

Deloitte
Haskins+Sells

13367/185

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

Annual Report
1980

13367/185

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

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THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited accounts for the 15 months ended 30th June 1980.

ACTIVITIES

The company's principal activity until 4th February 1980 was property investment. At that date the company and several of its subsidiaries were acquired by Barratt Developments Limited. At that date also the trade and trading assets and liabilities of the company were transferred to Barratt Scottish Properties Limited.

PROFIT AND APPROPRIATIONS

The profit for the period after taxation and disposal of property was £834,105.

The directors recommended a dividend of £366,929 with the balance of £467,177 being carried to reserves.

ISSUE OF SHARES

During the year the company increased its authorised share capital by £100,000 to £2,100,000 and capitalised £350,000 of its share premium account by way of a bonus issue.

EXPORTS

There were no exports during the year.

TAXATION

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

DIRECTORS

The directors of the company during the period were:-

Mr. W.H. Bruce	(Chairman)	(Appointed 4th February 1980)
Mr. W. Learmonth		(Appointed 4th February 1980)
Mr. I.G. McCallum		(Appointed 1st March 1980)
Mr. J. Terry		
Mr. J.A.F. Falconer		(Resigned 4th February 1980)
Mr. P.A. Oppenheim		(Resigned 4th February 1980)
Mr. D.M. Young	(Chairman)	(Resigned 4th February 1980)
Mr. K.M. Turner		(Resigned 4th February 1980)

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS (Continued)

Mr. W.H. retires by rotation and, being eligible, offers himself for re-election.

None of the directors has any interests in the share capital of the company. Mr. W.H. Bruce is also a director of the ultimate holding company, Barratt Developments Limited and his interest in the shares of the group are disclosed in the accounts of that company. Mr. W. Learmonth and Mr. I.G. McCallum are also directors of the intermediate holding company, Barratt Developments (Scotland) Limited, and any interest in the shares of the group are disclosed in the accounts of that company. Of the remaining directors only Mr. J. Terry had any interest in the shares of Barratt Developments Limited, the relevant share holding being:

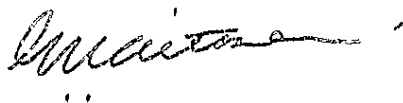
	1980	1979
Ordinary shares	1,500	-

AUDITORS

During the year Thomson McLintock & Company resigned as auditors to the company and Deloitte Haskins & Sells were appointed.

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

BY ORDER OF THE BOARD



Secretary.

31st October 1980.

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

AUDITORS' REPORT.

We have audited the financial statements set out on pages 5 to 14 in accordance with approved Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th June 1980 and of its result for the period ended on that date and comply with the Companies Acts 1948 and 1967.

Silvino Hoffman, C.A.

Chartered Accountants

Newcastle upon Tyne

31st October 1980

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

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) TURNOVER

Turnover represents rents from investment properties.

(c) 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.

(d) DEPRECIATION

(i) Freehold property is not depreciated as it is policy to maintain it to such a standard that the estimated residual value is not less than net book value.

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

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED
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THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE 15 MONTHS ENDED 30TH JUNE 1980

	Notes	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
TURNOVER		<u>44,209</u>	<u>36,447</u>
TRADING LOSS	1	(84,715)	(48,217)
DIVIDEND RECEIVED	2	<u>60,953</u>	<u>440,000</u>
(LOSS)/PROFIT BEFORE TAXATION		(23,762)	391,783
TAXATION	4	<u>(74,957)</u>	<u>(12,574)</u>
PROFIT AFTER TAXATION		51,195	404,357
EXTRAORDINARY ITEMS	3	577,919	-
PROFIT ON DISPOSAL OF PROPERTIES	7	<u>204,992</u>	<u>-</u>
		834,106	404,357
DIVIDENDS	6	<u>366,929</u>	<u>131,250</u>
RETAINED PROFIT		<u>£ 467,177</u>	<u>£ 273,107</u>

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

BALANCE SHEET AT 30TH JUNE 1980

	Notes	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
FIXED ASSETS	7	-	260,657
SUBSIDIARY COMPANIES	8	-	<u>1,520,786</u>
		-	1,781,443
INVESTMENTS		-	<u>50,000</u>
CURRENT ASSETS			
Debtors		-	4,137
Due from group companies		3,145,362	-
Short term deposits and cash		-	<u>251,089</u>
		3,145,362	255,226
CURRENT LIABILITIES			
Bank overdraft (secured)		-	94,272
Creditors		-	22,623
Due to group companies		878,405	-
Current taxation	9	-	59,294
Dividend		-	<u>84,000</u>
		878,405	260,189
NET CURRENT ASSETS/(LIABILITIES)		2,266,957	(4,963)
		<u>£ 2,256,957</u>	<u>£ 1,826,480</u>
FINANCED BY:			
SHARE CAPITAL	10	2,100,000	1,750,000
RESERVES	11	<u>166,957</u>	<u>49,780</u>
		2,266,957	1,799,780
DEFERRED TAXATION	12	-	<u>26,700</u>
		<u>£ 2,266,957</u>	<u>£ 1,826,480</u>

James A. McAlister
John G. McAlister
) Directors

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. PROFIT BEFORE TAXATION

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
After crediting:		
Property investment income	44,209	36,447
Interest	24,904	9,834
After charging:		
Directors' remuneration	80,566	30,500
Interest on bank borrowings and loans repayable within 5 years	8,614	-
Depreciation	3,430	15,097
Auditors' remuneration	6,770	4,500
	<u> </u>	<u> </u>

2. DIVIDENDS RECEIVED

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
Dividend from subsidiaries	57,533	440,000
Dividend from unlisted investment	3,420	-
	<u> </u>	<u> </u>
	£ 60,953	£ 440,000
	<u> </u>	<u> </u>

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

3. EXTRAORDINARY ITEMS

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
Dividends received from subsidiaries not trading	486,800	-
Write off of investment in subsidiaries	(308,226)	-
Gain on disposal of subsidiaries	346,183	-
Gain on disposal of unlisted investment	53,162	-
	<hr/>	<hr/>
	£ 577,919	£ -
	<hr/>	<hr/>

4. TAXATION

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
Receipt from subsidiaries for corporation tax at 52% on losses surrendered by way of group relief	(32,000)	(23,500)
Prior year adjustments		
Deferred tax	-	(100)
Corporation tax	-	1,143
Transfer (from)/to deferred taxation		
Current year	(26,700)	1,400
Tax credit on dividend received	1,026	-
Advance corporation tax written (back)/off	(17,283)	8,483
	<hr/>	<hr/>
	£ (74,957)	£ (12,574)
	<hr/>	<hr/>

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

5. DIRECTORS' REMUNERATION EXCLUDING PENSION CONTRIBUTIONS

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
Remuneration in respect of management services	40,676	23,500
Pension paid to director	3,000	3,000
Fees	4,000	4,000
Compensation for loss of office	<u>30,000</u>	<u>-</u>
	£ 77,676	£ 30,500
	<u> </u>	<u> </u>
Chairman to 4.2.80	15,108	-
Chairman from 4.2.80	<u>-</u>	<u>14,000</u>
	£ 15,108	£ 14,000
	<u> </u>	<u> </u>

Remuneration of other directors fell within the following ranges:

	1980	Number of Directors	1979
£0 - £5,000	4		2
£5,001 - £10,000	-		1
£10,001 - £15,000	1		1
£15,001 - £20,000	1		-
	<u> </u>		<u> </u>

6. DIVIDENDS

	15 months ended 30th June 1980 £	12 months ended 31st March 1979 £
Paid	366,929	131,250
Proposed	<u>-</u>	<u>-</u>
	£ 366,929	£ 131,250
	<u> </u>	<u> </u>

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. FIXED ASSETS

	Freehold property £	Plant and Equipment £	Total £
Cost and valuation			
At 1st April 1979	318,432	53,948	372,380
Additions	-	7,480	7,480
Revaluation	204,992	-	204,992
Disposals	(523,424)	(27,730)	(551,204)
Transfer to group companies	-	(33,648)	(33,648)
	-	-	-
Depreciation			
At 1st April 1979	73,424	38,299	111,723
Charge for year	-	3,430	3,430
Revaluation	(73,424)	-	(73,424)
Disposals	-	(12,830)	(12,830)
Transfer to group companies	-	(28,899)	(28,899)
	-	-	-
Net book value at 30th June 1980	£ -	£ -	£ -
Net book value at 31st March 1979	£ 245,008	£ 15,649	£ 260,657

The company's property was revalued during the year at directors' valuation. The profit on disposal is disclosed in the profit and loss account

THE SCOTCH HONOR INVESTMENT COMPANY LIMITED
 NOTES TO THE ACCOUNTS (Continued)

8. SUBSIDIARY COMPANIES

	1980 £	31st March 1979 £
Shares at cost less amounts written off	10,000	997,259
Amounts due by subsidiaries	-	1,174,050
Amounts due to subsidiaries	(10,000)	(650,523)
	<hr/>	<hr/>
	£ -	£ 1,520,786
	<hr/>	<hr/>

The company's principal subsidiaries at 1st April 1979 were:-

Name	Country of Registration	Class of shares held %	Nature of business
Glasgow Trust Ltd.	Scotland	Ordinary 100	Investment company.
Donibristle Investment Ltd.	Scotland	Ordinary 100	Estate developers.
John Kelly & Sons (Kitchen Engineers) Ltd.	Scotland	Ordinary 100	Manufacturers and suppliers of catering equipment.
Murrell Dynamics Ltd.	Scotland	Ordinary 100	Experimental electronics.
R.L. Rae Ltd.	Scotland	Ordinary 100	Joiners & shopfitters.
Scothomes Ltd.	Scotland	Ordinary 100	Private housebuilders.

All subsidiaries listed above have been disposed of by the 30th June 1980 with the exception of Glasgow Trust Limited.

Group accounts have not been prepared as the company is a wholly owned subsidiary of Barratt Developments (Scotland) Limited. In the opinion of the directors the value of the company's investment in Glasgow Trust Limited is not less than the amount of which it is stated in the balance sheet. This subsidiary is now dormant.

THE SCOTTISH HOMES INVESTMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

9. CURRENT TAXATION

	1980 £	31st March 1979 £
Advance corporation tax	£ -	£ 59,294

10. SHARE CAPITAL

	1980 £	31st March 1979 £
Authorised	£ 2,100,000	£ 2,000,000
Issued and fully paid:		
7,000,000 Ordinary shares of 25p each	-	1,750,000
7,000,000 Ordinary shares of 5p each	350,000	-
7,000,000 Deferred shares of 25p each	1,750,000	-
	£ 2,100,000	£ 1,750,000

On 4th February 1980 a special resolution was passed whereby:-

- (i) The authorised share capital was increased to £2,100,000.
- (ii) The existing 7,000,000 ordinary shares of 25p each were converted into and redesignated as deferred shares of 25p each.
- (iii) 7,000,000 ordinary shares of 5p each, were issued as a bonus issue of fully paid shares, funded out of the share premium account.

THE SPOTLIGHT INVESTMENT COMPANY LIMITED
NOTES TO THE ACCOUNTS (Continued)

11. RESERVES

	£	£
General		
Share premium		13,424
Balance at 1st April 1979		
Bonus issue on shares	481,938	
	(350,000)	131,938
Revenue		
Balance at 1st April 1979	(443,582)	
Retained profit	467,177	21,595
At 30th June 1980		<u>£ 166,957</u>

12. DEFERRED TAXATION

Plant

1980 £	31st March 1979 £
£ -	£ 26,700

13. ULTIMATE HOLDING COMPANY

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