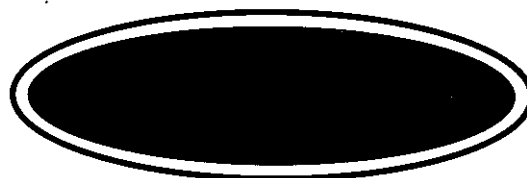


**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2005
FOR
SCOTIA HOMES LIMITED**



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SCOTIA HOMES LIMITED

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FOR THE YEAR ENDED 30TH APRIL 2005**

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SCOTIA HOMES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30TH APRIL 2005**

DIRECTORS:

W H Bruce
W M Bruce
S Burnett
F D Fairlie
W L McLeod
M J Taylor
D W Watt
M L Zanre

SECRETARY:

M L Zanre

REGISTERED OFFICE:

28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

REGISTERED NUMBER:

141011 (Scotland)

AUDITORS:

Bain Henry Reid
Registered Auditors
Chartered Accountants
28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

BANKERS:

Bank of Scotland plc
5 The Square
Ellon
Aberdeenshire
AB41 9JB

SOLICITORS:

Laurie & Company
17 Victoria Street
Aberdeen
AB10 1PU

SCOTIA HOMES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30TH APRIL 2005

The directors present their report with the financial statements of the company and the group for the year ended 30th April 2005.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the acquisition and development of land and the construction and sale of residential property.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year and financial position of the company and the group are as shown in the annexed financial statements.

The Group Accounts consolidate the financial statements of Scotia Homes Limited, Scotia Developments Limited, Haddington Maltings Limited, Scotia BBS Limited (formerly Burnett Building Services Limited) and Burnett Plumbing & Electrical Limited, the latter two companies having been acquired on 1st May 2004 as reported in last years financial statements.

The excellent results for the year reflect the expansion of the Group including the acquisition of Burnett Building Services Limited.

The increase in bank borrowings and subsequent interest reflect the Directors' decision to increase the size of the land bank which now exceeds 10 years supply at current rates allowing for future expansion. Forward sales are at record levels.

DIVIDENDS

An interim dividend of 10p per share was paid during the financial year. A final dividend of 10p per share has subsequently been paid, making a total of 20p per share (£587,927) in respect of the year ended 30th April 2005.

DIRECTORS

The directors during the year under review were:

W H Bruce
W M Bruce
S Burnett
F D Fairlie
W L McLeod
M J Taylor
D W Watt
M L Zanre

The beneficial interests of the directors holding office on 30th April 2005 in the issued share capital of the company were as follows:

	30.4.05	1.5.04
Ordinary £1.00 shares		
W H Bruce	193,025	193,025
W M Bruce	380,738	380,738
S Burnett	525,261	211,896
F D Fairlie	386,916	386,916
W L McLeod	193,623	193,623
M J Taylor	70,640	70,640
D W Watt	217,735	217,735
M L Zanre	221,881	221,881

SCOTIA HOMES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH APRIL 2005**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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;
- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Bain Henry Reid, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

M L Zanre

.....
M L Zanre - Secretary

Date: 5th August 2005

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SCOTIA HOMES LIMITED

We have audited the financial statements of Scotia Homes Limited for the year ended 30th April 2005 on pages five to twenty six. These financial statements have been prepared under the historical cost convention and 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 on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

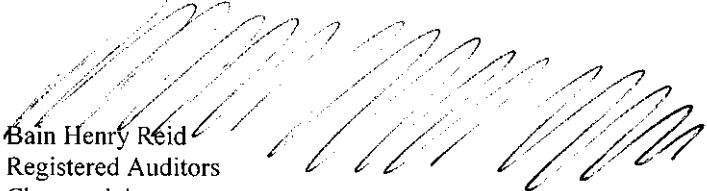
Basis of audit opinion

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 and the group as at 30th April 2005 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bain Henry Reid
Registered Auditors
Chartered Accountants
28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

Date: 5th August 2005

SCOTIA HOMES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH APRIL 2005**

	Notes	2005 £	2004 £
TURNOVER		50,020,551	30,949,502
Cost of sales		<u>(35,939,127)</u>	<u>(24,829,961)</u>
GROSS PROFIT		14,081,424	6,119,541
Selling expenses		(1,269,938)	(830,746)
Other operating expenses		<u>(5,228,373)</u>	<u>(2,618,631)</u>
		7,583,113	2,670,164
Other operating income		<u>52,438</u>	<u>122,903</u>
OPERATING PROFIT	3	7,635,551	2,793,067
Interest receivable and similar income		<u>185,220</u>	<u>23,230</u>
		7,820,771	2,816,297
Interest payable and similar charges	4	<u>(1,981,117)</u>	<u>(917,179)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,839,654	1,899,118
Tax on profit on ordinary activities	5	<u>(1,766,025)</u>	<u>(555,713)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		4,073,629	1,343,405
Dividends	7	<u>(587,927)</u>	<u>(183,839)</u>
RETAINED PROFIT FOR THE YEAR FOR THE GROUP		<u>3,485,702</u>	<u>1,159,566</u>

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current and previous years.

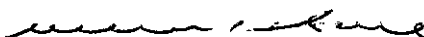
The notes form part of these financial statements

SCOTIA HOMES LIMITED

CONSOLIDATED BALANCE SHEET
30TH APRIL 2005

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	8	934,619	1,102,180
Tangible assets	9	754,978	77,318
Investments	10	<u>50</u>	<u>50</u>
		<u>1,689,647</u>	<u>1,179,548</u>
CURRENT ASSETS			
Stocks	11	53,446,027	35,256,240
Debtors	12	3,895,915	2,198,517
Cash at bank and in hand		<u>3,064,981</u>	<u>-</u>
		60,409,923	37,454,757
CREDITORS			
Amounts falling due within one year	13	<u>(44,764,390)</u>	<u>(24,913,387)</u>
NET CURRENT ASSETS		<u>15,642,533</u>	<u>12,541,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		17,332,180	13,720,918
CREDITORS			
Amounts falling due after more than one year	14	(4,752,280)	(5,500,000)
PROVISIONS FOR LIABILITIES AND CHARGES	18	<u>(30,725)</u>	<u>-</u>
		<u>12,549,175</u>	<u>8,220,918</u>
CAPITAL AND RESERVES			
Called up share capital	19	2,939,637	2,626,272
Share premium	20	3,435,961	2,906,771
Profit and loss account	20	<u>6,173,577</u>	<u>2,687,875</u>
SHAREHOLDERS' FUNDS	21	<u>12,549,175</u>	<u>8,220,918</u>

ON BEHALF OF THE BOARD:



W H Bruce - Director

Approved by the Board on 28th July 2005

The notes form part of these financial statements

SCOTIA HOMES LIMITED

**COMPANY BALANCE SHEET
30TH APRIL 2005**

	Notes	2005 £	2004 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	144,364	77,318
Investments	10	<u>7,174,782</u>	<u>5,831,994</u>
		<u>7,319,146</u>	<u>5,909,312</u>
CURRENT ASSETS			
Stocks	11	38,374,003	18,686,140
Debtors	12	<u>3,055,067</u>	<u>2,646,039</u>
		41,429,070	21,332,179
CREDITORS			
Amounts falling due within one year	13	<u>(39,315,960)</u>	<u>(19,579,623)</u>
NET CURRENT ASSETS		<u>2,113,110</u>	<u>1,752,556</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,432,256</u>	<u>7,661,868</u>
CAPITAL AND RESERVES			
Called up share capital	19	2,939,637	2,626,272
Share premium	20	3,435,961	2,906,771
Profit and loss account	20	<u>3,056,658</u>	<u>2,128,825</u>
SHAREHOLDERS' FUNDS	21	<u>9,432,256</u>	<u>7,661,868</u>

ON BEHALF OF THE BOARD:

.....
W H Bruce - Director

Approved by the Board on 30th June 2005

The notes form part of these financial statements

SCOTIA HOMES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2005**

	Notes	2005 £	2004 £
Net cash outflow from operating activities	1	(5,619,582)	(8,079,257)
Returns on investments and servicing of finance	2	(1,740,073)	(880,319)
Taxation		(846,288)	(824,734)
Capital expenditure	2	(903,478)	63,707
Acquisitions and disposals	2	167,561	(1,102,230)
Equity dividends paid		<u>(293,963)</u>	<u>(183,839)</u>
		(9,235,823)	(11,006,672)
Financing	2	<u>11,744,209</u>	<u>11,904,039</u>
Increase in cash in the period		<u>2,508,386</u>	<u>897,367</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		2,508,386	897,367
Cash inflow from increase in debt and lease financing		<u>(10,901,654)</u>	<u>(11,904,039)</u>
Change in net debt resulting from cash flows		<u>(8,393,268)</u>	<u>(11,006,672)</u>
Movement in net debt in the period		(8,393,268)	(11,006,672)
Net debt at 1st May		<u>(23,779,277)</u>	<u>(12,772,605)</u>
Net debt at 30th April		<u>(32,172,545)</u>	<u>(23,779,277)</u>

The notes form part of these financial statements

SCOTIA HOMES LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2005**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	7,635,551	2,793,067
Depreciation charges	233,100	30,487
Profit on disposal of fixed assets	(7,282)	(4,899)
Increase in stocks	(18,189,787)	(12,827,207)
Increase in debtors	(1,677,525)	(113,251)
Increase in creditors	6,386,361	2,042,546
Net cash outflow from operating activities	<u>(5,619,582)</u>	<u>(8,079,257)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £	2004 £
Returns on investments and servicing of finance		
Interest received	165,347	24,709
Interest paid	(1,892,875)	(905,028)
Interest element of hire purchase payments	(12,545)	-
Net cash outflow for returns on investments and servicing of finance	<u>(1,740,073)</u>	<u>(880,319)</u>
Capital expenditure		
Purchase of tangible fixed assets	(921,128)	(62,251)
Sale of tangible fixed assets	17,650	125,958
Net cash (outflow)/inflow for capital expenditure	<u>(903,478)</u>	<u>63,707</u>
Acquisitions and disposals		
Goodwill on acquisition of subsidiary	167,561	(1,102,180)
Investment in joint venture	-	(50)
Net cash inflow/(outflow) for acquisitions and disposals	<u>167,561</u>	<u>(1,102,230)</u>
Financing		
New loans in year	20,675,000	25,209,322
Loan repayments in year	(10,034,322)	(13,300,000)
Hire purchase loans in year	397,434	-
Capital repayments in year	(136,458)	(5,283)
Share issue	842,555	-
Net cash inflow from financing	<u>11,744,209</u>	<u>11,904,039</u>

The notes form part of these financial statements

SCOTIA HOMES LIMITED

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH APRIL 2005

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.04 £	Cash flow £	At 30.4.05 £
Net cash:			
Cash at bank and in hand	-	3,064,981	3,064,981
Bank overdraft	<u>(3,234,955)</u>	<u>(556,595)</u>	<u>(3,791,550)</u>
	<u>(3,234,955)</u>	<u>2,508,386</u>	<u>(726,569)</u>
Debt:			
Hire purchase	-	(260,976)	(260,976)
Debts falling due within one year	<u>(15,044,322)</u>	<u>(11,640,678)</u>	<u>(26,685,000)</u>
Debts falling due after one year	<u>(5,500,000)</u>	<u>1,000,000</u>	<u>(4,500,000)</u>
	<u>(20,544,322)</u>	<u>(10,901,654)</u>	<u>(31,445,976)</u>
Total	<u>(23,779,277)</u>	<u>(8,393,268)</u>	<u>(32,172,545)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2005

1. ACCOUNTING POLICIES

Accounting convention

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30th April 2005. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

Turnover and profits arising on trading between group companies is excluded.

Under section 230 (4) of the Companies Act 1985 the company is exempt from the requirement to present its own profit and loss account.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Goodwill

Goodwill arising on the acquisition of subsidiary companies represents the excess of cost over the net book value of tangible assets acquired. In accordance with Financial Reporting Standard (FRS) 10 such goodwill is capitalised as an intangible asset and amortised against profit over its expected life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% - 50% straight line
Fittings and equipment	- 20% - 50% straight line
Motor vehicles	- 25% straight line

Stocks

Developments in progress comprise residential developments in progress valued at the lower of cost and estimated net realisable value. Properties for resale are properties acquired in part exchange on sales, and are valued at the lower of cost and estimated net realisable value.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

1. ACCOUNTING POLICIES - continued**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

Companies within the group operate defined contribution pension schemes. The assets of these schemes are held separately from those of the companies in independently administered funds. Contributions payable for the year are charged in the profit and loss account.

Investment properties

No depreciation is provided on investment properties which are stated at market value. Investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve.

2. STAFF COSTS

	2005 £	2004 £
Wages and salaries	2,260,451	-
Social security costs	207,573	-
Other pension costs	38,287	-
	<u>2,506,311</u>	<u>-</u>

The average monthly number of employees (including directors) during the year was as follows:

	2005	2004
Production	78	-
Administration	40	8
	<u>118</u>	<u>8</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2005 £	2004 £
Other operating leases	97,724	-
Depreciation - owned assets	128,281	30,486
Depreciation - assets on hire purchase contracts	104,819	-
Profit on disposal of fixed assets	(7,282)	(4,899)
Auditors remuneration	<u>41,900</u>	<u>13,700</u>
Directors' emoluments	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank interest	1,938,661	895,675
Loan interest	19,586	14,172
Other interest	10,325	7,332
Hire purchase interest	12,545	-
	<u>1,981,117</u>	<u>917,179</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	1,760,880	555,713
Tax adjustment in respect of previous year	74	-
Total current tax	1,760,954	555,713
Deferred tax	5,071	-
Tax on profit on ordinary activities	<u>1,766,025</u>	<u>555,713</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2005	2004
	£	£
Profit on ordinary activities before tax	<u>5,839,654</u>	<u>1,899,118</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 - 30%)	1,751,896	569,735
Effects of:		
Expenses not deductible for tax purposes	5,780	405
Capital allowances in excess of depreciation	6,680	2,006
Land remediation relief	-	(16,433)
Income not taxable for tax purposes	(1,174)	-
Marginal relief	(3,403)	-
Other short term timing difference	1,101	-
Adjustment to tax charge in respect of previous periods	74	-
Current tax charge	<u>1,760,954</u>	<u>555,713</u>

SCOTIA HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005**

6. PROFIT OF PARENT COMPANY

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £1,501,849 (2004 - £784,355).

7. DIVIDENDS

	2005 £	2004 £
Equity shares:		
Interim	293,963	183,839
Final	<u>293,964</u>	<u>-</u>
	<u>587,927</u>	<u>183,839</u>

8. INTANGIBLE FIXED ASSETS

Group

COST

At 1st May 2004

Additions

At 30th April 2005

NET BOOK VALUE

At 30th April 2005

At 30th April 2004

**Goodwill
£**

1,102,180

(167,561)

934,619

934,619

1,102,180

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

9. TANGIBLE FIXED ASSETS**Group**

	Investment property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1st May 2004	41,097	-	77,058	6,175	124,330
Additions	-	605,871	149,491	165,766	921,128
Disposals	-	(28,000)	-	(3,500)	(31,500)
At 30th April 2005	41,097	577,871	226,549	168,441	1,013,958
DEPRECIATION					
At 1st May 2004	-	-	45,112	1,900	47,012
Charge for year	-	141,548	48,692	42,860	233,100
Eliminated on disposal	-	(18,259)	-	(2,873)	(21,132)
At 30th April 2005	-	123,289	93,804	41,887	258,980
NET BOOK VALUE					
At 30th April 2005	41,097	454,582	132,745	126,554	754,978
At 30th April 2004	41,097	-	31,946	4,275	77,318

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
Additions	417,772	118,178	535,950
Disposals	(28,000)	-	(28,000)
At 30th April 2005	389,772	118,178	507,950
DEPRECIATION			
Charge for year	74,267	30,552	104,819
Eliminated on disposal	(18,259)	(728)	(18,987)
At 30th April 2005	56,008	29,824	85,832
NET BOOK VALUE			
At 30th April 2005	333,764	88,354	422,118

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

9. TANGIBLE FIXED ASSETS - continued**Company**

	Investment property £	Fittings and equipment £	Motor vehicles £	Totals £
COST				
At 1st May 2004	41,097	66,682	6,175	113,954
Additions	-	106,814	-	106,814
At 30th April 2005	41,097	173,496	6,175	220,768
DEPRECIATION				
At 1st May 2004	-	34,736	1,900	36,636
Charge for year	-	37,868	1,900	39,768
At 30th April 2005	-	72,604	3,800	76,404
NET BOOK VALUE				
At 30th April 2005	41,097	100,892	2,375	144,364
At 30th April 2004	41,097	31,946	4,275	77,318

Investment properties are revalued by the directors at the end of the financial year, the net surplus arising on the revaluation being credited to revaluation reserve. The historical cost of investment properties included above at a valuation of £41,097 was £41,097 (2004 £41,097).

10. FIXED ASSET INVESTMENTS**Group**

	Interest in joint venture £
COST	
At 1st May 2004 and 30th April 2005	50
NET BOOK VALUE	
At 30th April 2005	50
At 30th April 2004	50

SCOTIA HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005**

10. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £	Interest in joint venture £	Totals £
COST			
At 1st May 2004	5,831,944	50	5,831,994
Additions	1,342,788	-	1,342,788
At 30th April 2005	7,174,732	50	7,174,782
NET BOOK VALUE			
At 30th April 2005	7,174,732	50	7,174,782
At 30th April 2004	5,831,944	50	5,831,994

The group or the company's investments at the balance sheet date in the share capital of companies include the following:

Subsidiaries

Scotia Developments Limited

Nature of business: Property Developers

	%
Class of shares:	holding
Ordinary shares	100.00

Haddington Maltings Limited

Nature of business: Property Developers

	%
Class of shares:	holding
Ordinary 'A' shares	100.00
Ordinary 'B' shares	100.00

Scotia BBS Limited (formerly Burnett Building Services Limited)

Nature of business: Building Contractors

	%
Class of shares:	holding
Ordinary shares	100.00

Burnett Plumbing & Electrical Limited

Nature of business: Plumbing and Electrical Contractors

	%
Class of shares:	holding
Ordinary shares	100.00

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

10. FIXED ASSET INVESTMENTS - continued**Joint Venture****Countesswells Limited (formerly Lothian Shelf (130) Limited)**

Nature of business: Property Developers

Class of shares:	%
Ordinary 'B' shares	holding 100.00

11. STOCKS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Materials	53,878	-	-	-
Developments in progress	53,219,649	35,256,240	38,201,503	18,686,140
Properties for resale	172,500	-	172,500	-
	<u>53,446,027</u>	<u>35,256,240</u>	<u>38,374,003</u>	<u>18,686,140</u>

12. DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	2,983,280	1,334,081	2,601,842	851,016
Other debtors	583,762	574,436	143,352	245,823
Amounts owed by group undertakings	-	-	-	1,259,200
Amounts owed by joint venture	309,873	290,000	309,873	290,000
	<u>3,876,915</u>	<u>2,198,517</u>	<u>3,055,067</u>	<u>2,646,039</u>
Amounts falling due after more than one year:				
Trade debtors	<u>19,000</u>	-	-	-
Aggregate amounts	<u>3,895,915</u>	<u>2,198,517</u>	<u>3,055,067</u>	<u>2,646,039</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Loan stock 2011 (see note 15)	-	609,322	-	609,322
Bank loans and overdrafts (see note 15)	23,791,550	16,384,955	22,226,939	14,128,283
Other loans (see note 15)	6,685,000	1,285,000	6,635,000	735,000
Hire purchase contracts (see note 16)	127,279	-	-	-
Deposits in advance	2,180,559	852,439	624,398	466,762
Trade creditors	8,401,811	4,756,073	3,448,077	3,170,820
Amounts owed to group undertakings	-	-	4,886,695	-
Tax	1,261,569	281,228	409,639	72,024
Social security and other taxes	179,887	-	-	-
Proposed dividends	293,964	-	293,964	-
Accruals and deferred income	1,842,771	744,370	791,248	397,412
	<u>44,764,390</u>	<u>24,913,387</u>	<u>39,315,960</u>	<u>19,579,623</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2005	2004
	£	£
Bank loans (see note 15)	4,500,000	5,500,000
Hire purchase contracts (see note 16)	133,697	-
Trade creditors	118,583	-
	<u>4,752,280</u>	<u>5,500,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Amounts falling due within one year or on demand:				
Loan Stock 2011	-	609,322	-	609,322
Bank overdrafts	3,791,550	3,234,955	3,226,939	4,978,283
Bank loans	20,000,000	13,150,000	19,000,000	9,150,000
Other loans	6,685,000	1,285,000	6,635,000	735,000
	<u>30,476,550</u>	<u>18,279,277</u>	<u>28,861,939</u>	<u>15,472,605</u>
Amounts falling due between one and two years:				
Bank loans	<u>1,000,000</u>	<u>1,000,000</u>	-	-
Amounts falling due between two and five years:				
Bank loans	<u>3,000,000</u>	<u>3,000,000</u>	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>500,000</u>	<u>1,500,000</u>	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2005 £	2004 £
Gross obligations repayable:		
Within one year	136,348	-
Between one and five years	<u>143,057</u>	<u>-</u>
	<u>279,405</u>	<u>-</u>
Finance charges repayable:		
Within one year	9,069	-
Between one and five years	<u>9,360</u>	<u>-</u>
	<u>18,429</u>	<u>-</u>
Net obligations repayable:		
Within one year	127,279	-
Between one and five years	<u>133,697</u>	<u>-</u>
	<u>260,976</u>	<u>-</u>

The following operating lease payments are committed to be paid within one year:

Group

	Other operating leases	
	2005 £	2004 £
Expiring:		
Within one year	9,198	-
Between one and five years	<u>42,766</u>	<u>-</u>
	<u>51,964</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Loan stock 2011	-	609,322	-	609,322
Bank overdrafts	3,791,550	3,234,955	3,226,939	4,978,283
Bank loans	24,500,000	18,650,000	19,000,000	9,150,000
Hire purchase contracts	260,976	-	-	-
Other loans	6,500,000	-	6,500,000	-
	<u>35,052,526</u>	<u>22,494,277</u>	<u>28,726,939</u>	<u>14,737,605</u>

Bank loans and overdrafts are secured by a Bond and Floating Charge over the assets of the group.

Loan Stock 2011 was repaid during the year.

The other loan is secured by a standard security over a development property in favour of Powernine Limited.

18. PROVISION FOR LIABILITIES AND CHARGES

	Group	
	2005	2004
	£	£
Deferred tax	<u>30,725</u>	<u>-</u>
Group		
		Deferred tax
		£
Increase in provision		<u>30,725</u>
Balance at 30th April 2005		<u>30,725</u>

19. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2005	2004
			£	£
5,000,000	Ordinary	£1.00	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2005	2004
			£	£
2,939,637	Ordinary	£1.00	<u>2,939,637</u>	<u>2,626,272</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

19. CALLED UP SHARE CAPITAL - continued

On 1st May 2004 313,365 Ordinary £1 shares were issued for a total consideration of £842,555 in exchange for the acquisition of the issued share capital of Burnett Building Services Limited (now Scotia BBS Limited).

20. RESERVES**Group**

	Profit and loss account £	Share premium £	Totals £
At 1st May 2004	2,687,875	2,906,771	5,594,646
Retained profit for the year	3,485,702	-	3,485,702
Premium on share exchange	-	529,190	529,190
At 30th April 2005	<u>6,173,577</u>	<u>3,435,961</u>	<u>9,609,538</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1st May 2004	2,128,825	2,906,771	5,035,596
Retained profit for the year	927,833	-	927,833
Premium on share exchange	-	529,190	529,190
At 30th April 2005	<u>3,056,658</u>	<u>3,435,961</u>	<u>6,492,619</u>

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**Group**

	2005 £	2004 £
Profit for the financial year	4,073,629	1,343,405
Dividends	(587,927)	(183,839)
Share issue	<u>3,485,702</u> <u>842,555</u>	<u>1,159,566</u> <u>4,628,041</u>
Net addition to shareholders' funds	4,328,257	5,787,607
Opening shareholders' funds	<u>8,220,918</u>	<u>2,433,311</u>
Closing shareholders' funds	<u>12,549,175</u>	<u>8,220,918</u>
Equity interests	<u>12,549,175</u>	<u>8,220,918</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company	2005 £	2004 £
Profit for the financial year	1,515,760	784,355
Dividends	<u>(587,927)</u>	<u>(183,839)</u>
	927,833	600,516
Share issue	<u>842,555</u>	<u>4,628,041</u>
Net addition to shareholders' funds	1,770,388	5,228,557
Opening shareholders' funds	<u>7,661,868</u>	<u>2,433,311</u>
Closing shareholders' funds	<u>9,432,256</u>	<u>7,661,868</u>
Equity interests	<u>9,432,256</u>	<u>7,661,868</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

22. RELATED PARTY TRANSACTIONS**Material interests of directors**

Services are provided to the company as follows:

Selling and administrative services are provided by Bruce and Partners in which W H Bruce, W M Bruce, F D Fairlie, W L McLeod, D W Watt and M L Zanre have an interest.

Management services are provided by Burnett Management in which S Burnett has an interest.

The invoiced value of these services, for the group and the company respectively, during the year ended 30 April 2005 were as follows:

Group

Bruce and Partners £3,851,510 (2004: £2,999,877) of which £792,837 (2003: £73,930) is included in year end creditors.

Burnett Management £768,952 of which £147,268 is included in year end creditors.

Company

Bruce and Partners £1,848,725 (2004: £1,178,223) of which £624,423 (2003: £31,016) is included in year end creditors.

Loans

Loans were received from Bruce and Partners and from City Financial (Aberdeen) Limited in which W H Bruce, W M Bruce, F D Fairlie, W L McLeod, D W Watt and M L Zanre have an interest. The loans bear interest at base rate and have no fixed repayment terms.

Details of loan account transactions, and year end balances are as follow:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bruce and Partners				
At 1st May 2004	1,100,000	-	600,000	-
Received during the year	-	1,200,000	-	700,000
Repaid during the year	(1,100,000)	(100,000)	(600,000)	(100,000)
At 30th April 2005	-	1,100,000	-	600,000
City Financial (Aberdeen) Limited				
At 1st May 2004	185,000	135,000	135,000	135,000
Received during the year	25,000	50,000	25,000	-
Repaid during the year	(25,000)	-	(25,000)	-
At 30th April 2005	185,000	185,000	135,000	135,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH APRIL 2005

RELATED PARTY TRANSACTIONS - continued

During the year a loan was received from Powernine Limited in which W M Bruce, F D Fairlie, W L McLeod, D W Watt and M L Zanre have an interest. Rents receivable by the company in respect of a development property acquired during the year have been assigned to Powernine Limited.

Rents receivable and paid over to Powernine Limited amounted to £548,332 during the year ended 30th April 2005.

Details of loan account transactions and year end balances are as follows:

	2005 £	2004 £
Powernine Limited		
Received during the year	6,500,000	-
Repaid during the year	-	-
At 30th April 2005	<u>6,500,000</u>	<u>-</u>

Controlling party

W H Bruce, together with members of his family, control the company by virtue of an interest (directly or indirectly) in 58% of the issued ordinary share capital.