

Ogilvie Homes Limited

Report and Financial Statements

30 June 2015

COMPANIES HOUSE



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COMPANIES HOUSE

Registered No. SC091421

Strategic report

The directors present their strategic report and group financial statements for the year ended 30 June 2015.

Results and dividends

The group profit for the year before taxation amounted to £575,000 (2014 – profit of £577,000). The directors do not recommend a final dividend (2014 – £nil).

Principal activity, review of the business and future developments

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

Ogilvie Homes have seen a steady improvement in the residential market with customer confidence returning. The continuation of Help to Buy (Scotland) Scheme has been instrumental in the recovery of the sector.

Sales prices are firmer and there is much less dependence on various developer funded incentive schemes such as part-exchange and shared equity which in turn improves the outturn margin.

We have seen in this year the completion of a high number of units for social and mid-market rental sector and this will continue to be a part of our programme going forward.

Our joint venture company Freedom Homes (Stirling) continues to perform well with two of the sites now down to single figure units left to sell. Post year end Freedom has no bank debt.

The key performance indicator is the land bank, which is in a satisfactory position at the year-end. The group has continuing interest in the acquisition of a number of sites.

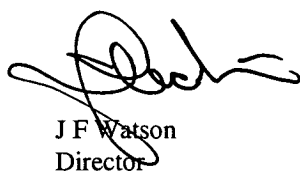
Principal risks and uncertainties

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. The group and its subsidiary undertakings do not undertake active hedging of this risk.

On behalf of the Board



J F Watson
Director

21 December 2015

Registered No. SC091421

Directors' report

The directors present their report and group financial statements for the year ended 30 June 2015.

Results and dividends

The group profit for the year after taxation amounted to £575,000 (2014 – profit of £577,000). The directors do not recommend a final dividend (2014 – £nil).

Future developments

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

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, principal risks and uncertainties, and review of the business are outlined in the strategic report on page 1.

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 and up to the date of this report were as follows:

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

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.

On behalf of the Board



J F Watson
Director

18 January 2016

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 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

Report on the financial statements

Our opinion

In our opinion, Ogilvie Homes Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2015 and of the group's profit 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.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the group and company balance sheets as at 30 June 2015;
- the group profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 to the company'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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Martin Cowie (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow

18 January 2016

Group profit and loss account

for the year ended 30 June 2015

	Notes	2015 £000	2014 £000
Turnover			
Turnover: Group and share of joint ventures' turnover		37,615	38,705
Less: share of joint ventures' turnover		12,053	11,568
Group turnover	2	25,562	27,137
Cost of sales		22,513	24,014
Gross profit		3,049	3,123
Administration expenses		2,418	1,968
Group operating profit	3	631	1,155
Share of operating profit in joint ventures		844	457
Total operating profit: group and share of joint ventures		1,475	1,612
Interest payable and similar charges	6	900	1,035
Profit on ordinary activities before taxation		575	577
Tax	7	175	95
Profit for the financial year	16	400	482

All amounts relate to continuing activities.

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £400,000 in the year ended 30 June 2015 (2014 – profit of £482,000).

Group balance sheet

at 30 June 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	5	7
Investments	10	3,917	3,247
		<u>3,922</u>	<u>3,254</u>
Current assets			
Stocks	11	20,722	20,966
Debtors	12	14,101	12,328
		<u>34,823</u>	<u>33,294</u>
Creditors: amounts falling due within one year	13	34,533	32,736
Net current assets		<u>29</u>	<u>558</u>
Total assets less current liabilities		4,212	3,812
Creditors: amounts falling due after more than one year	14	2,500	2,500
Net assets		<u>1,718</u>	<u>1,312</u>
Capital and reserves			
Called up share capital	15	-	-
Revenue reserve	16	1,712	1,312
Equity shareholders' funds	16	<u>1,712</u>	<u>1,312</u>

These financial statements were approved by the directors and authorised for issue on 18 January 2016 and are signed on their behalf by:



S P Lloyd

Director

Company balance sheet

at 30 June 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	5	7
Investments	10	3,917	3,247
		<u>3,922</u>	<u>3,254</u>
Current assets			
Stocks	11	20,722	20,972
Debtors	12	14,101	12,328
		<u>34,823</u>	<u>33,300</u>
Creditors: amounts falling due within one year	13	34,533	32,736
Net current assets		<u>290</u>	<u>558</u>
Total assets less current liabilities		4,212	3,818
Creditors: amounts falling due after more than one year	14	2,500	2,500
Net assets		<u>1,712</u>	<u>1,312</u>
Capital and reserves			
Called up share capital	15		
Revaluation reserve	16	3,917	3,247
Revenue reserve	16	(2,205)	(1,935)
Equity shareholders' funds	16	<u>1,712</u>	<u>1,312</u>

These financial statements were approved by the directors and authorised for issue on 21 December 2015 and are signed on their behalf by:



S P Lloyd

Director

Notes to the financial statements

at 30 June 2015

1. Accounting policies

Basis of preparation

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

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.

Group financial statements

The group financial statements consolidate the financial statements of Ogilvie Homes Limited and all its subsidiaries made up to 30 June 2015. 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 ventures under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

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.

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.

Notes to the financial statements

at 30 June 2015

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 payrolls. 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

This is stated after charging/(crediting):

	2015 £000	2014 £000
Auditors' remuneration – audit	12	12

4. Directors' remuneration

	2015 £000	2014 £000
Remuneration excluding pension contributions	290	275
Defined pension contributions	45	43
Remuneration of the highest paid director, excluding pension contributions	133	133
Defined pension contributions of highest paid director	25	25

The number of directors who perform qualifying services for the company that are members of money purchase schemes is three (2014 – three).

Two other directors are also directors of the parent company, Ogilvie Group Limited, which levied charges of £120,000 (2014: £120,000) in respect of management services to the company.

Notes to the financial statements

at 30 June 2015

5. Staff costs

	2015 £000	2014 £000
Wages and salaries	1,873	1,513
Social security costs	190	154
Pension costs	144	114
	<u>2,207</u>	<u>1,781</u>

The average number of employees during the year was 56 (2014 – 44).

6. Interest payable and similar charges

	2015 £000	2014 £000
Bank interest payable	<u>900</u>	<u>1,035</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015 £000	2014 £000
Current tax:		
UK corporation tax of profit for the year	(1)	6
Share of joint ventures' current tax	<u>174</u>	<u>101</u>
Total current tax (note 7(b))	<u>173</u>	<u>107</u>
Deferred tax:		
Origination and reversal of timing differences	<u>2</u>	<u>(12)</u>
Tax on profit on ordinary activities	<u>175</u>	<u>95</u>

Notes to the financial statements

at 30 June 2015

7. Tax (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.75% (2014 – 22.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	575	577
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 – 22.5%)	119	130
<i>Effects of</i>		
Disallowable expenses and non-taxable income	1	-
Fixed asset timing differences	-	-
Group relief surrendered for nil payment	55	(23)
Current tax for the year (note 7(a))	175	107

(c) Deferred tax

The deferred tax asset, calculated at 20% (2014 – 20%), included in the balance sheet is as follows:

	£000
<i>Group and company</i>	
At 1 July 2014	12
Credit during year	-
Adjustment in respect of prior years	(2)
At 30 June 2015	10
	2015 £000
	2014 £000
<i>The deferred tax consists of:</i>	
Accelerated capital allowances	10
	12

8. Loss attributable to members of the parent undertaking

The loss dealt with in the financial statements of the parent undertaking is £270,000 (2014 – profit of £120,000).

Notes to the financial statements

at 30 June 2015

9. Tangible fixed assets

<i>Group and company</i>	<i>Fixtures and fittings</i> <i>£000</i>
Cost:	
At 1 July 2014 and 30 June 2015	<u>12</u>
Depreciation:	
At 1 July 2014	5
Charged during year	2
At 30 June 2015	<u>7</u>
Net book value:	
At 30 June 2015	<u>5</u>
At 1 July 2014	<u>7</u>

10. Investments

	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
<i>Group</i>		
Joint venture – Gross assets	11,905	16,123
– Gross liabilities	(7,988)	(12,876)
	<u>3,917</u>	<u>3,247</u>

Joint venture:

	<i>£000</i>
Cost at 1 July 2014	3,247
Share of joint venture's profit for the year	670
At 30 June 2015	<u>3,917</u>

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:

	<i>2015</i> <i>£000</i>	<i>2014</i> <i>£000</i>
Fixed assets		
Current assets	<u>11,905</u>	<u>16,123</u>
Share of gross assets	<u>11,905</u>	<u>16,123</u>
Liabilities due within one year	(2,688)	(7,576)
Liabilities due after one year	(5,300)	(5,300)
Share of gross liabilities	<u>(7,988)</u>	<u>(12,876)</u>
Share of net assets	<u>3,917</u>	<u>3,247</u>

Notes to the financial statements

at 30 June 2015

10. Investments (continued)

	2015 £000	2014 £000
Turnover	12,053	11,568
Profit before tax	844	457
Tax	174	101
Profit after tax	670	356

A bank overdraft of £322,000 (2014 – £5,541,000) 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.

<i>Name of company</i>	<i>Percentage held</i>	<i>Nature of business</i>
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 2014	3,247
Revaluation during year	670
At 30 June 2015	3,917

Investments in subsidiary undertakings and joint venture were re-valued by the directors to their underlying net asset values at 30 June 2015 and at 1 July 2014.

11. Stocks

	2015 £000	2014 £000
<i>Group and company</i>		
Work in progress	13,977	12,148
Land held for development purposes	6,538	8,051
Assets for resale	207	767
	20,722	20,966

Notes to the financial statements

at 30 June 2015

12. Debtors

	2015	2014
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Trade debtors	7,290	5,417
Amount owed by joint ventures	6,388	6,139
Prepayments	137	103
Other taxes and social security costs	273	431
Corporation tax recoverable	3	75
Deferred tax asset (note 7(c))	10	12
Amounts owed by group undertakings	-	151
	<u>14,101</u>	<u>12,328</u>

Included within amount owed by joint venture is an amount of £2,650,000 (2-14- £5,300,000) due out with one year.

Included within trade debtors is an amount of £2,522,284 (2014 – £2,675,009) due out with one year.

13. Creditors: amounts falling due within one year

	2015	2014
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Bank overdraft	12,517	10,648
Trade creditors	3,550	4,099
Amounts owed to group undertakings	17,754	17,625
Other taxes and social security costs	76	98
Accruals and receipts in advance	553	216
Other creditors	83	50
	<u>34,533</u>	<u>32,736</u>

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

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

<i>Group and company</i>	2015	2014
	<i>£000</i>	<i>£000</i>
Amounts owed to group undertakings	<u>2,500</u>	<u>2,500</u>

15. Issued share capital

<i>Group and company</i>	2015		2014	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	100	<u>100</u>	100	<u>100</u>

Notes to the financial statements

at 30 June 2015

16. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total share- holders' funds</i> £000
At 1 July 2013	-	830	830
Profit for the year	-	482	476
At 1 July 2014	-	1,312	1,312
Profit for the year	-	400	400
At 30 June 2015	-	1,712	1,712

<i>Company</i>	<i>Share capital</i> £000	<i>Revaluation reserve</i> £000	<i>Profit and loss account</i> £000	<i>Total share- holders' funds</i> £000
At 1 July 2013	-	2,891	(2,055)	836
Profit for the year	-	-	120	120
Revaluation during year	-	356	-	356
At 1 July 2014	-	3,247	(1,935)	1,312
Loss for the year	-	-	(270)	(270)
Revaluation during year	-	670	-	670
At 30 June 2015	-	3,917	(2,205)	1,712

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. 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 £4,897,000 (2014 – £4,987,000).

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

Notes to the financial statements

at 30 June 2015

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.