

Ogilvie Homes Limited

Report and Financial Statements

30 June 2003

Registered No. 91421



Directors' report

The directors present their report and financial statements for the year to 30 June 2003.

Results and dividends

The profit for the year, after taxation, amounted to £433,631. The directors do not recommend the payment of a final dividend, leaving this amount to be transferred to reserves.

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

A D Ogilvie

S P Lloyd

R MacDonald

J Milne

R G H Moyes (appointed 1 October 2003)

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.

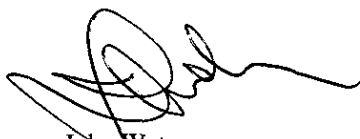
Close company

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

Auditors

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
2 October 2003

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements 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 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; and
- 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.

Independent auditors' report

to the members of Ogilvie Homes Limited

We have audited the company's financial statements for the year ended 30 June 2003 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

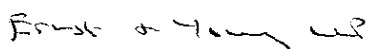
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at 30 June 2003 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Glasgow

2 October 2003

Profit and loss account

for the year ended 30 June 2003

	Notes	2003 £	2002 £
Turnover	3	19,418,067	19,090,246
Cost of sales		17,210,428	16,994,262
Gross profit		<u>2,207,639</u>	<u>2,095,984</u>
Distribution costs		550,739	489,946
Administrative expenses		998,590	887,303
Operating profit	4	<u>658,310</u>	<u>718,735</u>
Interest payable	6	244,433	315,437
Profit on ordinary activities before taxation		<u>413,877</u>	<u>403,298</u>
Taxation credit/(charge) on ordinary activities	7	19,754	(136,531)
Profit on ordinary activities after taxation	15	<u><u>433,631</u></u>	<u><u>266,767</u></u>

Statement of total recognised gains and losses

for the year ended 30 June 2003

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £433,631 in the year ended 30 June 2003 and £266,767 in the year ended 30 June 2002.

Balance sheet

at 30 June 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	8	9,532	17,603
Investments	9	100	100
		<u>9,632</u>	<u>17,703</u>
Current assets			
Stocks	10	5,888,856	7,024,974
Debtors	11	3,237,299	5,263,998
Cash at bank and in hand		836,320	674
		<u>9,962,475</u>	<u>12,289,646</u>
Creditors: amounts falling due within one year	12	10,555,260	13,324,133
Net current liabilities		<u>(592,785)</u>	<u>(1,034,487)</u>
Total assets less current liabilities		<u>(583,153)</u>	<u>(1,016,784)</u>
Capital and reserves			
Share capital	14	100	100
Profit and loss account	15	(583,253)	(1,016,884)
Equity shareholders' funds		<u>(583,153)</u>	<u>(1,016,784)</u>



Steve Lloyd

Director

2 October 2003

Notes to the financial statements

at 30 June 2003

1. Fundamental accounting concept

The financial statements 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 2 October 2003 or, if shorter, for so long as the company remains a wholly owned subsidiary of the parent company.

2. Accounting policies

Accounting convention

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

Cash flow statement

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements, as it is a wholly-owned subsidiary undertaking of Ogilvie Group Limited, which will produce a consolidated cash flow statement. The financial statements of this company are publicly available.

Depreciation

Depreciation is provided on fixed assets on the following basis:

Sales office equipment	-	33 $\frac{1}{3}$ % 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.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

Notes to the financial statements

at 30 June 2003

4. Operating profit

(a) This is stated after charging:

	2003 £	2002 £
Auditors' remuneration - audit services	8,000	7,750
Depreciation	8,071	12,770
	<u> </u>	<u> </u>

(b) Directors' remuneration:

	£	£
Directors' emoluments including pension contributions	256,955	186,248
	<u> </u>	<u> </u>
Emoluments of highest paid director excluding pension contributions	81,682	72,473
	<u> </u>	<u> </u>
Defined pension contributions of highest paid director	6,960	6,716
	<u> </u>	<u> </u>

5. Staff costs

	2003 £	2002 £
Wages and salaries	560,422	537,349
Social security costs	51,621	58,006
Pension costs	37,619	35,356
	<u>649,662</u>	<u>630,711</u>

	2003 No.	2002 No.
The average weekly number of employees during the year was	20	17
	<u> </u>	<u> </u>

6. Interest payable

	2003 £	2002 £
Bank overdraft interest	244,433	315,437
	<u> </u>	<u> </u>

Notes to the financial statements

at 30 June 2003

7. Tax on profit on ordinary activities

	2003 £	2002 £
UK corporation tax:		
UK corporation tax on profits of the period	44,288	138,411
Adjustments in respect of previous periods	(63,411)	-
	<u>(19,123)</u>	<u>138,411</u>
Deferred tax:		
Originating and reversal of timing differences	(631)	(1,880)
	<u>(19,754)</u>	<u>136,531</u>

Factors affecting the tax charge for the period:

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK.

The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	413,877	403,298
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	<u>124,163</u>	<u>120,989</u>
Effect of:		
Disallowed expenses and non-taxable income	5,119	15,978
Depreciation in excess of capital allowances	631	1,444
Group relief	(83,046)	-
Adjustments in respect of previous periods' group relief	(63,411)	-
Others	(2,579)	-
Current tax charge for the period	<u>(19,123)</u>	<u>138,411</u>

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse.

Notes to the financial statements

at 30 June 2003

8. Tangible fixed assets

	<i>Sales office equipment £</i>	<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost:			
At 1 July 2002 and 30 June 2003	32,315	57,731	90,046
Depreciation:			
At 1 July 2002	27,244	45,199	72,443
Charge for year	5,071	3,000	8,071
At 30 June 2003	32,315	48,199	80,514
Net book value:			
At 30 June 2003	-	9,532	9,532
At 1 July 2002	5,071	12,532	17,603

9. Investments

	£
Subsidiary undertakings at cost:	
At 1 July 2002 and 30 June 2003	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>2003 £</i>	<i>2002 £</i>
Land held for development	1,170,757	2,849,414
Work in progress	4,718,099	4,175,560
	<u>5,888,856</u>	<u>7,024,974</u>

Notes to the financial statements

at 30 June 2003

11. Debtors

	2003	2002
	£	£
Trade debtors	2,598,721	4,390,877
Other debtors	-	4,370
Amounts due by group undertakings	436,006	400,632
Other taxes and social security costs	84,836	372,965
Prepayments	36,305	93,274
Corporation tax recoverable	78,920	-
Deferred tax asset (note 13)	2,511	1,880
	<u>3,237,299</u>	<u>5,263,998</u>

12. Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank overdraft (see below)	-	2,206,511
Trade creditors	121,524	179,954
Amounts due to group undertakings	10,277,090	10,645,175
Corporation tax	-	138,614
Other taxes and social security costs	20,026	15,841
Accruals	129,820	127,938
Payments in advance	6,800	10,100
	<u>10,555,260</u>	<u>13,324,133</u>

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

13. Deferred taxation

	£
Deferred tax asset:	
At 1 July 2002	1,880
Provided during year	631
	<u>2,511</u>
At 30 June 2003	
	<u>2,511</u>
The deferred tax consists of:	
Accelerated capital allowances	2,511
	<u>2,511</u>

Notes to the financial statements

at 30 June 2003

14. Share capital

	2003 £	2002 £
Authorised: Ordinary shares of £1 each	100	100
Allotted, called up and fully paid Ordinary shares of £1 each	100	100

15. Revenue reserve

	£
At 1 July 2002	(1,016,884)
Profit for the year	433,630
At 30 June 2003	(583,254)

16. Reconciliation of equity shareholders' funds

	2003 £	2002 £
Profit for the year	433,631	266,767
Opening equity shareholders' funds	(1,016,784)	(1,283,551)
Closing equity shareholders' funds	(583,153)	1,016,784

17. 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.

18. 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 financial statements of Ogilvie Group Limited.

19. Ultimate parent company

The parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Ogilvie Group Limited registered in Scotland. Copies of Ogilvie Group Limited's financial statements can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.