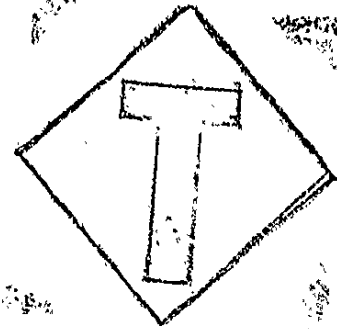
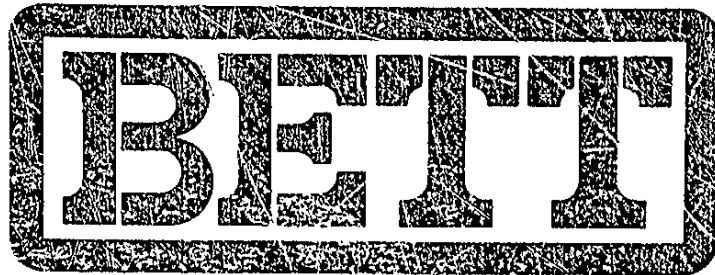
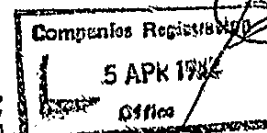


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BETT BROTHERS PLC
Annual Report 31st August, 1981



Bett Brothers plc

DIRECTORS

ALBERT A. BETT

Chairman.

STEWART C. BETT

Joint Managing Director.

IAIN C. R. BETT

Joint Managing Director.

HELEN EASSON BETT.

WILLIAM F. ROBERTSON.

RONALD MITCHELL.

ANDREW MILNE.

JOHN M. CALDER.

ALEXANDER GIBSON.

SECRETARY

DENNIS C. ROBINS.

BANKERS

BANK OF SCOTLAND,
40 NETHERGATE, DUNDEE.

AUDITORS

MILLER, McINTYRE & GELLATLY,
Chartered Accountants,
20 REFORM STREET, DUNDEE.

SOLICITORS

J. W. WYLLIE & HENDERSON,
4 KINNOULL STREET, PERTH.

REGISTERED OFFICE

9 COX STREET, DUNDEE, DD3 9HA.

REGISTRARS AND TRANSFER OFFICE

BANK OF SCOTLAND,
26A YORK PLACE, EDINBURGH, EH1 3BY.

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Bett Brothers Public Limited Company, will be held at the Company's Registered Office, 9 Cox Street, Dundee, on Friday, 12th March, 1982, at 12 noon, for the following purposes:

1. To receive and consider the Accounts and the Report of the Directors for the year ended 31st August, 1981.
2. To declare a dividend.
3. To elect Directors.
4. To re-appoint the Auditors and to authorise the Directors to fix their remuneration.
5. To transact any other business of an Annual General Meeting.

BY ORDER OF THE BOARD,

DENNIS C. ROBINS, *Secretary.*

Cox Street,
Downfield, Dundee.
16th February, 1982.

Notes:

1. A member is entitled to appoint one or more proxies who need not be members of the Company, to attend and, on a poll, vote instead of him. Proxy forms must be lodged with the Company Registrars not less than 48 hours before the time fixed for the meeting.
2. A statement showing the transactions in each Director's beneficial holding in the Company's shares together with copies of the Directors' service contracts, will be available for inspection at the Registered Office of the Company at Cox Street, Downfield, Dundee, during usual business hours (Saturdays excepted) from today until the Annual General Meeting and also fifteen minutes prior to and during the meeting.

CHAIRMAN'S STATEMENT

Accounts

I have pleasure in submitting my Report to the Shareholders on the Accounts of the Company for the year ended 31st August, 1981.

The Group Profit for the year ended 31st August, 1981, after meeting all charges, including depreciation, but before adjusting for taxation, amounted to £1,715,830 as compared with £2,262,795 in the previous year.

After adjusting for taxation and deducting minority interests, the profit amounted to £3,900,515 as compared with £1,078,529 in the previous year.

An Interim Ordinary Dividend of 1.20p per share has been paid and the Directors now recommend a Final Dividend of 1.90p per share payable on 15th March, 1982, making a total distribution for the year of 3.10p per share (1980—same).

Certain shareholders waived the interim dividend aggregating £25,947 net and have also waived the proposed final dividend aggregating £64,390 net, thereby reducing the cost of dividends to the Company from £465,000 to £374,663, a saving of £90,337 (1980—£105,225).

Trading Activities

The continuing lack of activity in the Building Industry as a whole during this current recessionary period has resulted in a diminished turnover on the construction side, but I am pleased to report that satisfactory levels of Group turnover and profit, up to those forecast at the interim, have nevertheless been achieved with assistance from our Group's diversified activities.

Subsidiary Companies

All of our subsidiary companies associated with construction have been adversely affected by the current economic conditions with the exception of Pitkerro (P.H.V.) Limited, the plumbing, heating and ventilation company, who had another relatively successful year following the extension of activities into the Edinburgh and Aberdeen areas.

Bett Inns Limited made an acceptable contribution to the Group, notwithstanding the closure of two of its establishments during the period of their refurbishment.

Bett Brothers (Properties) Limited successfully completed the year by consolidating its portfolio and rental income despite difficult trading conditions.

Future Prospects

The recession remains with us and could continue to affect all construction activity during the current year.

Until interest rates begin to fall and remain at a lower level, stimulation in the private housing sector will be delayed. Your Company, however, is endeavouring to increase sales in this highly competitive sector by providing an improved comprehensive service to house purchasers in conjunction with our experienced Estate Agents and Insurance Brokers, Spalding (Properties) Limited, with whom we now have an increased investment.

We look forward to continuing good results from Pickarro (P.H.V.) Limited, Bett Inns Limited and Bett Brothers (Properties) Limited.

Further diversification of the Group's activities has been achieved by re-registering our subsidiary company, Bett Brothers (Arbroath) Limited under the new name of Bett Trucks Limited, and taking over the franchise and main distributorship for Leyland trucks in the Tayside and Fife regions and part of Central Scotland.

The Building Industry is going through difficult times and it would, in my opinion, be unwise to make an assessment of the current year's results at this stage. I foresee little improvement in this situation until there are real signs of a general recovery.

Finally, I would like to thank my co-directors and all of the Company's employees for their hard work and continued loyalty throughout this strenuous year.

ALBERT A. BETT.

Bett Brothers plc

REPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 31st August, 1981.

1. CHANGE OF NAME

In accordance with the Memorandum dated 10th February, 1981, issued to Shareholders of the Company, relative to re-registration under the Companies Act, 1980, the name of the Company has been changed to "Bett Brothers Public Limited Company". The re-registration became effective on 5th May, 1981.

2. PROFITS AND DIVIDENDS

The profits of the Group for the year, after adjusting for taxation and deducting minority interests, amounted to	£	£
From which the Directors have made the following appropriations:		3,300,915
Interim Ordinary Dividend paid of 1.20p per share	154,053	
Proposed Final Ordinary Dividend of 1.90p per share	220,510	
		<u>374,663</u>
Leaving a balance retained of		<u>3,526,252</u>

3. CURRENT COST ACCOUNTS

Current Cost Accounts are submitted for the first time and are detailed on pages 15 to 18.

4. DIRECTORS

The Directors retiring by rotation are Messrs Ronald Mitchell, Andrew Milne and Stewart C. Bett and, being eligible, offer themselves for re-election. The current service contracts of Ronald Mitchell and Andrew Milne expire on 11th January, 1987.

The interests of Directors, including their families, in the Issued Share Capital of Bett Brothers plc were as follows:

	31.8.81 Ordinary 20p	31.8.80 Ordinary 20p
Albert A. Bett	1,550,000	1,425,000
Stewart C. Bett	1,735,900	1,803,000
Helen Easson Bett	1,507,500	1,412,500
Iain C. R. Bett	978,250	978,250
William F. Robertson	16,000	16,000
Ronald Mitchell	11,500	11,500
Andrew Milne	18,000	20,250
John M. Calder	19,437	20,000
Alexander Gibson	8,000	8,000

Between 31st August, 1981 and 31st January, 1982 no changes in the above holdings have been notified.

Substantial Shareholders

Apart from the Directors' and family interests listed above, the Directors were aware of the undernoted interests amounting to 5% or more of the Company's Issued Share Capital.

Mrs Mary Ross Bett	1,033,000 shares
The Prudential Assurance Company Ltd.	778,000 shares
Mrs Christina B. Szwedowski	1,175,000 shares
Clydesdale Bank (London) Nominees Ltd.	750,000 shares

Disclosable Contracts

Messrs Albert A. Bett and Iain C. R. Bett were directors of D. H. Morris & Company Limited, Electrical Contractors, during the year and held a material interest in that Company.

D. H. Morris & Company Limited had regular contracts with our Company on open competitive terms during the year, the amount payable under contract totalling £175,248.

5. ACTIVITIES

The principal activities of the Group include Building and Civil Engineering Contracting, Property Investment and management of Licensed Premises.

6. LAND AND BUILDINGS

The current use value of the land and buildings, as valued by the Company as at 31st August, 1981, has been incorporated in the accounts. (See Notes on the Accounts—7).

7. EXPORTS

There was no export business during the financial year.

8. EMPLOYEES

The average number of employees of the Group in each week of the year was 1,035. The aggregate remuneration paid to these employees for the year was £5,453,750.

The aims of the Manpower Services Commission "Fit for Work" campaign form the basis of Group Policy on the employment of disabled persons who are given equal opportunity and encouragement as far as recruitment, training, personal development and promotion are concerned.

9. CHARITABLE AND POLITICAL DONATIONS

Charitable donations amounted to £126. No contributions for political purposes were made.

10. CLOSE COMPANY

To the best of the Directors' knowledge, the Company is not a close Company under the Income and Corporation Taxes Act, 1970.

11. AUDITORS

In accordance with Section 14 of the Companies Act, 1976, a resolution proposing the re-appointment of Messrs Miller, McIntyre & Gellatly, Chartered Accountants, as Auditors of the Company, will be put to the Annual General Meeting.

BY ORDER OF THE BOARD,

DENNIS C. ROBINS,

Secretary.

16th February, 1982

Bett Brothers plc

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st August, 1981

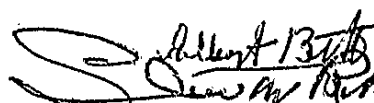
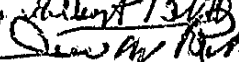
	1981	1980
	£	£
TURNOVER (Note 2)	<u>17,650,731</u>	<u>20,500,391</u>
GROUP OPERATING PROFIT		
Building activities	1,796,504	2,315,435
Net income from investment property	834,012	731,918
Licensed premises	83,722	121,385
Interest received	8,698	22,091
	<u>2,722,936</u>	<u>3,190,829</u>
<i>Deduct—</i>		
Directors' emoluments (Note 3)	168,696	156,104
Auditors' remuneration	14,010	12,420
Depreciation	245,061	265,756
Interest charges (Note 4)	579,339	493,754
	<u>1,007,106</u>	<u>928,034</u>
PROFIT BEFORE TAXATION	1,715,830	2,262,795
TAXATION (Note 5)	<u>2,187,125</u>	<u>(1,182,376)</u>
PROFIT AFTER TAXATION	3,902,955	1,080,419
MINORITY INTERESTS	<u>2,040</u>	<u>1,890</u>
PROFIT FOR YEAR	3,900,915	1,078,529
DIVIDENDS (Note 6)	<u>374,663</u>	<u>359,775</u>
PROFIT RETAINED	<u>3,526,252</u>	<u>718,754</u>

The notes on pages 10, 11, 12 and 13 form part of these accounts

Bett Brothers plc

CONSOLIDATED BALANCE SHEET as at 31st August, 1981

	1981		1980	
	£	£	£	£
FIXED ASSETS (Note 7)				
Freehold Land and Buildings		11,860,179		10,673,475
Plant, Vehicles and Equipment		903,090		830,222
		<u>12,763,269</u>		<u>11,503,697</u>
INVESTMENTS (Note 8)		3,550		3,550
CURRENT ASSETS				
Fee-duties	124,949		139,980	
Stock (Note 9)	731,530		962,849	
Work in progress (Note 10)	10,821,669		9,418,321	
Trade and other Debtors	1,678,389		1,475,420	
Bank balances and Cash	1,235,666		499,782	
	<u>14,592,203</u>		<u>12,496,352</u>	
CURRENT LIABILITIES				
Trade and other Creditors	2,161,746		1,845,003	
Taxation	851,657		767,924	
Bank overdrafts and Short Term Loans (Note 11)	6,269,405		4,426,784	
Dividend	220,610		208,698	
	<u>9,503,418</u>		<u>7,248,409</u>	
NET CURRENT ASSETS		<u>5,088,785</u>		<u>5,247,943</u>
		<u>17,855,604</u>		<u>16,755,190</u>
FINANCED BY				
SHARE CAPITAL AND RESERVES				
15,000,000 Ordinary Shares of 20p each	Authorised	Issued	Authorised	Issued
	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
Reserves (Note 12)		14,184,636		10,639,175
		<u>17,184,636</u>		<u>13,639,175</u>
MINORITY INTERESTS		168,997		72,765
LOANS (Note 13)		284,251		306,573
DEFERRED TAXATION (Note 14)		217,720		2,736,677
TOTAL FUNDS EMPLOYED		<u>17,855,604</u>		<u>16,755,190</u>

 ALBERT A. BETT, Director.
 STEWART C. BETT, Director.

The notes on pages 10, 11, 12 and 13 form part of these accounts

Bett Brothers plc

BALANCE SHEET as at 31st August, 1981

	£	£	£	£
	1981		1980	
FIXED ASSETS (Note 7)				
Freehold Land and Buildings	1,144,000		1,145,000	
Plant, Vehicles and Equipment	701,358		596,782	
	<u>1,845,358</u>		<u>1,741,782</u>	
INVESTMENTS (Note 8)	3,000		3,000	
SUBSIDIARY COMPANIES				
Shares at Cost	199,813		192,522	
Advances	3,076,826		3,985,101	
	<u>3,276,639</u>		<u>4,177,623</u>	
Due to Sul	198,990		526,061	
	<u>3,077,649</u>		<u>3,651,562</u>	
CURRENT ASSETS				
Fee-duties	122,578		136,713	
Stock (Note 9)	294,523		452,494	
Work in progress (Note 10)	10,117,620		8,603,365	
Trade and other Debtors	1,079,847		734,574	
Bank balances and Cash	13,998		5,775	
	<u>11,628,566</u>		<u>9,932,921</u>	
CURRENT LIABILITIES				
Trade and other Creditors	1,533,647		1,280,676	
Taxation	140,731		110,521	
Bank overdraft and Short Term Loans (Note 11)	4,746,711		4,412,103	
Dividend	220,610		208,698	
	<u>6,641,699</u>		<u>6,011,998</u>	
NET CURRENT ASSETS	4,986,867		3,920,923	
	<u>9,912,874</u>		<u>9,317,267</u>	
FINANCED BY				
SHARE CAPITAL AND RESERVES	Authorised	Issued	Authorised	Issued
15,000,000 Ordinary Shares of 20p each	3,000,000	3,000,000	3,000,000	3,000,000
Reserves (Note 12)		6,780,723		4,012,399
		<u>9,780,723</u>		<u>7,012,899</u>
DEFERRED TAXATION (Note 14)		132,151		2,304,368
TOTAL FUNDS EMPLOYED		<u>9,912,874</u>		<u>9,317,267</u>

 **ALBERT A. BETT, Director.**
 **STEWART C. BETT, Director.**

The notes on pages 10, 11, 12 and 13 form part of these accounts

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounting policies adopted for items which are judged material or critical in determining profit for the year and in stating the financial position are included under the appropriate heading in the notes.

2. TURNOVER

Turnover comprises instalments on contract work done, private housing sales, rental income and goods sold outside the Group.

3. REMUNERATION OF DIRECTORS

Emoluments of Chairman: £20,100 (1980—£19,517).

Emoluments of highest paid director: £20,251.

Emoluments of all other directors:

Range	1981 Number	1980 Number
£5,001 — £10,000	—	1
£10,001 — £15,000	1	—
£15,001 — £20,000	2	7
£20,001 — £25,000	4	—

4. INTEREST CHARGES

	1981 £	1980 £
Overdrafts and Loans repayable within 5 years	567,714	485,583
Other Interest	11,625	8,171
	<u>579,339</u>	<u>493,754</u>

5. TAXATION

	1981 £	1980 £
Corporation Tax on profits for the year at 52%	(312,215)	(428,398)
Deferred Taxation (Note 14)	(18,854)	(753,978)
Release of Taxation Deferred by Stock Relief	2,518,194	—
	<u>2,187,125</u>	<u>(1,182,376)</u>

The charge for taxation has been reduced by £563,070 (1980—£Nil) in respect of Stock Relief.

6. DIVIDENDS

Ordinary Shares	£	1981 £	£	1980 £
Interim Dividend of 1.20p per share	180,000		180,000	
Less waived	25,947		28,923	
		154,053		151,077
Proposed Final Dividend of 1.90p per share	285,000		285,000	
Less waived	64,390		76,302	
		220,610		208,698
		<u>374,663</u>		<u>359,775</u>
Earnings per Ordinary Share		1981		1980
Profit attributable to Ordinary Shareholders		£3,900,915		£1,078,529
Ordinary Shares in issue		15,000,000		15,000,000
Earnings per Ordinary Share of 20p		26.01p		7.2p

7. FIXED ASSETS

COST OR VALUATION	Group		Bett Brothers plc	
	Freehold Land and Buildings	Plant Vehicles and Equipment	Freehold Land and Buildings	Plant Vehicles and Equipment
	£	£	£	£
At 31st August, 1980	10,676,883	2,646,655	1,145,000	2,135,843
Additions	1,130,612	364,233	6,003	326,801
Disposals	(64,500)	(265,971)	(10,000)	(243,172)
	<u>11,742,995</u>	<u>2,744,917</u>	<u>1,141,003</u>	<u>2,219,472</u>
Surplus on Revaluation	117,184	—	2,997	—
At 31st August, 1981	<u>11,860,179</u>	<u>2,744,917</u>	<u>1,144,000</u>	<u>2,219,472</u>
DEPRECIATION				
At 31st August, 1980	3,408	1,816,433	—	1,539,061
Written back on revaluation	(3,408)	—	—	—
On Disposals	—	(219,667)	—	(199,934)
Charge for year	—	245,061	—	178,987
At 31st August, 1981	<u>—</u>	<u>1,841,827</u>	<u>—</u>	<u>1,518,114</u>
NET BOOK AMOUNT	<u>11,860,179</u>	<u>903,090</u>	<u>1,144,000</u>	<u>701,358</u>

Freehold Land and Buildings

A valuation, on an existing use basis, of the Group's Freehold Land and Buildings was carried out by the Directors of Bett Brothers (Properties) Limited in the sum of £11,860,179. This figure has been incorporated in the Accounts. No provision for tax on the surplus arising from the re-valuation has been made as no liability is contemplated in the foreseeable future.

Plant Vehicles and Equipment

Regional Development Grants have been applied to reduce the cost of the relevant assets. Depreciation is calculated to write-off the net cost of Plant, Vehicles and Equipment over their expected normal lives by annual instalments ranging from 15% to 30%.

8. INVESTMENTS

	Group		Bett Brothers plc	
	1981	1980	1981	1980
Unlisted shares at cost (Directors' valuation 31st August, 1981, £3,000)	£3,000	£3,000	£3,000	£3,000
Listed shares at cost (Market value 31st August, 1981, £1,818)	550	550	—	—
	<u>£3,550</u>	<u>£3,550</u>	<u>£3,000</u>	<u>£3,000</u>

9. STOCK

Stock has been valued at the lower of cost and net realisable value.

10. WORK IN PROGRESS

Work in progress, which includes amounts paid for land purchased for development, is valued at cost, including materials, labour, oncosts, and any attributable profit, and after making full provisions for contingencies and anticipated losses and after deducting payments on account as follows:

Group	£29,737,838	(1980—£26,000,634)
Bett Brothers plc	£26,820,759	(1980—£23,453,937)

11. BANK OVERDRAFTS AND SHORT TERM LOANS

	Group		Bett Brothers plc	
	1981	1980	1981	1980
Bank overdrafts	£6,169,405	£4,426,784	£4,646,711	£4,412,103
Short term loans (secured)	100,000	—	100,000	—
	<u>£6,269,405</u>	<u>£4,426,784</u>	<u>£4,746,711</u>	<u>£4,412,103</u>

12. RESERVES

	Group		Bett Brothers plc	
	Revenue	Capital	Revenue	Capital
At 31st August, 1980	£6,058,746	£4,580,429	£3,493,611	£519,288
Surplus on revaluation of Freehold Land and Buildings	—	117,184	—	2,997
Minority interest therein	—	(106,043)	—	—
Depreciation written back on revaluation of Freehold Land and Buildings	3,408	—	—	—
Discount on increase of holding in subsidiary	—	4,660	—	—
Profit retained for year	3,526,252	—	2,764,827	—
	<u>£9,588,406</u>	<u>£4,596,230</u>	<u>£6,258,438</u>	<u>£522,285</u>

13. LOANS—SECURED

	1981	1980
Repayable by quarterly instalments of £1,250 with a final payment of £151,250 in 1982 (Rate of interest 10%)	£152,500	£157,500
Repayable by equal monthly instalments with a final payment in 1988 (Rate of interest 6%)	48,104	55,712
Repayable by equal monthly instalments with a final payment in 1990 (Rate of interest 6%)	75,522	84,330
(The above loans have been guaranteed by the Parent Company).		
Building Society Loan	8,125	9,031
	<u>£284,251</u>	<u>£306,573</u>

14. DEFERRED TAXATION

	1981	Group 1980	Bett Brothers plc 1981	Bett Brothers plc 1980
Capital Allowances in excess of the depreciation charge in the Accounts	£372,469	£353,615	£286,900	£254,000
Stock Relief	—	2,518,194	—	2,185,500
Advance Corporation Tax	(154,749)	(135,132)	(154,749)	(135,132)
	<u>£217,720</u>	<u>£2,736,677</u>	<u>£132,151</u>	<u>£2,304,368</u>

Provision is made for deferred taxation on the liability method to the extent that a liability is expected to arise in the foreseeable future.

In addition to the amount already provided, the contingent liability for deferred taxation, which is considered unlikely to be payable in the foreseeable future, comprises:—

	1981	1980	1981	1980
Stock Relief	£3,081,264	—	£2,699,600	—
Potential capital gains on the revaluation of Freehold Land and Buildings	1,365,000	£1,360,000	150,900	£150,000
	<u>£4,446,264</u>	<u>£1,360,000</u>	<u>£2,850,500</u>	<u>£150,000</u>

15. CAPITAL EXPENDITURE

Commitments for capital expenditure at 31st August, 1981, of the Group and Bett Brothers plc, not provided in these Accounts, amounted to approximately:

Group	£1,295 (1980 — £3,625)
Bett Brothers plc	— (1980 — £3,625)

16. LAND PURCHASES

Commitments of the Group and Bett Brothers plc at 31st August, 1981, for the purchase of land for development, amounted to approximately:

Group	£1,149,615 (1980 — £861,339)
Bett Brothers plc	£1,149,615 (1980 — £811,780)

Settlement in respect of lots amounting to £799,965 in both cases is subject to planning permission being obtained.

17. SUBSIDIARY COMPANIES

	Country of Incorporation	Proportion of issued ordinary shares held by the Group %
A. Bruce & Son (Dundee) Ltd.	Scotland	100
Bett Brothers (Arbroath) Ltd.	Scotland	100
Charles Dick & Son Ltd.	Scotland	100
Bett Brothers (Properties) Ltd.	Scotland	100
Bett Insulation Ltd.	Scotland	100
Pitkerro (P.H.V.) Ltd.	Scotland	100
Bett Inns Ltd.	Scotland	100
Bett Brothers Engineering Ltd.	Scotland	98
Spalding (Properties) Ltd.	Scotland	64
Spalding (Insurance Brokers) Ltd.		

Bett Brothers plc

SOURCE AND APPLICATION OF THE GROUP'S FUNDS

<i>Source of Funds</i>	1981		1980	
	£	£	£	£
Profit before taxation		1,715,830		2,262,795
Depreciation		245,061		265,756
Disposals of fixed assets		110,804		84,483
Loans received		—		84,330
		<u>2,071,695</u>		<u>2,697,364</u>
<i>Application of Funds</i>				
Additions to fixed assets	1,494,845		883,696	
Acquisition of Subsidiary	—		62,437	
Decrease in Minority Interest arising from purchase of Shares	7,191		—	
Part-repayment of loans	22,322		12,608	
Purchase of investments	—		210	
Dividends paid	362,751		315,612	
Taxation paid	248,099		742,606	
	<u>2,135,208</u>		<u>2,017,163</u>	
<i>Net (Decrease)/Increase in Working Capital</i>		(63,513)		680,201
<i>viz: —</i>				
Feu-duties (decrease)	(15,031)		(15,255)	
Stock (decrease)	(231,319)		(30,774)	
Work-in-progress increase	1,403,348		2,085,228	
Trade and other Debtors increase	202,969		238,147	
Liquid funds (decrease)	(1,106,737)		(1,841,245)	
Trade and other Creditors (increase)/decrease	(316,743)		244,100	
	<u>(63,513)</u>		<u>680,201</u>	

Bett Brothers plc

CURRENT COST CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 31st August, 1981

	1981
	£
TURNOVER	17,650,731
GROUP PROFIT BEFORE INTEREST AND TAXATION per the statutory accounts	2,295,169
CURRENT COST OPERATING ADJUSTMENTS:	
Depreciation (Note 2)	126,253
Cost of Sales (Note 3)	517,552
Monetary Working Capital (Note 4)	70,281
	<u>714,086</u>
Interest re Monetary Working Capital	1,581,083
	<u>554,577</u>
CURRENT COST OPERATING PROFIT	1,026,506
Gearing Adjustment (Note 5)	107,470
	<u>1,133,976</u>
Interest re Net Borrowings	24,762
PROFIT BEFORE TAX*	<u>1,109,214</u>
Taxation (Note 6)	2,187,125
PROFIT AFTER TAX	<u>3,296,339</u>
Minority Interests (Note 7)	2,486
PROFIT ATTRIBUTABLE TO SHAREHOLDERS	<u>3,298,825</u>
Dividends	374,663
PROFIT RETAINED	<u>2,924,162</u>
CURRENT COST EARNINGS per ordinary share of 20p	<u>21.99p</u>

*Including Bett Brothers (Properties) Limited per statutory accounts £818,833.

Bett Brothers plc

CURRENT COST CONSOLIDATED BALANCE SHEET as at 31st August, 1981

	£	1981	£
NET OPERATING ASSETS:*			
Fixed Assets (Note 2)	.	.	13,399,405
Stocks and Work in Progress (Note 3)	.	.	7,998,228
Monetary Working Capital (Note 4)	.	.	260,905
			<u>21,658,538</u>
FINANCED BY			
SHAREHOLDERS' INTERESTS:			
Share Capital	.	.	3,000,000
Reserves (Note 8)	.	.	16,909,562
Proposed Dividends	.	.	220,610
			<u>20,130,172</u>
NET BORROWINGS:			
Minority Interests (Note 7)	.	.	174,738
Loans	.	.	284,251
Deferred Accounts	.	.	217,720
Other Current Liabilities	.	.	851,657
			<u>1,528,366</u>
			<u>21,658,538</u>

*Including Bett Brothers (Properties) Limited per statutory accounts £6,160,169.

NOTES ON THE CURRENT COST ACCOUNTS

1. GENERAL

The current cost accounts have been prepared in accordance with Statement of Standard Accounting Practice Number 16. The accounting policies are the same as those used in the statutory accounts except as stated below.

2. FIXED ASSETS AND DEPRECIATION

Freehold Land and Buildings are stated at the valuation per the statutory accounts.

Plant, Vehicles and Equipment have been inflated adjusted by reference to indices published by the Central Statistical Office.

	Total £	Freehold Land and Buildings £	Plant, Vehicles and Equipment £
Valuation or Gross Current Cost	17,035,164	11,860,179	5,174,985
Accumulated Depreciation	3,635,759	—	3,635,759
	<u>13,399,405</u>	<u>11,860,179</u>	<u>1,539,226</u>

The depreciation adjustment represents the difference between the current cost depreciation charge and the depreciation charge in the statutory accounts and includes an adjustment in respect of assets disposed of during the year.

3. STOCKS AND WORK IN PROGRESS AND COST OF SALES

Work in progress on long term contracts has been treated as a monetary item. Land Stocks held for or in the course of development have been revalued internally on an individual basis. Other stocks have been restated at the lower of current cost, as determined by application of the relevant specific index, and net realisable value. The cost of sales adjustment is the difference between the current cost of stock at the date of sale and the cost in the statutory accounts.

4. MONETARY WORKING CAPITAL

The monetary working capital adjustment has been calculated by the averaging method using indices issued by the Central Statistical Office.

Monetary working capital comprises work in progress on long term contracts, fees, duties, debtors, creditors and related overdrafts.

5. GEARING ADJUSTMENT

The gearing adjustment is made on a group basis to represent the extent to which the assets of the Group are financed by borrowing. It is calculated by multiplying the total of the current cost operating adjustments by the ratio of average net borrowings to average total balance sheet financing.

6. TAXATION

No adjustment has been made to the treatment of taxation in the statutory accounts.

7. MINORITY INTERESTS

Amounts attributable to or by minority shareholders in the statutory accounts have been adjusted to reflect the restatement of Group income and net assets on a current cost basis.

8. RESERVES

	Current Cost Reserve Revaluation Surplus	Current Cost Adjustments	Other Reserves	Total Reserves
	£	£	£	£
Reserves at 31st August, 1980 per statutory accounts . . .	4,543,443	—	6,095,732	10,639,175
Discount on Increase of holding in subsidiary	—	—	4,660	4,660
Current Cost retained profit for year	—	—	2,924,162	2,924,162
Depreciation written back on re- valuation of Land and Buildings	—	—	3,408	3,408
Current Cost adjustments:				
Depreciation	—	126,253	—	126,253
Cost of Sales	—	517,552	—	517,552
Monetary Working Capital	—	70,281	—	70,281
Gearing	—	(107,470)	—	(107,470)
Attributable to Minority Interests	—	(4,526)	—	(4,526)
Revaluation surpluses during year:				
In statutory accounts	117,184	—	—	117,184
Attributable to Minority Interests	(106,043)	—	—	(106,043)
Additional in current cost accounts:				
Fixed Assets	630,395	—	—	630,395
Stocks and Work in Progress . . .	2,094,531	—	—	2,094,531
	<u>7,279,510</u>	<u>602,090</u>	<u>9,027,962</u>	<u>16,909,562</u>

Bett Brothers plc

REPORT OF THE AUDITORS

TO THE MEMBERS OF BETT BROTHERS PLC

We have audited the accounts on pages 7 to 18 in accordance with approved auditing standards.

In our opinion the Accounts on pages 7 to 14, which have been prepared under the historical cost convention as modified by the revaluation of Freehold Land and Buildings, give, under that convention, a true and fair view of the state of affairs of the Company and of the Group at 31st August, 1981, and of the profit and source and application of funds for the year ended on that date and comply with the Companies Acts 1948 to 1981.

In our opinion the supplementary current cost accounts on pages 15 to 18 have been properly prepared in accordance with the accounting policies and methods described in the notes and give, under the current cost principles described in Statement of Standard Accounting Practice No. 16, a true and fair view of the state of affairs of the Group at 31st August, 1981 and of its results for the year then ended.

MILLER, McINTYRE & GELLATLY,

Chartered Accountants.

20 Reform Street, Dundee.

16th February, 1982.

Bett Brothers plc

The activities of the Group include

General Building and Civil Engineering Contracting.
Development of Private Housing Estates.
Industrial and Commercial Property Development.
Design and Build (Package Deal) Contracts.
Joinery Manufacturing.
Precast Concrete Manufacturing.
Insulation.
Plumbing, Heating and Ventilation Engineering.
Licensed Victuallers.
Plant Hire.
Sale and Repair of Heavy Goods Vehicles.

Contracts currently being carried out for

Dundee District Council.
Dunfermline District Council.
Perth and Kinross District Council.
Falkirk District Council.
Tayside Regional Council.
Tayside Health Board.
S.S.H.A.
D.O.E.
Kingsway Entertainments Ltd.
Bield Housing Association.

Private Housing Sites under Development

St. Fort, Wormit.
Newton, Dunblane.
St. Vigean, Arbroath.
Westhaven Park, Carnoustie.
Lochside Park, Forfar.
Strichen Road, Fraserburgh.
Woodlands Road, Blairgowrie.
Hayfield, Denny.
Showfield, Kirriemuir.
Inverbervie.
Hill Park, Monifieth.
Seabourne Gardens, Broughty Ferry.
Gowrie Park, Dundee.
Baldovie, Dundee.
Glamis Road, Dundee.
Birkhill, Dundee.
Baldridge, Dunfermline.
Pilmuir, Clackmannan.
Balfron.
Bannockburn.
Twedbank.
Dunollie Gardens, Haddington.
Callander.
Gauldry.
Knightsridge, Livingston.
Lundin Links.
Shieldhill, Falkirk.
Prestonhall, Glenrothes.
Bow Butts, Craik.