

OGILVIE HOMES LIMITED

Report and Accounts

30 June 2001

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Ogilvie Homes Limited

DIRECTORS' REPORT

The directors submit their report and accounts for the year to 30 June 2001.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £147,507 and is transferred to reserves. The directors do not recommend the payment of a final dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the year was residential property development.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

D H Ogilvie
J F Watson
D A Baker (until his death on 13 April 2001)
A D Ogilvie
S P Lloyd

Mr R Macdonald was appointed director on 1 July 2001.

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 Group 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

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. Ernst & Young LLP will be reappointed as the company's auditors in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

On behalf of the Board



John Watson
Director and Secretary

Pirnhall Works
Whins of Milton
Stirling

8 October 2001

STATEMENT OF 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 shareholders of Ogilvie Homes Limited

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and 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 accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 2001 and of the results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Glasgow

8 October 2001

Ogilvie Homes Limited

PROFIT AND LOSS ACCOUNT for the year ended 30 June 2001

	Notes	2001 £	2000 £
TURNOVER	3	13,464,595	10,808,479
Cost of sales		11,676,045	9,439,151
GROSS PROFIT		<u>1,788,550</u>	<u>1,369,328</u>
Distribution costs		532,503	472,394
Administrative expenses		752,629	563,910
OPERATING PROFIT/(LOSS)	4	<u>503,418</u>	<u>333,024</u>
Interest payable	6	350,444	247,481
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>152,974</u>	<u>85,543</u>
Tax on profit on ordinary activities	7	5,467	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u><u>147,507</u></u>	<u><u>85,543</u></u>

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £147,507 in the year ended 30 June 2001 and £85,543 in the year ended 30 June 2000.

Ogilvie Homes Limited

BALANCE SHEET

at 30 June 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	8	15,373	19,288
Investments	9	100	100
		<u>15,473</u>	<u>19,388</u>
CURRENT ASSETS			
Stocks	10	7,220,312	6,935,804
Debtors	11	4,027,656	3,538,379
Cash at bank and in hand		543	272
		<u>11,248,511</u>	<u>10,474,455</u>
CREDITORS: amounts falling due within one year	12	12,547,535	11,924,901
NET CURRENT LIABILITIES		<u>1,299,024</u>	<u>1,450,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,283,551)</u>	<u>(1,431,058)</u>
CAPITAL AND RESERVES			
Share capital	13	100	100
Profit and loss account	14	(1,283,651)	(1,431,158)
EQUITY SHAREHOLDERS' FUNDS		<u>(1,283,551)</u>	<u>(1,431,058)</u>



Steve Lloyd

Director

8 October 2001

NOTES TO THE ACCOUNTS

at 30 June 2001

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 8 October 2001 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:

Sales office equipment	-	33 1/3% straight line
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 contribution pension scheme. Contributions are charged to the profit and loss account so as they become payable in accordance with the rules of the scheme.

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 house is substantially complete following signing of missives.

4. **OPERATING PROFIT**

	2001	2000
	£	£
a) This is stated after charging:		
Auditors' remuneration - audit services	7,500	7,200
Depreciation	3,914	11,000
	<u> </u>	<u> </u>
b) Directors' remuneration:		
	£	£
Directors' emoluments including pension contributions	170,460	163,614
	<u> </u>	<u> </u>
Emoluments of highest paid director	57,510	61,961
	<u> </u>	<u> </u>
Defined pension contributions of highest paid director	4,869	4,648
	<u> </u>	<u> </u>

Ogilvie Homes Limited

NOTES TO THE ACCOUNTS at 30 June 2001

5. STAFF COSTS

	2001 £	2000 £
Wages and salaries	496,827	317,771
Social security costs	45,979	30,887
Pension costs	32,133	24,961
	<u>574,939</u>	<u>373,619</u>

	No.	No.
The average weekly number of employees during the year was	17	15

6. INTEREST PAYABLE

	2001 £	2000 £
Bank overdraft interest	<u>350,444</u>	<u>247,481</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
Based on profits for the year: Corporation tax at 20%	<u>5,467</u>	<u>-</u>

The effective tax rate is low in the year due to the utilisation of tax losses brought forward.

8. TANGIBLE FIXED ASSETS

	Sales office equipment £	Fixtures and fittings £	Total £
Cost:			
At 1 July 2000	<u>17,315</u>	<u>57,731</u>	<u>75,046</u>
Depreciation:			
At 1 July 2000	17,194	38,565	55,759
Charge for year	80	3,834	3,914
At 30 June 2001	<u>17,274</u>	<u>42,399</u>	<u>59,673</u>
Net book value:			
At 30 June 2001	<u>41</u>	<u>15,332</u>	<u>15,373</u>
At 1 July 2000	<u>121</u>	<u>19,167</u>	<u>19,288</u>

Ogilvie Homes Limited

NOTES TO THE ACCOUNTS

at 30 June 2001

9. INVESTMENTS

Subsidiary undertakings at cost: £

At 1 July 2000 and 30 June 2001 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>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Land held for development	411,608	1,386,038
Work in progress	6,808,704	5,549,766
	<u>7,220,312</u>	<u>6,935,804</u>

11. DEBTORS

	<i>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Trade debtors	3,554,361	2,994,347
Other debtors	4,000	4,000
Amounts due by group undertakings	400,247	402,531
Other taxes and social security costs	47,145	54,827
Prepayments	21,903	82,674
	<u>4,027,656</u>	<u>3,538,379</u>

12. CREDITORS: amounts falling due within one year

	<i>2001</i>	<i>2000</i>
	<i>£</i>	<i>£</i>
Bank overdraft (see below)	1,602,740	1,483,743
Trade creditors	154,170	226,000
Amounts due to group undertakings	10,701,545	10,123,545
Corporation tax	5,467	-
Other taxes and social security costs	14,290	12,582
Accruals	68,073	75,081
Payments in advance	1,250	3,950
	<u>12,547,535</u>	<u>11,924,901</u>

The bank overdraft is secured by a floating charge granted in favour of The Royal Bank of Scotland PLC.

Ogilvie Homes Limited

NOTES TO THE ACCOUNTS at 30 June 2001

13. SHARE CAPITAL

	2001	2000
	£	£
Authorised:		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

14. REVENUE RESERVE

	£
At 1 July 2000	(1,431,158)
Profit for the year	147,507
	<u> </u>
At 30 June 2001	(1,283,651)
	<u> </u>

15. RECONCILIATION OF EQUITY SHAREHOLDERS' FUNDS

	2001	2000
	£	£
Profit/(loss) for the year	147,507	85,543
Opening equity shareholders' funds	(1,431,058)	(1,516,601)
	<u> </u>	<u> </u>
Closing equity shareholders' funds	(1,283,551)	(1,431,058)
	<u> </u>	<u> </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 group operates a defined contribution pension scheme, the assets of which are held separately from those of the group in an independently administered fund. Details of the scheme are contained in the accounts of Ogilvie Group 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 Group Limited registered in Scotland. Copies of Ogilvie Group Limited's accounts can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.