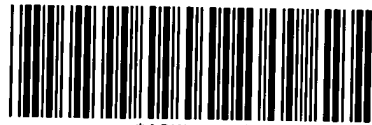


Registered number: SC027535

BDW NORTH SCOTLAND LIMITED

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2019**

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COMPANIES HOUSE

BDW NORTH SCOTLAND LIMITED

COMPANY INFORMATION

DIRECTORS

S J Boyes
B J Davidson
D McLeod
D F Thomas
J E White

COMPANY SECRETARY

Barratt Corporate Secretarial Services Limited

REGISTERED NUMBER

SC027535

REGISTERED OFFICE

Blairton House
Old Aberdeen Road
Balmedie
Aberdeenshire
AB23 8SH

INDEPENDENT AUDITOR

Deloitte LLP
Statutory Auditor
London
UK

BDW NORTH SCOTLAND LIMITED

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BDW NORTH SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Directors present their report and the audited financial statements for the year ended 30 June 2019.

The Directors' report has been prepared in accordance with the special provisions applicable to small companies applying the small company exemption. The Company is exempt under S414B of the Companies Act 2006 from the requirement to produce a strategic report.

PRINCIPAL ACTIVITY

The Company's principal activity is to develop several sites in Scotland. All remaining plots of land were sold during prior years. The Directors do not anticipate developing any further sites through this Company.

GOING CONCERN

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future.

As at 30 June 2019 the Company had net assets of £9.3m. The financial position of the Company is dependent upon the performance of the Group (Barratt Developments PLC and its subsidiary undertakings, the 'Group').

The financial performance of the Group is dependent upon the wider economic environment in which the Group operates. Factors that particularly affect the performance of the Group include changes in the UK and European macroeconomic environments, including but not limited to, the impact of the UK's forthcoming exit from the EU and any change or removal of the Government's Help to Buy scheme, flat or negative economic growth, inflation, interest rates, buyer confidence, mortgage availability, competitor pricing and falls in house prices or land values. In forming their conclusion, the Directors have considered all currently available information about the potential future outcomes of events and changes in conditions that are reasonably possible at the time of making this statement. In doing this they have concluded that no material uncertainties exist.

At 30 June 2019 the Group had total committed facilities and private placement notes of £900.0m. Since the balance sheet date the £700.0m Revolving Credit Facility has been extended to 2024 and the £200.0m sterling US Private Placement notes mature in August 2027. The Revolving Credit Facility and US Private Placement notes provide appropriate headroom above current forecast debt requirements.

Accordingly, after making enquiries and having considered forecasts and appropriate sensitivities, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these financial statements.

RESULTS

The profit for the year, after taxation, amounted to £316,000 (2018 - £591,000).

FINANCIAL RISK MANAGEMENT

Both the Company and Barratt Developments PLC, on behalf of itself and its subsidiaries, manage financial risks that affect the Company.

The Company's operations and financing arrangements expose it to financial risks, of which the most material is credit risk.

As at 30 June 2019, the Company was exposed to £7.5m (2018: £5.6m) of credit risk in relation to intercompany loans which are considered to be fully recoverable.

BDW NORTH SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

DIRECTORS

The Directors who served during the year and subsequently to the date of this report were as follows:

S J Boyes
B J Davidson
D McLeod
D F Thomas
J E White

DIRECTORS' INDEMNITIES

Following shareholder approval in January 2006, Barratt Developments PLC has provided indemnity to the Directors and Company Secretary of all Group companies, including BDW North Scotland Limited, against all liability arising in respect of any act or omission in their duties. This is a qualifying indemnity provision for the purposes of Section 234 Companies Act 2006.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- each Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

AUDITOR

Deloitte LLP has expressed its willingness to be reappointed for another term an appropriate arrangements have been put in place for them to be reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board on 12 December 2019 and signed on its behalf.



J E White
Director

BDW NORTH SCOTLAND LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

The Directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these audited financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BDW NORTH SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BDW NORTH SCOTLAND LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of BDW North Scotland Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council ('FRC')s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters

BDW NORTH SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BDW NORTH SCOTLAND LIMITED

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

BDW NORTH SCOTLAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BDW NORTH SCOTLAND LIMITED

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Craig (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London
UK

12 December 2019

BDW NORTH SCOTLAND LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £000	2018 £000
Other operating income	3	36	330
Operating profit	4	<u>36</u>	<u>330</u>
Interest receivable and similar income	6	363	404
Interest payable and similar charges	7	(7)	(5)
Profit before tax		<u>392</u>	<u>729</u>
Taxation	8	(76)	(138)
Profit for the financial year being total comprehensive income		<u><u>316</u></u>	<u><u>591</u></u>

There was no other comprehensive income for 2019 (2018: £nil).-

The notes on pages 10 to 17 form part of these financial statements.

BDW NORTH SCOTLAND LIMITED
REGISTERED NUMBER: SC027535

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £000	2019 £000	2018 £000	2018 £000
Current assets					
Debtors: amounts falling due within one year	10	7,478		5,603	
Cash at bank and in hand		2,990		4,600	
		<u>10,468</u>		<u>10,203</u>	
Creditors: amounts falling due within one year	11	(1,218)		(1,269)	
Net current assets			<u>9,250</u>		<u>8,934</u>
Total assets less current liabilities			<u>9,250</u>		<u>8,934</u>
Net assets			<u>9,250</u>		<u>8,934</u>
Capital and reserves					
Called up share capital	13		102		102
Profit and loss account			9,148		8,832
Shareholder's funds			<u>9,250</u>		<u>8,934</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2019.



J E White
Director

The notes on pages 10 to 17 form part of these financial statements.

BDW NORTH SCOTLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2018	102	8,832	8,934
Comprehensive income for the year			
Profit for the year	-	316	316
Total comprehensive income for the year	-	316	316
At 30 June 2019	102	9,148	9,250

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 July 2017	102	8,241	8,343
Comprehensive income for the year			
Profit for the year	-	591	591
Total comprehensive income for the year	-	591	591
At 30 June 2018	102	8,832	8,934

The notes on pages 10 to 17 form part of these financial statements.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. ACCOUNTING POLICIES

1.1 General information and basis of preparation of financial statements

BDW North Scotland Limited, a private company, limited by shares, is incorporated in Scotland. The address of its registered office is Blairton House, Old Aberdeen Road, Balmedie, Aberdeenshire, AB23 8SH.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The functional currency of the Company is pound sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt Developments PLC as at 30 June 2019 and these financial statements may be obtained from www.barrattdevelopments.co.uk.

1.3 Going concern

The Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group, and therefore the Company, has adequate resources to continue in operational existence for the foreseeable future being at least 12 months from the date of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements as set out in the going concern section of the Directors' Report.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Plant and machinery is depreciated on a straight line basis fixed over its expected useful life, which ranges from one to seven years.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Financial instruments

Financial assets and financial liabilities are recognised on the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability only when the Company's obligations are discharged, cancelled or they expire.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and balances in bank accounts with no notice or less than three months' notice from inception and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the contractual arrangements entered into.

Creditors

Trade and other payables on normal terms are not interest bearing and are stated at amortised cost.

1.6 Current and deferred taxation

UK Corporation tax is provided on taxable profits at the tax rates and laws that have been enacted or substantively enacted by the date of the Statement of Financial Position.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the year end date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis.

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, which are described in the accounting policies note, the Directors have made no individual judgements or estimates that have a significant impact upon the Financial Statements.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

3. OTHER OPERATING INCOME

	2019 £000	2018 £000
Other operating income	36	330
	<u>36</u>	<u>330</u>

Other operating income results from improved outcomes on completed sites.

4. OPERATING PROFIT

Fees payable to the Company's auditor for the audit of the Company's annual Financial Statements were borne by another Group company. Audit fees of £4,200 (2018 - £4,200) were payable to Deloitte LLP for the year ended 30 June 2019.

No other fees were payable to the Company's auditor in 2019 or 2018.

5. DIRECTORS AND EMPLOYEES

S J Boyes, D F Thomas and J E White are also Directors of the holding company, Barratt Developments PLC. D McLeod is also a Director of BDW Trading Limited. These Directors received total emoluments of £5,535,000 (2018 - £5,259,000) during the year but it is not practicable to allocate this between their services as executives of Group companies and their services as Directors of BDW North Scotland Limited. B J Davidson is an employee of BDW Trading Limited and received no emoluments from the Company. In addition, no Directors (2018 - none) accrued benefits under the Barratt Developments PLC group pension scheme, which is a defined benefit pension scheme.

The Company had no employees in the year ended 30 June 2019 (2018 - none).

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £000	2018 £000
Interest receivable from Group undertakings	363	404
	<u>363</u>	<u>404</u>

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £000	2018 £000
Bank charges	7	5
	<u>7</u>	<u>5</u>
	<u><u>7</u></u>	<u><u>5</u></u>

8. TAXATION

	2019 £000	2018 £000
CORPORATION TAX		
Current tax on profits for the year	73	137
	<u>73</u>	<u>137</u>
	<u><u>73</u></u>	<u><u>137</u></u>
Total current tax	73	137
Deferred tax		
Origination and reversal of timing differences	3	1
	<u>3</u>	<u>1</u>
Total deferred tax	3	1
	<u><u>3</u></u>	<u><u>1</u></u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	76	138
	<u><u>76</u></u>	<u><u>138</u></u>

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - the same as) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	392	729
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	74	138
EFFECTS OF:		
Adjustments to tax charge in respect of prior years	2	-
TOTAL TAX CHARGE FOR THE YEAR	76	138

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The main rate of corporation tax will reduce from 19% to 17% with effect from 1 April 2020.

There is no unrecognised deferred tax asset or liability in either year.

9. TANGIBLE FIXED ASSETS

	Plant and machinery £000
Cost	
At 1 July 2018 and 30 June 2019	328
Depreciation	
At 1 July 2018 and 30 June 2019	328
Net book value	
At 30 June 2019	-
At 30 June 2018	-

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

10. DEBTORS: amounts falling due within one year

	2019	2018
	£000	£000
Amounts owed by Group undertakings	7,474	5,596
Deferred taxation (see note 12)	4	7
	<u>7,478</u>	<u>5,603</u>

Amounts owed by Group undertakings are unsecured and repayable on demand. A market rate of interest is charged on funding loan balances.

11. CREDITORS: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	171	187
Amounts owed to Group undertakings	89	-
Corporation tax	73	137
Accruals and deferred income	885	945
	<u>1,218</u>	<u>1,269</u>

Amounts owed to Group undertakings are unsecured and repayable on demand.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

12. DEFERRED TAX ASSET

	2019 £000	2018 £000
At 1 July	7	8
Charged to the profit or loss	(3)	(1)
	4	7
At 30 June	4	7

The deferred tax asset is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	4	7
	4	7
	4	7

13. CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
Allotted, called up and fully paid		
42,500 Deferred ordinary share shares of £0.10 each	4	4
981,120 Ordinary share shares of £0.10 each	98	98
	102	102
	102	102

The holders of the deferred ordinary shares are not entitled to participate in any distribution of profits and have no right to receive notice of or attend or vote at any general meetings of the Company. On liquidation the holders of deferred shares are entitled to receive a return of capital of the amount paid up on each share, but only after the holders of each ordinary share have received an amount of £1,000 per ordinary share. The holders of deferred shares are not entitled to participate further in the assets or profits of the Company.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. CONTINGENT LIABILITIES

As previously disclosed, following correspondence with an industry wide final salary pension scheme, there is a risk of an obligation arising in respect of pension scheme funding pursuant to Section 75 of the Pensions Act 1995.

The Company received notification in January 2018 that no liability exists in respect of certain employees under the scheme, however previous correspondence received in November 2017 stated that the scheme actuary was not in a position to calculate any remaining section 75 debts due to the complexities of applying the relevant legislation to the scheme. In July 2018, the Trustees issued their consultation response confirming a proposed methodology for calculating the section 75 obligation and that debt notices would be issued by June 2019. In June 2019, the Group received an estimate of the section 75 obligation. The Group is in the process of taking appropriate actuarial and legal advice on the section 75 obligation. An extension has been agreed with the pension scheme while this is completed. No debt notices have been issued at the time of signing this report.

The Directors consider that whilst it is increasingly probable that a liability could result in the future; at present there remain uncertainties underlying any such calculation. Given the most recent communication with the Trustees a provision has been recognised, in another Group company, in relation to this matter as at 30 June 2018 and 30 June 2019.

15. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Barratt Developments PLC, a company incorporated in the UK and registered in England and Wales. Barratt Developments PLC is the parent of the largest and smallest group of undertakings to consolidate these financial statements at 30 June 2019. The consolidated financial statements of Barratt Developments PLC are available from its registered office at Barratt House, Cartwright Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire, LE67 1UF, or its website at www.barrattdevelopments.co.uk.

The immediate parent company is also Barratt Developments PLC.