

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012
FOR
SCOTIA HOMES LIMITED**

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COMPANIES HOUSE



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SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

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FOR THE YEAR ENDED 30 APRIL 2012**

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SCOTIA HOMES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2012**

DIRECTORS:

W H Bruce
W M Bruce
S Burnett
F D Fairlie
W L McLeod
D W Watt
M L Zanre
A Lonie
R S Dryburgh
D R C Thomson
Mrs C Beaton
P J Boyle
G J Gerrard

SECRETARY:

M L Zanre

REGISTERED OFFICE:

28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

REGISTERED NUMBER:

SC141011 (Scotland)

AUDITORS:

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

BANKERS:

Bank of Scotland
3 - 5 Albyn Place
Aberdeen
AB10 1PY

SOLICITORS:

Laurie & Company
17 Victoria Street
Aberdeen
AB10 1PU



SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2012.

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**Results**

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

As anticipated market conditions remained difficult in the housebuilding sector.

The group achieved good trading margins and a profit before tax of £2.3m (2011: £2.1m) reflecting a satisfactory trading result given the prevailing market conditions.

The directors are of the opinion that no further provision is required for the impairment of the carrying value of land and work in progress having carried out a detailed review of the net realisable value of these assets in accordance with relevant accounting standards.

Future Outlook

The short term outlook for the housing market remains challenging although there are signs of an increase in consumer confidence. However this is being hampered by the lack of mortgage finance particularly for first time buyers, and the extremely slow progress of planning authorities in providing planning consents. The group had advance sales of circa 103 units going into the new financial year and forecasts a satisfactory profit and cashflow position for the year ended 30th April 2013. With effect from 1st May 2012 all trading activities for Scotia Homes (North) Limited and Scotia Commercial Limited were transferred to Scotia Homes Limited as part of the restructuring of the group's trading activities.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the group's objectives are subject to a number of risks. The key business risks and uncertainties affecting the group relate to periodic downturns in the housing market and the continued and lengthy delays in the planning system and in the production of local authority development plans. These risks are formally reviewed by the board and processes are put in place to monitor them and to deal with them as appropriately as possible.

FINANCIAL RISK MANAGEMENT

The group's financial instruments comprise borrowings, cash and short-term deposits, and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to fund the group's operations as well as to manage its working capital and liquidity.

The group's operations expose it to a variety of financial risks that include the effects of changes in price risk and liquidity risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and related finance costs. The group does not use derivative financial instruments.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price Risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in the UK. The group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity Risk

The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure that the company has sufficient available funds for operations and planned expansions.

DIVIDENDS

An interim dividend of 5p (2011: 5p) per share was paid during the financial year. A final dividend of 7.5p (2011: 7.5p) per share has been authorised, making a total of 12.5p (2011: 12.5p) per share (£367,455) in respect of the year ended 30th April 2012.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

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	- resigned 27/6/11
D W Watt	
M L Zanre	
A Lonie	
R S Dryburgh	- appointed 27/4/12
D R C Thomson	
Mrs C Beaton	- appointed 27/4/12
P J Boyle	- appointed 27/4/12
G J Gerrard	- appointed 26/5/11

The beneficial interests of the directors holding office on 30 April 2012 in the issued share capital of the company were as follows:

	30.4.12	1.5.11 or date of appointment if later
Ordinary £1.00 shares		
W H Bruce	193,025	193,025
W M Bruce	380,738	380,738
S Burnett	525,261	525,261
F D Fairlie	386,916	386,916
W L McLeod	193,623	193,623
D W Watt	217,735	217,735
M L Zanre	221,881	221,881
A Lonie	-	-
R S Dryburgh	-	-
D R C Thomson	-	-
Mrs C Beaton	-	-
P J Boyle	-	-
G J Gerrard	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 company and the group 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2012**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Bain Henry Reid, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M L Zanre - Secretary

17 August 2012

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 30 April 2012 on pages six to twenty five. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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. In addition, we read all the financial and non-financial information in the Report of the Directors 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 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 company's affairs as at 30 April 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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 company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Gillian E Burns MA CA (Senior Statutory Auditor)
for and on behalf of Bain Henry Reid
Statutory Auditors
Chartered Accountants
28 Broad Street
Peterhead
Aberdeenshire
AB42 1BY

17 August 2012

SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
TURNOVER		21,164,876	30,108,432
Cost of sales		<u>(13,424,913)</u>	<u>(21,478,132)</u>
GROSS PROFIT		7,739,963	8,630,300
Selling expenses		(854,544)	(1,067,181)
Other operating expenses		<u>(3,976,034)</u>	<u>(4,824,445)</u>
		2,909,385	2,738,674
Other operating income		<u>528,201</u>	<u>454,310</u>
OPERATING PROFIT	3	3,437,586	3,192,984
Interest receivable and similar income		<u>61,521</u>	<u>64,721</u>
		3,499,107	3,257,705
Interest payable and similar charges	4	<u>(1,159,644)</u>	<u>(1,134,084)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,339,463	2,123,621
Tax on profit on ordinary activities	5	<u>(559,077)</u>	<u>(551,118)</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u>1,780,386</u>	<u>1,572,503</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

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

The notes form part of these financial statements



SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

CONSOLIDATED BALANCE SHEET
30 APRIL 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	8	3,094,248	3,094,238
Tangible assets	9	1,565,220	1,462,434
Investments	10		
Interest in joint venture		50	50
Investment property	11	<u>7,090,747</u>	<u>6,649,777</u>
		<u>11,750,265</u>	<u>11,206,499</u>
CURRENT ASSETS			
Stocks	12	46,700,946	42,320,681
Debtors	13	6,786,505	7,075,939
Cash at bank and in hand		<u>2,624,837</u>	<u>2,460,333</u>
		56,112,288	51,856,953
CREDITORS			
Amounts falling due within one year	14	<u>(8,028,235)</u>	<u>(20,489,172)</u>
NET CURRENT ASSETS		<u>48,084,053</u>	<u>31,367,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		59,834,318	42,574,280
CREDITORS			
Amounts falling due after more than one year	15	<u>(27,195,331)</u>	<u>(11,348,224)</u>
NET ASSETS		<u>32,638,987</u>	<u>31,226,056</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,939,637	2,939,637
Share premium	21	3,435,961	3,435,961
Profit and loss account	21	<u>26,263,389</u>	<u>24,850,458</u>
SHAREHOLDERS' FUNDS	22	<u>32,638,987</u>	<u>31,226,056</u>

The financial statements were approved by the Board of Directors on 7 August 2012 and were signed on its behalf by:



W H Bruce - Director

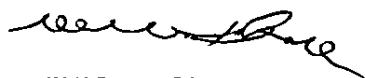
The notes form part of these financial statements

SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

COMPANY BALANCE SHEET
30 APRIL 2012

	Notes	2012 £	2011 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	10,852,579	10,852,569
Investment property	11	-	-
		<u>10,852,579</u>	<u>10,852,569</u>
CURRENT ASSETS			
Debtors	13	42,155,400	38,981,242
Cash at bank		<u>1,252,721</u>	<u>590,689</u>
		43,408,121	39,571,931
CREDITORS			
Amounts falling due within one year	14	<u>(732,195)</u>	<u>(16,375,715)</u>
NET CURRENT ASSETS		<u>42,675,926</u>	<u>23,196,216</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		53,528,505	34,048,785
CREDITORS			
Amounts falling due after more than one year	15	<u>(26,600,000)</u>	<u>(9,446,000)</u>
NET ASSETS		<u>26,928,505</u>	<u>24,602,785</u>
CAPITAL AND RESERVES			
Called up share capital	20	2,939,637	2,939,637
Share premium	21	3,435,961	3,435,961
Profit and loss account	21	<u>20,552,907</u>	<u>18,227,187</u>
SHAREHOLDERS' FUNDS	22	<u>26,928,505</u>	<u>24,602,785</u>

The financial statements were approved by the Board of Directors on 7 August 2012 and were signed on its behalf by:



W H Bruce - Director

The notes form part of these financial statements



SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012

	Notes	2012 £	2011 £
Net cash outflow from operating activities	1	(1,839,540)	(2,495,006)
Returns on investments and servicing of finance	2	(1,076,922)	(1,105,865)
Taxation		(481,312)	(543,785)
Capital expenditure and financial investment	2	(678,167)	(293,859)
Equity dividends paid		<u>(367,455)</u>	<u>(367,455)</u>
		(4,443,396)	(4,805,970)
Financing	2	<u>4,607,900</u>	<u>5,113,876</u>
Increase in cash in the period		<u>164,504</u>	<u>307,906</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		164,504	307,906
Cash inflow from increase in debt and lease financing		<u>(4,607,900)</u>	<u>(5,113,876)</u>
Change in net debt resulting from cash flows		<u>(4,443,396)</u>	<u>(4,805,970)</u>
Movement in net debt in the period		(4,443,396)	(4,805,970)
Net debt at 1 May		<u>(20,443,999)</u>	<u>(15,638,029)</u>
Net debt at 30 April		<u>(24,887,395)</u>	<u>(20,443,999)</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012

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

	2012 £	2011 £
Operating profit	3,437,586	3,192,984
Depreciation charges	245,258	343,006
Profit on disposal of fixed assets	(110,859)	(73,947)
Increase in stocks	(4,380,265)	(2,191,494)
Decrease/(increase) in debtors	269,011	(2,702,357)
Decrease in creditors	<u>(1,300,271)</u>	<u>(1,063,198)</u>
Net cash outflow from operating activities	<u>(1,839,540)</u>	<u>(2,495,006)</u>

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

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	61,521	64,721
Interest paid	(1,131,097)	(1,150,035)
Interest element of hire purchase payments	<u>(7,346)</u>	<u>(20,551)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(1,076,922)</u>	<u>(1,105,865)</u>
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(10)	76,913
Purchase of tangible fixed assets	(490,356)	(89,000)
Purchase of investment property	(440,970)	(404,570)
Sale of tangible fixed assets	253,169	69,273
Sale of investment property	<u>-</u>	<u>53,525</u>
Net cash outflow for capital expenditure and financial investment	<u>(678,167)</u>	<u>(293,859)</u>
Financing		
New loans in year	42,210,000	28,818,025
Loan repayments in year	(37,849,624)	(23,538,470)
Hire purchase loans in year	315,132	51,001
Capital repayments in year	<u>(67,608)</u>	<u>(216,680)</u>
Net cash inflow from financing	<u>4,607,900</u>	<u>5,113,876</u>



NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2012

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.11 £	Cash flow £	At 30.4.12 £
Net cash:			
Cash at bank and in hand	<u>2,460,333</u>	<u>164,504</u>	<u>2,624,837</u>
	<u>2,460,333</u>	<u>164,504</u>	<u>2,624,837</u>
Debt:			
Hire purchase	(69,427)	(247,524)	(316,951)
Debts falling due within one year	(12,832,366)	12,657,499	(174,867)
Debts falling due after one year	<u>(10,002,539)</u>	<u>(17,017,875)</u>	<u>(27,020,414)</u>
	<u>(22,904,332)</u>	<u>(4,607,900)</u>	<u>(27,512,232)</u>
Total	<u>(20,443,999)</u>	<u>(4,443,396)</u>	<u>(24,887,395)</u>

The notes form part of these financial statements



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2012

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 2012. 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 408 (4) of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Turnover

Turnover comprises amounts receivable from the sale of residential properties recognised on legal completion and the appropriate proportion of the sales value of property construction contracts.

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.

Heritable property	- 4% straight line and 2% straight line
Plant and machinery	- 25% on reducing balance, 25 - 50% straight line and 15% on cost
Fittings and equipment	- 33% straight line, 25 - 50% straight line and 15% on cost
Motor vehicles	- 25% on reducing balance, 20% on cost and 15% on cost

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

1. ACCOUNTING POLICIES - continued

Stocks and work in progress

Stocks, including land held for development and completed and part exchange houses and residential work in progress are stated at the lower of cost and net realisable value.

Shared purchase properties are stated at the lower of cost and net realisable value of the equity retained by the company.

Amounts recoverable on contracts are included in debtors and stated at cost plus attributable profit less any foreseeable losses. Attributable profit is recognised in proportion to the stage of completion reached when the outcome of the contract can be assessed with reasonable certainty.

Payments received on account of contracts are deducted from the amounts recoverable on contracts.

Viability reports which include an estimation of costs to complete and remaining revenues are carried out at regular intervals throughout the year during which site development costs are allocated between units built in the current year and those to be built in future years. These reports assess the profitability of each site and any impairment provisions which may be required.

Trade debtors

Trade debtors on normal terms are stated at their nominal value and are assessed for recoverability on an ongoing basis.

Trade debtors on extended terms granted as part of a sales transaction are secured by way of a legal charge on the respective properties and are stated at their nominal value less any impairment provisions which may be required.

Exceptional items

Exceptional items are items of income and expenditure that, in the judgement of the directors, should be disclosed separately on the basis that they are material (either by their nature or their size) to the understanding of the financial performance and so as not to distort the comparability of financial performance between accounting periods.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset.

Deferred tax assets and liabilities are not discounted.

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 on a straight line basis over the period of the lease.

Pension contributions

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

2. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	4,186,688	5,024,130
Social security costs	436,038	518,814
Other pension costs	97,658	97,419
	<u>4,720,384</u>	<u>5,640,363</u>

The average monthly number of employees during the year was as follows:

	2012	2011
Production	80	104
Administration	<u>61</u>	<u>69</u>
	<u>141</u>	<u>173</u>

3. OPERATING PROFIT

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

	2012	2011
	£	£
Other operating leases	136,118	144,547
Depreciation - owned assets	192,336	314,351
Depreciation - assets on hire purchase contracts	52,924	28,656
Profit on disposal of fixed assets	(110,859)	(73,947)
Auditors' remuneration	18,800	18,800
Auditors' remuneration for non audit work	<u>9,271</u>	<u>13,087</u>
Directors' remuneration	356,568	211,773
Directors' pension contributions to money purchase schemes	<u>11,685</u>	<u>8,776</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>2</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	2012	2011
	£	£
Emoluments etc	102,430	107,261
Pension contributions to money purchase schemes	<u>730</u>	<u>8,776</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Bank interest	1,105,456	994,870
Loan note interest	30,820	92,660
Loan interest	15,970	24,849
Other interest	52	1,154
Hire purchase interest	<u>7,346</u>	<u>20,551</u>
	<u>1,159,644</u>	<u>1,134,084</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

5. TAXATION

Analysis of the tax charge

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

	2012 £	2011 £
Current tax:		
UK corporation tax	563,328	562,955
Tax adjustment in respect of previous year	<u>(3,965)</u>	<u>(124)</u>
Total current tax	559,363	562,831
Deferred tax	<u>(286)</u>	<u>(11,713)</u>
Tax on profit on ordinary activities	<u><u>559,077</u></u>	<u><u>551,118</u></u>

Factors affecting the tax charge

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

	2012 £	2011 £
Profit on ordinary activities before tax	<u>2,339,463</u>	<u>2,123,621</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25.836% (2011 - 27.836%)	604,424	591,131
Effects of:		
Expenses not deductible for tax purposes	(1,012)	4,748
Capital allowances in excess of depreciation	(44,279)	(6,274)
Tax losses carried forward	6,140	20,711
Adjustment for pre acquisition profits	-	1,053
Adjustment to tax charge in respect of previous periods	(3,965)	(124)
Land remediation relief	-	(44,487)
Indexation allowance	-	(529)
Marginal relief	<u>(1,945)</u>	<u>(3,398)</u>
Current tax charge	<u><u>559,363</u></u>	<u><u>562,831</u></u>

6. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, 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 £2,693,175 (2011 - £(58,704) loss).

7. DIVIDENDS

	2012 £	2011 £
Ordinary shares of £1.00 each		
Final	220,473	220,473
Interim	<u>146,982</u>	<u>146,982</u>
	<u><u>367,455</u></u>	<u><u>367,455</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 May 2011	3,174,505
Additions	<u>10</u>
At 30 April 2012	<u>3,174,515</u>
AMORTISATION	
At 1 May 2011 and 30 April 2012	<u>80,267</u>
NET BOOK VALUE	
At 30 April 2012	<u>3,094,248</u>
At 30 April 2011	<u>3,094,238</u>

9. TANGIBLE FIXED ASSETS

Group

	Heritable property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
COST					
At 1 May 2011	510,076	1,669,259	484,019	663,751	3,327,105
Additions	124,060	185,195	2,418	178,683	490,356
Disposals	<u>-</u>	<u>(596,635)</u>	<u>(87,659)</u>	<u>(122,183)</u>	<u>(806,477)</u>
At 30 April 2012	<u>634,136</u>	<u>1,257,819</u>	<u>398,778</u>	<u>720,251</u>	<u>3,010,984</u>
DEPRECIATION					
At 1 May 2011	-	1,109,875	409,494	345,302	1,864,671
Charge for year	-	120,198	39,242	85,820	245,260
Eliminated on disposal	<u>-</u>	<u>(484,342)</u>	<u>(87,658)</u>	<u>(92,167)</u>	<u>(664,167)</u>
At 30 April 2012	<u>-</u>	<u>745,731</u>	<u>361,078</u>	<u>338,955</u>	<u>1,445,764</u>
NET BOOK VALUE					
At 30 April 2012	<u>634,136</u>	<u>512,088</u>	<u>37,700</u>	<u>381,296</u>	<u>1,565,220</u>
At 30 April 2011	<u>510,076</u>	<u>559,384</u>	<u>74,525</u>	<u>318,449</u>	<u>1,462,434</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

9. TANGIBLE FIXED ASSETS - continued

Group

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

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 May 2011	26,786	110,624	137,410
Additions	173,010	178,683	351,693
Transfer to ownership	<u>(26,786)</u>	<u>-</u>	<u>(26,786)</u>
At 30 April 2012	<u>173,010</u>	<u>289,307</u>	<u>462,317</u>
DEPRECIATION			
At 1 May 2011	7,115	25,885	33,000
Charge for year	13,217	39,707	52,924
Transfer to ownership	<u>(7,115)</u>	<u>-</u>	<u>(7,115)</u>
At 30 April 2012	<u>13,217</u>	<u>65,592</u>	<u>78,809</u>
NET BOOK VALUE			
At 30 April 2012	<u>159,793</u>	<u>223,715</u>	<u>383,508</u>
At 30 April 2011	<u>19,671</u>	<u>84,739</u>	<u>104,410</u>

Company

	Fittings and equipment £
COST	
At 1 May 2011 and 30 April 2012	<u>85,825</u>
DEPRECIATION	
At 1 May 2011 and 30 April 2012	<u>85,825</u>
NET BOOK VALUE	
At 30 April 2012	<u>-</u>
At 30 April 2011	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

10. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 May 2011	
and 30 April 2012	<u>50</u>

NET BOOK VALUE

At 30 April 2012	<u>50</u>
At 30 April 2011	<u>50</u>

Company

	Shares in group undertakings £	Interest in joint venture £	Totals £
COST			
At 1 May 2011	10,852,519	50	10,852,569
Additions	<u>10</u>	<u>-</u>	<u>10</u>
At 30 April 2012	<u>10,852,529</u>	<u>50</u>	<u>10,852,579</u>
NET BOOK VALUE			
At 30 April 2012	<u>10,852,529</u>	<u>50</u>	<u>10,852,579</u>
At 30 April 2011	<u>10,852,519</u>	<u>50</u>	<u>10,852,569</u>

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: Dormant

Class of shares:	% holding
Ordinary shares	100.00

Scotia Homes (North) Limited

Nature of business: House Building

Class of shares:	% holding
Ordinary shares	100.00

Scotia Homes (South) Limited

Nature of business: Dormant

Class of shares:	% holding
Ordinary	100.00

Webster Group Limited

Nature of business: Non-Trading Holding Company

Class of shares:	% holding
Ordinary	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

10. FIXED ASSET INVESTMENTS - continued

Scotia Commercial Limited

Nature of business: Property investment

Class of shares:	%
Ordinary	holding 100.00

Powernine Limited

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Joint Venture**Countesswells Limited**

Nature of business: Property Development

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

11. INVESTMENT PROPERTY

Group

	Total £
COST	
At 1 May 2011	6,649,777
Additions	<u>440,970</u>
At 30 April 2012	<u>7,090,747</u>
NET BOOK VALUE	
At 30 April 2012	<u>7,090,747</u>
At 30 April 2011	<u>6,649,777</u>

12. STOCKS

	Group	
	2012 £	2011 £
Work in progress	45,792,209	40,828,773
Shared purchase properties	559,501	559,501
Properties for resale	<u>349,236</u>	<u>932,407</u>
	<u>46,700,946</u>	<u>42,320,681</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

13. DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year:				
Trade debtors	1,587,620	2,496,074	-	-
Amounts owed by group undertakings	-	-	41,695,889	38,638,533
Other debtors	847,047	600,954	137,571	1,344
Amounts owed by joint venture	318,873	317,875	318,873	317,873
Deferred tax asset	3,067	23,492	3,067	23,492
	<u>2,756,607</u>	<u>3,438,395</u>	<u>42,155,400</u>	<u>38,981,242</u>
Amounts falling due after more than one year:				
Trade debtors	3,997,843	3,502,733	-	-
Other debtors	32,055	134,811	-	-
	<u>4,029,898</u>	<u>3,637,544</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>6,786,505</u>	<u>7,075,939</u>	<u>42,155,400</u>	<u>38,981,242</u>
Deferred tax asset				
	2012	2011	2012	2011
	£	£	£	£
On other timing differences	<u>3,067</u>	<u>23,492</u>	<u>3,067</u>	<u>23,492</u>

Trade debtors and other debtors due after more than one year represent secured loans amounting to £4,029,898 (2011: £3,637,544).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Loan notes (see note 16)	-	932,500	-	932,500
Bank loans and overdrafts (see note 16)	174,867	11,024,866	-	10,850,000
Other loans (see note 16)	-	875,000	-	875,000
Hire purchase contracts (see note 17)	142,034	34,142	-	-
Deposits in advance	1,118,468	1,083,766	12,000	17,250
Trade creditors	5,092,409	5,074,369	309,722	243,682
Amounts owed to group undertakings	-	-	-	3,062,518
Tax	197,774	140,434	6,668	-
Social security and other taxes	163,741	161,318	-	-
Proposed dividends	220,473	220,473	220,473	220,473
Accruals and deferred income	918,469	942,304	183,332	174,292
	<u>8,028,235</u>	<u>20,489,172</u>	<u>732,195</u>	<u>16,375,715</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

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

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans (see note 16)	27,020,414	10,002,539	26,600,000	9,446,000
Hire purchase contracts (see note 17)	174,917	35,285	-	-
Trade creditors	-	1,310,400	-	-
	<u>27,195,331</u>	<u>11,348,224</u>	<u>26,600,000</u>	<u>9,446,000</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year or on demand:				
Loan notes	-	932,500	-	932,500
Bank loans	174,867	11,024,866	-	10,850,000
Other loans	-	875,000	-	875,000
	<u>174,867</u>	<u>12,832,366</u>	<u>-</u>	<u>12,657,500</u>
Amounts falling due between one and two years:				
Bank loans	<u>174,867</u>	<u>9,620,867</u>	<u>-</u>	<u>9,446,000</u>
Amounts falling due between two and five years:				
Bank loans	<u>26,845,547</u>	<u>381,672</u>	<u>26,600,000</u>	<u>-</u>

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012 £	2011 £
Gross obligations repayable:		
Within one year	151,503	36,719
Between one and five years	<u>187,280</u>	<u>39,865</u>
	<u>338,783</u>	<u>76,584</u>
Finance charges repayable:		
Within one year	9,469	2,577
Between one and five years	<u>12,363</u>	<u>4,580</u>
	<u>21,832</u>	<u>7,157</u>
Net obligations repayable:		
Within one year	142,034	34,142
Between one and five years	<u>174,917</u>	<u>35,285</u>
	<u>316,951</u>	<u>69,427</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

17. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

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

Group

	Other operating leases	
	2012	2011
	£	£
Expiring:		
Within one year	-	7,993
Between one and five years	<u>43,121</u>	<u>34,753</u>
	<u>43,121</u>	<u>42,746</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	27,195,281	21,027,405	26,600,000	20,296,000
Hire purchase contracts	<u>316,951</u>	<u>69,427</u>	<u>-</u>	<u>-</u>
	<u>27,512,232</u>	<u>21,096,832</u>	<u>26,600,000</u>	<u>20,296,000</u>

Bank loans and overdrafts are secured by standard securities over development land and a bond and floating charge over the assets of the group.

19. DEFERRED TAX

Group

	£
Balance at 1 May 2011	(23,492)
Transferred from profit and loss account	(286)
Group relief received	<u>20,711</u>
Balance at 30 April 2012	<u>(3,067)</u>

Company

	£
Balance at 1 May 2011	(23,492)
Transferred from profit and loss account	(286)
Group relief received	<u>20,711</u>
Balance at 30 April 2012	<u>(3,067)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1.00	2012 £	2011 £
Number:	Class:			
2,939,637	Ordinary		<u>2,939,637</u>	<u>2,939,637</u>

21. RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 May 2011	24,850,458	3,435,961	28,286,419
Profit for the year	1,780,386		1,780,386
Dividends	(367,455)		(367,455)
At 30 April 2012	<u>26,263,389</u>	<u>3,435,961</u>	<u>29,699,350</u>

Company

	Profit and loss account £	Share premium £	Totals £
At 1 May 2011	18,227,187	3,435,961	21,663,148
Profit for the year	2,693,175		2,693,175
Dividends	(367,455)		(367,455)
At 30 April 2012	<u>20,552,907</u>	<u>3,435,961</u>	<u>23,988,868</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2012 £	2011 £
Profit for the financial year	1,780,386	1,572,503
Dividends	<u>(367,455)</u>	<u>(367,455)</u>
Net addition to shareholders' funds	1,412,931	1,205,048
Opening shareholders' funds	<u>31,226,056</u>	<u>30,021,008</u>
Closing shareholders' funds	<u>32,638,987</u>	<u>31,226,056</u>

Company

	2012 £	2011 £
Profit/(loss) for the financial year	2,693,175	(58,704)
Dividends	<u>(367,455)</u>	<u>(367,455)</u>
Net addition/(reduction) to shareholders' funds	2,325,720	(426,159)
Opening shareholders' funds	<u>24,602,785</u>	<u>25,028,944</u>
Closing shareholders' funds	<u>26,928,505</u>	<u>24,602,785</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

23. RELATED PARTY TRANSACTIONS

Material interests of directors

Services are provided to the company as follows:

Administrative and technical 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.

Administrative and technical services are provided by Bruce and Partners (Aberdeen) Limited in which W H Bruce, W M Bruce, F D Fairlie, W L McLeod, D W Watt and M L Zanre are directors.

Burnett Management in which S Burnett has an interest receives rental income from a group company.

Management services are provided by GJG Portfolio Services (Aberdeen) Limited, in which G J Gerrard has an interest.

The invoiced value of these services, for the group and the company respectively, during the year ended 30 April 2012 were as follows:

Group

Bruce and Partners £664,525 (2011: £1,234,875) of which £nil (2011: £258,035) is included in year end creditors.

Bruce & Partners (Aberdeen) Limited £915,457 (2011: £nil) of which £324,826 (2011: £nil) is included in year end creditors and £4,626 (2011: £nil) is included in year end debtors.

Burnett Management £80,550 (2011: £82,243) of which £7,504 (2011: £8,041) is included in year end creditors and £nil (2011: £nil) in year end debtors.

GJG Portfolio Services (Aberdeen) Limited £25,500 (2011: £5,000) of which £nil (2011: £nil) is included in year end creditors.

Company

Bruce and Partners £27,000 (2011: £54,000) of which £nil (2011: £nil) is included in year end creditors.

Bruce and Partners (Aberdeen) Limited £27,000 (2011: £54,000) of which £nil (2011: £nil) is included in year end creditors.

GJG Portfolio Services (Aberdeen) Limited £25,500 (2011: £5,000) of which £nil (2011: £nil) 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.

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

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bruce and Partners				
At 1st May 2011	125,000	525,000	125,000	525,000
Received during the year	-	275,000	-	275,000
Repaid during the year	(125,000)	(675,000)	(125,000)	(675,000)
At 30th April 2012	-	125,000	-	125,000
City Financial (Aberdeen) Limited				
At 1st May 2011	750,000	700,000	750,000	700,000
Received during the year	256,000	50,000	256,000	50,000
Repaid during the year	(1,006,000)	-	(1,006,000)	-
At 30th April 2012	-	750,000	-	750,000

SCOTIA HOMES LIMITED (REGISTERED NUMBER: SC141011)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2012

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.