

Ogilvie Homes Limited

Report and Financial Statements

30 June 2005

Registered No. 91421



Directors' report

The directors present their report and financial statements for the year to 30 June 2005.

Results and dividends

The profit for the year, after taxation, amounted to £1,049,924. The directors recommend the payment of a final ordinary dividend of £250,000 which leaves a balance of £799,924 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 (resigned 20 January 2005)
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.

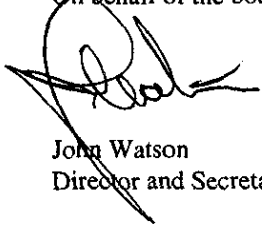
Close company

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

21 October 2005

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 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 17. 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.

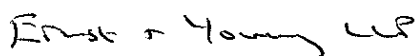
Basis of audit opinion

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 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Glasgow

21 October 2005

Profit and loss account

for the year ended 30 June 2005

	Notes	2005 £	2004 £
Turnover	2	15,472,924	18,906,551
Cost of sales		11,932,282	16,445,010
Gross profit		3,540,642	2,461,541
Distribution costs		408,204	345,655
Administrative expenses		1,348,679	1,203,288
Operating profit	3	1,783,759	912,598
Interest payable	5	276,974	247,544
Profit on ordinary activities before taxation		1,506,785	665,054
Tax on profit on ordinary activities	6	456,861	235,355
Profit on ordinary activities after taxation	14	1,049,924	429,699
Equity dividends paid	14	250,000	-
Retained profit for the year		799,924	429,699

Statement of total recognised gains and losses

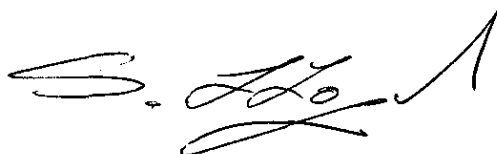
for the year ended 30 June 2005

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £1,049,924 in the year ended 30 June 2005 and £429,699 in the year ended 30 June 2004.

Balance sheet

at 30 June 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	7	10,457	15,257
Investments	8	100	100
		<u>10,557</u>	<u>15,357</u>
Current assets			
Stocks	9	10,071,827	7,931,370
Debtors	10	2,523,745	4,096,183
Cash at bank and in hand		687,027	671
		<u>13,282,599</u>	<u>12,028,224</u>
Creditors: amounts falling due within one year	11	12,646,686	12,197,035
Net current assets/(liabilities)		<u>635,913</u>	<u>(168,811)</u>
		<u>646,470</u>	<u>(153,454)</u>
Capital and reserves			
Share capital	13	100	100
Profit and loss account	14	646,370	(153,554)
Equity shareholders' funds		<u>646,470</u>	<u>(153,454)</u>



Steve Lloyd
Director

21 October 2005

Notes to the financial statements

at 30 June 2005

1. 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.

2. 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 2005

3. Operating profit

(a) This is stated after charging:

	2005 £	2004 £
Auditors' remuneration - audit services	8,500	8,500
Depreciation on owned assets	4,800	3,234
	<u>13,300</u>	<u>11,734</u>

(b) Directors' remuneration:

	2005 £	2004 £
Directors' emoluments including pension contributions	334,884	316,862
Emoluments of highest paid director excluding pension contributions	100,364	93,995
Defined pension contributions of highest paid director	8,348	7,543

4. Staff costs

	2005 £	2004 £
Wages and salaries	686,891	612,748
Social security costs	74,574	64,352
Pension costs	54,126	47,426
	<u>815,591</u>	<u>724,526</u>

	2005 No.	2004 No.
The average weekly number of employees during the year was	22	21

5. Interest payable

	2005 £	2004 £
Bank overdraft interest	276,974	247,544

Notes to the financial statements

at 30 June 2005

6. Tax on profit on ordinary activities

	2005 £	2004 £
UK corporation tax:		
UK corporation tax on profits of the period	455,931	203,786
Adjustments in respect of previous periods	673	30,711
	<u>456,604</u>	<u>234,497</u>
Deferred tax:		
Originating and reversal of timing differences	257	858
	<u>456,861</u>	<u>235,355</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:

	2005 £	2004 £
Profit on ordinary activities before tax	1,506,785	665,054
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 – 30%)	<u>452,036</u>	<u>199,517</u>
Effect of:		
Disallowed expenses and non-taxable income	3,983	5,128
Depreciation in excess of capital allowances	(88)	(859)
Adjustments in respect of previous periods' group relief	673	30,711
Current tax charge for the period	<u>456,604</u>	<u>234,497</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 2005

7. Tangible fixed assets

	<i>Sales office equipment</i> £	<i>Fixtures and fittings</i> £	<i>Total</i> £
Cost:			
At 1 July 2004 and 30 June 2005	41,274	57,731	99,005
Depreciation:			
At 1 July 2004	33,808	49,940	83,748
Charge for year	3,000	1,800	4,800
At 30 June 2005	36,808	51,740	88,548
Net book value:			
At 30 June 2005	4,466	5,991	10,457
At 1 July 2004	7,466	7,791	15,257

8. Investments

	£
Subsidiary undertakings at cost	
At 1 July 2004 and 30 June 2005	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.

9. Stocks

	2005 £	2004 £
Land held for development	3,542,749	2,081,768
Work in progress	6,529,078	5,849,602
	10,071,827	7,931,370

Notes to the financial statements

at 30 June 2005

10. Debtors

	2005 £	2004 £
Trade debtors	2,417,967	2,107,922
Amounts due by group undertakings	-	1,925,385
Other taxes and social security costs	67,230	26,678
Prepayments	37,152	34,545
Deferred tax asset (note 12)	1,396	1,653
	<u>2,523,745</u>	<u>4,096,183</u>

11. Creditors: amounts falling due within one year

	2005 £	2004 £
Bank overdraft (see below)	-	525,251
Trade creditors	295,406	102,311
Amounts due to group undertakings	11,237,538	10,814,532
Corporation tax	226,044	189,358
Other taxes and social security costs	21,494	22,616
Other creditors	606,087	350,002
Accruals	230,567	177,665
Payments on account	29,550	15,300
	<u>12,646,686</u>	<u>12,197,035</u>

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

12. Deferred taxation

	£
Deferred tax asset:	
At 1 July 2004	1,653
Provided during year	(88)
Adjustments in respect of prior years	(169)
	<u>1,396</u>
At 30 June 2005	<u>1,396</u>
	2005 £
	2004 £
The deferred tax consists of:	
Accelerated capital allowances	1,396
	<u>1,653</u>

Notes to the financial statements

at 30 June 2005

13. Share capital

	2005	2004
	£	£
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. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 July 2003	100	(583,253)	(583,153)
Profit for the year	-	429,699	429,699
	<u> </u>	<u> </u>	<u> </u>
At 1 July 2004	100	(153,554)	(153,454)
Profit for the year	-	1,049,924	1,049,924
Dividends paid	-	(250,000)	(250,000)
	<u> </u>	<u> </u>	<u> </u>
At 30 June 2005	100	646,370	646,470
	<u> </u>	<u> </u>	<u> </u>

15. 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.

16. 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.

17. 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.