road, Beeston,  
Nottingham, NG9 2EF. Telephone: 0602 222421.

Barratt South Wales Limited,  
Castle House, 63/69 Cardiff Road, Taffs Well,  
Cardiff CF4 7RD. Telephone: 0222 811488.

Barratt Sutton Coldfield Limited,  
Astor House, 282 Lichfield Road, Four Oaks,  
Sutton Coldfield, West Midlands, B74 2UP.  
Telephone: 021 308 3891.

## SOUTHERN REGION

Barratt Southern Limited,  
PO Box 5, Barratt House, 668 Hitchin Road, Luton,  
Bedfordshire, LU2 7XJ. Telephone: 0582 31181.

## HOUSEBUILDING

Barratt Anglia Limited,  
69/75 Thorpe Road, Norwich, Norfolk, NR1 14L.  
Telephone: 0603 616127.

Barratt Essex Limited,  
Oak House, 25 St. Peter's Street, Colchester,  
Essex CO1 1XG. Telephone: 0206 68431.

Barratt Luton Limited,  
PO Box 5, Barratt House, 668 Hitchin Road,  
Luton, Bedfordshire, LU2 7XJ.  
Telephone: 0582 422771.

Barratt Southampton Limited,  
Mitchell House, 40/60 Southampton Road, Eastleigh,  
Hants, SO5 5PA. Telephone: 0703 619812.

## CONTRACTING

Barratt Construction (Southern) Limited,  
P.O. Box 56, Jansel House, 648 Hitchin Road, Luton,  
LU2 7XT. Telephone: 0582 451991.

## PROPERTY INVESTMENT

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P.O. Box No 5, Barratt House, 668 Hitchin Road,  
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Telephone: 0582 31181.

## SOUTH EAST REGION

Barratt South East Limited,  
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Luton, Bedfordshire, LU2 7XJ.  
Telephone: 0582 31181.

## HOUSEBUILDING

Barratt Central London Limited,  
1 Wilton Road, Victoria, London, SW1 1LL.  
Telephone: 01-630 5721.

Barratt Guildford Limited,  
Barratt House, Chestnut Avenue, Guildford, Surrey,  
GU2 5HG. Telephone: 0483 505533.

Barratt South London Limited,  
Barratt House, 2 Grosvenor Road, Wallington, Surrey,  
SM6 0EE. Telephone: 01-773 1311.

## AMERICAN REGION

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20 Executive Park, Suite 280, P.O. Box 19646, Irvine,  
California CA 92714 U.S.A.  
Telephone: 010 1 714 549 0240.

## HOUSEBUILDING

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17752 Skypark Boulevard, Suite 180, Irvine,  
California CA 92715 U.S.A.  
Telephone: 010 1 714 549 0155.

Barratt Los Angeles,  
23632 Calabasas Road, Suite 201, Calabasas,  
California, CA 91302, U.S.A.  
Telephone: 010 1 213 887 2370.

Barratt Sacramento,  
2135 Butano Drive, Suite 105, Sacramento CA 95285,  
U.S.A. Telephone: 010 1 916 485 2575.

Barratt San Diego,  
3615 Kearney Villa Road, Suite 101, San Diego,  
California, CA 92123, U.S.A.  
Telephone: 010 1 714 571 5585.

Barratt San Francisco,  
875 Mahler Road, Suite 161, P.O. Box 4413,  
Burlingame, CA 97010, U.S.A.  
Telephone: 010 1 415 697 7860.

Barratt San Jose,  
Almaden II Office Center, 3150 Almaden Expressway,  
Suite 245, San Jose, California, CA 95118 U.S.A.  
Telephone: 010 1 408 265 5150.

## CITY CENTRE SALES OFFICES

Aberdeen  
Marischal House, 30 Upperkirkgate, Aberdeen,  
AB1 1AU. Telephone: 0224 573262.

Birmingham  
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Birmingham, B2 4XH. Telephone: 021 643 6586.

Edinburgh  
7-11 Shandwick Place, Edinburgh, EH2 4RG.  
Telephone: 031 229 9765/6.

Glasgow  
75 St. Vincent Street, Glasgow, G2 5UW.  
Telephone: 041 226 4031.

Inverness  
62 Church Street, Inverness IV1 1DJ.  
Telephone: 0463 224636.

Leeds  
117 The Headrow, Leeds 1.  
Telephone: 0532 431090.

Liverpool  
Concourse House, 23 Lime Street, Liverpool, L1 1JG.  
Telephone: 051 708 8767.

All the above companies are registered in England except for those marked \* which are registered in Scotland. Barratt American Inc. is registered in the United States of America.

# ANNUAL REPORT 1982

Barratt Developments PLC

# Financial Calendar

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## Announcement of results and dividends:

Half Year  
Full Year

March  
September

## Dividends paid:

Interim  
Final

May  
November

Annual Report posted to shareholders

October

Annual General Meeting

November

# Directors and Advisers

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Sir Lawrie Barratt  
Chairman and Managing Director  
W.H. Bruce  
Deputy Chairman

A.F. Rawson  
R.W.R. James, F.C.A., A.T.I.I.  
J.S.R. Swanson  
T. Van Ree, F.I.O.B., M.B.I.M.  
K.A. Janes

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M.C. Chapman, F.C.A.  
Group Financial Controller and Secretary  
Registered Office  
Wingrove House, Ponteland Road,  
Newcastle upon Tyne NE5 3DP

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**Registrar**  
Lloyds Bank PLC  
Registrar's Department  
Goring-by-Sea  
Worthing, West Sussex BN12 6DA

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**Bankers**  
Barclays Bank  
Clydesdale Bank  
Lloyds Bank  
Midland Bank  
National Westminster Bank  
Royal Bank of Scotland  
Williams & Glyn's Bank  
Bank of America  
First Interstate Bank  
Security Pacific National Bank

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**Auditors**  
Deloitte Haskins & Sells

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**Solicitors**  
Slaughter and May

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**Brokers**  
Cazenove & Co.

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**Merchant Bankers**  
S.G. Warburg & Co. Ltd.

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# Notice of Annual General Meeting

Notice is hereby given that the twenty-fourth Annual General Meeting of the company will be held at the Savoy Hotel, Strand, London WC2 on Wednesday, 24th November 1982 at 11.30 a.m., for the following purposes:

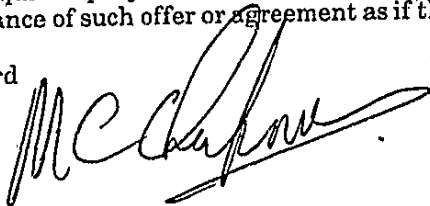
1. To receive and adopt the directors' report and the financial statements for the year ended 30th June 1982.
2. To declare a dividend.
3. To re-elect directors: Mr. A.F. Rawson and Mr. J.S.R. Swanson who retire by rotation.
4. To re-appoint Deloitte Haskins & Sells, the retiring auditors, and to authorise the directors to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolution, which will be proposed as a special resolution:

That the board be and it is hereby empowered pursuant to section 18 of the Companies Act 1980 to allot equity securities (within the meaning of section 17 of the Act) pursuant to the authority conferred by the special resolution No. 2 passed at the Extraordinary General Meeting of the company held on 24th November, 1981 as if sub-section (1) of the said section 17 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 interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them, and
- (b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £500,000.

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.

By order of the board  
M.C. Chapman  
Secretary



Wingrove House  
Ponteland Road  
Newcastle upon Tyne NE5 3DP  
22nd October 1982

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 11.15 a.m. 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.

The directors to be re-elected hold five year service contracts dated as follows:

Mr. A.F. Rawson 1st July 1979,  
Mr. J.S.R. Swanson 1st April 1979.

# Chairman's Statement

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I am pleased to report the continued expansion of the Barratt Group during the year ended 30th June 1982, notwithstanding the rather difficult trading conditions which prevailed in the housebuilding industry. Both turnover at £385m and pre-tax profit at £40m showed increases in excess of 30% over the previous year:

Whilst the number of new homes completed in the U.K. was fairly static, we were able to sell a record number — 14,000 — and as a consequence, increased our market share to around 13%. Whilst continuing to cater for the total market, currently selling from £14,000 to £400,000 our policy of aiming 70% of our production at the first-time buyer continues to hold us in good stead. Although the margins afforded by this sector of the market are generally less profitable than in the higher price ranges, it is the sector in which the constant demand provides great volume. In 1981, for instance, of the 850,000 new and second-hand house sales in the U.K. 450,000 were to first-time buyers but out of this total only 55,000 were new homes. These facts help to demonstrate the magnitude of the first-time buyer market and the fact that it is the second-hand market which is our great competitor and not the rest of the new housebuilding industry. Many first-time buyers can only embark on home ownership through the purchase of what would now be regarded as sub-standard housing, and it is our constant aim to meet this demand by offering a better product and a better investment in a new house.

The remaining 30% of our sales in the middle and top price ranges were extremely good and were greatly assisted by our part exchange scheme. This scheme has now been in operation for 10 years and offers a valuable service to existing home owners who wish to trade up or trade down locally or, indeed, to move around the country. This year we extended our nationwide service to include our California properties and this has already produced additional sales. Throughout the Group we re-sold 3,300 second-hand houses, whilst rigidly controlling our stocks.

I believe more people buy houses from Barratt than any other U.K. builder because we offer the best service to house buyers and have the widest range of products. We put a good deal of effort into marketing our product and strive to improve each year the service and financial packages we make available to our buyers. We now have over 1,000 furnished show houses exhibited in our sales centres throughout the country. Sales centres exist on every development and these are supplemented with an increasing number of city centre sales offices each year.

When we launched our revolutionary fully furnished Studio Solo product last year, we were confident that it would be well received by the large single person market which had previously been neglected by the industry, and our confidence has been fully justified with over 2,000 Studio Solos sold since March last year. This month we broadened this concept with the launch of Studio 2, which is a slightly larger product also fully furnished and fully mortgagable. The market for Studio 2 should be even greater than Studio Solo, as it will include young couples frequently with two incomes to support the mortgage. It will have all the advantages of Studio Solo, being extremely economical in energy, rates and maintenance costs.

We are currently extending our range of homes for retired people, a growing market which like the single person market has generally been neglected by the building industry. Although we provide a partial service to retired people with our range of bungalows, we are extending the choice with specifically designed retirement apartments. These apartment buildings will provide warden and visitor accommodation and many other amenities which I am confident will be well received.

During the year we extended our involvement in the inner city by implementing the concept of renovating houses belonging to the public sector for private sale. At the present time, there are about half a million public sector homes vacant for a variety of reasons, and we see this form of renovation as a means of bringing into home ownership many people who do not have the income to purchase the housing they need. Demand for home ownership in the city centres is extremely strong, and I am sure that the demand for our renovated homes will justify our faith in this new market.

We have been extremely well supported during the year in the forward mortgage allocations we receive from a number of the building societies and clearing banks. These allocations are of tremendous assistance to us and our purchasers and enable us to pre-plan continuous production on all our developments.

Overall, our land bank is of high quality and is being maintained at levels adequate for our current trading. In the South, South-East and London we will, however, be looking for opportunities to expand considerably the stocks

of land of our newest subsidiaries whose trading is among the most buoyant. Generally, the availability of land in the U.K. continued to improve during the year with the measures taken by the Government in speeding up the planning process and their pressure on the public sector to release more land for the industry.

The Government has also assisted the industry in making funds available for shared ownership, and we hope all Local Authorities will follow this example and do likewise via their HIP allocations. Shared ownership does offer the greatest opportunity of all for people who would otherwise be living in rented accommodation to embark on home ownership.

Our operations in the U.S.A. have been a little disappointing. We made a profit in the year and built and sold more houses, but the going was tough. Record interest rates prevailed during the year: unemployment in California was the highest for many years and housing starts were the lowest since 1946. To compete in the market place it was necessary to offer large mortgage subsidies creating a considerable overhead. We did, however, achieve our principal objective of building on the foundations of our two acquisitions and greatly strengthened the management teams of our six operating divisions throughout California. The biggest disappointment was the inordinate time taken to get planning permission for our new affordable product to meet the demand for first-time buyers who had been priced out of the market during the past two years. However, progress is being made, albeit slowly, and our first fully furnished Studio Solo and one bedroomed houses were launched in Fremont in July last with immediate success. A combination of a stronger management team, planning permission for our new products at the lower end of the market and interest rates at lower levels all augur well for the future.

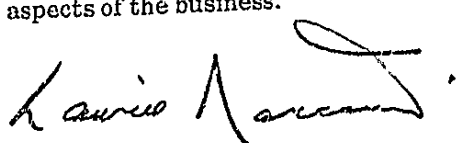
We made good progress during the year in our property investment activities. Our contracted rent roll increased from £3m to over £4m. We have every confidence in the future need for modern commercial and industrial buildings in expanding locations, and believe it to be in the long-term interests of the Group to expand our investment in this sector, both for retention and trading. Currently, we have underway a number of commercial and industrial developments, mainly in South-East England and North-East Scotland, extending to a work in progress value as at 30th June of £17m, and intend to invest a further £20 million in the coming financial year.

Our contracting activities during the year were well managed, despite the shortage of contracting work available. Turnover was increased and profit almost doubled. We have a good forward work load and steady progress should continue.

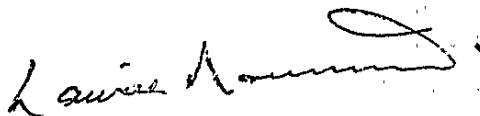
Our phased leisure development at Aviemore made good progress through time-sharing of the lodges and chalets and increased rental income. In order to increase our involvement in leisure property, we have just acquired Multi-Ownership & Hotels Limited for a deferred consideration of up to £4.5 million. Multi-Ownership was established by Mr. F. W. Chapman eight years ago when he introduced time-sharing leisure property to the U.K. Mr. Chapman will continue to manage this company, which currently has three successful developments underway — two in Scotland and one in North Wales.

Our progress during the year has been due to a great deal of hard work by our management team, our employees on all our developments and our sub-contractors. With the success they have achieved they have set themselves apart from many other firms in the industry and I extend my grateful thanks to them.

The current financial year has started on a highly promising note. Legal completions in the first four months have been well ahead of those for 1981 and, at the time of writing, we have sales reservations or contracts in hand for 4,000 houses in the U.K. which are still in the course of construction. Apart from budgeting for significantly increased sales in the U.K., we expect, notwithstanding the present difficult trading position, to make good progress in the U.S.A. with an increase in the number of houses to be built and sold. We are also expecting to expand considerably the rent roll from our investment properties. The experience to the end of October leads your Directors to be confident that the Group should be successful in achieving the expansion planned for this financial year in all aspects of the business.



Sir Lawrie Barratt





# Directors' Report

The directors have pleasure in submitting their report and the financial statements for the year ended 30th June 1982.

## Activities of the group

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

Group turnover and profit before taxation:

	Turnover		Profit	
	1982 £m	1981 £m	1982 £m	1981 £m
Building and development	360.9	262.5	36.5	28.5
Property investment	3.4	2.4	1.6	1.0
Contracting	21.5	19.8	2.1	1.0
	<u>385.8</u>	<u>284.7</u>	<u>40.2</u>	<u>30.5</u>

## Dividends and retained profit

The directors recommend payment of a final dividend on 25th November 1982 to shareholders on the register at close of business on 15th October 1982 of 8.85p net per share. This together with the interim dividend of 3.50p per share will make a total of 12.35p which taking into account the capitalisation issue represents an effective increase in dividends per share of 25 per cent.

The dividends paid and proposed amount to £9.1m and the retained profit is £23.0m.

## Acquisitions

On 6th April 1982 the group further strengthened its position in East Anglia with the acquisition of Norfolk Garden Estates Limited for a deferred cash consideration of £4.2m.

On 27th August 1982 the group increased its involvement in leisure property with the acquisition of Multi-Ownership & Hotels Limited for a deferred cash consideration of up to £4.5m.

## Investment properties

On 30th June 1982 in accordance with Statement of Standard Accounting Practice No. 19, the group internally revalued its completed investment properties and credited the resulting surplus of £3.0m to reserves.

## Current cost accounts

The group current cost profit before taxation is £37.2m (1981 £22.8m) and current cost dividend cover is 3.2 (1981 3.4).

## Share capital

The issued share capital of the company was increased during the year by the capitalisation issue of 14,819,937 new ordinary shares to existing shareholders in October 1981 on the basis of one new share of 10p for every four ordinary shares.

## Employee share participation scheme

The directors have allocated £927,000 (1981 £768,000) to the scheme for the year ended 30th June 1982 and the trustees have the power to purchase shares after 21st September 1982 although at the date of this report none of the 1982 shares had been allotted to individuals.

# Directors' Report continued

## Directors and their shareholdings

The directors who held office throughout the year were:

Sir Lawrie Barratt	J. S. R. Swanson
W. H. Bruce	T. Van Ree
A. F. Rawson	K. A. Janes
R. W. R. James	

Mr. D. Stuard resigned on 21st June, 1982.

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

	30th JUNE 1982			1st JULY 1981		
	ORDINARY SHARES OF 10p EACH			ORDINARY SHARES OF 10p EACH		
	fully paid	1p paid	executive share incentive scheme	fully paid	1p paid	executive share incentive scheme
Sir Lawrie Barratt	1,143,271	—	—	1,619,363	—	—
W. H. Bruce	161,691	—	—	129,099	—	—
A. F. Rawson	8,079	10,000	13,437	6,210	10,000	8,750
R. W. R. James	7,911	4,100	5,508	5,075	4,100	3,587
J. S. R. Swanson	12,011	4,100	5,508	9,355	4,100	3,587
T. Van Ree	3,230	4,100	5,508	2,330	4,100	3,587
K. A. Janes	110,388	—	—	88,057	—	—

No notification has been received of any change in the above interests during the period from 30th June 1982 to the date of this report.

All the directors are eligible for inclusion in the employee share participation scheme.

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

According to notification received by the company the Norwich Union Insurance Group and Standard Life Assurance Company each hold 5.1% of the issued share capital. The directors are not aware that any other person or corporation holds 5%, or more, of the issued share capital.

## Employees

The average number of persons employed in the United Kingdom by the group under contracts of service during the year was 4,533 and their aggregate remuneration amounted to £32.5m. In addition the group employed a substantial number of persons through sub-contractors on developments.

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

## Taxation

The company is not a close company under the provisions of the Income and Corporation Taxes Act 1970.

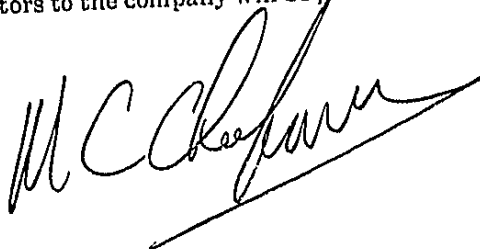
## Directors' Report continued

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### Auditors

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

On behalf of the board  
M. C. Chapman  
Secretary  
Newcastle upon Tyne  
22nd October 1982

A handwritten signature in dark ink, appearing to read 'M C Chapman', written over a horizontal line.

# Auditors' Report

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**To the members of Barratt Developments PLC**

We have audited the financial statements on pages 11 to 20 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30th June 1982 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981.

In our opinion the abridged supplementary current cost financial statements on pages 21 to 23 have been properly prepared, in accordance with the policies and methods described, to give the information required by Statement of Standard Accounting Practice No. 16.

Deloitte Haskins & Sells  
Chartered Accountants  
Newcastle upon Tyne  
22nd October 1982

*Deloitte Haskins & Sells*



# Group Profit and Loss Account

for the year ended 30th June 1982	Note	1982 £m	1981 £m
<b>Turnover</b>		<u>385.8</u>	<u>284.7</u>
<b>Profit before taxation</b>	1	40.2	30.5
<b>Taxation</b>	3	<u>8.1</u>	<u>(0.4)</u>
<b>Profit after taxation</b>		32.1	30.9
<b>Dividends</b>	4	9.1	6.9
<b>Retained profit</b>		<u>23.0</u>	<u>24.0</u>
<b>Dividend cover</b>		3.5	4.5
<b>Earnings per share</b>	6		
Before taxation		54.3p	48.9p
After taxation		43.4p	49.5p

# Group Balance Sheet

at 30th June 1982	Note	1982 £m	1981 £m
Investment properties	7	<u>76.3</u>	<u>50.8</u>
Fixed assets	8	<u>3.4</u>	<u>3.9</u>
Current assets			
Work in progress	9	257.8	214.0
Debtors	10	26.1	20.6
Bank deposits		<u>9.8</u>	<u>12.7</u>
		<u>293.7</u>	<u>247.3</u>
Current liabilities			
Bank overdrafts (secured)		31.7	18.9
Creditors	11	102.9	80.6
Current taxation	3	9.6	5.7
Dividend		<u>6.6</u>	<u>5.2</u>
		<u>150.8</u>	<u>110.4</u>
Net current assets		<u>142.9</u>	<u>136.9</u>
Loans	12	43.2	45.0
Deferred taxation (asset)	3	<u>0.7</u>	<u>(1.8)</u>
		<u>175.7</u>	<u>148.4</u>
Share capital	13	7.4	5.9
Reserves	14	<u>168.3</u>	<u>142.5</u>
		<u>175.7</u>	<u>148.4</u>
Net assets per share	6	237p	200p

Sir Lawrie Barratt } Directors  
R. W. R. James

The financial statements were approved by the board of directors on 22nd October 1982.

# Statement of Source and Application of Funds

	1982 £m	1981 £m
for the year ended 30th June 1982		
<b>Source</b>	<b>40.2</b>	<b>30.5</b>
Profit before taxation	1.2	(0.6)
Items not involving the movement of funds	<u>41.4</u>	<u>29.9</u>
<b>Generated from operations</b>		
<b>Funds from other sources</b>	<b>2.5</b>	<b>8.9</b>
Loans	0.7	3.6
Sale of investment properties and fixed assets	2.0	—
Taxation in subsidiaries at date of acquisition	—	21.8
Rights issue	<u>46.6</u>	<u>64.2</u>
<b>Funds available</b>		
<b>Application</b>	<b>23.5</b>	<b>10.9</b>
Investment properties and fixed assets	—	(5.1)
Subsidiary not consolidated	4.1	1.9
Taxation	7.7	5.0
Dividends	<u>35.3</u>	<u>12.7</u>
<b>Increase in working capital</b>	<b>43.8</b>	<b>46.7</b>
Work in progress	5.5	10.0
Debtors	(22.3)	(14.8)
Creditors		
<b>Movement in net liquid funds:</b>	<b>(15.7)</b>	<b>9.6</b>
(Increase) Decrease in bank borrowings	<u>46.6</u>	<u>64.2</u>

The details of acquisitions are shown in note 16.

# Accounting Policies

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**(a) Basis of accounting**

The company prepares its financial statements on the historical cost basis of accounting including the revaluation of certain fixed assets and investment properties. Supplementary accounts are prepared on the current cost basis of accounting.

**(b) Consolidation**

- (i) The group financial statements include the results of the holding company and all its subsidiary companies.
- (ii) Results of subsidiary companies acquired during the year are included from the effective date of acquisition. On the acquisition of a company fair values are attributed to the net assets acquired. The difference between the consideration paid and these values is transferred to reserves.

**(c) Turnover**

Turnover represents legal completions of new houses and amounts invoiced for other income, excluding inter-company transactions.

**(d) Basis of taking profit**

- (i) Building and development profit is taken on legal completion.
- (ii) 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; provision is made for any anticipated losses.

**(e) Interest payable**

Interest is written off when incurred except:

- (i) In accordance with accounting standards and practice of the United States of America, interest relating to work in progress in that country is included in cost.
- (ii) When included in the cost of investment property under development.

**(f) Work in progress**

Work in progress is valued at the lower of cost and net realisable value. Long term contracting work in progress includes attributable overheads and profits earned to date less foreseeable losses.

**(g) Investment properties**

Completed investment properties are included in the balance sheet at their open market value. Properties under development are stated at cost including attributable overheads and interest.

**(h) Fixed assets**

- (i) Freehold properties are not depreciated as it is policy to maintain them to such a standard that the estimated residual value is not less than book value.
- (ii) Short leasehold properties are depreciated over the unexpired term of the lease.
- (iii) Plant is depreciated on a straight line basis over its expected useful life which ranges from one to ten years.

**(i) 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 the average rate for the year. Gains and losses arising from translation are transferred to reserves.

**(j) Deferred taxation**

Provision is made for deferred taxation for all liabilities that may arise in the foreseeable future.



# Notes to the Financial Statements

	1982 £m	1981 £m
<b>1. Profit before taxation</b>		
After crediting:	1.6	1.0
Property investment income	—	0.7
Profit on sale of:	0.1	0.2
Investment properties	1.3	—
Fixed assets		
Profit on purchase of debentures	10.2	9.2
After charging:	0.8	0.5
Interest (note 2)	1.0	1.5
Directors' management remuneration	6.1	4.0
Depreciation	0.3	0.3
Plant hire		
Auditors' remuneration		

The 1981 profit before taxation is stated after charging an ex-gratia payment to a former director of £25,000.

	1982 £m	1981 £m
<b>2. Interest</b>		
Interest payable:	0.3	0.2
Long term loans	15.4	13.4
Bank and short term borrowings	(1.7)	(1.4)
Receivable	14.0	12.2
Less: Included in the cost of investment properties under development	(1.1)	(1.1)
gross of tax relief of £0.6m (1981 £0.6m)	(2.7)	(1.9)
Increase in interest carried in work in progress	10.2	9.2

	1982 £m	1981 £m
<b>3. Taxation</b>		
(a) Profit and loss account		
United Kingdom:		
Corporation tax at a rate of 52%	8.7	7.1
Transfer to (from) deferred taxation	0.2	(7.8)
Advance corporation tax written back	—	(0.2)
Overseas:		
Transfer (from) to deferred taxation	(0.8)	0.5
	8.1	(0.4)

The taxation charge for the year has been reduced by £9.5m (1981 £16.1m) because of stock relief and other timing differences.

# Notes to the Financial Statements continued

3. Taxation (continued)	1982 £m	1981 £m
(b) Current taxation		
Group: Corporation tax	5.7	2.8
Advance corporation tax	3.9	2.9
	<u>9.6</u>	<u>5.7</u>
Company: Corporation tax	0.3	0.2
Advance corporation tax	3.9	2.9
	<u>4.2</u>	<u>3.1</u>
(c) Deferred taxation (asset)		
United Kingdom:		
Timing differences	5.6	3.4
Advance corporation tax recoverable	(4.9)	(6.0)
Overseas:		
Timing differences	—	0.8
	<u>0.7</u>	<u>(1.8)</u>

If the group property portfolio was to be realised at book value a taxation liability of £8.3m would arise (1981 £6.8m). Unabsorbed tax losses which at current rates amount to £2.2m (1981 £2.8m) are available to set against future trading profits of certain group companies. The company deferred asset represents advance corporation tax recoverable less deferred taxation on timing differences.

4. Dividends	1982 £m	1981 £m
Paid 3.50p per share	2.5	1.7
Proposed 8.85p per share	6.6	5.2
	<u>9.1</u>	<u>6.9</u>

## 5. Directors' and employees' remuneration excluding pension contributions

The emoluments of the chairman were £127,401 (1981 £91,625).

Remuneration of other directors, and employees whose emoluments exceed £20,000, other than those working overseas:

	Number of directors		Number of employees			Number of directors		Number of employees	
	1982	1981	1982	1981		1982	1981	1982	1981
£15,001—£20,000	—	1	—	—	£50,001—£55,000	—	—	6	3
£20,001—£25,000	—	—	20	27	£55,001—£60,000	—	—	2	—
£25,001—£30,000	—	—	31	23	£60,001—£65,000	—	—	1	—
£30,001—£35,000	—	1	18	29	£65,001—£70,000	—	5	1	—
£35,001—£40,000	—	—	28	10	£90,001—£95,000	1	—	—	—
£40,001—£45,000	—	—	17	4	£100,001—£105,000	4	—	—	—
£45,001—£50,000	—	—	4	5	£105,001—£110,000	1	—	—	—

## 6. Earnings and net assets per share

The earnings per share calculations are based on earnings of £40.2m (1981 £30.5m) before taxation, £32.1m (1981 £30.9m) after taxation and 74,027,973 ordinary shares (1981 weighted average 49,844,101 as adjusted to 62,308,125).

The net assets per share at 30th June 1982 are calculated on shareholders' funds of £175.7m (1981 £148.4m) and 74,027,973 ordinary shares (1981 59,222,376 as adjusted to 74,027,973).

# Notes to the Financial Statements continued

7. Investment properties	Completed	Under development	Ground rents	Total
	£m	£m	£m	£m
Cost and valuation	38.9	9.1	2.8	50.8
At 1st July 1981	3.2	18.7	0.6	22.5
Additions	10.6	(10.6)	—	—
Completed during year	3.0	—	—	3.0
Revaluation surplus	—	—	—	—
At 30th June 1982	55.7	17.2	3.4	76.3
Consisting of:				
Freehold	36.4	13.2	3.4	53.0
Long leasehold	19.3	4.0	—	23.3
	55.7	17.2	3.4	76.3
Consisting of:				
Valuation on 30th June 1982	55.7	—	—	55.7
Cost	—	17.2	3.4	20.6
	55.7	17.2	3.4	76.3

The group's portfolio of completed investment properties was internally valued at 30th June 1982 on an open market basis by the managing directors of the respective property subsidiaries, D. A. Billson, F.R.I.C.S., F. J. Hutchins, F.R.I.C.S. and I. G. McCallum, F.R.I.C.S.

The portfolio was valued externally on 30th June 1981.

At 30th June 1982 the group had authorised and contracted for £7.3m (1981 £1.7m) and authorised but not contracted £3.9m (1981 £7.4m) of expenditure on investment properties.

8. Fixed assets	Property	Plant	Group Total	Company Total
	£m	£m	£m	£m
Cost and valuation	1.5	7.2	8.7	0.6
At 1st July 1981	—	1.0	1.0	—
Additions	(0.3)	(1.6)	(1.9)	—
Disposals	—	—	—	—
At 30th June 1982	1.2	6.6	7.8	0.6
Consisting of:				
Cost	0.7	6.6	7.3	0.6
Valuation 1976	0.5	—	0.5	—
	1.2	6.6	7.8	0.6
Accumulated depreciation	—	4.4	4.4	0.2
Net book value at 30th June 1982	1.2	2.2	3.4	0.4
Net book value at 30th June 1981	1.4	2.5	3.9	0.4

Property consists of freehold £0.9m and short leasehold £0.3m.

# Notes to the Financial Statements continued

9. Work in progress	1982 £m	1981 £m
Building and development	254.6	213.5
Contracting:		
Short term	2.1	0.1
Long term	21.4	19.0
Less: long term progress payments	(20.3)	(18.6)
	<u>257.8</u>	<u>214.0</u>

## 10. Debtors

Debtors include secured amounts of £10.2m (1981 £5.7m) not receivable within one year of the balance sheet date.

Debtors include an amount of £10,000 (1981 £15,000) advanced by a subsidiary to a director to assist his house purchase on relocation in the group.

## 11. Creditors

Creditors include £25.9m (1981 £14.4m) relating to secured creditors, mainly in respect of land purchases.

## 12. Loans

	Group		Company	
	1982 £m	1981 £m	1982 £m	1981 £m
Secured bank loans	41.9	38.9	13.3	13.2
5.5% debentures	4.3	6.1	—	—
	<u>46.2</u>	<u>45.0</u>	<u>13.3</u>	<u>13.2</u>
Repayable:				
Within 1-2 years	2.6	2.6	0.6	0.6
Within 2-5 years	30.7	25.6	10.3	8.8
After 5 years	12.9	16.8	2.4	3.8
	<u>46.2</u>	<u>45.0</u>	<u>13.3</u>	<u>13.2</u>

## 13. Share capital

	1982 £m	1981 £m
Authorised: 100,000,000 ordinary shares of 10p each	<u>10.0</u>	<u>7.0</u>
Issued: Ordinary shares of 10p each		
Fully paid—74,027,973 ordinary shares		
—41,116 restricted ordinary shares	7.4	5.9
1p paid —30,600 ordinary shares		



# Notes to the Financial Statements continued

14. Reserves	Group £m	Company £m
At 1st July 1981	142.5	51.9
Retained profit for the year	23.0	1.7
Revaluation surplus	3.0	—
Gain on exchange rates	1.3	—
Capitalisation issue	(1.5)	(1.5)
	<u>168.3</u>	<u>52.1</u>
Consisting of:	45.2	45.2
Share premium	18.9	—
Revaluation surplus	1.8	—
Exchange gain	102.4	6.9
Retained profits	<u>168.3</u>	<u>52.1</u>

15. Subsidiary companies	1982 £m	1981 £m
Shareholdings at cost less amounts written off	15.2	18.0
Net amounts due from subsidiary companies	<u>58.2</u>	<u>52.0</u>
	<u>73.4</u>	<u>70.0</u>

The principal subsidiary companies are set out on page 41 of the Group Profile.

## 16. Acquisitions

The net assets acquired during the year were:

	1982 £m	1981 £m
Work in progress	8.2	42.7
Debtors	0.1	5.1
Bank overdrafts	(1.3)	(15.6)
Creditors	(0.8)	(3.8)
Deferred taxation	(2.0)	—
5.5% debentures	—	(6.1)
	<u>4.2</u>	<u>22.3</u>

## 17. Companies Act 1981

The group is not yet required to comply with the accounting and disclosure provisions of Part 1 of the Companies Act 1981. These requirements will be complied with for the first time in the financial statements for the year ending 30th June 1983.

# Company Balance Sheet

at 30th June 1982	Note	1982 £m	1981 £m
<b>Assets:</b>			
Subsidiary companies	15	73.4	70.0
Fixed assets	8	0.4	0.4
Bank deposits		8.5	7.0
Debtors		0.5	0.2
Deferred asset	3	4.6	5.8
		<u>87.4</u>	<u>83.4</u>
<b>Less liabilities:</b>			
Creditors		3.8	4.1
Current taxation	3	4.2	3.1
Dividend		6.6	5.2
Loans	12	13.3	13.2
		<u>27.9</u>	<u>25.6</u>
		<u>59.5</u>	<u>57.8</u>
<b>Share capital</b>	13	7.4	5.9
<b>Reserves</b>	14	52.1	51.9
		<u>59.5</u>	<u>57.8</u>

Sir Lawrie Barratt } Directors  
R. W. R. James

*Lawrie Barratt*  
*R. W. R. James*

The financial statements were approved by the board of directors on 22nd October 1982.

# Current Cost Accounting Policies

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**(a) Basis of accounting**

The company prepares its supplementary current cost financial statements on the basis of its historical cost accounting policies as modified below.

**(b) Cost of sales**

The adjustment has been calculated either by use of government indices or, in the case of land held for development, by internal revaluations. Work in progress is included in the balance sheet at replacement cost.

**(c) Monetary working capital**

The adjustment has been calculated using government indices on the element of work in progress not included in the cost of sales adjustment, debtors and trade creditors.

**(d) Gearing**

This adjustment is calculated on a group basis excluding exempt property companies and reduces the current cost adjustments by the proportion of the net operating assets which have been financed by borrowings.

**(e) Fixed assets**

Property has been internally revalued. Any other adjustments are immaterial.

## Group Current Cost Profit and Loss Account

for the year ended 30th June 1982	1982 £m	1981 £m
Turnover	<u>385.8</u>	<u>284.7</u>
Historic cost profit before taxation	40.2	30.5
Interest payable	<u>10.2</u>	<u>9.2</u>
Historic cost profit before interest	50.4	39.7
Current cost operating adjustments	<u>4.8</u>	<u>13.4</u>
Current cost operating profit	45.6	26.3
Gearing adjustment	1.8	5.7
Interest payable	<u>(10.2)</u>	<u>(9.2)</u>
Current cost profit before taxation	37.2	22.8
Taxation	<u>8.1</u>	<u>(0.4)</u>
Current cost profit after taxation	29.1	23.2
Dividends	<u>9.1</u>	<u>6.9</u>
Retained current cost profit	<u>20.0</u>	<u>16.3</u>
 Dividend cover	 3.2	 3.4
 Current cost earnings per share		
Before taxation	50.2p	36.6p
After taxation	39.3p	37.2p

# Group Current Cost Balance Sheet

	1982 £m	1981 £m
at 30th June 1982		
Investment properties	76.3	50.8
Fixed assets	4.3	4.8
Current assets	263.9	222.1
Work in progress	26.1	20.6
Debtors	9.8	12.7
Bank deposits	299.8	255.4
	150.8	110.4
Current liabilities	149.0	145.0
Net current assets	46.2	45.0
Loans	0.7	(1.8)
Deferred taxation (asset)	182.7	157.4
	7.4	5.9
Share capital	175.3	151.5
Reserves	182.7	157.4
	246p	213p
Net assets per share		

## Notes to the Current Cost Accounts

	1982 £m	1981 £m
1. Operating adjustments		
Cost of sales	4.3	14.4
Monetary working capital	0.5	(1.0)
	4.8	13.4
2. Reserves		
At 1st July 1981	151.5	
Retained current cost profit	20.0	
Unrealised adjustments	(2.0)	
Realised adjustments	3.0	
Other historical cost adjustments	2.8	
	175.3	
Consisting of:		
Share premium	45.2	
Unrealised historical cost	20.7	
Unrealised current cost	7.0	
Realised current cost	10.7	
Revenue reserve	91.7	
	175.3	



# Historic Ten Year Record

Year	Turnover £m	Profit before tax £m	Share capital and reserves £m	Per ordinary share		
				earnings pence	gross dividend pence	net assets pence
1982	385.8	40.2	175.7	43.4	17.6	237
1981	284.7	30.5	148.4	49.5	14.1	200
1980	220.4	24.7	80.2	34.2	10.9	141
1979	163.2	18.2	69.9	30.3	9.1	114
1978	122.2	11.2	55.9	23.1	7.5	98
1977	99.3	7.4	38.4	14.8	6.6	85
1976	81.8	9.7	33.7	18.7	6.0	74
1975	44.6	6.1	12.4	8.6	5.5	38
1974	31.8	6.5	7.8	12.0	3.4	34
1973	21.8	5.6	5.6	13.3	3.3	25

Earnings, gross dividend and net assets per share have been adjusted to take account of the rights and bonus issues.

## Analysis of Ordinary Shareholdings

Category	Accounts		Shares	
	Number	% of total	Number	% of total
Insurance companies	44	0.5	6,883,579	9.3
Pension funds	44	0.5	4,021,047	5.4
Nominee holdings	575	6.3	32,244,449	43.6
Other corporate bodies	668	7.4	15,482,978	20.9
Individuals	7,708	85.3	15,395,920	20.8
<b>TOTAL</b>	<b>9,039</b>	<b>100.0</b>	<b>74,027,973</b>	<b>100.0</b>
<b>Holdings</b>				
1 to 500	2,141	23.7	605,308	0.8
501 to 2,500	5,206	57.6	6,627,782	8.9
2,501 to 10,000	1,242	13.7	5,322,659	7.2
10,001 to 25,000	154	1.7	2,549,599	3.5
25,001 to 50,000	89	1.0	3,489,542	4.7
50,001 to 100,000	61	0.7	4,670,231	6.3
100,001 and over	146	1.6	50,762,852	68.6
<b>TOTAL</b>	<b>9,039</b>	<b>100.0</b>	<b>74,027,973</b>	<b>100.0</b>

