A M GILLIES LIMITED

Registered Number SC080613

Directors' Report and Financial Statements

For the year ended 27 August 2007

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A M GILLIES LIMITED

Directors' Report and Financial Statements

For the year ended 27 August 2007

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Directors

A M Gillies
Mrs C A Gillies
D J 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 2007

The directors submit their annual report and audited financial statements for the year ended 27 August 2007

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 facilities management and maintenance contractor

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 who served the company during the year were as follows

Mr A M Gillies
Mrs C A Gillies
Mr D J Gillies

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 re 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

4th June 2008

A M GILLIES LIMITED

Auditors' Report to the Members

For the year ended 27 August 2007

We have audited the financial statements on pages 3 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of 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 2007 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

4th June 2008

A M GILLIES LIMITED

Profit and Loss Account

For the year ended 27 August 2007

	Notes	2007 £	2006 £
Turnover continuing operations	2	767,342	308,433
Cost of sales		705,668	287,071
Gross profit		61,674	21,362
Administrative expenses		9,458	7,315
Operating profit/(loss) continuing operations	4	52,216	14,047
Interest payable		44	97
Profit/(Loss) on ordinary activities before taxation		52,172	13,950
Tax on profit/(loss) on ordinary activities	5		
Profit/(Loss) on ordinary activities after taxation		52,172	13,950
Profit/(Loss) for the financial year		52,172	13,950

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 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	6		5,961		8,191
Current assets					
Stocks				68,764	
Debtors	7	542,764		439,667	
		542,764		508,431	
Creditors · Amounts falling due within one year	8	(478,435)		(498,504)	
Net current assets			64,329		9,927
Total assets less current liabilities			70,290		18,118
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		34,290		(17,882)
Shareholders' funds			70,290		18,118

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 January 2007) and were approved by the board of directors on 4th June 2008 and signed on its behalf by

AM GILLIES

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 2007

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
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

	2007 Number	2006 Number
The average weekly number of employees during the year was made up as follows		
Office and management	1	1
Tradesmen and manual workers	5	5
	6	6

The aggregate remuneration and associated costs of the company's employees were	2007 £	2006 £
Wages and salaries	94,817	87,851
Social security costs	5,114	4,256
Pension costs	1,919	1,914
	101,850	94,021

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

4. Operating profit

The operating profit is stated after charging:	2007 £	2006 £
Auditors' remuneration		
for services as auditors	2,600	2,600
for accountancy and tax services		
Depreciation	3,110	3,497

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 £	Office equipment £	Total £
At 28 August 2006	9,784	18,440	28,224
Additions	880		880
Disposals			
At 27 August 2007	10,664	18,440	29,104
Depreciation			
At 28 August 2006	4,777	15,256	20,033
Provided for year	819	2,291	3,110
Disposals			
At 27 August 2007	5,596	17,547	23,143
Net book value			
At 27 August 2007	5,068	893	5,961
At 27 August 2006	5,007	3,184	8,191

7 Debtors

	2007 £	2006 £
Trade debtors	7,584	11,765
Amounts owed by group companies	182,112	255,633
Other debtors	353,068	172,269
	542,764	439,667

8. Creditors . Amounts falling due within one year

	2007 £	2006 £
Bank overdraft	451,501	477,157
Trade creditors	15,099	16,464
Social security and other taxes	6,834	2,482
Other creditors	5,001	2,401
	478,435	498,504

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 2008 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. 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

11 Called up share capital

	2007 £	2006 £
Authorised		
Ordinary £1 shares	36,000	36,000
Issued and fully paid		
Equity		
Ordinary £1 shares	36,000	36,000

12. Reconciliation of Shareholders Funds and Movement on Reserves

	Share capital £	Profit and loss account £	Total share holders funds £
Balance brought forward	36,000	(17,882)	18,118
Profit/(loss) for the financial year		52,172	52,172
Balance carried forward	36,000	34,290	70,290

13 Ultimate Parent Company

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

A M GILLIES LIMITED

Detailed Profit and Loss Account

For the year ended 27 August 2007

	£	2007 £	£	2006 £
Turnover		767,342		308,433
Cost of sales				
Materials	138,675		120,815	
Labour	96,736		89,765	
National insurance contributions on direct labour	5,114		4,256	
Subcontractors	455,050		58,705	
Travel and accommodation	1,160		2,354	
Motor expenses	5,933		7,176	
Design fees	3,000		4,000	
		(705,668)		(287,071)
		61,674		21,362
Administration expenses				
Telephone	222		230	
Stationery, software and machine maintenance	46		12	
Miscellaneous	(720)		578	
Advertising and marketing			183	
Professional fees				
Auditors remuneration	2,600		2,600	
Depreciation	3,110		3,497	
Bank charges	4,200		215	
		9,458		7,315
Operating Profit		52,216		14,047
HMRC interest and previous year tax		(44)		(97)
Profit on Ordinary Activities		52,172		13,950