

REGISTERED NUMBER: SC141011 (Scotland)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2014
FOR
SCOTIA HOMES LIMITED**

TUESDAY



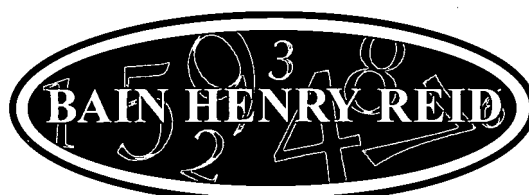
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SCOTIA HOMES LIMITED

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FOR THE YEAR ENDED 30 APRIL 2014**

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SCOTIA HOMES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2014**

DIRECTORS:

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

SECRETARY:

Mr 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

The directors present their strategic report of the company and the group for the year ended 30 April 2014.

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 in the housebuilding sector continued to improve in the year under review with turnover increasing by 27.6% from £32.9m to £42.01m. Good trading margins were achieved resulting in an increase in operating profit from £5.0m to £5.2m. Profit on ordinary activities after tax decreased from £2.76m to £2.37, after providing for an impairment of development land of £1.18m.

Future Outlook

The group has advance sales of circa 150 units going into the new financial year and forecasts a satisfactory profit and cashflow position for the year ended 30th April 2015.

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 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 appropriate.

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. 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 it has sufficient available funds for operations and planned expansions.

ON BEHALF OF THE BOARD:

M L Zanre

Mr M L Zanre - Secretary

15th August 2014

SCOTIA HOMES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2014

The directors present their report with the financial statements of the company and the group for the year ended 30 April 2014.

DIVIDENDS

An interim dividend of 5p (2013: 5p) per share was paid during the financial year. A final dividend of 7.5p (2013: 7.5p) per share has been authorised, making a total of 12.5p (2013: 12.5p) per share (£497,067) in respect of the year ended 30th April 2014.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 May 2013 to the date of this report.

Other changes in directors holding office are as follows:

Mr R G Begbie was appointed as a director after 30 April 2014 but prior to the date of this report.

The beneficial interests of the directors holding office at 30 April 2014 in the shares of the company, according to the register of directors' interests, were as follows:

	30.4.14	1.5.13
Ordinary shares of £1 each		
Mr W H Bruce	489,285	489,285
Mr W M Bruce	528,868	528,868
Mr S Burnett	525,261	525,261
Mr F D Fairlie	535,046	535,046
Mr W L McLeod	341,753	341,753
Mr D W Watt	365,865	365,865
Mr M L Zanre	370,011	370,011
Mr A Lonie	-	-
Mr R S Dryburgh	-	-
Mr D R C Thomson	-	-
Mrs C Beaton	-	-
Mr P J Boyle	-	-
Mr G J Gerrard	-	-

These directors did not hold any non-beneficial interests in the shares of the company.

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.

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.

SCOTIA HOMES LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 APRIL 2014**

AUDITORS

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

ON BEHALF OF THE BOARD:

Mr Zanre
.....
Mr M L Zanre - Secretary

15th August 2014

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 2014 on pages six to twenty eight. 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 Group Strategic Report and the Report of the Directors 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.

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 2014 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 Group Strategic Report and 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

15th August 2014

SCOTIA HOMES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 APRIL 2014**

	Notes	2014 £	2013 £
TURNOVER		42,012,903	32,914,112
Cost of sales		<u>(31,683,639)</u>	<u>(23,211,405)</u>
GROSS PROFIT		10,329,264	9,702,707
Selling expenses		<u>(1,154,860)</u>	<u>(1,069,745)</u>
Other operating expenses		<u>(4,421,733)</u>	<u>(4,021,803)</u>
		4,752,671	4,611,159
Other operating income		<u>447,286</u>	<u>416,264</u>
OPERATING PROFIT	3	5,199,957	5,027,423
Impairment of development land		<u>(1,185,000)</u>	-
		4,014,957	5,027,423
Interest receivable and similar income		<u>60,202</u>	<u>52,058</u>
		4,075,159	5,079,481
Interest payable and similar charges	4	<u>(1,051,803)</u>	<u>(1,476,398)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,023,356	3,603,083
Tax on profit on ordinary activities	5	<u>(650,928)</u>	<u>(839,962)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,372,428	2,763,121
Impairment of investment property	6	<u>-</u>	<u>(1,574,928)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,372,428</u>	<u>1,188,193</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.

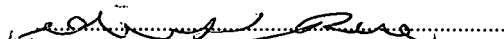
The notes form part of these financial statements



CONSOLIDATED BALANCE SHEET
30 APRIL 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	4,000,701	4,096,158
Tangible assets	10	1,967,349	1,783,228
Investments	11		
Interest in joint venture		50	50
Investment property	12	1,496,850	1,636,851
		<u>7,464,950</u>	<u>7,516,287</u>
CURRENT ASSETS			
Stocks	13	50,356,269	55,788,543
Debtors	14	11,243,788	9,443,391
Cash at bank and in hand		2,506,297	3,636,406
		<u>64,106,354</u>	<u>68,868,340</u>
CREDITORS			
Amounts falling due within one year	15	(8,898,219)	(10,046,061)
NET CURRENT ASSETS		<u>55,208,135</u>	<u>58,822,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>62,673,085</u>	<u>66,338,566</u>
CREDITORS			
Amounts falling due after more than one year	16	(26,378,574)	(31,971,543)
PROVISIONS FOR LIABILITIES	20	(52,127)	-
NET ASSETS		<u>36,242,384</u>	<u>34,367,023</u>
CAPITAL AND RESERVES			
Called up share capital	21	3,976,547	3,976,547
Share premium	22	3,435,961	3,435,961
Profit and loss account	22	28,829,876	26,954,515
SHAREHOLDERS' FUNDS	25	<u>36,242,384</u>	<u>34,367,023</u>

The financial statements were approved by the Board of Directors on 5th August 2014 and were signed on its behalf by:


 Mr W H Bruce - Director

COMPANY BALANCE SHEET
30 APRIL 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	829,550	-
Tangible assets	10	1,967,349	1,783,228
Investments	11	1,329,937	2,366,847
Investment property	12	1,496,850	1,636,851
		<u>5,623,686</u>	<u>5,786,926</u>
CURRENT ASSETS			
Stocks	13	50,356,269	55,788,543
Debtors	14	11,199,788	9,404,380
Cash at bank and in hand		2,500,797	3,629,406
		64,056,854	68,822,329
CREDITORS			
Amounts falling due within one year	15	(10,183,601)	(11,354,758)
NET CURRENT ASSETS		<u>53,873,253</u>	<u>57,467,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		59,496,939	63,254,497
CREDITORS			
Amounts falling due after more than one year	16	(26,378,574)	(31,971,543)
PROVISIONS FOR LIABILITIES	20	(52,127)	-
NET ASSETS		<u>33,066,238</u>	<u>31,282,954</u>
CAPITAL AND RESERVES			
Called up share capital	21	3,976,547	3,976,547
Share premium	22	3,435,961	3,435,961
Revaluation reserve	22	437,659	503,339
Profit and loss account	22	25,216,071	23,367,107
SHAREHOLDERS' FUNDS	25	<u>33,066,238</u>	<u>31,282,954</u>

The financial statements were approved by the Board of Directors on 5th August 2014 and were signed on its behalf by:


Mr W H Bruce - Director

SCOTIA HOMES LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2014**

	Notes	2014 £	2013 £
Net cash inflow from operating activities	1	7,008,591	661,364
Returns on investments and servicing of finance	2	(995,403)	(1,398,009)
Taxation		(855,677)	(385,022)
Capital expenditure and financial investment	2	(360,175)	(527,888)
Acquisitions and disposals	2	-	(1,024,710)
Equity dividends paid		<u>(497,068)</u>	<u>(419,300)</u>
		4,300,268	(3,093,565)
Financing	2	<u>(5,430,377)</u>	<u>4,105,134</u>
(Decrease)/increase in cash in the period		<u>(1,130,109)</u>	<u>1,011,569</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(1,130,109)	1,011,569
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>5,430,377</u>	<u>(3,068,225)</u>
Change in net debt resulting from cash flows		<u>4,300,268</u>	<u>(2,056,656)</u>
Movement in net debt in the period		4,300,268	(2,056,656)
Net debt at 1 May		<u>(26,944,051)</u>	<u>(24,887,395)</u>
Net debt at 30 April		<u>(22,643,783)</u>	<u>(26,944,051)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2014**

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

	2014 £	2013 £
Operating profit	5,199,957	5,027,423
Depreciation charges	489,590	278,447
Profit on disposal of fixed assets	(78,078)	(90,850)
Impairment losses	(1,185,000)	-
Decrease/(increase) in stocks	5,432,274	(5,294,493)
Increase in debtors	(1,800,398)	(2,659,954)
(Decrease)/increase in creditors	(1,049,754)	3,400,791
Net cash inflow from operating activities	<u>7,008,591</u>	<u>661,364</u>

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	60,202	52,058
Interest paid	(1,032,240)	(1,433,864)
Interest element of hire purchase payments	(23,365)	(16,203)
Net cash outflow for returns on investments and servicing of finance	<u>(995,403)</u>	<u>(1,398,009)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(619,647)	(859,001)
Sale of tangible fixed assets	119,471	231,154
Sale of investment property	140,001	99,959
Net cash outflow for capital expenditure and financial investment	<u>(360,175)</u>	<u>(527,888)</u>
Acquisitions and disposals		
Goodwill on acquisition of subsidiary	-	(1,024,710)
Net cash outflow for acquisitions and disposals	<u>-</u>	<u>(1,024,710)</u>
Financing		
New loans in year	24,100,000	29,400,000
Loan repayments in year	(29,552,087)	(26,743,819)
Hire purchase loans in year	410,656	668,096
Capital repayments in year	(388,946)	(256,053)
Share issue	-	1,036,910
Net cash (outflow)/inflow from financing	<u>(5,430,377)</u>	<u>4,105,134</u>

SCOTIA HOMES LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2014**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.13 £	Cash flow £	At 30.4.14 £
Net cash:			
Cash at bank and in hand	<u>3,636,406</u>	<u>(1,130,109)</u>	<u>2,506,297</u>
	<u>3,636,406</u>	<u>(1,130,109)</u>	<u>2,506,297</u>
Debt:			
Hire purchase	(728,994)	(21,710)	(750,704)
Debts falling due within one year	(174,866)	2,585	(172,281)
Debts falling due after one year	<u>(29,676,597)</u>	<u>5,449,502</u>	<u>(24,227,095)</u>
	<u>(30,580,457)</u>	<u>5,430,377</u>	<u>(25,150,080)</u>
Total	<u>(26,944,051)</u>	<u>4,300,268</u>	<u>(22,643,783)</u>

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets 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 2014. 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 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	- 2% straight line
Plant and machinery	- 25% on reducing balance and 25 - 50% straight line
Fittings and equipment	- 25 - 50% straight line
Motor vehicles	- 25% on reducing balance and 20% straight line

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.

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.

SCOTIA HOMES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014**

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	6,032,625	5,522,213
Social security costs	677,181	603,294
Other pension costs	164,041	144,911
	<u>6,873,847</u>	<u>6,270,418</u>

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

	2014	2013
Production	94	94
Administration	87	82
	<u>181</u>	<u>176</u>

3. OPERATING PROFIT

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

	2014	2013
	£	£
Other operating leases	167,015	153,924
Depreciation - owned assets	155,131	137,300
Depreciation - assets on hire purchase contracts	239,002	141,147
Profit on disposal of fixed assets	(78,078)	(90,850)
Goodwill amortisation	95,457	-
Auditors' remuneration	16,000	15,000
Auditors' remuneration for non audit work	10,075	8,012
	<u>969,832</u>	<u>898,542</u>
Directors' remuneration	56,533	49,027
Directors' pension contributions to money purchase schemes		

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

Money purchase schemes	<u>7</u>	<u>8</u>
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Information regarding the highest paid director is as follows:

	2014	2013
	£	£
Emoluments etc	125,170	106,357
Pension contributions to money purchase schemes	5,866	4,489

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	1,025,866	1,452,725
Other interest	2,572	7,470
Hire purchase interest	23,365	16,203
	<u>1,051,803</u>	<u>1,476,398</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014

5. TAXATION**Analysis of the tax charge**

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

	2014 £	2013 £
Current tax:		
UK corporation tax	603,979	820,213
Tax adjustment in respect of previous year	<u>(5,178)</u>	<u>(6,118)</u>
Total current tax	598,801	814,095
Deferred tax	<u>52,127</u>	<u>25,867</u>
Tax on profit on ordinary activities	<u>650,928</u>	<u>839,962</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:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>3,023,356</u>	<u>3,603,083</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 22.836% (2013 - 23.918%)	690,414	861,785
Effects of:		
Expenses not deductible for tax purposes	1,190	98
Capital allowances in excess of depreciation	(27,853)	(6,954)
Adjustments to tax charge in respect of previous periods	(5,178)	(6,118)
Land remediation relief	<u>(59,772)</u>	<u>(34,716)</u>
Current tax charge	<u>598,801</u>	<u>814,095</u>

6. IMPAIRMENTS

	2014 £	2013 £
Impairment of investment property	<u>-</u>	<u>(1,574,928)</u>

7. 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 £2,346,031 (2013 - £3,311,267).

8. DIVIDENDS

	2014 £	2013 £
Final	298,240	298,240
Interim	<u>198,827</u>	<u>198,827</u>
	<u>497,067</u>	<u>497,067</u>

9. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1 May 2013
and 30 April 20144,176,425

AMORTISATION

At 1 May 2013
Amortisation for year

80,267

95,457

At 30 April 2014

175,724

NET BOOK VALUE

At 30 April 2014

4,000,701

At 30 April 2013

4,096,158

Company

Goodwill
£

COST

At 1 May 2013
Reclassification

50,000

1,036,910

At 30 April 2014

1,086,910

AMORTISATION

At 1 May 2013
Amortisation for year

50,000

207,360

At 30 April 2014

257,360

NET BOOK VALUE

At 30 April 2014

829,550

At 30 April 2013

-

SCOTIA HOMES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014**

10. TANGIBLE FIXED ASSETS

Group

	Heritable property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 May 2013	625,000	1,107,413	233,972	887,961	2,854,346
Additions	-	300,195	144,284	175,168	619,647
Disposals	-	(115,999)	(4,758)	(88,985)	(209,742)
At 30 April 2014	<u>625,000</u>	<u>1,291,609</u>	<u>373,498</u>	<u>974,144</u>	<u>3,264,251</u>
DEPRECIATION					
At 1 May 2013	-	493,891	176,217	401,010	1,071,118
Charge for year	-	193,244	51,241	149,648	394,133
Eliminated on disposal	-	(89,571)	(4,758)	(74,020)	(168,349)
At 30 April 2014	-	<u>597,564</u>	<u>222,700</u>	<u>476,638</u>	<u>1,296,902</u>
NET BOOK VALUE					
At 30 April 2014	<u>625,000</u>	<u>694,045</u>	<u>150,798</u>	<u>497,506</u>	<u>1,967,349</u>
At 30 April 2013	<u>625,000</u>	<u>613,522</u>	<u>57,755</u>	<u>486,951</u>	<u>1,783,228</u>

Cost or valuation at 30 April 2014 is represented by:

	Heritable property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
Valuation in 2013	625,000	-	-	-	625,000
Cost	-	<u>1,291,609</u>	<u>373,498</u>	<u>974,144</u>	<u>2,639,251</u>
	<u>625,000</u>	<u>1,291,609</u>	<u>373,498</u>	<u>974,144</u>	<u>3,264,251</u>

If heritable property had not been revalued it would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>634,136</u>	<u>634,136</u>

Heritable property was valued on an open market basis on 5 April 2013 by Graham & Sibbald, Chartered Surveyors..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014

10. 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 OR VALUATION			
At 1 May 2013	532,545	522,473	1,055,018
Additions	294,245	175,168	469,413
Transfer to ownership	-	(135,796)	(135,796)
At 30 April 2014	826,790	561,845	1,388,635
DEPRECIATION			
At 1 May 2013	81,253	121,244	202,497
Charge for year	110,369	128,633	239,002
Transfer to ownership	-	(87,041)	(87,041)
At 30 April 2014	191,622	162,836	354,458
NET BOOK VALUE			
At 30 April 2014	635,168	399,009	1,034,177
At 30 April 2013	451,292	401,229	852,521

Company

	Heritable property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 May 2013	625,000	1,107,413	233,972	887,961	2,854,346
Additions	-	300,195	144,284	175,168	619,647
Disposals	-	(115,999)	(4,758)	(88,985)	(209,742)
At 30 April 2014	625,000	1,291,609	373,498	974,144	3,264,251
DEPRECIATION					
At 1 May 2013	-	493,891	176,217	401,010	1,071,118
Charge for year	-	193,244	51,241	149,648	394,133
Eliminated on disposal	-	(89,571)	(4,758)	(74,020)	(168,349)
At 30 April 2014	-	597,564	222,700	476,638	1,296,902
NET BOOK VALUE					
At 30 April 2014	625,000	694,045	150,798	497,506	1,967,349
At 30 April 2013	625,000	613,522	57,755	486,951	1,783,228

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014

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

Cost or valuation at 30 April 2014 is represented by:

	Heritable property £	Plant and machinery £	Fittings and equipment £	Motor vehicles £	Totals £
Valuation in 2013	625,000	-	-	-	625,000
Cost	-	1,291,609	373,498	974,144	2,639,251
	<u>625,000</u>	<u>1,291,609</u>	<u>373,498</u>	<u>974,144</u>	<u>3,264,251</u>

If heritable property had not been revalued it would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>318,405</u>	<u>318,405</u>

Heritable property was valued on an open market basis on 5 April 2013 by Graham & Sibbald, Chartered Surveyors.

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

	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 May 2013	532,545	522,473	1,055,018
Additions	294,245	175,168	469,413
Transfer to ownership	-	(135,796)	(135,796)
At 30 April 2014	<u>826,790</u>	<u>561,845</u>	<u>1,388,635</u>
DEPRECIATION			
At 1 May 2013	81,253	121,244	202,497
Charge for year	110,369	128,633	239,002
Transfer to ownership	-	(87,041)	(87,041)
At 30 April 2014	<u>191,622</u>	<u>162,836</u>	<u>354,458</u>
NET BOOK VALUE			
At 30 April 2014	<u>635,168</u>	<u>399,009</u>	<u>1,034,177</u>
At 30 April 2013	<u>451,292</u>	<u>401,229</u>	<u>852,521</u>

SCOTIA HOMES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2014

11. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST	
At 1 May 2013	
and 30 April 2014	<u>50</u>
NET BOOK VALUE	
At 30 April 2014	<u>50</u>
At 30 April 2013	<u>50</u>

Company

	Shares in group undertakings £	Interest in joint venture £	Totals £
COST			
At 1 May 2013	2,366,797	50	2,366,847
Reclassification	<u>(1,036,910)</u>	<u>-</u>	<u>(1,036,910)</u>
At 30 April 2014	<u>1,329,887</u>	<u>50</u>	<u>1,329,937</u>
NET BOOK VALUE			
At 30 April 2014	<u>1,329,887</u>	<u>50</u>	<u>1,329,937</u>
At 30 April 2013	<u>2,366,797</u>	<u>50</u>	<u>2,366,847</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: Non-trading

	%
Class of shares:	holding
Ordinary shares	100.00

Scotia Homes (North) Limited

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary shares	100.00

Scotia Homes (South) Limited

Nature of business: Non-trading

	%
Class of shares:	holding
Ordinary	100.00

Webster Group Limited

Nature of business: Non-Trading Holding Company

	%
Class of shares:	holding
Ordinary	100.00

SCOTIA HOMES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2014

11. FIXED ASSET INVESTMENTS - continued

Scotia Commercial Limited

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

Powernine Limited

Nature of business: Non-trading

Class of shares:	%
Ordinary	holding 100.00

Bruce & Partners (Aberdeen) Limited

Nature of business: Non-trading

Class of shares:	%
Ordinary £1	holding 100.00

Joint venture

Countesswells Limited

Nature of business: Property Development

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

12. INVESTMENT PROPERTY

Group

COST OR VALUATION

At 1 May 2013

Disposals

At 30 April 2014

NET BOOK VALUE

At 30 April 2014

At 30 April 2013

Total
£

1,636,851
(140,001)

1,496,850

1,496,850

1,636,851

Cost or valuation at 30 April 2014 is represented by:

Valuation in 2013

£
1,496,850

If investment property had not been revalued it would have been included at the following historical cost:

	2014	2013
	£	£
Cost	<u>3,128,321</u>	<u>3,202,643</u>

Investment property was valued on an open market basis on 5 April 2013 by Graham & Sibbald, Chartered Surveyors.

The directors are of the opinion that no adjustment is required to this valuation at 30 April 2014.

SCOTIA HOMES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2014

12. INVESTMENT PROPERTY - continued

Company

	Total £
COST OR VALUATION	
At 1 May 2013	1,636,851
Disposals	<u>(140,001)</u>
At 30 April 2014	<u>1,496,850</u>
NET BOOK VALUE	
At 30 April 2014	<u>1,496,850</u>
At 30 April 2013	<u>1,636,851</u>

Cost or valuation at 30 April 2014 is represented by:

	£
Valuation in 2013	<u>1,496,850</u>

If investment property had not been revalued it would have been included at the following historical cost:

	2014 £	2013 £
Cost	<u>2,521,652</u>	<u>2,595,972</u>

Investment property was valued on an open market basis on 5 April 2013 by Graham & Sibbald, Chartered Surveyors.

The directors are of the opinion that no adjustment is required to this valuation at 30 April 2014.

13. STOCKS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Work in progress	45,311,955	50,590,609	45,311,955	50,590,609
Shared purchase properties	430,290	559,501	430,290	559,501
Properties for resale	<u>4,614,024</u>	<u>4,638,433</u>	<u>4,614,024</u>	<u>4,638,433</u>
	<u>50,356,269</u>	<u>55,788,543</u>	<u>50,356,269</u>	<u>55,788,543</u>

14. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year:				
Trade debtors	6,012,980	4,484,480	6,012,980	4,484,480
Amounts owed by group undertakings	-	-	-	4,989
Other debtors	878,499	528,430	834,499	484,430
Amounts owed by joint venture	<u>154,704</u>	<u>147,704</u>	<u>154,704</u>	<u>147,704</u>
	<u>7,046,183</u>	<u>5,160,614</u>	<u>7,002,183</u>	<u>5,121,603</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014

14. DEBTORS - continued

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due after more than one year:				
Trade debtors	4,165,550	4,250,722	4,165,550	4,250,722
Other debtors	32,055	32,055	32,055	32,055
	<u>4,197,605</u>	<u>4,282,777</u>	<u>4,197,605</u>	<u>4,282,777</u>
Aggregate amounts	<u>11,243,788</u>	<u>9,443,391</u>	<u>11,199,788</u>	<u>9,404,380</u>

Trade debtors and other debtors due after more than one year represent secured loans amounting to £4,081,250 (2013: £4,268,517).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 17)	172,281	174,866	172,281	174,866
Hire purchase contracts (see note 18)	439,225	347,648	439,225	347,648
Deposits in advance	1,291,691	1,077,792	1,291,691	1,077,792
Trade creditors	4,568,138	6,189,241	4,568,138	6,189,241
Amounts owed to group undertakings	-	-	1,285,376	1,296,484
Tax	369,971	626,847	369,971	626,847
Social security and other taxes	201,195	160,870	201,195	160,870
Proposed dividends	298,239	298,240	298,239	298,240
Accruals and deferred income	<u>1,557,479</u>	<u>1,170,557</u>	<u>1,557,485</u>	<u>1,182,770</u>
	<u>8,898,219</u>	<u>10,046,061</u>	<u>10,183,601</u>	<u>11,354,758</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 17)	24,227,095	29,676,597	24,227,095	29,676,597
Hire purchase contracts (see note 18)	311,479	381,346	311,479	381,346
Trade creditors	<u>1,840,000</u>	<u>1,913,600</u>	<u>1,840,000</u>	<u>1,913,600</u>
	<u>26,378,574</u>	<u>31,971,543</u>	<u>26,378,574</u>	<u>31,971,543</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year or on demand:				
Bank loans	<u>172,281</u>	<u>174,866</u>	<u>172,281</u>	<u>174,866</u>
Amounts falling due between one and two years:				
Bank loans	<u>127,095</u>	<u>171,383</u>	<u>127,095</u>	<u>171,383</u>
Amounts falling due between two and five years:				
Bank loans	<u>24,100,000</u>	<u>29,505,214</u>	<u>24,100,000</u>	<u>29,505,214</u>

18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2014 £	2013 £
Gross obligations repayable:		
Within one year	<u>465,393</u>	<u>367,333</u>
Between one and five years	<u>327,183</u>	<u>401,352</u>
	<u>792,576</u>	<u>768,685</u>
Finance charges repayable:		
Within one year	<u>26,168</u>	<u>19,685</u>
Between one and five years	<u>15,704</u>	<u>20,006</u>
	<u>41,872</u>	<u>39,691</u>
Net obligations repayable:		
Within one year	<u>439,225</u>	<u>347,648</u>
Between one and five years	<u>311,479</u>	<u>381,346</u>
	<u>750,704</u>	<u>728,994</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014

18. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

Company

	Hire purchase contracts	
	2014	2013
	£	£
Gross obligations repayable:		
Within one year	465,393	367,333
Between one and five years	<u>327,183</u>	<u>401,352</u>
	<u>792,576</u>	<u>768,685</u>
Finance charges repayable:		
Within one year	26,168	19,685
Between one and five years	<u>15,704</u>	<u>20,006</u>
	<u>41,872</u>	<u>39,691</u>
Net obligations repayable:		
Within one year	439,225	347,648
Between one and five years	<u>311,479</u>	<u>381,346</u>
	<u>750,704</u>	<u>728,994</u>

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

Group

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	7,710	3,789
Between one and five years	<u>75,040</u>	<u>75,040</u>	<u>46,934</u>	<u>62,818</u>
	<u>75,040</u>	<u>75,040</u>	<u>54,644</u>	<u>66,607</u>

Company

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	7,710	3,789
Between one and five years	<u>75,040</u>	<u>75,040</u>	<u>46,934</u>	<u>62,818</u>
	<u>75,040</u>	<u>75,040</u>	<u>54,644</u>	<u>66,607</u>

SCOTIA HOMES LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2014**

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	24,399,376	29,851,463	24,399,376	29,851,463
Hire purchase contracts	750,704	728,994	750,704	728,994
Trade creditors	1,840,000	3,680,000	1,840,000	3,680,000
	<u>26,990,080</u>	<u>34,260,457</u>	<u>26,990,080</u>	<u>34,260,457</u>

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

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax				
On accelerated capital allowances	<u>52,127</u>	<u>-</u>	<u>52,127</u>	<u>-</u>

Group

	Deferred tax
	£
Credit to profit and loss account during year	<u>52,127</u>
Balance at 30 April 2014	<u>52,127</u>

Company

	Deferred tax
	£
Credit to profit and loss account during year	<u>52,127</u>
Balance at 30 April 2014	<u>52,127</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2014	2013
			£	£
3,976,547	Ordinary	£1	<u>3,976,547</u>	<u>3,976,547</u>

SCOTIA HOMES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2014

22. RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 May 2013	26,954,515	3,435,961	30,390,476
Profit for the year	2,372,428		2,372,428
Dividends	(497,067)		(497,067)
At 30 April 2014	<u>28,829,876</u>	<u>3,435,961</u>	<u>32,265,837</u>

Company

	Profit and loss account £	Share premium £	Revaluation reserve £	Totals £
At 1 May 2013	23,367,107	3,435,961	503,339	27,306,407
Profit for the year	2,346,031			2,346,031
Dividends	(497,067)			(497,067)
Revaluation on disposals	-	-	(65,680)	(65,680)
At 30 April 2014	<u>25,216,071</u>	<u>3,435,961</u>	<u>437,659</u>	<u>29,089,691</u>

23. RELATED PARTY DISCLOSURES

Material interests of directors

Services are provided to the company as follows:

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

During the year the following transactions were made:

	2014 £	2013 £
Group		
GJG Portfolio Services (Aberdeen) Limited		
Services provided	24,000	25,000
Outstanding at 30th April 2014	4,800	4,800
Burnett Property Management		
Rent	75,040	75,040
Outstanding at 30th April 2014	7,504	7,504
Company		
GJG Portfolio Services (Aberdeen) Limited		
Services provided	24,000	25,000
Outstanding at 30th April 2014	4,800	4,800
Burnett Property Management		
Rent	75,040	75,040
Outstanding at 30th April 2014	7,504	7,504

24. ULTIMATE 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.

25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Profit for the financial year	2,372,428	1,188,193
Dividends	(497,067)	(497,067)
New share capital subscribed	-	1,036,910
Net addition to shareholders' funds	1,875,361	1,728,036
Opening shareholders' funds	<u>34,367,023</u>	<u>32,638,987</u>
Closing shareholders' funds	<u>36,242,384</u>	<u>34,367,023</u>

Company

	2014 £	2013 £
Profit for the financial year	2,346,031	3,311,267
Dividends	(497,067)	(497,067)
	1,848,964	2,814,200
Other recognised gains and losses relating to the year (net)	-	503,339
New share capital subscribed	-	1,036,910
Realisation of revaluation on sale of property	<u>(65,680)</u>	<u>-</u>
Net addition to shareholders' funds	1,783,284	4,354,449
Opening shareholders' funds	<u>31,282,954</u>	<u>26,928,505</u>
Closing shareholders' funds	<u>33,066,238</u>	<u>31,282,954</u>