

Ogilvie Homes Limited

Report and Financial Statements

30 June 2004

Registered No. 91421



Directors' report

The directors present their report and financial statements for the year to 30 June 2004.

Results and dividends

The profit for the year, after taxation, amounted to £429,699. 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

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.

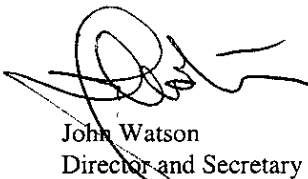
Close company

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

Ogilvie House
Pirnhall Business Park
Whins of Milton
Stirling

29 October 2004

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 2004 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 2004 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

29 October 2004

Profit and loss account

for the year ended 30 June 2004

	Notes	2004 £	2003 £
Turnover	3	18,906,551	19,418,067
Cost of sales		16,445,010	17,210,428
Gross profit		<u>2,461,541</u>	<u>2,207,639</u>
Distribution costs		345,655	550,739
Administrative expenses		1,203,288	998,590
Operating profit	4	<u>912,598</u>	<u>658,310</u>
Interest payable	6	247,544	244,433
Profit on ordinary activities before taxation		<u>665,054</u>	<u>413,877</u>
Tax on profit on ordinary activities	7	235,355	(19,754)
Profit on ordinary activities after taxation	15	<u><u>429,699</u></u>	<u><u>433,631</u></u>

Statement of total recognised gains and losses

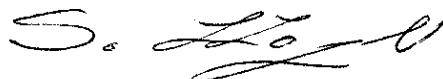
for the year ended 30 June 2004

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £429,699 in the year ended 30 June 2004 and £433,631 in the year ended 30 June 2003.

Balance sheet

at 30 June 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	8	15,257	9,532
Investments	9	100	100
		<u>15,357</u>	<u>9,632</u>
Current assets			
Stocks	10	7,931,370	5,888,856
Debtors	11	4,096,183	3,237,299
Cash at bank and in hand		671	836,320
		<u>12,028,224</u>	<u>9,962,475</u>
Creditors: amounts falling due within one year	12	12,197,035	10,555,260
Net current liabilities		<u>(168,811)</u>	<u>(592,785)</u>
		<u>(153,454)</u>	<u>(583,153)</u>
Capital and reserves			
Share capital	14	100	100
Profit and loss account	15	(153,554)	(583,253)
Equity shareholders' funds		<u>(153,454)</u>	<u>(583,153)</u>



Steve Lloyd

Director

29 October 2004

Notes to the financial statements

at 30 June 2004

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 29 October 2004 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 all tangible fixed assets other than freehold land and investment properties at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Sales office equipment	-	over 3 years
Fixtures and fittings	-	over 5 years

Stocks and work-in-progress

Work-in-progress is valued at the cost of related land, direct materials and labour plus attributable production overheads less provision for foreseeable 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 2004

4. Operating profit

(a) This is stated after charging:

	2004	2003
	£	£
Auditors' remuneration - audit services	8,500	8,000
Depreciation	3,234	8,071
	<u> </u>	<u> </u>

(b) Directors' remuneration:

	£	£
Directors' emoluments including pension contributions	316,862	256,955
	<u> </u>	<u> </u>
Emoluments of highest paid director excluding pension contributions	93,995	81,682
	<u> </u>	<u> </u>
Defined pension contributions of highest paid director	7,543	6,960
	<u> </u>	<u> </u>

5. Staff costs

	2004	2003
	£	£
Wages and salaries	612,748	560,422
Social security costs	64,352	51,621
Pension costs	47,426	37,619
	<u> </u>	<u> </u>
	724,526	649,662
	<u> </u>	<u> </u>

	2004	2003
	No.	No.
The average weekly number of employees during the year was	21	20
	<u> </u>	<u> </u>

6. Interest payable

	2004	2003
	£	£
Bank overdraft interest	247,544	244,433
	<u> </u>	<u> </u>

Notes to the financial statements

at 30 June 2004

7. Tax on profit on ordinary activities

	2004 £	2003 £
UK corporation tax:		
UK corporation tax on profits of the period	203,786	44,288
Adjustments in respect of previous periods	30,711	(63,411)
	<u>234,497</u>	<u>(19,123)</u>
Deferred tax:		
Originating and reversal of timing differences	858	(631)
	<u>235,355</u>	<u>(19,754)</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:

	2004 £	2003 £
Profit on ordinary activities before tax	665,055	413,877
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	<u>199,517</u>	<u>124,163</u>
Effect of:		
Disallowed expenses and non-taxable income	5,128	5,119
Depreciation in excess of capital allowances	(859)	631
Group relief	-	(83,046)
Adjustments in respect of previous periods' group relief	30,711	(63,411)
Others	-	(2,579)
Current tax charge for the period	<u>234,497</u>	<u>(19,123)</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 2004

8. Tangible fixed assets

	<i>Sales office equipment</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 July 2003	32,315	57,731	90,046
Additions	8,959	-	8,959
At 30 June 2004	41,274	57,731	99,005
Depreciation:			
At 1 July 2003	32,315	48,199	80,514
Charge for year	1,493	1,741	3,234
At 30 June 2004	33,808	49,940	83,748
Net book value:			
At 30 June 2004	7,466	7,791	15,257
At 1 July 2003	-	9,532	9,532

9. Investments

	£
Subsidiary undertakings at cost	
At 1 July 2003 and 30 June 2004	100

The company holds 100% of the allotted and issued ordinary share capital of Ogilvie Abbotsford Limited. This subsidiary undertaking is dormant and registered in Scotland.

10. Stocks

	2004	2003
	£	£
Land held for development	2,081,768	1,170,757
Work in progress	5,849,602	4,718,099
	7,931,370	5,888,856

Notes to the financial statements

at 30 June 2004

11. Debtors

	2004 £	2003 £
Trade debtors	2,107,922	2,598,721
Amounts due by group undertakings	1,925,385	436,006
Other taxes and social security costs	26,678	84,836
Prepayments	34,545	36,305
Corporation tax recoverable	-	78,920
Deferred tax asset (note 13)	1,653	2,511
	<u>4,096,183</u>	<u>3,237,299</u>

12. Creditors: amounts falling due within one year

	2004 £	2003 £
Bank overdraft (see below)	525,251	-
Trade creditors	102,311	121,524
Amounts due to group undertakings	10,814,532	10,277,090
Corporation tax	189,358	-
Other taxes and social security costs	22,616	20,026
Other creditors	350,002	-
Accruals	177,665	129,820
Payments on account	15,300	6,800
	<u>12,197,035</u>	<u>10,555,260</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 2003	2,511
Provided during year	(858)
At 30 June 2004	<u>1,653</u>
The deferred tax consists of:	
Accelerated capital allowances	<u>1,653</u>

Notes to the financial statements

at 30 June 2004

14. Share capital

	2004 £	2003 £
Authorised: Ordinary shares of £1 each	100	100
Allotted, called up and fully paid Ordinary shares of £1 each	100	100

15. Reconciliation of shareholders' funds and movement on reserves

	Share Capital £000	Profit and loss account £000	Total Shareholders' funds £000
At 1 July 2002	100	(1,016,884)	(1,016,784)
Profit for the year	-	433,631	433,631
At 1 July 2003	100	(583,253)	(583,153)
Profit for the year	-	429,699	429,699
At 30 June 2004	100	(153,554)	(153,454)

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 financial statements of Ogilvie Group Limited.

18. Related parties

During the year the company sold a house to Mr Gordon Stephen, a director of Ogilvie Group Limited, in an arms length transaction for £315,000.

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.