A M GILLIES LIMITED
Registered Number: SC080613

Directors' Report and Financial Statements

For the year ended 27 August 2005 - 31/3/05 - 31/1/06



COMPANIES HOUSE 21/02/06

A M GILLIES LIMITED

Directors' Report and Financial Statements

For the year ended 27 August 2005

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Directors

A M Gillies
C A Gillies

Secretary

A M Gillies

Auditors
J H Greenwood and Company
Chartered Accountants
Registered Auditor
Ava Lodge
Castle Terrace
Berwick Upon Tweed TD15 1NP

Bankers
Bank of Scotland
38 St Andrew Square
Edinburgh EH2 2YR

Solicitors
Brodies WS
15 Atholl Crescent
Edinburgh

Registered office
15 Atholl Crescent
Edinburgh
EH3 8HA

A M GILLIES LIMITED

Directors' Report

For the year ended 27 August 2005

The directors submit their annual report and audited financial statements for the year ended 27 August 2005.

Results for the year

The results for the year are as shown in the attached financial statements. The directors recommend that no dividend be paid and that the profit for the year be carried to reserves.

Principal activities and review of the business

The principal activity of the company during the year was that of building works and maintenance contractor. The company now only carries out works for other group companies and is increasingly concentrating on the provision of facilities, maintenance, cleaning and administration functions for group properties.

Directors and their interests

Mr A M Gillies is a director of, and major shareholder in Isertal Limited and his interest in the share capital is disclosed in the Directors' Report of that company. The directors during the year and their interests in the share capital of the company, including family interests were as follows:

	Ordinary shares of £1 each	
	27 August 2005	27 August 2004
Mr A M Gillies	-	-
Mrs C A Gillies (Appointed 18/08/04)	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors

A resolution to appoint J H Greenwood & Company as auditors, in accordance with section 385 of the Companies Act 1985 will be put to the members at the annual general meeting.

By order of the board

A M Gillies
Secretary

2nd February 2006

A M GILLIES LIMITED

Auditors' Report to the Members

For the year ended 27 August 2005

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 27 August 2005 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

J H GREENWOOD AND COMPANY
Chartered Accountants
Registered Auditor
Ava Lodge
Castle Terrace
Berwick Upon Tweed TD15 1NP

2nd February 2006

A M GILLIES LIMITED

Profit and Loss Account

For the year ended 27 August 2005

	Notes	2005 £	2004 £
Turnover - continuing operations	2	488,799	727,788
Cost of sales		417,119	667,576
Gross profit		71,680	60,212
Administrative expenses		48,574	61,592
Operating profit/(loss) - continuing operations	4	23,106	(1,380)
Interest payable		-	-
Profit/(Loss) on ordinary activities before taxation		23,106	(1,380)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(Loss) on ordinary activities after taxation		23,106	(1,380)
Preference Dividends waived		-	65,449
Profit/(Loss) for the financial year		23,106	64,069

The company has no recognised gains or losses other than those included in the profit and loss account.

There is no difference between the profit on ordinary activities for the year stated above and its historical cost equivalent.

None of the company's activities were acquired or discontinued during the above two financial years.

The notes on pages 5 to 9 form part of these financial statements

A M GILLIES LIMITED

Balance Sheet

As at 27 August 2005

	Notes	£	2005 £	£	2004 £
Fixed assets					
Tangible assets	6		11,689		13,905
Current assets					
Stocks	7	30,000		-	
Debtors	8	434,226		442,844	
Cash at bank and in hand	9	-		-	
		464,226		442,844	
Creditors : Amounts falling due within one year	10	(471,747)		(475,687)	
Net current liabilities			(7,521)		(32,843)
Total assets less current liabilities			4,168		(18,938)
Creditors: Amounts falling due after more than one year			-		-
			4,168		(18,938)
Capital and reserves					
Equity share capital			36,000		36,000
Non-equity share capital			-		-
Called up share capital	11		36,000		36,000
Profit and loss account	12		(31,832)		(54,938)
Shareholders' funds	13		4168		(18,938)

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) and were approved by the board of directors on 2nd February 2006 and signed on its behalf by

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The notes on pages 5 to 9 form part of these financial statements

A M GILLIES LIMITED

Notes to the Financial Statements

For the year ended 27 August 2005

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset evenly over its expected useful life as follows:-

Plant and machinery	10 years
Motor vehicles	4 years
Office equipment	7 years

Stocks and work in progress

Work in progress has been included at the value at which it will be charged out to customers.

Deferred taxation

Deferred taxation is provided on the liability method unless there is reasonable probability that such liability will not arise within three years of the end of the financial year.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership the assets are treated as if they had been purchased outright. The amount capitalised is the cost of the asset to the lessor and this is depreciated over its useful economic life. The corresponding leasing commitments are shown as amounts payable to the lessor. Lease payments are split between capital and interest. The interest element is charged to the profit and loss account while the capital portion reduces the amounts payable to the lessor.

Cash Flow Statement

The company is defined as a small company and has taken advantage of the exemption under Financial Reporting Standard 1 not to prepare a Cash Flow Statement.

2. Turnover

Turnover and the profit on ordinary activities are attributable to the company's principal activity of building contractors within UK. Turnover represents sales invoiced, net of value added tax.

3. Staff numbers and costs

	2005 Number	2004 Number
The average weekly number of employees during the year was made up as follows :-		
Office and management	2	2
Tradesmen and manual workers	8	8
	10	10

The aggregate remuneration and associated costs of the company's employees were:-	2005 £	2004 £
Wages and salaries	124,006	190,052
Social security costs	10,021	16,656
Pension costs	1,914	1,609
	135,941	208,317
Directors' remuneration		
- As managers (including benefits in kind)	-	35,130
- Pension contribution	-	1,609
Directors' emoluments	-	36,739

All pension payments relate to contributions by the company to employee personal pension plans.

4. Operating profit

The operating profit is stated after charging:	2005 £	2004 £
Hire of plant and machinery	-	1,440
Auditors' remuneration		
- for services as auditors	2,600	3,200
- for accountancy and tax services	-	-
Depreciation	3,657	3,593

5. Tax on profit on ordinary activities

There is no liability to taxation due to the availability of losses.

6. Tangible assets

Cost	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
At 28 August 2004	16,783	-	43,525	60,308
Additions	1,441	-	-	1,441
Disposals	-	-	-	-
At 27 August 2005	18,224	-	43,525	61,749
Depreciation				
At 28 August 2004	11,756	-	34,647	46,403
Provided for year	730	-	2,927	3,657
Disposals	-	-	-	-
At 27 August 2005	12,486	-	37,574	50,060
Net book value				
At 27 August 2005	5,738	-	5,951	11,689
At 27 August 2004	5,027	-	8,878	13,905

7. Stocks

	2005 £	2004 £
Work in Progress	30,000	-
	30,000	-

8. Debtors

	2005 £	2004 £
Trade debtors	6,483	16,778
Amounts due from group companies	425,894	423,972
Other debtors	1,849	2,094
	434,226	442,844

9. Going Concern

The directors are of the opinion that it is appropriate to prepare the financial statements under the going concern basis of accounting.

The company meets its day to day working capital requirements through an overdraft facility provided to the Isertal Group by the Bank of Scotland which is repayable on demand. The overdraft facility of £400,000 is valid until 30th June 2006 and the Group expects to be able to work within the limit and this is anticipated to continue. These views are based on the Group's plans and on discussions with the company's bankers.

The group has agreed to support the company for the foreseeable future.

The Bank of Scotland hold the following security:

- Letter of guarantee by A M Gillies and Mrs C A Gillies collateralised by a postponed standard security over dwelling house West Garleton House, Haddington.
- Cross letters of guarantee and letters of offset by Isertal Limited and A M Gillies Limited.
- Assignation of life policy over the life of A M Gillies.

10. Creditors : Amounts falling due within one year

	2005	2004
	£	£
Bank overdraft	447,675	426,299
Trade creditors	11,781	30,119
Social security and other taxes	7,049	12,539
Accruals	5,242	6,730
	471,747	475,687

11. Called up share capital

	2005	2004
	£	£
Authorised		
Ordinary £1 shares	36,000	36,000
Issued and fully paid		
Equity		
Ordinary £1 shares	36,000	36,000

12. Profit and loss reserves

	2005 £	2004 £ Profit and Loss Account
At 28 August 2004	(54,938)	(119,007)
Profit/(loss) for the financial year	23,106	(1,380)
Preference Dividends waived 2004	-	65,449
At 27 August 2005	(31,832)	(54,938)

13. Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Profit/loss for the financial year	23,106	(1,380)
Preference Dividends waived 2004	-	65,449
Shareholders' funds at 28 August 2004	(18,938)	(83,007)
Shareholders' funds at 27 August 2005	4,168	(18,938)

14. Analysis of shareholders funds

	2005 £	2004 £
Equity interests	4,168	(18,938)

15. Holding company

The ultimate holding company is Isertal Limited, a company incorporated in Scotland.

16. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8, in relation to subsidiary companies whose voting rights are controlled within the group to the extent of 90% or more, not to disclose transactions with other group companies.
During the year work for £30,000 was carried out for Garleton Development Company Limited. This was included in work in progress at the end of the year. Garleton Development Company Limited is controlled by A M Gillies and C A Gillies.