
Ogilvie Homes Limited

Report and Accounts

30 June 1995

Registered No. 91421



 **ERNST & YOUNG**

DIRECTORS' REPORT

The directors submit their report and accounts for the 18 month period to 30 June 1995.

RESULTS AND DIVIDENDS

The loss for the period, after taxation, amounted to £712,029 and is transferred from reserves. The directors do not recommend the payment of a final dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the period was residential property development. The difficult trading conditions experienced during the period under review have led to the overall results being disappointing. Having regard to the fact that the conditions will continue to provide a challenge, the directors have reviewed future strategies and appropriate action will be developed and implemented in order that the company may increase its market share over the ensuing year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period were:

D J Harkness (resigned 30 June 1994)
D F Ross (resigned 27 September 1995)
D H Ogilvie
J F Watson
R G H Moyes (appointed 1 January 1995)

None of the directors held any interest in the shares of the company.

The directors' interests in other group companies are disclosed in the directors' report of Ogilvie Holdings Limited, the ultimate parent company.

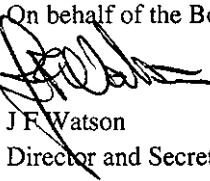
CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1988.

AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

On behalf of the Board


J F Watson
Director and Secretary

Pirnhall Works
Whins of Milton
Stirling

29 September 1995

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Ogilvie Homes Limited

We have audited the accounts on pages 4 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

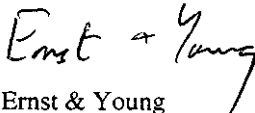
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material mis-statement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 June 1995 and of the loss for the period ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants
Registered Auditor
Glasgow

29 September 1995

Ogilvie Homes Limited

PROFIT AND LOSS ACCOUNT

for the 18 month period ended 30 June 1995

	Notes	18 month period ended 30 June 1995 £	Year ended 31 December 1993 £
TURNOVER	3	10,088,906	4,332,815
Cost of sales		8,907,870	3,486,449
GROSS PROFIT		1,181,036	846,366
Distribution costs		571,902	250,661
Administrative expenses		655,460	368,731
OPERATING (LOSS)/PROFIT	4	(46,326)	226,974
Interest payable	6	665,703	360,349
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(712,029)	(133,375)
Tax on loss on ordinary activities	7	-	(373)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	14	(712,029)	(133,002)

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £712,029 in the 18 month period ended 30 June 1995 and £133,002 in the year ended 31 December 1993.

Ogilvie Homes Limited

BALANCE SHEET

at 30 June 1995

	Notes	30 June 1995 £	31 December 1993 £
FIXED ASSETS			
Tangible assets	8	26,945	4,667
Investments	9	100	100
		<u>27,045</u>	<u>4,767</u>
CURRENT ASSETS			
Stocks	10	5,196,289	4,571,699
Debtors	11	2,121,469	2,298,828
Cash at bank and in hand		692	10
		<u>7,318,450</u>	<u>6,870,537</u>
CREDITORS: amounts falling due within one year	12	8,497,344	7,315,124
		<u>1,178,894</u>	<u>444,587</u>
NET CURRENT LIABILITIES			
		<u>(1,151,849)</u>	<u>(439,820)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(1,151,849)</u>	<u>(439,820)</u>
CAPITAL AND RESERVES			
Share capital	13	100	100
Profit and loss account	14	(1,151,949)	(439,920)
		<u>(1,151,849)</u>	<u>(439,820)</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>(1,151,849)</u>	<u>(439,820)</u>


J.F. Watson

Director

29 September 1995

NOTES TO THE ACCOUNTS

at 30 June 1995

1. FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared under the going concern concept because the parent company has confirmed its intention to support the activities of the company over the next twelve months from 29 September 1995 or, if shorter, for so long as the company remains a wholly owned subsidiary of the parent company.

2. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention. The accounts are prepared in accordance with applicable accounting standards.

Depreciation

Depreciation is provided on fixed assets on the following basis:

Fixtures and fittings - 20% reducing balance.

Stocks

Work-in-progress is valued at the cost of related land, direct materials and labour plus attributable production overheads less provision for any known or anticipated losses.

Pensions

The company operates a defined benefit pension scheme, which requires contributions to be made to a separately administered fund. Contributions are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives within the group. Differences between the amounts funded and the amounts charged to the profit and loss account are treated as either provisions or prepayments in the balance sheet.

3. TURNOVER

Turnover which is stated net of value added tax represents the invoiced amount of goods sold and services provided. The date of sale is taken as the date a habitation certificate is issued following signing of missives.

4. OPERATING PROFIT

	18 month period ended 30 June 1995 £	Year ended 31 December 1993 £
a) This is stated after charging:		
Auditors' remuneration - audit services	5,500	4,000
- non audit services	890	2,745
Depreciation	7,432	969
	<u> </u>	<u> </u>
b) Directors' remuneration:		
	£	£
Directors' emoluments including pension contributions	81,464	35,070
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS

at 30 June 1995

4. OPERATING PROFIT (continued)

The emoluments of the highest paid director, excluding pension contributions was £47,251 (1993 - £31,517). Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	<i>18 month period ended 30 June 1995 No.</i>	<i>Year ended 31 December 1993 No.</i>
£Nil - £ 5,000	3	3
£15,000 - £20,000	1	-

5. STAFF COSTS

	<i>18 month period ended 30 June 1995 £</i>	<i>Year ended 31 December 1993 £</i>
Wages and salaries	396,482	153,017
Social security costs	31,407	2,031
Pension costs	28,501	9,595
	<u>456,390</u>	<u>164,643</u>

The average weekly number of employees during the period was:

<i>No.</i>	<i>No.</i>
<u>20</u>	<u>6</u>

6. INTEREST PAYABLE

	<i>18 month period ended 30 June 1995 £</i>	<i>Year ended 31 December 1993 £</i>
Bank and development loan interest	<u>665,703</u>	<u>360,349</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	<i>18 month period ended 30 June 1995 £</i>	<i>Year ended 31 December 1993 £</i>
Adjustments in respect of previous years:		
Corporation tax	<u>-</u>	<u>(373)</u>

There is no current period tax credit in 1995 or 1993 due to the utilisation of group relief for which no payments are received.

NOTES TO THE ACCOUNTS

at 30 June 1995

8. TANGIBLE FIXED ASSETS

	<i>Sales office equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 January 1994	-	7,828	7,828
Additions	16,374	13,336	29,710
At 30 June 1995	16,374	21,164	37,538
Depreciation:			
At 1 January 1994	-	3,161	3,161
Charge for period	4,172	3,260	7,432
At 30 June 1995	4,172	6,421	10,593
Net book value:			
At 30 June 1995	12,202	14,743	26,945
At 1 January 1994	-	4,667	4,667

9. INVESTMENTS

Subsidiary undertakings at cost:	£
At 1 January 1994 and 30 June 1995	100

<i>Name of company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Percentage held</i>	<i>Nature of business</i>
Ogilvie Abbotsford Limited	Scotland	Ordinary shares	100	Non-trading

10. STOCKS

	<i>30 June 1995</i>	<i>31 December 1993</i>
	£	£
Land held for development	960,170	668,754
Work in progress	4,236,119	3,902,945
	5,196,289	4,571,699

NOTES TO THE ACCOUNTS

at 30 June 1995

11. DEBTORS

	30 June 1995 £	31 December 1993 £
Trade debtors	1,875,362	2,035,725
Amounts due by group undertakings	214,670	237,080
Other taxes and social security costs	27,317	23,783
Prepayments	4,120	2,240
	<u>2,121,469</u>	<u>2,298,828</u>

12. CREDITORS: amounts falling due within one year

	30 June 1995 £	31 December 1993 £
Bank overdraft (see below)	2,829,076	2,918,729
Development loans (see below)	2,674,810	2,996,447
Trade creditors	154,216	53,061
Amounts due to group undertakings	2,755,853	1,278,433
Other taxes and social security costs	7,996	2,031
Other creditors	50,943	10,348
Accruals	15,400	32,749
Payments in advance	9,050	23,326
	<u>8,497,344</u>	<u>7,315,124</u>

The bank overdraft and development loans are secured by a floating charge granted in favour of the Clydesdale Bank PLC.

13. SHARE CAPITAL

	30 June 1995 £	31 December 1993 £
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. REVENUE RESERVE

	£
At 1 January 1994	(439,920)
Loss for the period	(712,029)
At 30 June 1995	<u>(1,151,949)</u>

NOTES TO THE ACCOUNTS

at 30 June 1995

15. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

	<i>18 month period ended 30 June 1995 £</i>	<i>Year ended 31 December 1993 £</i>
Loss for the period	(712,029)	(133,002)
Opening equity shareholders' funds	(439,820)	(306,818)
Closing equity shareholders' funds	<u>(1,151,849)</u>	<u>(439,820)</u>

16. CONTINGENT LIABILITIES

The company has a contingent liability for the overdrafts of the other group undertakings which it has guaranteed without limit.

The company has other contingent liabilities in respect of performance bonds granted by the Bank.

17. PENSIONS

The company, together with other companies in the Ogilvie Group, operate a group scheme which is a defined benefit pension scheme under which a common group rate applies in respect of contributions paid by all sponsoring employers. Details of the actuarial valuation of the group scheme are contained in the accounts of Ogilvie Holdings Limited.

18. ULTIMATE PARENT COMPANY

The parent undertaking of the group of undertakings for which group accounts are drawn up and of which the company is a member is Ogilvie Holdings Limited registered in Scotland. Copies of Ogilvie Holdings Limited's accounts can be obtained from the Registrar of Companies, George Street, Edinburgh.