

Company Registration No. SC069644 (Scotland)

OGILVIE CONSTRUCTION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

OGILVIE CONSTRUCTION LIMITED

COMPANY INFORMATION

Directors	D H Ogilvie J F Watson D F MacDonald M A Poole D M Arundel G A Edmead D A Mason	 (Appointed 26 July 2022) (Appointed 26 July 2022) (Appointed 26 July 2022)
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Secretary	J F Watson
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Company number	SC069644
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Registered office	Ogilvie House 200 Glasgow Road Stirling FK7 8ES
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Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND
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OGILVIE CONSTRUCTION LIMITED

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OGILVIE CONSTRUCTION LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Review of the Business

The loss before tax amounts to £12,499k (2022: profit before tax £111k). As at 30 June 2023, the net assets of the company were £8,896k.

The losses in the year flow from the final stages of long-term fixed price contracts where inflationary pressures on materials and labour have had to be absorbed with no route for recovery. These Projects are now complete.

The company has moved away from single stage competitive tendering and into environments where negotiation or two stage tendering is the norm, such as procurement hubs and public frameworks. Project wins from these areas are starting to come through

We continually look for operational efficiencies and productivity gains across Ogilvie Construction with effective use of our investment in processes and quality management systems. We remain committed to our corporate responsibility to reduce our environmental footprint, working closely with our partners to integrate sustainability in all aspects of our business.

The company's principal activity continues to be a leading national contractor in construction, providing services to local and national government as well as selected developers within the private sector. The business continues to focus on the delivery of quality projects whilst developing a sustainable platform for the future. Operating across a wide range of sectors Ogilvie Construction is one of the Scottish sector leaders within the affordable housing and commercial buildings.

Ogilvie Construction's spread of delivery capability across a wide range of sectors, coupled with our geographic Scottish footprint, and our focus on operational efficiency leaves us well placed to capitalise on opportunities going forward. We look forward to a continued controlled growth with a pipeline of opportunity that is durable in both volume and quality.

Principal Risks and Uncertainties

There are many risks that can adversely affect our business, which if not managed efficiently, have the potential to seriously damage our financial performance and reputation. We recognise that consistent and effective risk management is vital to the delivery of our business aspirations.

Our Business Continuity Team meets regularly to understand any evolving situation, allowing Ogilvie Construction to respond swiftly to changes that may arise.

Markets

Ogilvie Construction's business plan has been predicted upon securing and delivering revenues across Scotland within both the public and private sectors. The impact of any political change, shift in policy or changing market conditions will have to be monitored carefully, as this may adversely impact on our client's future projects.

Ogilvie have developed their business plans over a number of markets to mitigate any risk of adverse changes in spending within any one market sector. We will continue to focus on more resilient and stable markets which affords us the opportunity to create the appropriate balance between private and public sector prospects.

Key Performance Indicators

Going forward the Key Performance Indicator for the company is the forward order book of £96m (2022: £75m). There is a healthy pipeline of prospective work with the Directors remaining confident that the company will show steady, controlled growth consolidating our market position.

Going Concern

The Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis. After making suitable enquiries, the Directors have a reasonable expectation that the company has adequate resources to meet its liabilities as they fall due for at least the next twelve months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

OGILVIE CONSTRUCTION LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 (1) Statement

There is regular communication with all our employees via our quarterly in-house newsletter Ogilvie Outlook and active promotion of regular meetings with local management and employees to allow a free flow of information and ideas. We fully support Graduate and Apprentice recruitment and recently launched a 'Mental Health Awareness' initiative to all employees which included the launch of an Employee Assistance Program "Be Supported" through AXA which is a free confidential helpline available to all employees and their families.

We have a substantial and valued supply chain with whom we engage. The Directors of all Group companies promote mutually beneficial reciprocal business throughout all our operating divisions thereby optimising performance of all contributors. At all times we consider first class customer service to be integral to our operations thereby fostering good working relationships and trust with all our clients.

The health & safety of our employees, contractors and the general public is of prime importance to the Group and is essential to the efficient operation of the business. The responsibility for safety at work rests upon all sectors of management and the Group will ensure that its policies and procedures are adhered to. The Group expects that all employees always exercise reasonable care for their own and others' health & safety.

On behalf of the board

J F Watson
Director

21 December 2023

OGILVIE CONSTRUCTION LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company continued to be that of building and construction services.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D H Ogilvie

J F Watson

D F MacDonald

M A Poole

D M Arundel

(Appointed 26 July 2022)

G A Edmead

(Appointed 26 July 2022)

D A Mason

(Appointed 26 July 2022)

Disabled persons

Disabled persons are employed by the company where a suitable vacancy occurs. The aptitudes and abilities of disabled persons are not easily met in those aspects of our business involving site work, however, they are given full and fair consideration where vacancies arise in more suitable areas such as joinery. Every effort is made to ensure that employees who become injured or disabled in the course of their employment are given training so that they can continue employment with the company.

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through the newsletter 'Ogilvie Outlook' in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit-sharing schemes.

Ogilvie Construction is delighted to continue its commitment to the next generation of Graduates and Apprentices through its membership of The 5% Club, an industry led initiative focussed on driving the recruitment of Apprentices, Graduate and sponsored students.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

Streamlined energy and carbon reporting requirements have been disclosed on a group basis within the financial statements of the company's ultimate parent, Ogilvie Group Limited, which includes the relevant energy and carbon reporting information for the company. As such, the company is not obliged and has not reported their energy and carbon reporting information here. The financial statements of Ogilvie Group Limited are accessible via UK Companies House.

OGILVIE CONSTRUCTION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Information contained within the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

J F Watson
Director

21 December 2023

OGILVIE CONSTRUCTION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company 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 UK 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OGILVIE CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF OGILVIE CONSTRUCTION LIMITED

Opinion

We have audited the financial statements of Ogilvie Construction Limited (the 'company') for the year ended 30 June 2023 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

OGILVIE CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF OGILVIE CONSTRUCTION LIMITED

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities>. This description forms part of our auditor's report.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

OGILVIE CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF OGILVIE CONSTRUCTION LIMITED

Extent to which the audit is considered capable of detecting irregularities, including fraud

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and sector, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- UK Generally Accepted Accounting Practice
- Companies Act 2006
- Corporation Tax Legislation
- VAT Legislation
- Health and Safety Legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns, board meeting minutes and legal fees.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Performing audit work procedures over the risk of revenue recognition, including testing of the completeness and cut-off of revenue and the recoverability of year end work-in-progress and amounts recoverable on contracts;
- Agreement of the financial statement disclosures to supporting documentation; and
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

OGILVIE CONSTRUCTION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF OGILVIE CONSTRUCTION LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member for our audit work, for this report, or for the opinions we have formed.

**Allison Dalton (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP**

22 December 2023

Statutory Auditor

227 West George Street
Glasgow
G2 2ND

OGILVIE CONSTRUCTION LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £'000	2022 £'000
Turnover	3	71,645	73,249
Cost of sales		(80,526)	(70,113)
Gross (loss)/profit		(8,881)	3,136
Administrative expenses		(3,940)	(3,590)
Operating loss	4	(12,821)	(454)
Interest receivable and similar income	8	349	613
Interest payable and similar expenses	9	(27)	(48)
(Loss)/profit before taxation		(12,499)	111
Tax on (loss)/profit	10	3,115	(29)
(Loss)/profit for the financial year and total comprehensive income		(9,384)	82
Retained earnings brought forward		18,230	18,148
Retained earnings carried forward		8,846	18,230

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

OGILVIE CONSTRUCTION LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	11		19		32
Current assets					
Stocks	12	7,444		11,113	
Debtors	13	31,182		36,948	
Cash at bank and in hand		8,918		2	
		<u>47,544</u>		<u>48,063</u>	
Creditors: amounts falling due within one year	14	<u>(38,667)</u>		<u>(29,815)</u>	
Net current assets			<u>8,877</u>		<u>18,248</u>
Net assets			<u>8,896</u>		<u>18,280</u>
Capital and reserves					
Called up share capital	17		50		50
Profit and loss reserves	18		8,846		18,230
Total equity			<u>8,896</u>		<u>18,280</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:

J F Watson
Director

Company Registration No. SC069644

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Ogilvie Construction Limited is a private company limited by shares incorporated and domiciled in Scotland. The registered office is Ogilvie House, 200 Glasgow Road, Stirling, United Kingdom, FK7 8ES.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company does not disclose transactions with members of the same group that are wholly owned and has taken the exemption provided by paragraph 33.1A of FRS 102.

Ogilvie Construction Limited is a wholly owned subsidiary of Ogilvie Group Limited and the results of Ogilvie Construction Limited are included in the consolidated financial statements of Ogilvie Group Limited which are available from Crown Way, Cardiff CF14 3UZ.

1.2 Going concern

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that the company will have sufficient funds to meet its liabilities as they fall due for that period. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax, and other sales taxes and, in the case of long term contracts, the consideration for work done in the period, including estimates in respect of amounts not invoiced.

1.4 Construction contracts

Profit on construction contracts is taken as the work is carried out if the outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of work carried out, by recording turnover and related costs of labour and materials as contract activity progresses. Revenues from variation on contracts are recognised only when there are considered to be reasonably certain. Profit is only recognised when the final outcome of each project can be assessed with the reasonable certainty. Where a contract is likely to make a loss, full provision is made in the period in which the loss is foreseen.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided on fixed assets on the following basis:

Plant and Machinery	Straight line over 3 to 5 years
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1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.7 Stocks

Work-in-progress is valued at the cost of direct labour, materials and attributable production overheads, less provision for foreseeable losses.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received. A grant received before the recognition criteria are satisfied is recognised as a liability.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Contract accounting

The values recognised in relation to long term contract that are in progress at the balance sheet date are based on the proportion of work carried out on a contract by contract basis. Profit on these contracts are calculated on a prudent basis and reflects turnover and related costs as the contract progresses. Profit is only recognised when the final outcome of each project can be assessed with reasonable certainty. Where a contract is likely to make a loss, full provisions is made in the period in which the loss is foreseen.

3 Turnover and other revenue

Turnover is from construction contracts and is generated in the UK. It relates to a single principal activity.

4 Operating loss

	2023	2022
	£'000	£'000
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	26	60
Profit on disposal of tangible fixed assets	(37)	-
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2023	2022
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	34	33
	<u> </u>	<u> </u>
For other services		
Taxation compliance services	4	4
	<u> </u>	<u> </u>

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration	185	197

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	8,533	8,495
Social security costs	927	906
Pension costs	617	639
	<u>10,077</u>	<u>10,040</u>

7 Directors' remuneration

	2023 £'000	2022 £'000
Remuneration for qualifying services	618	286
Company pension contributions to defined contribution schemes	78	46
	<u>696</u>	<u>332</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2022 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £'000	2022 £'000
Remuneration for qualifying services	186	178
Company pension contributions to defined contribution schemes	34	36
	<u>220</u>	<u>214</u>

8 Interest receivable and similar income

	2023 £'000	2022 £'000
Interest income		
Interest on bank deposits	18	13
Other interest income	331	600
	<u>349</u>	<u>613</u>

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9	Interest payable and similar expenses	2023	2022
		£'000	£'000
	Interest on bank overdrafts	27	48
		<u> </u>	<u> </u>
10	Taxation	2023	2022
		£'000	£'000
	Current tax		
	Adjustments in respect of prior periods	-	(6)
	Group tax relief	(3,123)	31
		<u> </u>	<u> </u>
	Total current tax	(3,123)	25
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	8	(6)
	Adjustment in respect of prior periods	-	10
		<u> </u>	<u> </u>
	Total deferred tax	8	4
		<u> </u>	<u> </u>
	Total tax (credit)/charge	(3,115)	29
		<u> </u>	<u> </u>

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£'000	£'000
(Loss)/profit before taxation	(12,499)	111
	<u> </u>	<u> </u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	(2,562)	21
Tax effect of expenses that are not deductible in determining taxable profit	9	4
Adjustments in respect of prior years	-	(6)
Group relief provided net of payments received from fellow group companies	(563)	-
Other permanent differences	1	-
Under/(over) provided in prior years	-	10
	<u> </u>	<u> </u>
Taxation (credit)/charge for the year	(3,115)	29
	<u> </u>	<u> </u>

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

11 Tangible fixed assets

	Plant and Machinery £'000
Cost	
At 1 July 2022	263
Additions	13
Disposals	(87)
	<hr/>
At 30 June 2023	189
	<hr/>
Depreciation and impairment	
At 1 July 2022	231
Depreciation charged in the year	26
Eliminated in respect of disposals	(87)
	<hr/>
At 30 June 2023	170
	<hr/>
Carrying amount	
At 30 June 2023	19
	<hr/> <hr/>
At 30 June 2022	32
	<hr/> <hr/>

12 Stocks

	2023 £'000	2022 £'000
Work in progress	7,444	11,113
	<hr/> <hr/>	<hr/> <hr/>

Progress payments received in excess of the value of work done on long term contracts are shown separately under current liabilities.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

13 Debtors	2023	2022
Amounts falling due within one year:	£'000	£'000
Trade debtors	19,906	15,168
Gross amounts owed by contract customers	7,550	347
Amounts owed by group undertakings	3,605	21,046
Other debtors	99	357
	<u>31,160</u>	<u>36,918</u>
Deferred tax asset (note 15)	22	30
	<u>31,182</u>	<u>36,948</u>

The balance owed by group undertakings include an amount of £Nil (2022: £20m). Interest charged on this amount was 3%. The remaining amounts owed by group undertakings are payable on demand and accrue no interest.

14 Creditors: amounts falling due within one year	2023	2022
	£'000	£'000
Bank loans and overdrafts	-	2,344
Payments received on account	16,113	10,253
Trade creditors	19,210	15,063
Amounts owed to group undertakings	139	108
Taxation and social security	1,797	825
Other creditors	490	259
Accruals and deferred income	918	963
	<u>38,667</u>	<u>29,815</u>

The bank overdraft was secured by a floating charge granted in favour of Barclays Bank plc. Amounts due to group undertakings are repayable on demand and accrue no interest.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets	Assets
	2023	2022
Balances:	£'000	£'000
Accelerated capital allowances	11	20
Other timing differences	11	10
	<u>22</u>	<u>30</u>

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15	Deferred taxation	(Continued)
		2023
	Movements in the year:	£'000
	Asset at 1 July 2022	(30)
	Charge to profit or loss	8
		<hr/>
	Asset at 30 June 2023	(22)
		<hr/> <hr/>

16	Retirement benefit schemes	2023	2022
		£'000	£'000
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	617	639
		<hr/> <hr/>	<hr/> <hr/>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The company commitment at the year end was £69k (2022: £63k).

17	Share capital	2023	2022	2023	2022
		Number	Number	£'000	£'000
	Ordinary share capital				
	Issued and fully paid				
	Ordinary shares of £1 each	50,000	50,000	50	50
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The share capital account records the nominal value of the shares issued. The ordinary shares carry no right to fixed income.

18 Profit and loss reserves

The profit and loss reserves represent the cumulative historic profits and losses, net of dividends and other adjustments.

19 Financial commitments, guarantees and contingent liabilities

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

The company had other contingent liabilities in the normal course of business, including counter indemnities for performance and tendering bonds. In the opinion of the directors, it is impractical to estimate the financial effect of these bonds at 30 June 2023. No loss is expected to arise in connection with any of these bonds.

OGILVIE CONSTRUCTION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£'000	£'000
Within one year	346	330
Between two and five years	777	134
	<u>1,123</u>	<u>464</u>

21 Events after the reporting date

During August 2023, the company acquired a 50% holding in ATK Property Group Limited, a company in which D Ogilvie, director, is also a director in.

22 Ultimate controlling party

The company's immediate parent undertaking is Ogilvie Group Limited, a company registered in Scotland. This is the only parent undertaking for which group financial statements are drawn up and of which the company is a member. Copies of Ogilvie Group Limited's financial statements can be obtained from the registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.

The directors consider that D H Ogilvie is the company's ultimate controlling party by virtue of his office and his shareholding through Ogilvie Group Limited.

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