

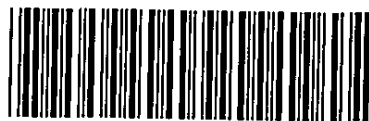
Ogilvie Homes Limited

Report and Financial Statements

30 June 2013

SC 91421

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COMPANIES HOUSE

Registered No. SC091421

Directors' report

The directors present their report and financial statements for the year ended 30 June 2013.

Results and dividends

The group loss for the year after taxation amounted to £1,108,000 (2012 – loss of £654,000). The directors do not recommend a final dividend (2012 – £nil).

Principal activity, review of the business and future developments

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

Ogilvie Homes, like most residential developers, continued to find the last 12 months sales environment a challenging one, though not through lack of demand but more through lack of purchasers' confidence and severe constraints placed by the funders within the mortgage market. The early indications are that the recent introductions of the Scottish Government supported "MI New Home" and "Help to Buy (Scotland)" schemes will stimulate much needed impetus to mortgage availability, especially for first time buyers. The Company will continue to procure contracts with Housing Associations and Local Authorities to provide much need affordable housing. The joint venture, Freedom Homes (Stirling) Limited continues to perform well under difficult market conditions.

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

Principal risks and uncertainties

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's interest income and expenses are affected by any movement 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.

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 financial statements.

Directors

The directors who served the company during the year were as follows:

D H Ogilvie

J F Watson

A D Ogilvie

S P Lloyd

J Milne – resigned 9 May 2013

R G H Moyes – resigned 31 May 2013

J G McDade

Disabled employees

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.

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Directors' report (continued)

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.

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 group'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.

Auditors

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

On behalf of the Board



J F Watson
Director and Secretary

5 December 2013

Statement of directors' responsibilities

The directors are responsible for preparing the directors' 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 judgements 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 adequate 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 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 financial statements of Ogilvie Homes Limited for the year ended 30 June 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets and the related notes 1 to 20. 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 auditor

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 and express an opinion on 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 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 the parent undertaking's 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. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent undertaking's affairs as at 30 June 2013 and of the group's loss for the year 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 (continued)

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 by the parent undertaking, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent undertaking 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 Campbell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

10/12/13

Group profit and loss account

for the year ended 30 June 2013

	Notes	2013 £000	2012 £000
Turnover			
Turnover: Group and share of joint ventures' turnover		20,058	18,079
Less: share of joint ventures' turnover		6,449	8,497
Group turnover	2	13,609	9,582
Cost of sales		12,535	8,280
Gross profit		1,074	1,302
Administration expenses		1,655	1,848
Group operating loss	3	(581)	(546)
Share of operating profits in joint ventures		431	977
Total operating (loss)/profit: group and share of joint ventures		(150)	431
Interest payable and similar charges	6	844	834
Loss on ordinary activities before taxation		(994)	(403)
Tax	7	114	251
Loss for the financial year	16	(1,108)	(654)

All amounts relate to continuing activities.

Group statement of total recognised gains and losses

for the year ended 30 June 2013

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £1,108,000 in the year ended 30 June 2013 (2012 – loss of £654,000).

Group balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	8	11
Investments	10	2,891	2,564
		<u>2,899</u>	<u>2,575</u>
Current assets			
Stocks	11	23,998	24,332
Debtors	12	11,148	9,881
		<u>35,146</u>	<u>34,213</u>
Creditors: amounts falling due within one year	13	35,709	33,344
Net current assets		<u>437</u>	<u>869</u>
Total assets less current liabilities		836	3,444
Creditors: amounts falling due after more than one year	14	2,500	1,500
Net assets		<u>836</u>	<u>1,944</u>
Capital and reserves			
Called up share capital	15	-	-
Revenue reserve	16	836	1,944
Equity shareholders' funds	16	<u>836</u>	<u>1,944</u>

These financial statements were approved by the directors and authorised for issue on 5 December 2013, and are signed on their behalf by:



S P Lloyd
Director

Company balance sheet

at 30 June 2013

	Notes	2013 £000	2012 £000
Fixed assets			
Tangible assets	9	8	11
Investments	10	2,891	2,564
		<u>2,899</u>	<u>2,575</u>
Current assets			
Stocks	11	23,998	24,332
Debtors	12	11,148	9,881
		<u>35,146</u>	<u>34,213</u>
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Total assets less current liabilities		836	3,444
Creditors: amounts falling due after more than one year	14	2,500	1,500
Net assets		<u>836</u>	<u>1,944</u>
Capital and reserves			
Called up share capital	15		–
Revaluation reserve	16	2,891	2,563
Revenue reserve	16	(2,055)	(619)
Equity shareholders' funds	16	<u>836</u>	<u>1,944</u>

These financial statements were approved by the directors and authorised for issue on 5 December 2013, and are signed on their behalf by:


S P Lloyd
Director

Notes to the financial statements

at 30 June 2013

1. Accounting policies

Basis of preparation

The financial statements are 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 2013. 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.

Going concern

The financial statements have been prepared under the going concern concept because the parent undertaking has confirmed its intention to support the activities of the company over the next twelve months from the date of signing the balance sheet or, if shorter, for so long as the company remains a wholly owned subsidiary of the parent undertaking.

Statement of cash flows

The company is exempt from the requirements of FRS 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 group statement of cash flows. The financial statements of this company are publicly available.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Fixtures and fittings – over 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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

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.

Notes to the financial statements

at 30 June 2013

1. Accounting policies (continued)

Deferred taxation

Deferred taxation 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 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 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 loss were contributed wholly to the house-building activity with all sales based in the United Kingdom.

3. Group operating loss

This is stated after charging/(crediting):

		2013	2012
		£000	£000
Auditors' remuneration	– audit	12	12

Notes to the financial statements

at 30 June 2013

4. Directors' remuneration

	2013 £000	2012 £000
Remuneration excluding pension contributions	393	426
Defined pension contributions	65	63
Compensation for loss of office	28	-
Remuneration of the highest paid director, excluding pension contributions	139	140
Defined pension contributions of highest paid director	24	24
	<u>No.</u>	<u>No.</u>
Members of money purchase pension scheme	4	5
Members of defined benefit pension scheme	1	1

5. Staff costs

	2013 £000	2012 £000
Wages and salaries	1,378	1,348
Social security costs	142	142
Pension costs	113	111
	<u>1,633</u>	<u>1,601</u>

The average weekly number of employees during the year was 39 (2012 – 40).

6. Interest payable and similar charges

	2013 £000	2012 £000
Bank interest payable	844	834

7. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2013 £000	2012 £000
Current tax:		
Share of joint ventures' current tax	103	250
Total current tax (note 7(b))	<u>103</u>	<u>250</u>
Deferred tax:		
Origination and reversal of timing differences	11	1
Tax on loss on ordinary activities	<u>114</u>	<u>251</u>

Notes to the financial statements

at 30 June 2013

7. Tax (continued)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(996)	(403)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012 – 25.5%)	(236)	(103)
<i>Effects of:</i>		
Disallowable expenses and non-taxable income	1	1
Fixed asset timing differences	1	(2)
Other timing differences	-	3
Group relief surrendered for nil payment	337	351
Current tax for the year (note 7(a))	103	250

(c) Deferred tax

The deferred tax asset, calculated at 23% (2012 – 24%), included in the balance sheet is as follows:

<i>Group and company</i>	£000
At 1 July 2012	11
Provided during year	11
At 30 June 2013	-
	2013 £000
	2012 £000

The deferred tax consists of:

Accelerated capital allowances	-	11
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8. Loss attributable to members of the parent undertaking

The loss dealt with in the financial statements of the parent undertaking is £1,436,000 (2012 – loss of £1,381,000).

Notes to the financial statements

at 30 June 2013

9. Tangible fixed assets

<i>Group and company</i>	<i>Fixtures and fittings £000</i>
Cost:	
At 1 July 2012 and 30 June 2013	<u>12</u>
Depreciation:	
At 1 July 2012	1
Charged during year	<u>3</u>
At 30 June 2013	<u>4</u>
Net book value:	
At 30 June 2013	<u>8</u>
At 1 July 2012	<u>11</u>

10. Investments

<i>Group</i>	<i>2013 £000</i>	<i>2012 £000</i>
Joint venture – Gross assets	21,015	23,132
– Gross liabilities	(18,124)	(20,568)
	<u>2,891</u>	<u>2,564</u>
Joint venture:		<i>£000</i>
Cost at 1 July 2012		2,563
Share of joint venture's profit for the year		<u>328</u>
At 30 June 2013		<u>2,891</u>

Notes to the financial statements

at 30 June 2013

10. 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:

	2013 £000	2012 £000
Fixed assets		—
Current assets	21,015	23,132
Share of gross assets	21,015	23,132
Liabilities due within one year	(12,824)	(15,268)
Liabilities due after one year	(5,300)	(5,300)
Share of gross liabilities	(18,124)	(20,568)
Share of net assets	2,891	2,564
	2013 £000	2012 £000
Turnover	6,449	8,497
Profit before tax	431	977
Tax	103	250
Profit after tax	328	727

A bank overdraft of £10,847,000 (2012 – £12,887,000) included within 'liabilities due within one year' above 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

Company

Investment in subsidiary undertakings and joint venture:

	£000
Cost or valuation:	
At 1 July 2012	2,563
Revaluation during year	328
At 30 June 2013	2,891

Investments in subsidiary undertakings and joint venture were re-valued by the directors to their underlying net asset values at 30 June 2013 and at 1 July 2012.

Notes to the financial statements

at 30 June 2013

11. Stocks

	2013	2012
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Work in progress	14,208	14,895
Land held for development purposes	9,193	8,933
Assets for resale	597	504
	<u>23,998</u>	<u>24,332</u>

12. Debtors

	2013	2012
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Trade debtors	4,613	3,616
Amount owed by joint ventures	6,066	5,969
Prepayments	73	80
Other taxes and social security costs	296	137
Deferred tax asset (note 7(b))	-	11
Amounts owed by group undertakings	100	68
	<u>11,148</u>	<u>9,881</u>

Included within amount owed by joint venture is an amount of £5,300,000 (2012 – £5,300,000) due out with one year.

Included within trade debtors is an amount of £2,714,000 (2012 – £2,524,000) due out with one year.

13. Creditors: amounts falling due within one year

	2013	2012
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Bank overdraft	9,719	8,032
Trade creditors	2,314	1,393
Amounts owed to group undertakings	22,525	23,565
Other taxes and social security costs	53	48
Accruals and receipts in advance	41	176
Other creditors	57	130
	<u>34,709</u>	<u>33,344</u>

The bank overdraft is secured by a floating charge granted in favour of Barclays Bank plc.

Notes to the financial statements

at 30 June 2013

14. Creditors: amounts falling due after more than one year

<i>Group and company</i>	<i>2013</i>	<i>2012</i>
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	<u>2,500</u>	<u>1,500</u>

15. Issued share capital

<i>Group and company</i>	<i>2013</i>	<i>2012</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>No.</i>
	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

16. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 July 2011	-	2,598	2,598
Loss for the year	-	(654)	(654)
At 1 July 2012	-	1,944	1,944
Loss for the year	-	(1,108)	(1,108)
At 30 June 2013	-	836	836

<i>Company</i>	<i>Share capital</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 July 2011	-	1,836	762	2,598
Loss for the year	-	-	(1,381)	(1,381)
Revaluation during year	-	727	-	727
At 1 July 2012	-	2,563	(619)	1,944
Loss for the year	-	-	(1,436)	(1,436)
Revaluation during year	-	328	-	328
At 30 June 2013	-	2,891	(2,055)	836

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.

Notes to the financial statements

at 30 June 2013

18. Contingent liabilities

The company has a contingent liability for the overdrafts of other group undertakings which it has guaranteed without limit.

The company and certain subsidiaries had other contingent liabilities in the normal course of business, including counter indemnities for performance and tendering bonds.

19. Related party transactions

During the year, the company sold development works in the normal course of business to a joint venture company Freedom Homes (Stirling) Limited for £3,908,000 (2012 - £3,838,000).

The company has relied on the exemptions conferred under FRS 8 in respect of intra-group transactions.

20. 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, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

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