

Register

Ogilvie Homes Limited

Report and Financial Statements

30 June 2010

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Registered number SC091421

Directors' report

The directors present their report and group financial statements for the year ended 30 June 2010.

Results and dividends

The group trading profit for the year after taxation amounted to £208,000 (2009 – £420,000) and is transferred from revenue reserve.

The directors do not recommend the payment of a dividend.

Review of the business and future developments

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

The group has continued to successfully negotiate contracts in the social housing sector to offset the challenging conditions in the residential housing market.

The directors are satisfied with the level of the land bank the group has for future developments.

The key performance indicator is the land bank, which is in a healthy position at the year end.

Financial risk management objectives and policies

The group's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities such as trade creditors and trade debtors arise directly from operating activities.

Interest rate risk: The group invests surplus cash in a floating rate interest yielding bank deposit account. The group's interest income and expenses are therefore affected by the movements in interest rates. Except for one of the group's joint arrangements, the group and its subsidiary undertakings do not undertake active hedging of this risk.

Going concern

In line with the FRC guidance on Going Concern issued in November 2009, the Directors have undertaken an exercise to review the appropriateness of the continued use of the Going Concern basis.

The Group's business activities, a review of the business, together with key performance indicators are outlined above.

The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company and the Group to continue as a going concern or its ability to continue with the current banking arrangements.

After making suitable enquiries, the Directors have a reasonable expectation that the company and the group have adequate resources to meet their liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Directors

The directors who served during the year were:

D H Ogilvie
J F Watson
A D Ogilvie
S P Lloyd
J Milne
R G H Moyes
J G McDade

Registered number SC091421

Directors' report

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Employee involvement

During the year the policy of providing employees with information about the group has been continued through the newsletter 'Ogilvie Outlook' in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the group's profit-sharing schemes.

Disabled persons

It is the group's policy to give full consideration to suitable applications for employment from disabled persons. Opportunities also exist for employees of the group who become disabled to continue in their employment or to be retained for other positions within the group.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

For and on behalf of the Board



J F Watson
Director and Secretary

22 DECEMBER 2010

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors Report

Statement of directors' responsibilities

We have audited the group and parent company financial statements of Ogilvie Homes Limited for the year ended 30 June 2010 which comprise the Consolidated Profit and Loss account, the Consolidated and Company Balance Sheets, the Consolidated Statement of Total Recognised Gains and Losses and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent companies circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and company as at 30 June 2010 and of the result of the group for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Ogilvie Homes Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent companies financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Walter B Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Glasgow

22/2/ 2010

Consolidated profit and loss account

for the year ended 30 June 2010

	Notes	2010 £000	2009 £000
Turnover			
Turnover: Group and share of joint ventures' turnover		21,357	20,495
Less: share of joint ventures' turnover		(7,191)	(893)
Group turnover	2	14,166	19,602
Cost of sales		(12,215)	(16,446)
Gross profit		1,951	3,156
Administration expenses		(2,165)	(2,477)
Group operating (loss)/profit	3	(214)	679
Share of operating profit in joint ventures		1,198	-
Total operating profit: group and share of joint ventures		984	679
Net interest payable	6	(886)	(1,080)
Profit/(loss) on ordinary activities before taxation		98	(401)
Tax	7	(306)	(19)
Profit/(loss) for the financial year	15	(208)	(420)

All of the above relates to continuing operations.

Consolidated statement of total recognised gains and losses

for the year ended 30 June 2010

There are no recognised gains or losses other than the loss attributable to shareholders of the group of £208,000 in the year ended 30 June 2010 (2009 – £420,000).

Consolidated balance sheet

at 30 June 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	9	864	1
Current assets			
Stocks	10	25,817	27,304
Debtors	11	9,109	10,296
		34,926	37,600
Creditors: amounts falling due within one year	12	32,540	34,143
Net current assets		2,386	3,457
Net assets		3,250	3,458
Capital and reserves			
Called up equity share capital	14	-	-
Revenue reserve	15	3,250	3,458
Equity shareholders' funds	15	3,250	3,458



Director

21st DEC. 2010

Company balance sheet

at 30 June 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	9	864	1
Current assets			
Stocks	10	25,817	27,304
Debtors	11	9,109	10,296
		34,926	37,600
Creditors: amounts falling due within one year	12	32,540	34,143
Net current assets		2,386	3,457
Net assets		3,250	3,458
Capital and reserves			
Called up equity share capital	14	-	-
Revaluation reserve	15	863	-
Revenue reserve	15	2,387	3,458
Equity shareholders' funds	15	3,250	3,458



S P Lloyd
Director

21st DEC. 2010

Notes to the financial statements

at 30 June 2010

1. Accounting policies

Basis of preparation

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

Group financial statements

The group financial statements consolidate the financial statements of Ogilvie Homes Limited and all its subsidiaries made up to 30 June 2010. No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be readily measured. Revenue from house sales is recognised by reference to the date of sale which is taken as the date a house is substantially complete following signing of missives.

Stocks and work-in-progress

The stocks are valued at the lower of cost and net realisable value.

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.

Statement of cash flows

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

Notes to the financial statements

at 30 June 2010

1. Accounting policies (continued)

Pensions

The group operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from the cost. The regular cost is calculated so that it represents a substantially level percentage of current and future payroll. Variations from regular cost are charged or credited to the profit and loss account as a constant percentage of payroll over the estimated average remaining working life of scheme members or as recommended by the actuary. Defined benefit schemes are externally funded, with the assets of the scheme held separately from those of the group in separate trustee administered funds. Differences between amounts charged to the profit and loss account and amounts funded are shown as either provisions or prepayments in the balance sheet.

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 for the house building activity is taken as the date a house is substantially complete following signing of missives.

Group turnover and group operating profit were contributed wholly to the house-building activity with all sales based in the United Kingdom.

3. Group operating (loss)/profit

	2010	2009
	£000	£000
Auditors' remuneration		
– audit services	11	11

4. Directors' emoluments

	2010	2009
	£000	£000
Other emoluments excluding pension contributions	417	419
Defined pension contributions	53	48
Emoluments of the highest paid director, excluding pension contributions	143	142
Accrued pension at the end of the year	24	23
	No.	No.
Members of money purchase pension scheme	5	5
Members of defined benefit pension scheme	1	1

Notes to the financial statements

at 30 June 2010

5. Staff costs

	2010	2009
	£000	£000
Wages and salaries	1,509	1,823
Social security costs	152	183
Pension costs	126	133
	<u>1,787</u>	<u>2,139</u>

The average weekly number of employees during the year was 46 (2009 – 55).

6. Net interest payable

	2010	2009
	£000	£000
Bank interest receivable	4	17
Bank interest payable	(890)	(1,097)
	<u>(886)</u>	<u>(1,080)</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2010	2009
	£000	£000
<i>Current tax:</i>		
UK corporation tax on profits of the period	-	-
Adjustments in respect of previous periods	-	19
	<u>-</u>	<u>-</u>
Share of joint ventures' current tax	335	-
	<u>335</u>	<u>19</u>
Total current tax (note 7(b))	335	19
<i>Deferred tax:</i>		
Originating and reversal of timing differences	(29)	-
	<u>306</u>	<u>19</u>

Notes to the financial statements

at 30 June 2010

7. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28%. The differences are explained below:

	2010 £000	2009 £000
Profit/(loss) on ordinary activities before tax	98	(401)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28%	27	(112)
<i>Effects of:</i>		
Disallowable expenses and non-taxable income	2	6
Fixed asset timing differences	2	-
Adjustments in respect of previous periods	-	19
Group relief surrendered for nil payment	283	106
Unrelieved tax losses	21	-
Current tax for the year (note 7(a))	335	19

(c) Factors that may affect future tax charges

There are no factors that will affect future tax charges.

8. Profit attributable to members of the parent company

The loss dealt with in the financial statements of the parent company is £1,071,000 (2009 -£420,000).

9. Investments

Group

	2010 £000	2009 £000
Joint venture		
Gross assets	25,398	23,756
Gross liabilities	(24,534)	(23,755)
	864	1
Joint venture:		
		£000
Cost at 1 July 2009 and 30 June 2010		1
Share of joint ventures profit for the year		863
		864

Notes to the financial statements

at 30 June 2010

9. Investments (continued)

Group

Additional disclosures are given in respect of the group's 50% share in Freedom Homes (Stirling) Limited, which exceed certain thresholds under FRS 9 'Associates and Joint Ventures' as follows:

	2010 £000	2009 £000
Fixed assets	-	-
Current assets	25,398	23,756
Share of gross assets	25,398	23,756
Liabilities due within one year	(19,234)	(18,455)
Liabilities due after one year	(5,300)	(5,300)
Share of gross liabilities	(24,534)	(23,755)
Share of net assets	864	1
Turnover	7,191	893
Profit before tax	1,198	-
Tax	335	-
Profit after tax	863	-

A bank overdraft of £17,368,000 included within 'liabilities due within one year' is secured by standard securities over all of the assets owned by Freedom Homes (Stirling) Limited and floating charges over all the assets of Freedom Homes (Stirling) Limited.

The Group holds more than 20% of the allotted and issued ordinary share capital of the following subsidiary undertakings and joint ventures all of which are registered in Scotland.

Name of company	Percentage held	Nature of business
Ogilvie Abbotsford Limited	100	Dormant
Torbrex Development Company Limited	100	Dormant
Joint Ventures		
Freedom Homes (Stirling) Limited*	50	Residential property development

Notes to the financial statements

at 30 June 2010

£000

9. Investments (continued)

Company

(a) Investment in subsidiary undertakings and joint venture:

Cost or valuation:

At 1 July 2009

1

Revaluation during year

863

At 30 June 2010

864

Valuation at 1 July 2009

1

Investments in subsidiary undertakings and joint venture were revalued by the directors to their underlying net asset values at 30 June 2010 and at 1 July 2009.

10. Stocks

Group and company

	2010 £000	2009 £000
Work in progress	16,632	18,663
Land held for development purposes	9,001	8,641
Assets for resale	184	-
	<u>25,817</u>	<u>27,304</u>

11. Debtors

Group and company

	2010 £000	2009 £000
Trade debtors	2,450	3,865
Amount owed by associated undertakings	-	262
Amount owed by joint ventures	6,367	5,744
Prepayments	76	8
Other taxes and social security costs	178	321
Deferred tax asset (note 13)	31	2
Corporation tax recoverable	7	94
	<u>9,109</u>	<u>10,296</u>

Included within amount owed by joint venture is an amount of £5,300,000 (2009 – £5,300,000) due outwith one year.

Included within trade debtors is an amount of £1,589,000 (2009 – £1,333,000) due outwith one year.

Notes to the financial statements

at 30 June 2010

12. Creditors: amounts falling due within one year

Group and company

	2010 £000	2009 £000
Bank overdraft (note 17)	5,356	5,177
Trade creditors	1,315	2,763
Amounts owed to associated undertakings	25,133	25,195
Other taxes and social security costs	47	72
Accruals and receipts in advance	61	282
Other creditors	628	654
	<u>32,540</u>	<u>34,143</u>

13. Deferred taxation

The deferred tax asset, calculated at 28 %, included in the balance sheet is as follows:

Group and company

	£000
<i>Deferred tax asset:</i>	
At 1 July 2009	2
Provided during year	21
Adjustments relating to prior periods	8
	<u>31</u>
At 30 June 2010	<u>31</u>

	2010 £000	2009 £000
<i>The deferred tax consists of:</i>		
Accelerated capital allowances	10	2
Tax losses	21	-
	<u>31</u>	<u>2</u>

14. Issued share capital

Group and Company

	2010		2009	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

Notes to the financial statements

at 30 June 2010

15. Reconciliation of shareholders' funds and movement on reserves

Group

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 30 June 2008	-	3,878	3,878
Loss for the year	-	(420)	(420)
At 30 June 2009	-	3,458	3,458
Loss for the year	-	(208)	(208)
At 30 June 2010	-	3,250	3,250

Company

	Share capital £000	Revaluation reserve £000	Profit and loss account £000	Total share- holders' funds £000
At 1 July 2008	-	-	3,878	3,878
Loss for the year	-	-	(420)	(420)
At 30 June 2009	-	-	3,458	3,458
Loss for the year	-	-	(1,071)	(1,071)
Revaluation during year	-	863	-	863
At 30 June 2010	-	863	2,387	3,250

16. Pension

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. Contingent liabilities

- (i) The company has a contingent liability for the overdrafts of other group undertakings, which it has guaranteed, without limit.
- (ii) The group has other contingent liabilities in respect of performance bonds granted by the Bank.

Notes to the financial statements

at 30 June 2010

18. Related parties

- (a) During the year, the company sold development works in the normal course of business to a joint venture company Freedom Homes (Stirling) Limited for £2,593,000 (2009 – £3,000,000).
- (b) Included within debtors is an amount owed from Freedom Homes (Stirling) Limited of £6,367,000 (2009 – £5,744,000). This amount appears in the financial statements of Freedom Homes (Stirling) Limited within creditors.

S P Lloyd and D H Ogilvie are directors of Freedom Homes (Stirling) Limited.

- (c) The company has relied on the exemptions conferred under Financial Reporting Standard No. 8 in respect of intra-group transactions.

19. Ultimate parent undertaking and controlling party

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.

The directors consider that Duncan H Ogilvie is the group's controlling party by virtue of his office and his shareholding.