

BDW NORTH SCOTLAND LIMITED

UNAUDITED

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2022



BDW NORTH SCOTLAND LIMITED

COMPANY INFORMATION

DIRECTORS

S J Boyes
B J Davidson
D McLeod
D F Thomas

COMPANY SECRETARY

Barratt Corporate Secretarial Services Limited

REGISTERED NUMBER

SC027535

REGISTERED OFFICE

Blairton House
Old Aberdeen Road
Balmedie
Aberdeenshire
AB23 8SH

BDW NORTH SCOTLAND LIMITED

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BDW NORTH SCOTLAND LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report and the unaudited financial statements for the year ended 30 June 2022.

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 AND FUTURE OUTLOOK

The Company's principal activity is to develop several sites in Scotland. All plots of land have been developed and 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 2022, the Company had net assets of £10.8m including amounts due from Group (Barratt Developments PLC and its subsidiary undertakings, the 'Group') undertakings of £11.4m. The financial position of the Company is therefore dependent upon the performance of the Group.

At 31 December 2022, the Group was financially strong with cash of £1,166.5m and total loans and borrowings of £202.0m, consisting of £2.0m of overdrafts repayable on demand and £200.0m sterling USPP notes maturing in August 2027. These balances, set against pre-paid facility fees, comprise the Group's net cash of £969.1m.

Should further funding be required, the Group has a committed £700m revolving credit facility, subject to compliance with certain financial covenants, which matures in November 2027, with two further one-year extension periods through to November 2029, if agreed between the Group and its lenders.

As such, in consideration of its net current assets of £5,145.0m at 31 December 2022, the Directors are satisfied that the Group has sufficient liquidity to meet its current liabilities and working capital requirements.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. They have formed a judgement that, at the time of approving the condensed consolidated financial statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of these condensed consolidated financial statements. For this reason, they continue to adopt the going concern basis in the preparation of these condensed consolidated financial statements.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £406,000 (2021 - £666,000).

The Directors propose that a final dividend of £8.15 per ordinary share, amounting to £8.0m (2021 - £nil) is paid for the year ended 30 June 2022.

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

BDW NORTH SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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, which are not considered to be material.

As at 30 June 2022, the Company was exposed to £11.4m (2021: £8.3m) of credit risk in relation to intercompany loans which are considered to be fully recoverable.

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.

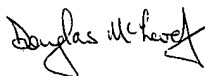
POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDIT EXEMPTION

For the year ended 30 June 2022 the Company has taken advantage of the audit exemption set out within section 479A of the Companies Act 2006. Deloitte LLP have, therefore, resigned from their position as the Company's auditor during the year.

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



D McLeod
Director

Date: 13/03/23

BDW NORTH SCOTLAND LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

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

Company law requires the Directors to prepare unaudited financial statements for each financial year. Under that law the Directors have elected to prepare the unaudited 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 unaudited 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 unaudited 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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £000	2021 £000
Other operating income	3	38	332
Operating profit		38	332
Interest receivable	5	472	497
Interest payable and similar charges	6	-	(6)
Profit before tax		510	823
Taxation	7	(104)	(157)
Profit for the financial year being total comprehensive income for the year		406	666

There was no other comprehensive income for 2022 (2021: £nil).

The notes on pages 7 to 13 form part of these financial statements.

BDW NORTH SCOTLAND LIMITED
REGISTERED NUMBER: SC027535

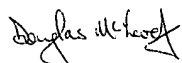
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £000	2022 £000	2021 £000	2021 £000
Current assets					
Debtors: amounts falling due within one year	8	11,422		8,287	
Cash at bank and in hand		-		2,857	
		<u>11,422</u>		<u>11,144</u>	
Creditors: amounts falling due within one year	9	(656)		(784)	
Net current assets			10,766		10,360
Total assets less current liabilities			10,766		10,360
Net assets			10,766		10,360
Capital and reserves					
Called up share capital	10		102		102
Profit and loss account			10,664		10,258
Shareholder's funds			10,766		10,360

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



D McLeod
Director

Date: 13/03/23

The notes on pages 7 to 13 form part of these financial statements.

BDW NORTH SCOTLAND LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Profit and loss reserves*	Total equity
	£000	£000	£000
At 1 July 2021	102	10,258	10,360
Comprehensive income for the year			
Profit for the year	-	406	406
Total comprehensive income for the year	-	406	406
At 30 June 2022	102	10,664	10,766

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital	Profit and loss reserves*	Total equity
	£000	£000	£000
At 1 July 2020	102	9,592	9,694
Comprehensive income for the year			
Profit for the year	-	666	666
Total comprehensive income for the year	-	666	666
At 30 June 2021	102	10,258	10,360

The notes on pages 7 to 13 form part of these financial statements.

* Profit and loss reserves comprise the accumulated profits and losses of the Company.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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 principal activities of the Company are set out in the Director's Report.

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 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 11.42, 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Barratt Developments PLC as at 30 June 2022 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.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. ACCOUNTING POLICIES (CONTINUED)

1.4 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

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.

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. ACCOUNTING POLICIES (CONTINUED)**1.5 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.

3. OTHER OPERATING INCOME

	2022	2021
	£000	£000
Other operating income	38	332
	38	332

Other operating income comprises the release of maintenance and site completion accruals no longer required.

4. DIRECTORS AND EMPLOYEES

S J Boyes and D F Thomas 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 £4,727,000 (2021 - £5,701,000, also including the emoluments of J E White) 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 (2021 - 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 2022 (2021 - none).

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

5. INTEREST RECEIVABLE

	2022 £000	2021 £000
Interest receivable from Group undertakings	472	497
	472	497

Interest was charged on intercompany balances at a rate of 4.0% (2021: 4%).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £000	2021 £000
Bank charges	-	6
	-	6

7. TAXATION

	2022 £000	2021 £000
CORPORATION TAX		
Current tax on profits for the year including Residential Property Developer Tax ('RPDT')	102	153
Adjustments in respect of previous periods	2	-
	104	153
Total current tax	104	153
Deferred tax		
Origination and reversal of timing differences	-	3
Adjustments to tax charge in respect of prior years	-	1
	-	4
Total deferred tax	-	4
TAXATION ON PROFIT	104	157

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

7. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax (including RPDT) in the UK of 20.0% (2021 - 19.0%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	510	823
Profit on ordinary activities multiplied by standard rate of corporation tax (including RPDT) in the UK of 20.0% (2021 - 19.0%)	102	156
EFFECTS OF:		
Adjustments to tax charge in respect of prior years	2	1
TOTAL TAX CHARGE FOR THE YEAR	104	157

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The UK corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. Legislation to increase the corporation tax rate was enacted during the 30 June 2021 accounting period and the impact on deferred tax was included in the 30 June 2021 balance sheet.

RPDT came into effect on 1 April 2022 and taxes residential property development profits at 4% to the extent that such profits exceed an annual allowance of £25m.

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

BDW NORTH SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. DEBTORS: amounts falling due within one year

	2022	2021
	£000	£000
Amounts owed by Group undertakings	11,422	8,287
	11,422	8,287

Amounts owed by Group undertakings are unsecured and repayable on demand. A market rate of interest is charged on funding loan balances (see note 5).

9. CREDITORS: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	107	131
Corporation tax	103	153
Accruals and deferred income	446	500
	656	784

10. CALLED UP SHARE CAPITAL

	2022	2021
	£000	£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

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 2022**

11. 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 2022. 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.