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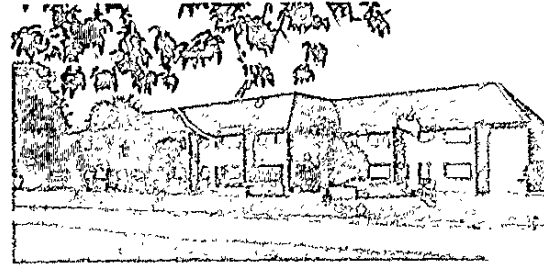
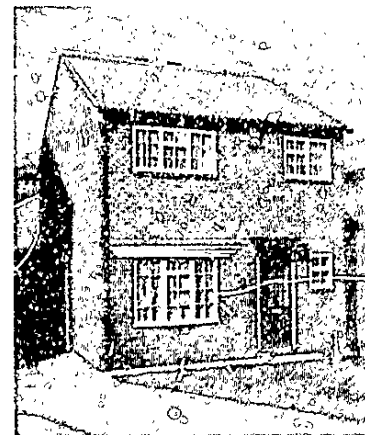
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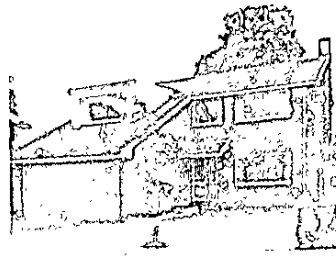
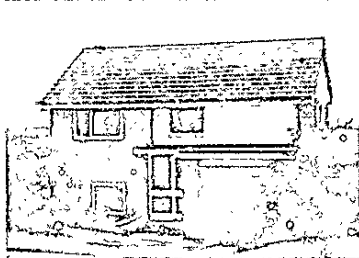
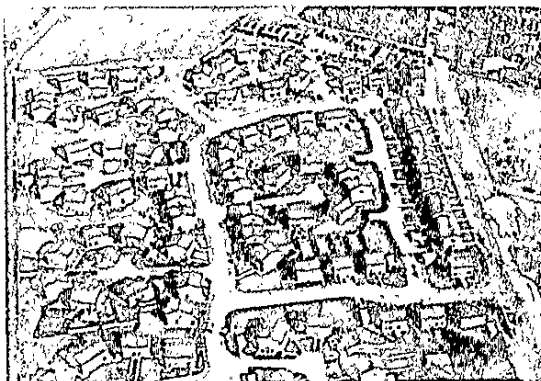
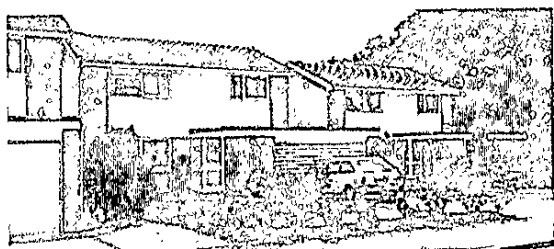
Southern

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Top left: Glenavon, Bristol, an impressive historic building, listed Grade II, being converted into luxury apartments by Barratt Investments. **Top right:** The revolutionary one bedroomed Mayfair - seen here built at Bury St. Edmunds, by Barratt Anglia. Mayfairs are now being sold nationwide. **Centre:** One of the many house types available in the south east of England - this one is built at East Ginstead by Barratt London. **Bottom left:** Mews houses at Southampton, part of a 120 house development by Barratt Bristol. **Bottom right:** Barratt Contracting built these elderly persons flats at Houghton Regis, Bedfordshire, for South Bedfordshire District Council.

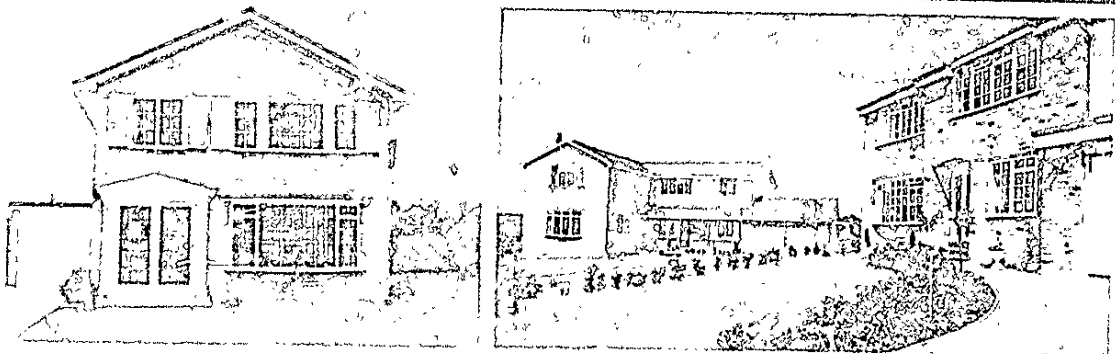
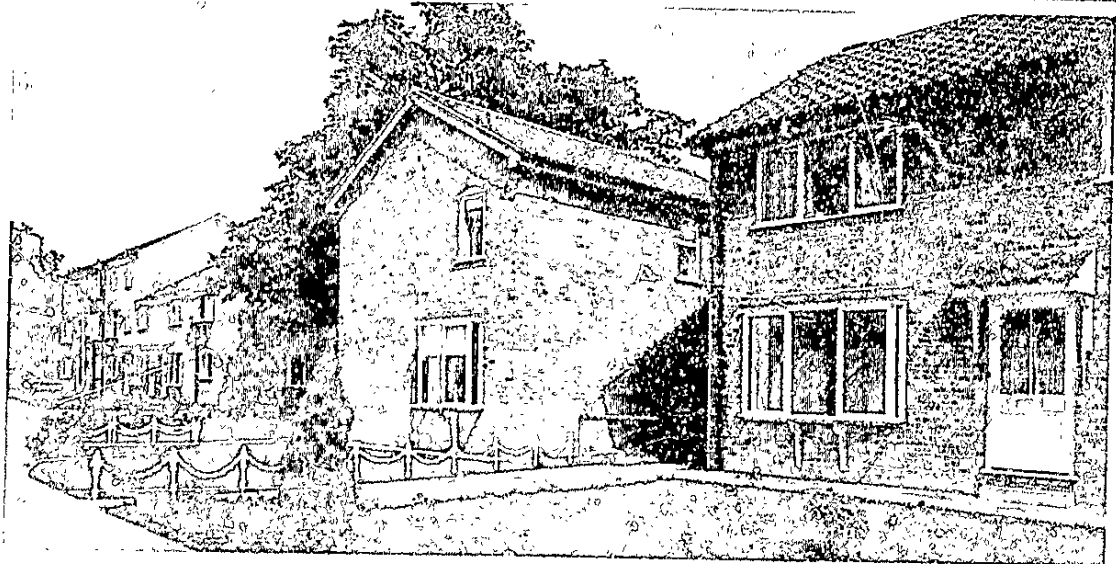
Midlands & North West



Top left: Executive detached houses at Poynton near Manchester, by Barratt North West. **Top right:** Private housing in the inner city area of Liverpool, the first of over 1,000 houses to be built there by Barratt Chester. **Centre:** Ash Homes' first houses on their prestigious 162 house development at Sutton Coldfield. **Bottom left:** An interesting split level design by Barratt North West at Marple, Cheshire. **Bottom centre:** Highly popular three and four bedroom houses are pictured here at Barratt Birmingham's development at Reddish New Town. **Bottom right:** Two elegant, luxury and exclusive detached houses at Tuttenhall, Cheshire, by Barratt Chester.

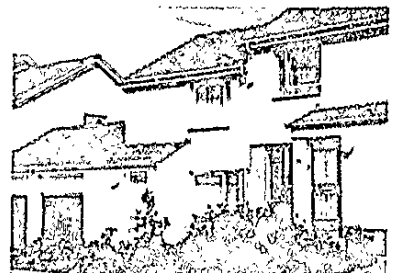
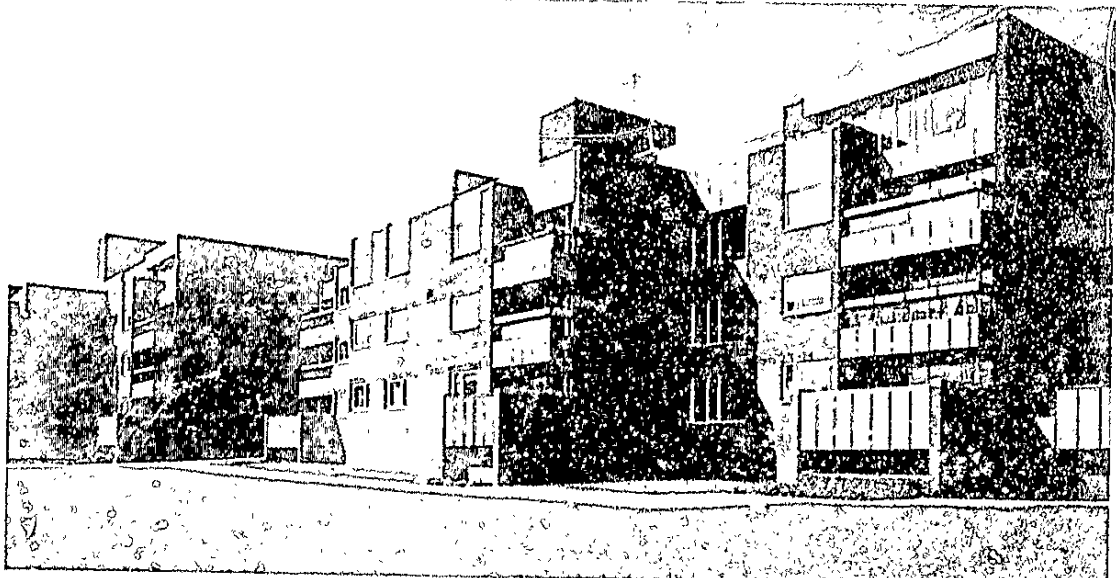
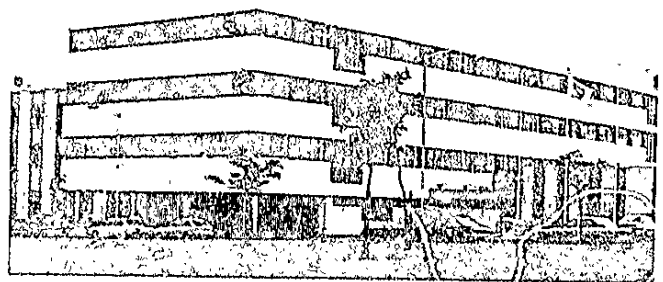
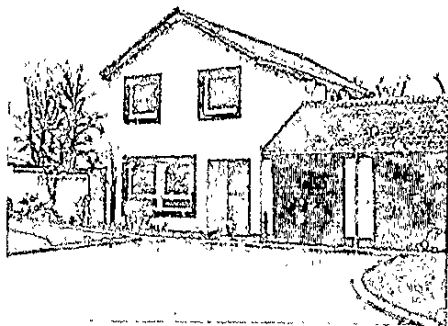


Northern



Top left: An attractive private housing development at Adel Green, Leeds, by Barratt Leeds. **Top right:** The popular Richmond 3-bedroom detached houses built by Barratt Northern, at the 320 house Redesdale Park Development, Newcastle. **Centre:** This housing development by Barratt Hull won the Beverley Borough Council Planning & Development Award 1979. **Bottom left:** Barratt York won the 1979 Homefinder of the Year Award with this Cheshambury house type. **Bottom right:** Houses with special character are a feature of this development at Reddon York, built by Barratt Bradford.

Scotland



Top left: The popular C18ha 3 bedroomed detached house built here at Irvine New Town by Barratt Falkirk **Top right:** B.P.'s Oil Exploration Headquarters in Aberdeen, recently completed by Barratt Construction **Centre:** Luxury flats selling at up to £100,000 in Glasgow, built by James Harrison Contracts **Bottom left:** A rural development near Aberdeen built by Barratt Aberdeen to meet the city's dramatically increasing housing needs **Bottom right:** Attractively linked 2 bedroomed houses at Glasgow. Designed for the first time buyer by Barratt Glasgow.

L.A. Barratt, F.C.I.S.
Chairman and Managing Director
J. Cassidy, F.C.A.
Deputy Chairman

W.H. Bruce
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.

Secretary and Registered Office

I.D. MacLeod, A.C.I.S., A.I.B.
Wingrove House, Ponteland Road
Newcastle upon Tyne NE5 3DP

Registrar

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

Bankers

Barclays Bank Limited
Clydesdale Bank Limited
Lloyds Bank Limited
Midland Bank Limited
National Westminster Bank Limited
Williams & Glyn's Bank Limited

Solicitors

Slaughter and May
London

Auditors

Deloitte Haskins & Sells
Newcastle upon Tyne

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Notice of Annual General Meeting

Notice is hereby given that the twenty-first Annual General Meeting of the company will be held at the Savoy Hotel, Strand, London WC2 on Wednesday, 21st November 1979 at 12.00 noon, for the following purposes:

1. To receive and adopt the directors' report and the audited accounts for the year ended 30th June 1979.
2. To declare a dividend.
3. To re-elect directors: Mr. W. H. Bruce who retires by rotation and Mr. J. S. R. Swanson and Mr. T. Van Ree who retire at the first annual general meeting following their appointment.
4. To re-appoint Deloitte Haskins & Sells, the retiring auditors, and to authorise the directors to fix their remuneration.

By order of the Board

I. D. MacLeod

Secretary

Wingrove House

Ponteland Road

Newcastle upon Tyne NE5 3DP

26th October 1979

Any member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and, on a poll, to vote instead of him.

The following documents will be available for inspection at the registered office during business hours from the date of this Notice until the date of the Annual General Meeting, and on that day they will be available for inspection at the place of the meeting from 11.45 a.m. until the conclusion of the meeting.

1. 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.

Chairman's Statement

I am pleased to report that in its 21st year of operation the Barratt Group is able to report its most successful year ever. Your group continues to expand through its management strength within its structure of 30 operational subsidiaries with coverage from the Shetland Islands to Southampton. During 1979 its expansion has been particularly noteworthy in Southern England, the Midlands and South Wales. The group completed over 10,000 houses and again increased its market share. It is now operating on 350 sites throughout Britain and is serving the entire needs of the housebuying public within a present price range of £11,000 to £110,000.

The group's record profits of £20.6m. arose principally from real growth in its housebuilding activities. As market leaders in the private housing industry I have no doubt that we shall continue to increase our market share in the future. The marketing skills we have introduced to the industry in recent years will enable us to materially assist in meeting the enormous unsatisfied demand for home ownership. With the positive encouragement now being given by the new government there must be every possibility of increasing home ownership from the present 54% to 70% through the 1980's. We are greatly increasing our developments in the new towns and the inner cities where we have numerous schemes in hand for urban redevelopment.

At the same time we have considerably increased our involvement in property investment with the acquisition of a number of sites in areas of demand for industrial and commercial development. The extension of this sector of our activities will greatly increase our property investment income during the next two years, during which period it will rise from the present £1.2m. to over £3m. per annum. At the 30th June last, your directors revalued the completed industrial and commercial property investments, and are of the opinion that the market value exceeds the £14m. book value by over £6m. Projects currently in course of development have not been revalued, but when completed will double the value of the group's total investment portfolio to over £40m. We have continued our policy of rationalising our investment properties by further sales of residential investment properties, of which only a small number now remain to be sold. We have also embarked, with immediate success, on the restoration and conversion to luxury flats of historic buildings.

Whilst the amount of work available for our contracting subsidiaries was extremely limited due to cut-backs in both the public and private sectors, we have maintained a similar contracting involvement to previous years.

In line with our overall expansion we greatly increased our investment in land and work in progress which amounts to £100m. at the end of the year against £72m. last year. Our future is assured with the high quality and spread of our land holdings for residential, commercial and industrial developments. Against this further investment our bank overdrafts have only increased by £12m. and we have available over £40m. of unused facilities, all from the major clearing banks. We have a strong balance sheet showing shareholders funds now amounting to £74m. It is interesting to compare this figure with the corresponding amount in 1970 which was less than £2m. In this ten year period profits have risen from £700,000 to over £20m. and earnings per share have risen from 2.3p to 26.9p on the basis of a notional full tax charge, or to 54.3p with the actual tax charge. This represents increases in earnings per share of 1,069% or 2,260% respectively.

Your board are proposing a final dividend of 7.3p per share, which together with the interim dividend of 2.9p already paid, makes a total of 10.2p being a 25% rise on the year.

Chairman's Statement Continued

In my last statement I reported that in October 1978 we had agreed to purchase Ash Homes Limited, an old established Birmingham housebuilder, for a consideration of £2.6m. This subsidiary has now been fully integrated into the group and during the 8 months ended 30th June last, produced a profit of £842,000. The acquisition of Ash Homes is clearly a first class investment and from its base in Sutton Coldfield will most assuredly prosper in the lucrative market of the West Midlands. In addition, we have established 4 new private housing subsidiaries in Glasgow, Birmingham, Cardiff and Preston and a further property investment subsidiary based in Edinburgh. We have now a national network of 30 operating subsidiaries, 22 of which are in private housing, 3 in property investment and 5 are engaged in specialist and general contracting.

We have strengthened our management considerably to ensure our continued expansion. I extend a warm welcome to two of our very successful managing directors who have joined the main board. Mr. J. S. R. Swanson, formerly operating in Aberdeen, was appointed group sales director on 2nd April 1979, and Mr. T. Van Ree, formerly operating in Manchester, was appointed chairman of the Midlands subsidiaries on 1st July 1979. Your board now comprises four subsidiary chairmen based throughout the country, a finance director, a sales director and myself. In addition, we have in the subsidiaries 30 managing directors and 85 other directors.

I should like to extend my grateful thanks to all my colleagues for their dedication to the group and their considerable efforts during the year in achieving such outstanding results. I am sure that you will support the introduction of the proposed Share Participation Scheme for the benefit of all our employees.

It is now 21 years since your company was formed and having come of age we are poised for tremendous growth through the 1980's. We have a three year land bank and with house prices now keeping pace with current income levels I am satisfied that profit margins have now been restored to a more realistic level.

Our policy of increasing our property investment portfolio will generate greatly increased income and capital growth. We have recently acquired a large site at Aviemore, which will give us diversification into this established year round leisure orientated area. This development of both residential and commercial properties will be phased over three to four years and will generate sound trading profits and rental income.

In the formative years of your company's growth we have borne in mind at all times the twin responsibilities to our employees and our shareholders. As Britain's major private housebuilder we also recognise our third responsibility—a social responsibility to meet the housing needs of this country.



L. A. Barratt
Chairman

26th October 1979

The directors have pleasure in submitting their report and the audited accounts for the year ended 30th June 1979.

Activities of the group

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

	Turnover £'000	Profit £'000
Housebuilding	147,961	18,777
Property investment income	1,515	1,185
Property conversions	1,620	367
Contracting	15,007	(727)
Land sales	2,315	378
Residential investment property sales	1,357	678
	<u>169,775</u>	<u>20,658</u>

Dividends and retained profit

The directors recommend payment of a final dividend on the 22nd November 1979 to shareholders on the register at close of business on 25th October 1979 of 7.355p net per share. This together with the interim dividend of 2.90p per share will make a total for the year of 10.255p which compares with 8.17p per share paid last year.

The dividends paid and proposed amount to £3,873,000 and the retained profit is £16,180,000.

Share capital

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

- (i) Issue of 2,483,234 ordinary shares of 10p each in respect of the acquisition of Ash Homes Limited.
- (ii) Issue of 50,550 fully paid 10p ordinary shares with a corresponding reduction in the partly paid and fully paid restricted 10p ordinary shares under the terms of the executive share incentive scheme.
- (iii) Conversion of 6½% convertible unsecured loan stock 1992/1997 into 14,323 fully paid 10p ordinary shares.

Acquisitions

The group acquired in October 1978 the entire share capital of Ash Homes Limited together with certain associated interests for £2,601,000. The consideration was settled by the issue of 2,483,234 fully paid ordinary shares of 10p each. This acquisition contributed £842,000 profit before taxation to the group results.

During the year the group continued to expand its activities and acquired for £2.8m. cash a number of smaller companies for their land holdings.

Directors' Report Continued

Directors and their shareholdings

The directors who held office throughout the year were:

L. A. Barratt	A. F. Rawson
J. Cassidy	R. W. R. James
W. H. Bruce	

Mr. A. Smith resigned from the board on 16th February 1979.

Mr. J. S. R. Swanson and Mr. T. Van Ree were appointed to the board on 2nd April 1979 and 1st July 1979 respectively and hold five year service contracts from the date of their appointment. All other directors hold five year service contracts from 1st July 1979.

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

	30th June 1979			1st July 1978 or date of appointment		
	ordinary shares of 10p each fully paid	executive share incentive scheme 1p paid	fully paid	ordinary shares of 10p each fully paid	executive share incentive scheme 1p paid	fully paid
L. A. Barratt	1,295,093	—	—	1,437,593	—	—
J. Cassidy	5,492	10,000	5,000	5,492	10,000	5,000
W. H. Bruce	102,882	10,000	5,000	110,882	10,000	5,000
A. F. Rawson	3,241	7,500	3,750	3,241	7,500	3,750
R. W. R. James	1,201	2,900	1,450	1,201	2,900	1,450
J. S. R. Swanson	1,440	3,200	1,600	1,440	3,200	1,600

Mr. T. Van Ree had no interests in the share capital or loan stock of the company at 1st July 1979.

No notification has been received of any change in the above interests during the period from 30th June 1979 to the date of this report.

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

The directors are not aware that any person or corporation holds or held at any time during the year 5% or more of the issued share capital.

Investment properties and fixed assets

The movements of investment properties and fixed assets during the year are set out in notes 6 and 7 respectively.

In the opinion of the directors the market value of the completed commercial and industrial investment properties exceeds book value by over £6m.

Inflation accounting

Pending the issue of definitive recommendations the directors have decided not to publish any inflation adjusted figures this year.

Employees

The average number of persons employed by the group under contracts of service during the year was 4,557 and their aggregate remuneration amounted to £22,446,000. In addition a substantial number of persons was employed on group sites through sub-contractors.

Exports

There were no exports during the year.

Taxation

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

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
I. D. MacLeod
Secretary
Newcastle upon Tyne
26th October 1979

Analysis of Ordinary Shareholdings

Accounts			Shares	
Category	Number	% of total	Number	% of total
Insurance companies	30	0.39	3,311,814	8.77
Banks	30	0.39	1,269,695	3.36
Pension Funds	26	0.34	1,789,177	4.74
Nominee holdings	314	4.12	13,578,839	35.98
Other corporate bodies	368	4.83	7,389,090	19.58
Individuals	6,851	89.93	10,400,743	27.57
TOTAL	7,619	100.00	37,739,358	100.00
Holdings				
1 to 500	2,797	36.71	771,706	2.04
501 to 2,500	3,824	50.19	4,562,552	12.09
2,501 to 10,000	698	9.16	3,134,741	8.31
10,001 to 25,000	111	1.46	1,890,697	5.01
25,001 to 50,000	67	0.88	2,621,462	6.95
50,001 to 100,000	49	0.64	4,008,599	10.62
100,001 and over	73	0.96	20,749,601	54.98
TOTAL	7,619	100.00	37,739,358	100.00

Auditors' Report

To the members of Barratt Developments Limited

We have examined the accounts set out on pages 14 to 23 which have been prepared on the basis of the accounting policies set out on page 13.

In our opinion, the accounts give a true and fair view of the state of affairs of the company and, so far as concerns the members of the holding company, the group at 30th June 1979 and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 and 1967.

Deloitte Haskins & Sells
Chartered Accountants
Newcastle upon Tyne
26th October 1979

Accounting Policies

(a) Basis of accounting

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

(b) Consolidation

- (i) The consolidated profit and loss account and balance sheet include the accounts of the holding company and all its subsidiary companies. Results of subsidiary companies acquired during the year are included from the date of acquisition.
- (ii) When the company's shares are issued in respect of an acquisition the amount of the share premium is computed on the basis of the market value of the shares at the date of issue.
- (iii) 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 amounts invoiced and proceeds from the sale of land and residential investment properties, excluding inter-company transactions.

(d) Basis of taking profit

- (i) Profit is taken on houses when they are complete and ready for occupation and contracts for sale are exchanged.
- (ii) Profit on contracting is taken for short term contracts only when completed, and for long term contracts attributable profit is taken when there is reasonable certainty that a contract is profitable: provision is made for any anticipated losses.

(e) Deferred taxation

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

(f) Depreciation

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

(g) Ground rents

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

(h) Undeveloped land

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

(i) Stock and work in progress

Stock is valued at the lower of cost and net realisable value. Work in progress is valued at the lower of cost, including site overheads, and net realisable value. Long term contracting work in progress is valued at cost including attributable overheads and a proportion of the estimated profits earned to date less foreseeable losses.

for the year ended 30th June 1979	Note *	1979 £'000	1978 £'000
Turnover		<u>169,775</u>	<u>122,210</u>
Profit before taxation	1	20,658	11,174
Taxation	2	<u>605</u>	<u>(1,375)</u>
Profit after taxation		20,053	12,549
Dividends	4	<u>3,873</u>	<u>2,879</u>
Retained Profit		<u>16,180</u>	<u>9,670</u>
Dividend cover		5.2	4.4
Earnings per ordinary share of 10p	5	54.3p	37.4p

at 30th June 1979	Note	1979 £'000	1978 £'000
Investment properties	6	16,153	13,319
Fixed assets	7	6,012	7,911
Ground rents		2,180	1,712
		<u>24,345</u>	<u>18,942</u>
Current assets			
Undeveloped land		49,756	32,689
Stock and work in progress	8	56,236	39,165
Listed investments		—	798
Debtors		27,774	19,576
		<u>133,766</u>	<u>92,228</u>
Current liabilities			
Bank overdrafts (secured)		29,563	17,090
Creditors	9	42,422	30,906
Current taxation	10	2,461	2,186
Dividend	4	2,776	1,950
		<u>77,222</u>	<u>52,132</u>
Net current assets		<u>56,544</u>	<u>40,096</u>
		<u>80,889</u>	<u>59,044</u>
Represented by:			
Share capital	11	3,777	3,524
Reserves	12	70,504	57,344
		<u>74,281</u>	<u>55,868</u>
Loans	13	3,950	2,360
Deferred taxation	14	2,658	816
		<u>80,889</u>	<u>59,044</u>

L. A. Barratt } Directors
R. W. R. James }

[Handwritten signatures]

Statement of Source and Application of Funds

	1979 £'000	1978 £'000
for the year ended 30th June 1979		
Source		
Profit before taxation	20,658	11,174
Adjustment for items not involving the movement of funds:		
Depreciation	1,300	884
Increase in ground rents	(468)	(234)
Profit on sale of fixed assets and investment properties	(1,175)	(1,530)
Generated from operations	<u>20,315</u>	<u>10,294</u>
Funds from other sources		
Taxation in subsidiaries at date of acquisition*	3,665	1,094
Sale of fixed assets and investment properties	2,365	3,099
Shares issued*	2,611	7,270
Bank loan	2,500	—
Funds available	<u>31,456</u>	<u>21,757</u>
Application		
Purchase of fixed assets and investment properties*	7,419	4,715
Taxation	2,153	1,588
Dividends	3,047	2,253
Loan repayments	171	151
Goodwill arising on acquisition*	378	(424)
	<u>13,168</u>	<u>8,283</u>
Increase in Working capital*		
Undeveloped land	17,067	6,569
Stock and work in progress	17,071	8,973
Debtors	7,400	4,788
Creditors (excluding loans)	(10,777)	(8,967)
Movement in net liquid funds:		
(Increase)Decrease in bank overdraft	(12,473)	2,111
	<u>31,456</u>	<u>21,757</u>

*The effects of the acquisitions are summarised in note 18.

Company Balance Sheet

at 30th June 1979	Note	1979 £'000	1978 £'000
Subsidiary companies	15	35,605	30,775
Fixed assets	7	642	343
Deferred asset	14	2,521	1,416
		<u>38,768</u>	<u>32,534</u>
Current assets			
Bank balance		1,786	2,520
Debtors		159	90
Listed investments		—	798
		<u>1,945</u>	<u>3,408</u>
Current liabilities			
Creditors	9	1,260	363
Current taxation	10	1,685	1,448
Dividend	4	2,776	1,950
		<u>5,721</u>	<u>3,763</u>
Net current liabilities		<u>(3,776)</u>	<u>(355)</u>
		<u>34,992</u>	<u>32,179</u>
Represented by:			
Share capital	11	3,777	3,524
Reserves	12	30,072	26,637
		<u>33,849</u>	<u>30,161</u>
Loans	13	1,143	2,018
		<u>34,992</u>	<u>32,179</u>

L. A. Barratt
R. W. R. James } Directors

[Handwritten signatures]

Notes to the Accounts

1. Profit before taxation

	1979 £'000	1978 £'000
After crediting:		
Property, investment income	1,185	1,025
Interest	130	109
Profit on sale of:		
fixed assets	254	132
commercial and industrial properties	243	50
After charging:		
Directors' management remuneration	289	284
Interest on long term loans	64	77
Interest on bank borrowings and short term loans	4,130	1,916
Depreciation	1,300	884
Plant hire	2,974	2,052
Auditors' remuneration	185	120

2. Taxation

	1979 £'000	1978 £'000
Corporation tax based on the taxable profit for the year at a rate of 52%	984	273
Development land tax on land sales during the year	164	—
Transfer to (from) deferred taxation		
—current year	37	(3,216)
—stock appreciation relief forgiven	(337)	—
Advance corporation tax written (back) off	(243)	1,568
	<u>605</u>	<u>(1,375)</u>

3. Directors' and employees' remuneration excluding pension contributions

The emoluments of the chairman were £54,746 (1978 £42,236).

Remuneration of other directors and employees whose emoluments exceed £10,000:

	Number of Directors		Number of Employees			Number of Directors		Number of Employees	
	1979	1978	1979	1978		1979	1978	1979	1978
£10,001 - £12,500	1		22	9	£27,501 - £30,000	—	—	7	2
£12,501 - £15,000	—		9	14	£30,001 - £32,500	—	3	3	1
£15,001 - £17,500	—		9	10	£32,501 - £35,000	—	—	1	—
£17,501 - £20,000	—		9	5	£35,001 - £37,500	—	1	—	—
£20,001 - £22,500	—		2	9	£37,501 - £40,000	—	2	—	—
£22,501 - £25,000	1		9	—	£42,501 - £45,000	1	—	—	—
£25,001 - £27,500	—		12	1	£47,501 - £50,000	3	—	—	—

Notes to the Accounts Continued

4. Dividends

	1979 £'000	1978 £'000
Paid	1,097	929
Proposed	2,776	1,950
	<u>3,873</u>	<u>2,879</u>

5. Earnings per share

The calculations are based on earnings of £20,053,000 (1978 £12,549,000) and 36,911,613 (1978 33,554,717) ordinary shares which is the weighted average of issued shares during the year.

6. Investment properties

Group	Commercial and industrial £'000	Residential £'000	Properties in course of development £'000	Total £'000
Cost and valuation				
At 1st July 1978	12,104	1,087	180	13,371
Additions	819	—	2,470	3,289
On acquisition	122	—	—	122
Reclassification	1,038	—	(772)	266
Disposals	(348)	(547)	—	(895)
At 30th June 1979	<u>13,735</u>	<u>540</u>	<u>1,878</u>	<u>16,153</u>
Comprising:				
freehold	8,763	532	1,787	11,082
long leasehold	4,972	8	91	5,071
	<u>13,735</u>	<u>540</u>	<u>1,878</u>	<u>16,153</u>
Comprising:				
cost	3,377	540	1,878	5,795
valuation 1976	8,143	—	—	8,143
valuation 1977	2,215	—	—	2,215
Net book value at 30th June 1979	<u>13,735</u>	<u>540</u>	<u>1,878</u>	<u>16,153</u>
Net book value at 30th June 1978	<u>12,104</u>	<u>1,087</u>	<u>180</u>	<u>13,371</u>

Notes to the Accounts Continued

7. Fixed assets

	Freehold property £'000	Short Leasehold property £'000	Plant and equipment £'000	Total £'000
Group: Cost and valuation At 1st July 1978	1,294	102	5,133	6,529
Additions	483	87	3,162	3,732
On acquisition	80	—	384	464
Reclassification	(266)	—	—	(266)
Disposals	(33)	—	(970)	(1,003)
	<u>1,558</u>	<u>189</u>	<u>7,709</u>	<u>9,456</u>
Comprising: cost	821	152	7,709	8,682
valuation 1976	737	37	—	774
	<u>1,558</u>	<u>189</u>	<u>7,709</u>	<u>9,456</u>
Accumulated depreciation	—	13	3,431	3,444
Net book value at 30th June 1979	<u>1,558</u>	<u>176</u>	<u>4,278</u>	<u>6,012</u>
Net book value at 30th June 1978	<u>1,294</u>	<u>97</u>	<u>2,526</u>	<u>3,917</u>
Company: Cost At 1st July 1978			385	385
Additions			382	382
Disposals			(45)	(45)
At 30th June 1979			<u>722</u>	<u>722</u>
Accumulated depreciation			80	80
Net book value at 30th June 1979			<u>642</u>	<u>642</u>
Net book value at 30th June 1978			<u>343</u>	<u>343</u>

8. Stock and work in progress

	1979 £'000	1978 £'000	1978 £'000	1978 £'000
Housebuilding		53,516		37,473
Property conversions		1,470		275
Contracting: short term		1,051		1,072
long term	9,176		7,941	
Less: progress payments	<u>8,977</u>	<u>199</u>	<u>7,596</u>	<u>343</u>
		<u>56,236</u>		<u>39,165</u>

9. Creditors

Creditors of the group include £7,862,000 (1978 £3,101,000) relating to secured creditors in respect of land purchases. Creditors of the group and the company include respectively £804,000 and £775,000 (1978 £69,000 and £101) being secured loans repayable within one year of the balance sheet date.

10. Current taxation

	1979 £'000	1978 £'000
Group: Corporation tax payable on or before 1st March 1981	371	209
Corporation tax payable on or before 1st March 1980	142	575
Development land tax on land sales	288	—
Advance corporation tax	1,660	1,402
	<u>2,461</u>	<u>2,186</u>
Company: Corporation tax payable on or before 1st January 1981	25	—
Corporation tax payable on or before 1st January 1980	—	46
Advance corporation tax	1,660	1,402
	<u>1,685</u>	<u>1,448</u>

11. Share capital

	1979 £'000	1978 £'000
Authorised: 45,000,000 ordinary shares of 10p each	<u>4,500</u>	<u>4,500</u>
Issued: Ordinary shares of 10p each		
Fully paid – 37,739,358 ordinary shares	3,776	3,523
27,350 restricted ordinary shares	1	1
Partly paid – 54,700 ordinary shares 1p paid	—	—
	<u>3,777</u>	<u>3,524</u>

Details of the changes in the issued share capital during the year are set out in the directors' report.

12. Reserves

	Group £'000	Company £'000
At 1st July 1978	52,344	26,637
Movements in the year:		
Retained profit	16,190	1,077
Acquisition of Ash Homes Limited	2,353	2,353
Conversion of executive incentive shares	38	38
Conversion of loan stock	26	26
Expenses of share issues	(59)	(59)
Goodwill arising on acquisitions in the year	(378)	—
	<u>70,504</u>	<u>30,072</u>
At 30th June 1979	43,586	3,200
Comprising: Available for distribution		
Not available for distribution	26,872	26,872
share premium	46	—
capital	—	—
	<u>70,504</u>	<u>30,072</u>

Notes to the Accounts Continued

13. Loans

	Group		Company	
	1979	1978	1979	1978
	£'000	£'000	£'000	£'000
6½% Convertible Unsecured Loan Stock	368	468	368	468
Mortgages	307	342	—	—
Secured bank loans	3,275	1,550	775	1,550
	<u>3,950</u>	<u>2,360</u>	<u>1,143</u>	<u>2,018</u>
Comprising:				
Repayable within 1 - 2 years	804	804	775	775
Repayable within 2 - 5 years	1,644	918	—	775
Repayable after 5 years	1,502	638	368	468
	<u>3,950</u>	<u>2,360</u>	<u>1,143</u>	<u>2,018</u>

The holders of the 6½% Convertible Unsecured Loan Stock 1992/1997 have the right to convert their holdings in whole or in part into fully paid ordinary shares of 10p each in November 1979 on the basis of 190p nominal loan stock for each ordinary share. The mortgages bear interest at rates between 6½% per annum and the current building society rates.

14. Deferred taxation

	1979	1978
	£'000	£'000
Stock appreciation relief	2,124	1,835
Undeveloped land revaluation on acquisitions	2,927	307
Property revaluation	79	90
Plant	49	—
	<u>5,179</u>	<u>2,232</u>
Less deferred asset representing advance corporation tax recoverable	2,521	1,416
	<u>2,658</u>	<u>816</u>
If full provision had been made for deferred taxation, the amount of tax deferred would have been:		
Stock appreciation relief	28,941	23,072
Undeveloped land revaluation on acquisitions	2,927	307
Property revaluation	1,583	1,573
Plant	1,868	1,079
	<u>35,319</u>	<u>26,031</u>
Less advance corporation tax	3,846	2,984
	<u>31,473</u>	<u>23,047</u>

The full potential liability shown above has been reduced by £4,906,000 being stock relief now forgiven. Deferred taxation on stock appreciation relief has been provided after setting off unabsorbed tax losses which have reduced this provision by an amount of £324,000 from £1,510,000.

Notes to the Accounts Continued

15. Subsidiary companies

	1979 £'000	1978 £'000
Shareholdings at cost less amounts written off	18,023	24,060
Net amounts due from subsidiary companies	17,582	6,715
	<u>35,605</u>	<u>30,775</u>

The principal subsidiary companies are set out on page 28. The movement in the above figures is mainly due to an internal reorganisation of the group structure.

16. Contingent liabilities

Guarantees have been given by the company to secure the overdraft facilities of certain subsidiary companies.

17. Capital commitments

	1979 £'000	1978 £'000
Group		
Authorised and contracted for		
Investment properties	2,053	—
Fixed assets	116	471
Authorised but not contracted for		
Investment properties	3,676	380
Fixed assets	295	154
	<u>6,140</u>	<u>1,005</u>

18. Acquisition of subsidiary companies

	1979 £'000	1978 £'000
Net assets acquired:		
Fixed assets	276	93
Ground rents	255	—
Investment properties	122	2,241
Undeveloped land	5,587	713
Stock and work in progress	3,992	611
Debtors	1,238	416
Taxation	(3,665)	(1,091)
Creditors	(3,860)	(700)
Bank overdrafts	(2,922)	1,218
Goodwill	378	(424)
	<u>5,401</u>	<u>3,060</u>
Discharged by: Cash	2,800	83
Shares issued	2,601	2,983
	<u>5,401</u>	<u>3,066</u>

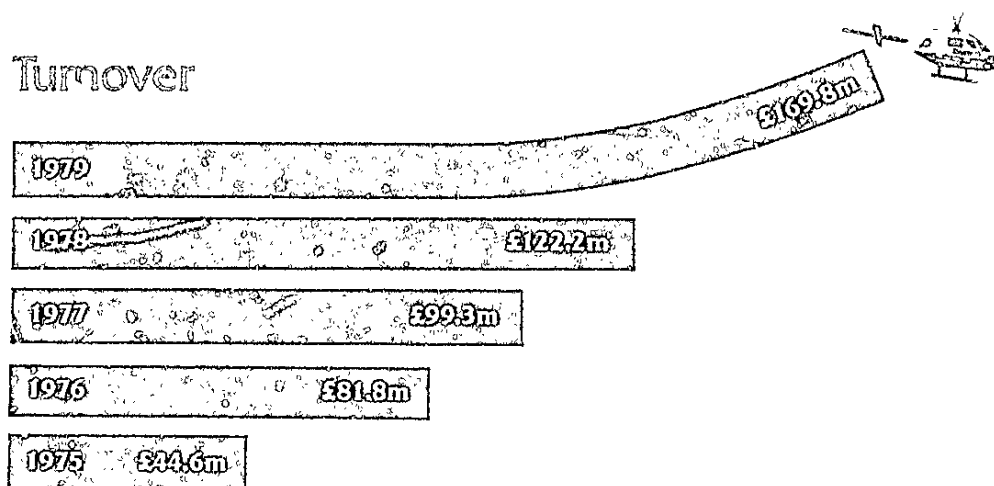
Five Year Review 1979

Year ended 30th June	Turnover £'000	Profit before taxation £'000	Per share		
			Earnings P	Gross Dividends P	Dividend Cover
1975	44,593	6,059	13.8	8.9	2.4
1976	81,771	9,714	30.3	9.7	4.8
1977	99,317	7,407	24.0	10.7	3.4
1978	122,210	11,174	37.4	12.2	4.4
1979	169,775	20,658	54.3	14.7	5.2

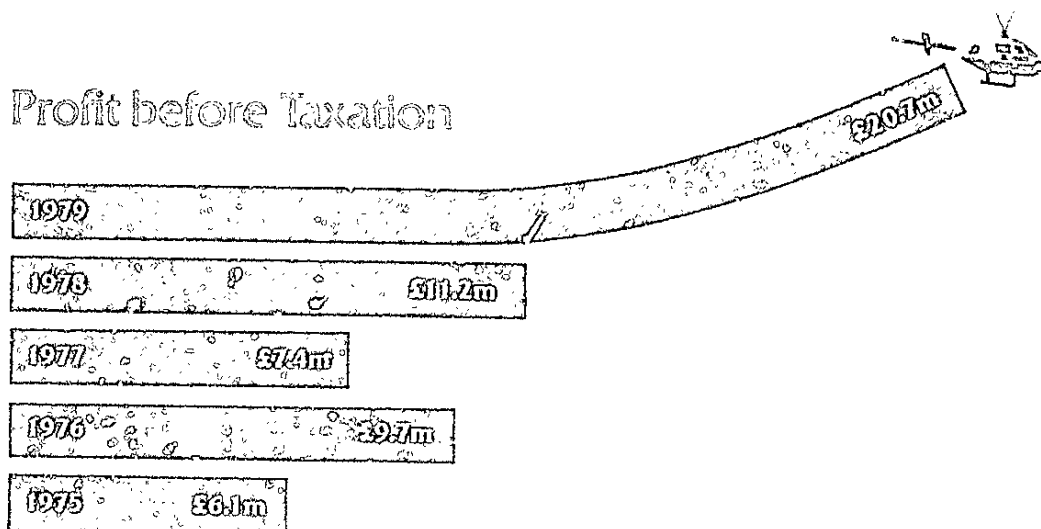
Earnings and dividends per share have been adjusted to take account of rights and scrip issues.

Earnings per share and dividend cover for 1976 onwards are based on the current policy relating to deferred taxation.

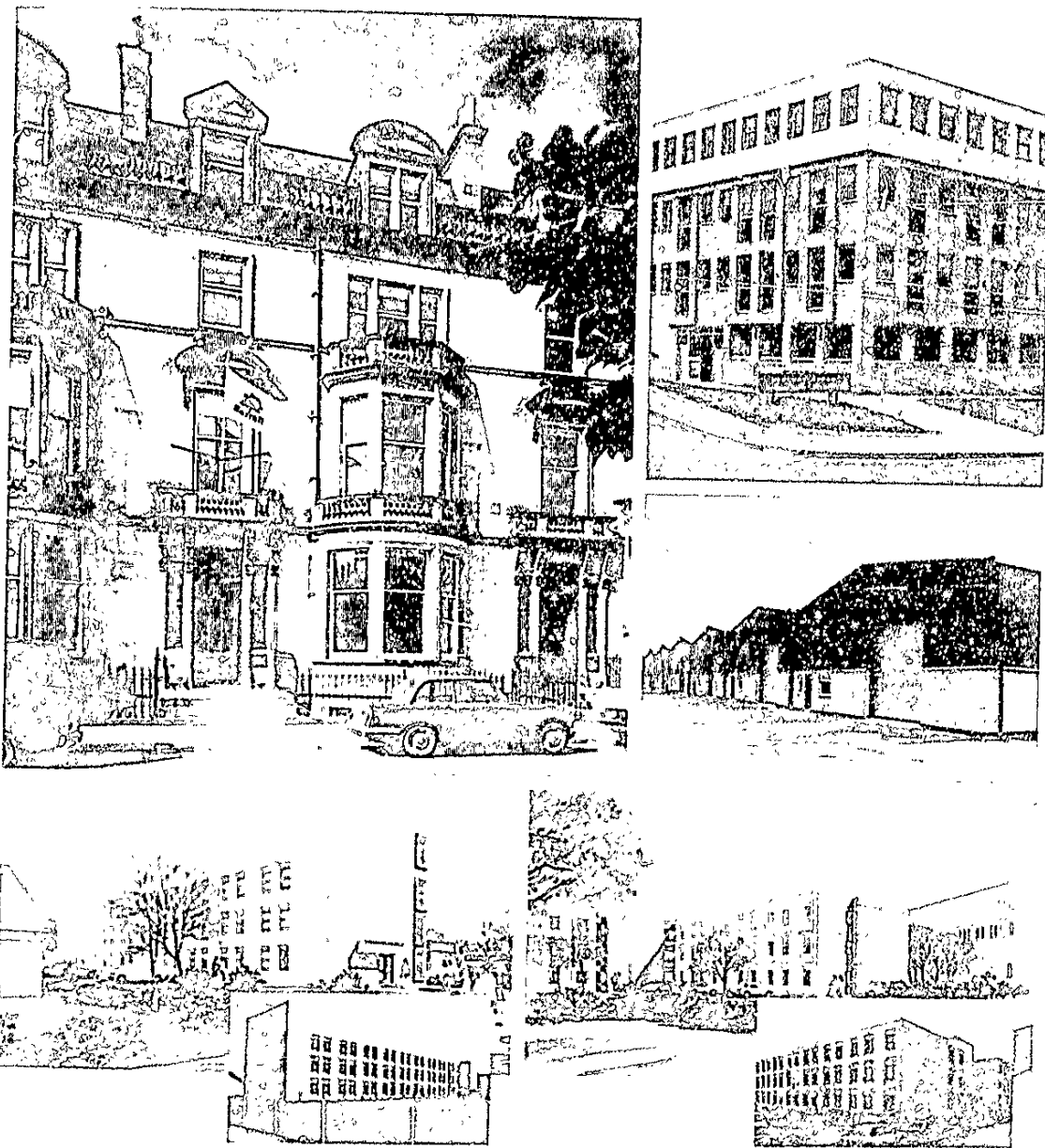
Turnover



Profit before Taxation

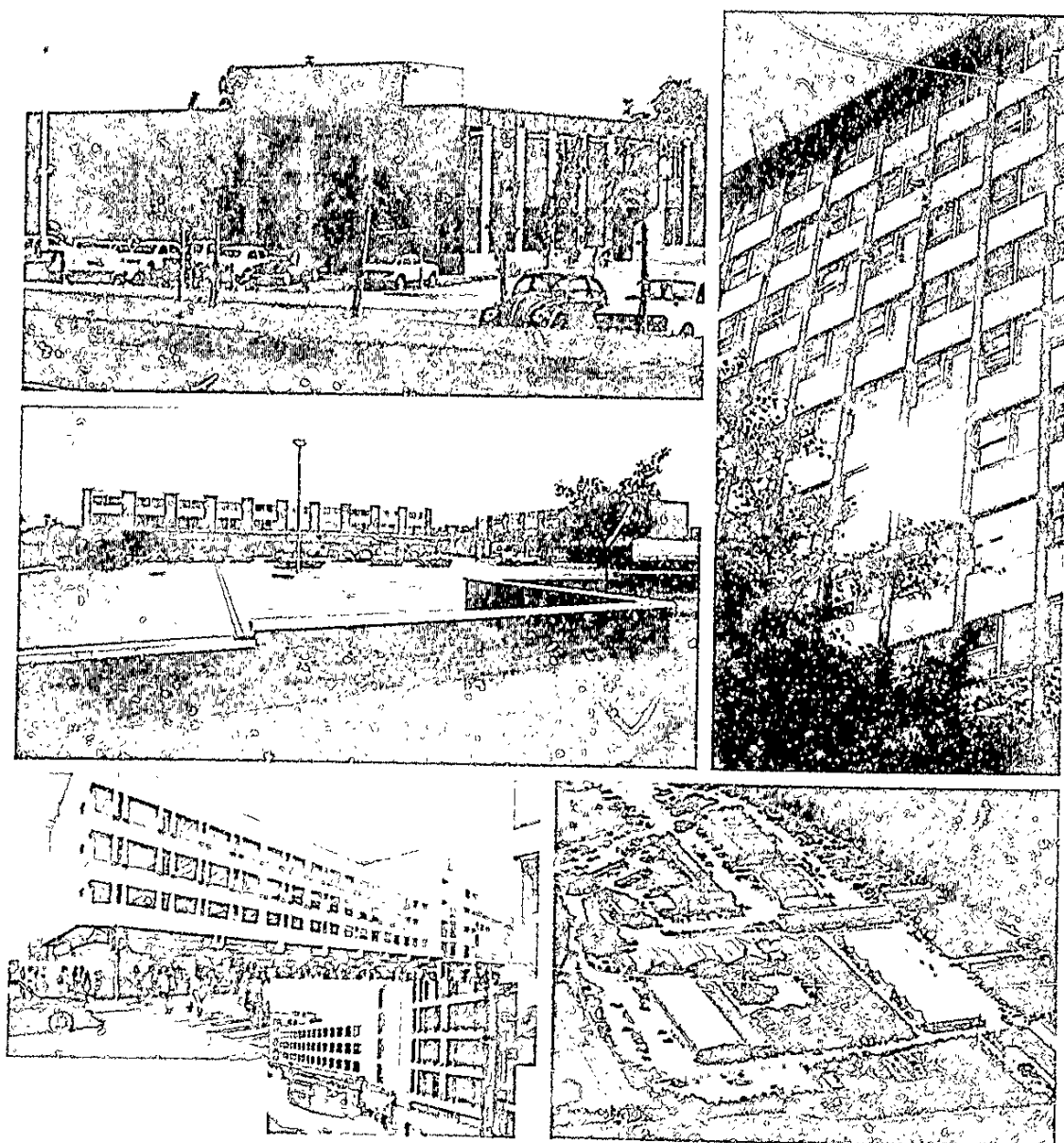


Property Investment



Top left: Prestige office accommodation in Edinburgh City Centre, owned by Barratt Scottish Properties and let to Scottish & Newcastle Breweries. **Top right:** Owned by Barratt Properties, this office development at Pudsey, Yorkshire, is leased to the Department of the Environment. **Centre:** Barratt Construction recently completed the first phase of this industrial development for Barratt Scottish Properties at Inverurie, near Aberdeen. **Bottom left:** Close to Edinburgh Airport, Craigleat House is being developed by Barratt Properties. **Bottom right:** Illustrating Barratt Properties drive to develop key city centre office accommodation, Langlands House is under construction in the heart of Aberdeen.

Property Investment

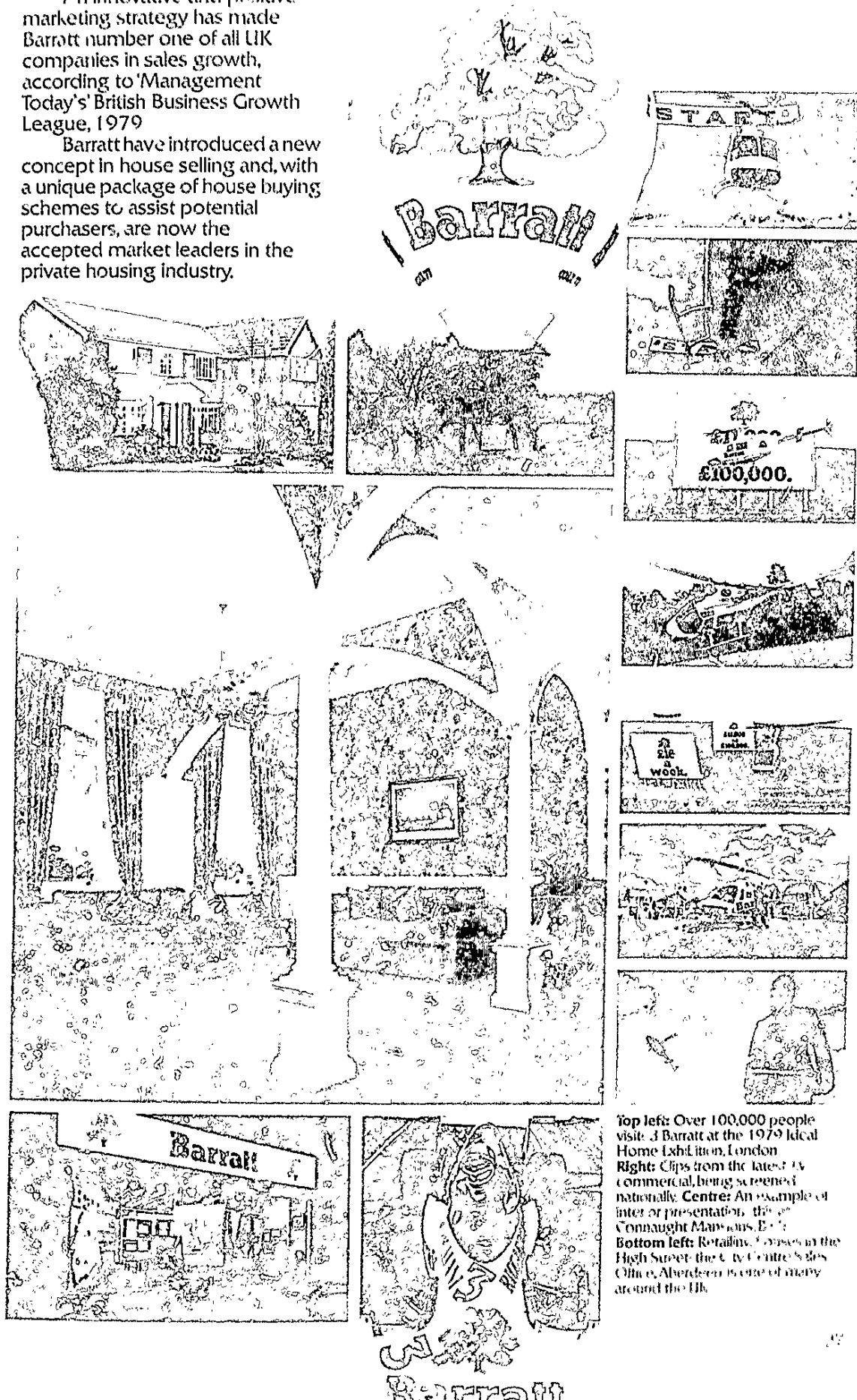


Top left: Aviation House, the Edinburgh Headquarters of the Civil Aviation Authority in Scotland, owned by Barratt Properties. **Top right:** 100,000 sq ft of the major office precinct in central Tyneside has already been completed and fully let by Barratt Properties. **Bottom left:** A new look for Sunderland Town Centre: Cothbert House is being developed by Barratt Properties. **Bottom right:** Barratt Investments own this 180,000 sq ft industrial estate near Luton. **Centre:** A shopping development at Aylesbury, Buckinghamshire, fully let and owned by Barratt Investments.

Sales & Marketing

An innovative and positive marketing strategy has made Barratt number one of all UK companies in sales growth, according to 'Management Today's' British Business Growth League, 1979

Barratt have introduced a new concept in house selling and, with a unique package of house buying schemes to assist potential purchasers, are now the accepted market leaders in the private housing industry.



Top left: Over 100,000 people visit J Barratt at the 1979 Ideal Home Exhibition, London.
 Right: Clips from the latest TV commercial, being screened nationally.
 Centre: An example of interior presentation, the Connaught Mansions, E.C.4.
 Bottom left: Retailing houses in the High Street, the City Centre Sales Office, Aberdeen is one of many around the UK.

Barratt Developments
Wingrove House, 1
Newcastle upon Tyne
Telephone 0437 11

**Marquette Development
Limited**

HOUSEBUILDING:
Baratt Developments (Aberdeen) Limited
Baratt Developments (Edinburgh) Limited
Baratt Developments (Falkirk) Limited
Baratt Developments (Glasgow) Limited

CONTRACTING:
Baratt Construction Limited,
James Hamison (Contracts) Limited

PROPERTY INVESTMENT:
Baratt Scottish Properties Limited

HOUSEBUILDING:
Barratt Developments (Anglia) Limited
Barratt Developments (Bristol) Limited
Barratt Developments (Eastem) Limited
Barratt Developments (Luton) Limited
Barratt Developments (South Wales) Limited

CONTRACTING:
Barratt Developments (Contracting) Limited

PROPERTY INVESTMENT:
Barratt Developments (Investments) Limited

HOUSEBUILDING
Barrett Developments (Bradford) Limited
Barrett Developments (Chester) Limited
Barrett Developments (Hull) Limited
Barrett Developments (Leeds) Limited
Barrett Developments (Northern) Limited
Barrett Developments (North Wales) Limited
Barrett Developments (Preston) Limited
Barrett Developments (York) Limited
CONTRACTING
Barrett (Works) Limited
Barrett Shopfitters Limited

HOUSEBUILDING:
Barratt Developments (London) Limited
Barratt Developments (Woking) Limited

HOUSEBUILDING:
Ash Homes Limited
Barratt Developments (Birmingham) Limited
Barratt Developments (Nottingham) Limited

SCOTLAND
***REGIONAL HOLDINGS**
*Barra Development
Golf Road, Inver, Aberdeen
AB8 9AT Telephone: 0224 573230

HOUSEBUILDING
*Barra Development
(Aberdeen); Ltd.,
Marschal House, 30 Ull
Aberdeen AB1 1AU
Telephone: 0224 573230

Regional Office
Coltuden House, 57
Inverness IV1 2
Telephone: 0446 222222

*Barra Development
(Edinburgh) Ltd.,
Broadhead Mans, 103 City
Road, Broomfield, Edinburgh
Telephone: 031-339 7011

*Barra Development
(Glasgow) Ltd., 7 Angus
Loan, Fallowfield, Glasgow
Telephone: 0324-220111

*Barra Developments Ltd
90 St Vincent Street, Glasgow
Telephone: 041-276 4023

CONTRACTING
*Barra Construction Ltd
Golf Road, Inver, Aberdeen
AB8 9AT, Telephone: 0224 573230

Regional Offices
North Ness, Lerwick, Shetland
Telephone: 0595-93122,
21 Keith Street, Stromness
Telephone: 081-585 935

*James Hamilton (Contractors)
Partonway, Philipstown, West
Scotland TH149 7RX
Telephone: 050-683 7011

PROPERTY INVESTMENT
Barra Scottish Properties
8 Brighton Crescent, Edinburgh
EH2 5DH,
Telephone: 031-226 4500

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Barratt Developments Ltd.
Wingrove House, Ponteland Road,
Newcastle upon Tyne NE15 3UP
Telephone 0332 800811

SCOTLAND
REGIONAL HOLDING COMPANY:
*Barratt Developments (Scotland) Ltd.,
Golf Road, Udon, Aberdeenshire
AB4 9AT Telephone 0358 20765

HOUSEBUILDING:
*Barratt Developments
(Aberdeen) Ltd.,
Miscanthus House, 30 Upperlinkgate,
Aberdeen AB1 1AU
Telephone 0424 573202

Regional Office
Culloden House Farm, Culloden,
Inverness IV1 2JA
Telephone 0453 701801

*Barratt Developments
(Edinburgh) Ltd.,
Bluehead Mans, 607 Queen Mary
Road, Banton, Edinburgh EH1 6EA
Telephone 031 339 7094

*Barratt Developments (Falkirk) Ltd.,
Mayfield House, 7 Mayfield Woods
Loch Falkirk, Falkirk FK1 5SJ
Telephone 0524 205111

*Barratt Developments (Glasgow) Ltd.,
29 St Vincent Street, Glasgow
Telephone 041 226 4031

CONTRACTING:
*Barratt Construction Ltd.,
Golf Road, Elton, Aberdeenshire
AB4 9AT Telephone 0358 20765

Regional Offices
North West, Lerwick, Shetland ZE1 4LX
Telephone 0593 3122
21 Keith Street, Stornoway PA87 2JA
Telephone 0851 3835

*James Harrison (Contracts) Ltd.,
Fordown Farmstead, West Lothian,
Scotland EH40 7RL
Telephone 050 631 7014

PROPERTY INVESTMENT:
Barratt Scottish Properties Ltd.,
8 Eglington Crescent, Edinburgh
EH4 2SDH
Telephone 031 226 4500/4509

MIDLANDS
REGIONAL HOLDING COMPANY:
Barratt Developments
(Midlands) Ltd.,
Wessex House, 683 Chester Road,
Manchester M16 9LQ
Telephone 061 872 1402

HOUSEBUILDING:
Ash Homes Ltd.,
Aster House, 282 Lichfield Road,
Four Oaks, Sutton Coldfield,
West Midlands B74 2UP
Telephone 021 308 3891

Barratt Developments
(Birmingham) Ltd.,
54 Hagley Road, Five Ways, Edgbaston,
Birmingham B16 8PA
Telephone 021 454 2 81

Barratt Developments
(Nottingham) Ltd.,
Chiron House, 176 Nottingham Road
Long Eaton, Nottingham NG10 2BZ
Telephone 06076 68661

SOUTHERN
REGIONAL HOLDING COMPANY:
Barratt Developments (Southern) Ltd.,
PO Box 5, Barratt House, 668 High Road
Luton LU2 7UH
Telephone 0582 31181

HOUSEBUILDING:
Barratt Developments (Anglia) Ltd.,
Verona Cottage, Mill Lane, Thetford,
Norfolk IP24 3BZ
Telephone 0842 5618

Barratt Developments (Bristol) Ltd.,
7 Hill Street, Bristol Avon BS1 5RU
Telephone 0272 211356

Barratt Developments (Eastern) Ltd.,
Chamwood House, Barkby Thorse
Lane, Thurmaston, Leicestershire LE4 8CP
Telephone 0533 696773

Barratt Developments (Luton) Ltd.,
PO Box 5, Barratt House, 668 High Road
Luton LU2 7UH
Telephone 0582 422771

Barratt Developments
(South Wales) Ltd.,
Castle House, 63 69 Cardiff Road,
Tollymore, Cardiff CF4 7RD
Telephone 0222 811488

CONTRACTING:
Barratt Developments
(Contracting) Ltd.,
Barton Industrial Estate, Folke Road,
Barton, Beds MK45 4BL
Telephone 0582 851414

PROPERTY INVESTMENT:
Barratt Development
(Investments) Ltd.,
PO Box 5, Barratt House, Supply
Luton, Beds LU2 7UH
Telephone 0582 31181

SOUTH EAST
REGIONAL HOLDING COMPANY:
Barratt Developments
(South East) Ltd.,
Wessex House, 683 Chester Road,
Manchester M16 9LQ
Telephone 061 872 1402

HOUSEBUILDING:
Barratt Developments (London) Ltd.,
30 Stirling Road, Victoria Park, London
E8 3PA Telephone 01 647 6934

Barratt Developments (Wiltshire) Ltd.,
Barratt House, Marlborough Road, Wiltshire
Telephone 0450 235034

CITY CENTRE SALES OFFICES

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