Ogilvie Group Limited

Annual report and consolidated financial statements

Registered number SC029219

30 June 2020

Contents

Strategic Report

The directors present their strategic report for the year ended 30 June 2020.

Principal activities and review of the business

The Group's financial performance for the year report a group turnover increasing by £1.9 million to £256.3 million with a resulting profit before tax of £1.8 million. The results were impacted by the Covid-19 lockdown.

At 30 June 2020 the net assets of the group were £56.4 million, an increase from June 2019 of £1.6 million represented by the net profit for the year.

Ogilvie Fleet's principal activity during the year was that of contract hire of cars and light commercial vehicles, although daily rental now forms a significant part of its business. The company continues to grow its client base throughout the UK. From July 2019 to June 2020, the fleet size was maintained at just over 19,500 vehicles which consolidates its position as a top 20 UK vehicle contract hire company. Full maintenance contract hire to the upper SME market still provides most of the company's business, although there has been strong growth within the larger corporate sector. Tight controls on vehicle maintenance costs, well-managed vehicle disposals coupled with a sustained buoyant used car and van market and savings on finance costs have helped underpin this year's performance.

Covid-19 had a significant impact on the business from late March to mid-June as we were unable to deliver new vehicles and collect end of contract vehicles. There was also concern that the customer payment defaults may rise during this period. At the time of writing we have not experienced any excess customer delinquency above the normal but we are mindful that there continues to be risks to the economy going forward.

There is current uncertainty of the impact that Brexit will have on car prices. We consider no further action is required until clarity is obtained regarding the impact on the import costs of motor vehicles and parts from the European Union. There is also likely to be low volumes of new vehicles in the market for several months as most manufacturers continue to gear up production after shutting down factories due to Covid-19. It means customers will continue to extend current contracts until replacement vehicles are available.

WLTP continues to promote a deferral of decision making on company vehicles. As a result, the Company is exploring the introduction of employee car ownership schemes as an alternative option.

Ogilvie Construction is a leading national contractor in construction providing services to local and national government as well as commercial 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 hotel and student accommodation markets.

The challenges of Covid-19 for the year ended 30th June 2020 have had an adverse effect on the profitability of Ogilvie Construction and the whole construction industry. Following the Scottish Government Directive our construction sites were closed for a minimum of 3 months.

All our construction sites are now back to production at levels which are very close to those being achieved pre Covid-19. All sites are operating under Covid-19 secure guidelines and still delivering to timetable. The Directors remain optimistic that with our dedicated workforce and strong forward order book, the business will be able strengthen its position in these difficult market conditions and return to profitable trading.

Ogilvie Home's business activities were severely impacted by the unprecedented closure of all their housing developments in March 2020 because of the Covid-19 pandemic lockdown. The prolonged period of closure prevented the completion and handover of properties in the final quarter of the year. The cost of this closure combined with reduced activity when restrictions were enforced delayed handover of sold properties resulting in the financial loss for the year.

However, success was achieved during the year in the purchase of new sites and securing of options on allocated land which ensures the company is in a strong position to achieve its strategic goals over the next 3 – 5 years.
A strong sales performance throughout the year including online sales taken through the period of Covid-19 site closure resulted in £12 million of forward sales.

Strategic Report *(continued)*

Net Defence is focused on providing IT, Telecommunications, Cyber & Information Security Services and Solutions to SME's, across the UK but focussed on the North of England and central belt Scotland, providing agile and proactive security based solutions to help organisations manage their infrastructure and risk.

Net Defence Limited has reported a loss for the fifth consecutive year, which has exceeded the loss from previous year. It has been a particularly challenging year for Net Defence with the previous Managing Director out of the business from September 2019, and ultimately leaving the business in June 2020. The Operations Director was appointed as Managing Directors in succession. The business has also seen a considerable negative impact from Covid-19, with lost business and customers and a period of almost total shut down.

The decision was made to restructure the business seeing the departure of around a third of staff across all divisions. While this has impacted this years' results due to costs associated with the redundancies it allows us to move forward into next year with a leaner workforce. We have also restructured the sales division with the appointment of a new Sales Manager who has accountability to sell as well as manage the sales team.

Malcolm Hughes Land Surveyors continues to consolidate its position as one of the leading land and building surveying businesses across the UK with offices in England, Scotland and Wales.

Due to Covid-19 lockdown the turnover was severely affected which in turn affected the profitability for the financial year to June 2020. During this period, the company did manage to keep surveying for some key infrastructure projects which helped to reduce the impact of lockdown. As restrictions were gradually eased the turnover started to recover and for the first quarter of the new financial year the company has returned to profit and secured a healthy order book going forward.

Active Claims Solutions the vehicle accident management business suffered severe drop in turnover due to the lockdown with significantly less vehicle traffic throughout England and as direct consequence less vehicle accidents and opportunities to secure claims contracts. It is anticipated that when the further lockdown introduced in England is lifted at the start of December the company will be able to recover to normal levels of profitable business.

Key performance indicators

Going forward, the key performance indicators which include vehicle contract hire fleet of 19,507 vehicles *(2019: 19,500)*, construction order book of £121m *(2019: £150m)* and house building land bank/options of 1,998 units *(2019: 1,783 units)* are all considered to be reasonable at the year end and, therefore, the directors are confident the Group will continue to trade profitably.

Strategic Report *(continued)*

Principal risks and uncertainties

Financial instruments

The Group's principal financial instruments comprise cash and cash equivalents. Other financial assets and liabilities such as trade creditors and trade debtors arise directly from operating activities.

Interest rate risk

The Group's interest income and expense are affected by any movement in interest rates. The directors do not consider it necessary to undertake any active hedging of this risk.

Covid-19

The worldwide pandemic has had a significant impact on all businesses. We continue to monitor and react to the current trading environment working closely with Scottish Building Federation and the Scottish Government and UK Government guidelines. Our primary focus is ensuring the health, safety and wellbeing of all those who work for and with us.

Section 172 Statement

Ogilvie Group as a family owned and managed business aims for long term success of the company for the benefit of all its stakeholders. This is not simply limited to its shareholders but includes its employees, customers and supply chain and encompasses its responsibility to the environment and the local communities in which it operates.

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. Both Ogilvie Fleet and Ogilvie Homes hold Investors in People Accreditation.

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 optimizing 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. During the year Ogilvie Construction and Ogilvie Homes were both awarded a RoSPA Gold Award for Occupational Health & Safety.

We are very aware of the potential impact our operations may have on the environment and are committed to sustainable working practices to minimize the impact and enhance the environment for the future. Ogilvie Fleet are actively encouraging customers to introduce electric vehicles to their Fleet. Ogilvie Group is committed to transitioning all employee vehicles to electric vehicles by 2030. In line with the UK Government's Ten Point Plan for a Green Industrial Revolution, Ogilvie Homes recognise their responsibility to contribute to its successful delivery, specifically in relation to the Future Homes Standard which are targeted to be zero carbon ready, and have 70-80% lower carbon emissions than those built to current standards. With the primary focus being the removal of fossil fuel heating systems (currently anticipated by 2025), we expect the further rollout of solar heating systems, electric boilers, heat pumps, and the emergence of new technologies such as hydrogen ready boilers to be at the forefront of the change.

Strategic Report *(continued)*

Ogilvie Homes intend to maintain their knowledge of market options in this regard before concluding our analysis and confirming our future intentions. In addition, through carefully selected development locations, high energy efficiencies, and product designs which encourage flexibility and adaptability, the issue of climate change and CO^2 emissions will always be at the forefront of our business ethos. In the interim, Ogilvie Homes are actively pushing beyond the minimum requirement of current Technical Standards to achieve Silver Standard Levels of Sustainability, and plan for the step into the Future Homes Standard as a structured transition achieved through ongoing inclusion of higher performing building products. Further details are included in the Streamlined Energy and Carbon Reporting section of this report.

Disabled employees

It is the group's policy to give full consideration to suitable applications for employment from disabled persons. Opportunities also exist for employees of the group who become disabled to continue in their employment or to be retained for other positions within the Group

Streamlined Energy and Carbon Reporting

The Scheme states that all energy consumed and carbon dioxide emitted within the previous year has to be recorded, and declared with the annual company returns.

The Group has interests in construction, vehicle hire, surveying and communications. Their activities are carried out from nine office locations across the UK and at various building sites. The head office is at Stirling and is the largest of the offices.

Energy is used in a variety of forms on the company's construction sites (gas oil for plant and vehicles, on-site generation, temporary mains power and small quantities of gas as sites near completion). This varies from year to year as the company opens and closes sites around the country. The consumption therefore is a snapshot of those sites which were active in the year.

Annual Consumption and Emissions

SECR Scope	Utility/Source	Energy Consumption (kWh/year)	CO_2 Emissions (tonnes)
Scope 1 – Direct Greenhouse Gas Emissions	Biomass heating Gas/oil heating Road vehicles Site vehicles and plant	288,768 867,688 6,044,868 3,225,571	3 182 1,450 774
Scope 2 – Indirect Emissions	Electricity, all sourced externally	1,734,428	85
Scope 3 - Other indirect Emissions	Business travel in vehicles not owned by the Group	Not significant	0
Totals		**12,161,323**	**2,494**

* Carbon Factors used in this table are:
- Electricity: 0.283 kg/kWh
- Biomass: 0.0105 kg CO_2/kWh
- Gas: 0.184 kg CO_2/kWh
- Oil: 0.240 kg CO_2/kWh
- Transport – average for unleaded and diesel: 0.24kg/kWh

* Reference DEFRA 2019. For more information go to:
http://www.ukconversionfactorscarbonsmart.co.uk/

Strategic Report *(continued)*

Intensity Measurement

In order to provide a specific carbon emission figure, the total annual emission figure is divided by the number of employees. Ogilvie Group have a total of 591 employees.

The Intensity Ratio for all energy consumed annually was therefore 4.22 tonnes of CO_2 emission per employee.

Reporting Methodology

The 2019 HM Government Environmental Reporting Guidelines have been used to assist in the compilation of this report and carbon factors from DEFRA for the various fuel types have been used to determine annual greenhouse gas emissions.

Measures taken to Improve Energy Efficiency

There is a biomass boiler installed at the Stirling offices, which significantly reduced CO_2 emissions when it replaced two oil-fired boilers in 2015. There is also a policy of replacing conventional lighting with LEDs.

However, the largest single category in the Group's energy consumption is fuel for road vehicles, (just under 50% of the company total). Travel using employees' own vehicles (the "grey fleet") is discouraged by the company and as a result is insignificant. On company cars, where it is practical, the adoption of electric or hybrid vehicles is encouraged and the proportion of these vehicles in the company fleet is steadily increasing. To facilitate this, there are a number of charging points at the Stirling site.

Video conferencing and more recently, working from home are increasingly used, which helps to reduce unnecessary road mileage.

J F Watson
Director

200 Glasgow Road
Stirling
FK7 8ES
11 March 2021

Directors' Report

The directors present their report and the audited financial statements of the group and company for the year ended 30 June 2020.

Results and dividends

The Group profit for the year before taxation amounted to £1,832,000 *(2019: profit of £5,730,000)*. The directors do not recommend a final dividend *(2019: £nil)*.

Directors

The directors who served the company during the year and up to the date of this report were as follows:

D H Ogilvie
J F Watson
G J Stephen
A Greig (Resigned 29 May 2020)
N J Hardy
D F MacDonald
D W MacDiarmid
J G McDade (appointed 1 July 2019)

Going concern

The Group's business activities, a review of the business and the key performance indicators are outlined in the Strategic Report on page 1.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons.

At the year end, the group had net assets of £56.4 million and net current liabilities of £33.8 million. The group manages its day to day and medium-term funding requirements through a revolving credit facility (RCF) of £18m which was renewed during the period in February for a further 3 years. This revolving credit facility is forecast to provide sufficient liquidity to finance monthly cash flows in the ordinary course of business for a period of at least 12 months from the approval of these financial statements ("the going concern period"). Concluding that there is no material uncertainty over the availability of funding for the going concern period, the directors' have considered that the facility will continue to be available as: a) the group has continued to successfully service the debt through timely payments of interest; b) the headroom on the RCF facility throughout the 12 month period is forecast to be at a significant level and none of the covenants attached are expected to be breached.

The global COVID-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the group's business is such that in the going concern period, there is expected to be some unpredictable variation in the value and timing of cash inflows. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts have also modelled severe but plausible downside scenarios which they believe have the potential to arise including the possibility of significant reductions in revenue and cash outflows as a result of further lockdowns in 2021. On the basis of these projections, the directors consider that, taking account of reasonably possible downsides, the group will have sufficient funds, through its bank loan facility of £18 million which is expected to be available for the going concern period, as set out above, to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the group 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.

Directors' Report *(continued)*

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be reappointed and KMPG LLP will therefore continue in office.

By order of the board

J F Watson
Director

11 March 2021

Statement of directors' responsibilities in respect of the Strategic Report, Directors Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

Independent auditor's report to the members of Ogilvie Group Limited

Our opinion

We have audited the financial statements of Ogilvie Group Limited ("the company") for the year ended 30 June 2020 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated statement of Changes in Equity and Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 June 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Ogilvie Group Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Lyn Niccolls (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow, G2 5AS

19 March 2021

Profit and Loss Account and Consolidated Statement of Comprehensive Income
for the year ended 30 June 2020

	Note	2020 £000	2019 £000
Turnover	3	**256,324**	254,392
Cost of sales		**(228,419)**	(222,904)
Gross profit		**27,905**	31,488
Administrative expenses		**(23,411)**	(21,458)
Operating profit	4	**4,494**	10,030
Share of operating profit/(loss) in joint ventures		**6**	(16)
Other operating income		**171**	225
Total operating profit: group and share of joint ventures		**4,671**	10,239
Income from other participating interests		**401**	501
Interest payable and similar expenses	7	**(5,560)**	(5,010)
Gain on sale of fixed asset investments	11	**2,464**	-
Write down of investments		**(143)**	-
Profit before taxation		**1,833**	5,730
Tax on profit	8	**253**	(1,472)
Profit for the financial year		**2,086**	4,258

Consolidated statement of comprehensive income
for the year ended 30 June 2020

	2020 £000	2019 £000
Profit for the financial year		
Group	**2,080**	4,274
Joint venture	**6**	(16)
Profit for the financial year attributable to members	**2,086**	4,258
Other comprehensive income:		
Remeasurement of net defined benefit obligation	**(640)**	(199)
Tax on components of other comprehensive income	**121**	34
Other comprehensive income for the year, net of tax	**1,567**	4,093

Consolidated Balance Sheet
at 30 June 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	*9*	**4,468**	5,134
Tangible assets	*10*	**176,964**	162,110
Investments	*11*	**5,132**	6,104
		186,564	173,348
Current assets			
Stocks	*12*	**64,929**	61,400
Debtors	*13*	**68,442**	60,742
		133,371	122,142
Creditors: amounts falling due within one year	*14*	**(167,217)**	(131,799)
Net current liabilities		**(33,846)**	(9,657)
Tangible assets – anticipated vehicle disposals within one year	*10*	**55,194**	34,183
Net current assets represented		**21,348**	24,526
Total assets less current liabilities		**152,718**	163,691
Creditors: amounts falling due after more than one year	*15*	**(94,800)**	(107,946)
Pension and similar obligations	*18*	**(1,512)**	(906)
Net assets		**56,406**	54,839
Capital and reserves			
Called up share capital	*19*	**32**	32
Share premium account		**44**	44
Capital redemption reserve		**13**	13
Revaluation reserve		**1,318**	1,318
Retained earnings		**54,999**	53,432
Shareholders' funds		**56,406**	54,839

The notes on pages 16 to 38 are an integral part of these financial statements.

These financial statements were approved by the directors and authorised for issue on 11 March 2021 and are signed on their behalf by:

Duncan Ogilvie
Director

Company registered number: SC029219

Company Balance Sheet
at 30 June 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	*10*	**556**	248
Investments	*11*	**2,026**	2,026
		2,582	2,274
Current assets			
Debtors	*13*	**13,171**	11,393
Creditors: amounts falling due within one year	*14*	**(9,299)**	(7,466)
Net current assets		**3,872**	3,927
Total assets less current liabilities		**6,454**	6,201
Pension and similar obligations	*18*	**(1,512)**	(906)
Net assets		**4,942**	5,295
Capital and reserves			
Called up share capital	*19*	**32**	32
Share premium account		**44**	44
Capital redemption reserve		**13**	13
Retained earnings		**4,853**	5,206
Shareholders' funds		**4,942**	5,295

These financial statements were approved by the directors and authorised for issue on 11 March 2021 and are signed on their behalf by:

Duncan Ogilvie
Director

Company registered number: SC029219

Consolidated Statement of Changes in Equity

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 July 2018	32	44	13	1,318	49,339	50,746
Profit for the financial year	-	-	-	-	4,258	4,258
Other comprehensive expense	-	-	-	-	(165)	(165)
Balance at 1 July 2019	32	44	13	1,318	53,432	54,839
Profit for the financial year	-	-	-	-	2,086	2,086
Other comprehensive expense	-	-	-	-	(519)	(519)
Balance at 30 June 2020	32	44	13	1,318	54,999	56,406

Company statement of changes in equity

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 July 2018	32	44	13	4,684	4,773
Profit for the financial year	-	-	-	687	687
Other comprehensive expense	-	-	-	(165)	(165)
Balance at 1 July 2019	32	44	13	5,206	5,295
Profit for the financial year	-	-	-	165	165
Other comprehensive expense	-	-	-	(518)	(518)
Balance at 30 June 2020	32	44	13	4,853	4,942

Consolidated Cash Flow Statement

for year ended 30 June 2020

	Note	2020 £000	2019 £000
Net cash from operating activities	*17*	**51,859**	52,061
Taxation paid		**(3,940)**	(3,120)
Net cash generated from operating activities		**47,919**	48,941
Cash flow from investing activities			
Interest paid		**(5,540)**	(4,991)
Income from investments		**401**	501
Dividend from joint venture		**-**	-
Purchase of tangible fixed assets		**(1,228)**	(924)
Proceeds from sale of tangible fixed assets		**20,504**	31,423
Proceeds from sale of investments		**3,494**	-
Acquisition of a subsidiary		**-**	-
Purchase of fixed asset investments		**(195)**	(273)
Net cash from investing activities		**17,436**	25,736
Cash flow from financing activities			
Repayment of finance lease obligations		**(66,383)**	(72,421)
Net cash used in financing activities		**(66,383)**	(72,421)
Net (decrease)/increase in cash and cash equivalents	*17*	**(1,028)**	2,256
Cash and cash equivalents at the beginning of the year		**(2,751)**	(5,007)
Cash and cash equivalents at the end of the year	*17*	**(3,779)**	(2,751)

Notes

(forming part of the financial statements)

1 Accounting policies

Ogilvie Group Limited ('the Company') and its subsidiaries (together "the Group") operates in the vehicle contract hire, construction, residential property developments, IT cyber security, vehicle insurance claims handling and land and building surveying sectors.

The company is a private company and it is incorporated, domiciled and registered in Scotland. The address of its registered office is 200 Glasgow Road, Stirling, FK7 8ES. The presentation currency of these financial statements is Pounds Sterling. All amounts have been rounded to the nearest £1,000.

The Group and Company financial statements of Ogilvie Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006. The amendments to FRS 102 issued in December 2017 have been applied in full.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

1.1 Measurement convention

The financial statements are prepared under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and applicable accounting standards in the United Kingdom.

1.2 Going concern

The Group's business activities, a review of the business, together with key performance indicators are outlined in the Strategic Report on page 1.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons.

At the year end, the group had net assets of £56.4 million and net current liabilities of £33.8 million. The group manages its day to day and medium-term funding requirements through a revolving credit facility (RCF) of £18m which was renewed during the period in February for a further 3 years. This revolving credit facility is forecast to provide sufficient liquidity to finance monthly cash flows in the ordinary course of business for a period of at least 12 months from the approval of these financial statements ("the going concern period"). Concluding that there is no material uncertainty over the availability of funding for the going concern period, the directors' have considered that the facility will continue to be available as: a) the group has continued to successfully service the debt through timely payments of interest; b) the headroom on the RCF facility throughout the 12 month period is forecast to be at a significant level and none of the covenants attached are expected to be breached.

The global COVID-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the group's business is such that in the going concern period, there is expected to be some unpredictable variation in the value and timing of cash inflows. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts have also modelled severe but plausible downside scenarios which they believe have the potential to arise including the possibility of significant reductions in revenue and cash outflows as a result of further lockdowns in 2021. On the basis of these projections, the directors consider that, taking account of reasonably possible downsides, the group will have sufficient funds, through its bank loan facility of £18 million which is expected to be available for the going concern period, as set out above, to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the group 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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.3 Basis of consolidation

The group financial statements consolidate the financial statements of Ogilvie Group Limited and all its subsidiaries made up to 30 June 2020.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other ventures under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

1.4 Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold buildings	–	over 50 years
Plant and machinery	–	over 3 to 5 years
Motor vehicles	–	over 3 to 4 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred manually from the revaluation reserve to the profit and loss reserve.

The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.6 Investments

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

1.7 *Investment property*

Certain of the group's properties are held for long term investment. Investment properties are accounted for in accordance with FRS 102 Section 16, namely they are revalued annually, the surplus or deficit on revaluation is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

1.8 Stocks

The stocks are valued at the lower of cost and net realisable value on a specific item basis.

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

Notes *(continued)*

1 Accounting policies *(continued)*

1.9 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements defined benefit pension plans.

i) Short term benefits

Short term benefits, including bonus and other similar non – monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Pensions scheme

Defined contribution plans and other long-term employee benefits

The group operates a defined contribution scheme. A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from net interest on net defined benefit liability, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability is recognised in other comprehensive income in the period in which it occurs.

1.10 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be readily measured. Turnover from construction contracts is recognised by reference to the stage of completion. The stage of completion of the contract is determined either by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, or by reference to the completion of a physical proportion of the contract work, dependent upon the nature of the underlying contract.

Turnover from house sales is recognised by reference to the date of sale which is taken as the date a house is substantially complete following signing of missives.

Sales of goods are recognised when the goods are delivered, sales of services are recognised when the service has been provided and finance commissions are recognised on delivery of the vehicles. Rentals receivable on vehicles held for use in operating leases are recognised on a straight-line basis over the term of the lease.

1.11 Long term contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised as revenue and cost of sales using the percentage of completion method. Estimation of the outcome is reliant upon reliability of the estimates over stage of completion, future costs and collectability of billings. Revenues from variations on contracts are recognised only when they are considered to be reasonably certain. Full provision is made for losses on all contracts in the year in which they are first foresee

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

1.13 Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the shorter of the lease term and the date of the next rent review.

1.14 *Basic financial instruments*

i) Trade and other debtors / creditors

Trade and other debtors/creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

ii) Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

iii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes *(continued)*

1 Accounting policies *(continued)*

1.15 Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

During the year, Coronavirus Job Retention Scheme ("JRS") income has been received, accounted for under the accruals model and classified as grants related to revenue. Grant income is disclosed under Note 4 of these financial statements.

1.16 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2 Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

i) Contract accounting

The values recognised in relation to long term contracts 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 is 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 provision is made in the period in which the loss is foreseen.

ii) Development costs

Inventories of land and development work in progress are stated at the lower of cost or net realisable value. The company allocates site wide development costs such as infrastructure between units being built and/ or completed in the current year and those in future years. This estimate is reflected in the margin recognised on developments and in

Notes *(continued)*

2 Critical accounting judgements and key source of estimation uncertainty *(continued)*

the carrying value of land and work in progress. Whilst there is a degree of uncertainty in making this estimate, reviews are carried out monthly on the carrying value of stock.

iii) Defined benefit pension obligation

Determining the present value of the defined benefit obligation requires the use of a number of actuarial assumptions. Details of the principal actuarial assumptions adopted are disclosed in note 18. As at 30 June 2020, the net deficit recognised in the Balance Sheet was £1,512,000.

3 Turnover and operating profit

Group and share of joint ventures' turnover and operating profit were contributed as follows:

	Turnover		Operating profit	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Continuing operations				
House building	**26,021**	28,922	**594**	481
Revenue from construction contracts	**89,599**	62,125	**(2,403)**	(255)
Vehicle contract hire and insurance claim handling	**132,886**	153,940	**10,065**	11,717
Other activities	**7,818**	9,405	**(1,231)**	70
Amortisation of goodwill	-	-	**(666)**	(652)
Central costs	-	-	**(1,688)**	(1,122)
	256,324	254,392	**4,671**	10,239

	2020	2019
	£000	£000
Contracted income from Ogilvie Fleet customers		
Less than one year	**58,865**	60,603
Between one and five years	**56,966**	60,160
	115,831	120,763

4 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2020	2019
	£000	£000
Depreciation of owned fixed assets	**1,880**	1,485
Depreciation of assets held under finance leases and hire purchase contracts	**46,637**	41,777
Gain on sale of fixed assets	**(2,859)**	(2,838)
Amortisation of goodwill	**666**	652
JRS grant received	**(2,298)**	-

Notes *(continued)*

4 Expenses and auditor's remuneration *(continued)*

Auditor's remuneration:

	2020 £000	2019 £000
Audit of these financial statements	**19**	14
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	**127**	94
Taxation compliance services	**58**	54

Amounts receivable by the Company's auditor and its associates in respect of the audit of financial statements of associated pension schemes is £10,000 (2019: £Nil).

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	Number of employees 2020	2019
Construction site operatives	**133**	135
Management, admin, sales and technical staff	**458**	442
	591	577

The aggregate payroll costs of these persons were as follows:

	2020 £000	2019 £000
Wages and salaries	**23,210**	22,020
Social security costs	**2,302**	2,210
Contributions to defined contribution plans	**1,445**	1,245
Contributions to defined benefit plan	**54**	76
	27,011	25,551

6 Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration excluding pension contributions	**1,777**	1,823
Company contributions to defined contribution scheme	**216**	202
Remuneration of highest paid director	**568**	576
Accrued pension at the end of the year	**46**	45
Accrued lump sum at the end of the year	**915**	900

The highest paid director is a member of a defined benefit scheme, under which his accrued pension at the yearend was £45,744 (2019 - £44,979), and his accrued lump sum was £914,880 (2019 - £899,580).

Notes *(continued)*

6 Directors' remuneration *(continued)*

	Number of directors 2020	Number of directors 2019
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	6	6
Defined benefit schemes	1	1

7 Interest payable and similar expenses

	2020 £000	2019 £000
Net interest expense on defined benefit liabilities	**(20)**	(19)
HP interest payable on back to back vehicle financing	**(5,431)**	(4,763)
Bank interest payable	**(109)**	(228)
	(5,560)	(5,010)

8 Taxation

Total tax (credit)/expense recognised in the profit and loss account	2020 £000	2019 £000
Current tax		
UK corporation tax on income for the period	**2,244**	3,259
Adjustments in respect of prior periods	**(138)**	11
Total tax	**2,106**	3,270
Deferred tax		
Origination and reversal of timing differences	**(2,158)**	(2,008)
Adjustments in respect of prior periods	**236**	(1)
Effect of tax rate change on opening balance	**(437)**	211
Total deferred tax	**(2,359)**	(1,798)
Total tax	**(253)**	1,472

Reconciliation of effective tax rate	2020 £000	2019 £000
Profit for the year	**2,085**	4,258
Total tax (credit)/expense	**(253)**	1,472
Profit excluding taxation	**1,832**	5,730
Tax using the UK corporation tax rate of 19% *(2019: 19%)*	**348**	1,089

Notes *(continued)*

8 Taxation *(continued)*

Effects of:		
Disallowable (income)/expenses	**(262)**	162
Adjustments in respect of previous periods	**98**	10
Effects of other tax rates/credits	**(437)**	211
Total tax (credit)/expense included in profit or loss	**(253)**	1,472

Deferred tax

	Group £000	Company £000
As at 1 July 2019	3,954	203
Deferred tax credit/(charge) in the year	2,595	30
Adjustment in respect of prior periods	(236)	26
Other comprehensive income	121	121
As at 30 June 2020	**6,434**	**380**

	Group					
	2020			2019		
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
	£000	**£000**	**£000**	£000	£000	£000
Recognised in profit and loss account	**2,106**	**(2,359)**	**(253)**	3,270	(1,798)	1,472
Recognised in other comprehensive income	**-**	**(121)**	**(121)**	-	(34)	(34)
Total tax	**2,106**	**(2,480)**	**(374)**	3,270	(1,832)	1,438

	Group		**Company**	
	2020 £000	2019 £000	**2020 £000**	2019 £000
Accelerated capital allowances	**6,039**	3,703	**66**	41
Other timing differences	**107**	86	**26**	(3)
Deferred tax asset	**6,146**	3,789	**92**	38
Retirement benefit	**288**	165	**288**	165
	6,434	3,954	**380**	203

Notes *(continued)*

8 Taxation *(continued)*

Factors that may affect future tax charges

A UK corporation rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax asset at 30 June 2020 has been calculated at 19% (2019: 17%)

9 Intangible fixed assets

Group	Goodwill £000
Cost	
Balance at 1 July 2019	9,725
Additions	-
Balance at 30 June 2020	9,725
Amortisation	
Balance at 1 July 2019	4,591
Charge for year	666
Balance at 30 June 2020	5,257
Net book value	
At 30 June 2019	5,134
At 30 June 2020	**4,468**

Goodwill is amortised over a period of ten years.

10 Tangible assets

	Freehold and land buildings £000	Investment properties £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 July 2019	5,343	227	2,891	224,197	232,658
Additions	-	-	1,227	79,791	81,018
Disposals	-	(152)	(230)	(59,795)	(60,177)
Balance at 30 June 2020	5,343	75	3,888	244,193	253,499
Accumulated depreciation					
Balance at 1 July 2019	898	-	1,395	68,255	70,548
Charge for year	107	-	643	47,767	48,517
On disposal	-	-	(183)	(42,347)	(42,530)
Balance at 30 June 2020	1,005	-	1,855	73,675	76,535
Net book value					
At 30 June 2019	4,445	227	1,496	155,942	162,110
At 30 June 2020	**4,338**	**75**	**2,033**	**170,518**	**176,964**

Notes *(continued)*

10 Tangible assets *(continued)*

The directors have provided additional information regarding the net current liabilities in the balance sheet. The business model within Ogilvie Fleet generally results in the disposal of motor vehicles by the group at the termination of the customer lease and the outstanding amounts on the respective finance agreement are then repaid. Accounting guidance shows all financing of vehicles that is due within the next year within current liabilities but does not reflect the associated sale proceeds as current assets and as a consequence the stated net current liabilities do not reflect the commercial position of the business. The anticipated vehicle disposals within one year represent the net book value of motor vehicles which are anticipated to come to the end of their hire period and be sold within one year of the balance sheet date. A number of these vehicles may go onto an extended, informal hire agreement however, the Company has the ability to terminate this type of agreement and sell the vehicle at any point.

An appropriately qualified director performed an interim valuation of the freehold land and buildings at 30 June 2020 and concluded that the net book value at 30 June 2020 amounting to £4,338,000 approximated to their open market value at that date.

An appropriately qualified director has performed an appropriate valuation of the investment properties in accordance with RICS valuation standards (6th edition) and has confirmed that the net book value at 30 June 2020 of £75,000 approximates to their open market value.

Had the freehold land and buildings not been revalued, the heritable property at 30 June 2019 would have been included on the historical cost basis as follows:

	2020	2019
	£000	£000
Cost	3,801	3,801
Cumulative depreciation based on cost	1,329	1,253
	2,472	2,548

The net book value of motor vehicles principally relates to back to back and hire purchase funded vehicles.

Company	Cost	Depreciation	Net book value
	£000	£000	£000
Plant and machinery:			
Balance at 1 July 2019	381	(133)	248
Additions	552	-	552
Depreciation charge for year	-	(244)	(244)
Balance at 30 June 2020	**933**	**(377)**	**556**

Notes *(continued)*

11 Investments

Group	2020 £000	2019 £000
Joint venture (a)		
Gross assets	**925**	922
Gross liabilities	**(991)**	(994)
	(66)	(72)
Associate (b)	**59**	59
Other fixed asset investment (c)	**5,139**	6,117
	5,132	6,104

(a) Joint venture

	£000
Cost:	
At 1 July 2019	(72)
Share of joint ventures' loss for the year	6
At 30 June 2020	**(66)**

Group

Additional disclosures are given in respect of the group's 50% share of the net assets of Drumpellier Business Park LLP.

	2020 £000	2019 £000
Current assets	**925**	922
Share of gross assets	**925**	922
Liabilities due within one year	**(428)**	(11)
Liabilities due after one year	**(563)**	(983)
Share of gross liabilities	**(991)**	(994)
Share of net liabilities	**(66)**	(72)

	2020 £000	2019 £000
Turnover	**36**	19
Profit/(loss) before tax	**12**	(32)
Tax	**-**	-
Profit/(loss) after tax	**12**	(32)

Notes *(continued)*

11 Investments *(continued)*

(b) Participating Interests

	£000
Cost	
At 1 July 2019 and 30 June 2020	59

(c) Other fixed asset investments

	Unlisted £000	Listed £000	Total £000
Cost			
At 1 July 2019	5,853	264	6,117
Additions	195	-	195
Disposals	(1,030)	-	(1,030)
Write Down	-	(143)	(143)
At 30 June 2020	**5,018**	**121**	**5,139**

The unlisted investments are primarily loan stock and investment in commodities with an appreciating value.

On 20th April 2020, the Group sold 12.5% shareholding in Stirling Gateway HC Ltd for £3,005,000, resulting in a gain on sale of £2,190,329.

Company

Investment in subsidiary undertakings:	£000
Cost or valuation	
At 30 June and 1 July 2020	2,176
Amounts provided	
At 1 July 2019 and 30 June 2020	(150)
Valuation	
At 1 July 2019 and 30 June 2020	**2,026**

Notes *(continued)*

11 Investments *(continued)*

The Company holds more than 20% of the allotted and issued ordinary share capital of the following subsidiary undertakings and joint ventures all of which are registered in Scotland unless otherwise stated below; all subsidiary undertakings are included in consolidated financial statements.

Name of company	*Percentage held*	*Nature of business*
Ogilvie Construction Limited	100	Building contractors
Ogilvie Homes Limited	100	Residential property development
Ogilvie Fleet Limited	100	Vehicle contract hire
Ogilvie Securities Limited	100	Property investment
Loy Surveys Limited*	100	Land and building surveyors
Ogilvie Group Developments Limited	100	Commercial property development
Longdin & Browning (Surveys) Limited*	100	Land and building surveyors
Cable Pressure Systems Limited*	100	Producing and selling pressurised air units
Ogilvie Geomatics Limited	100	Land and building surveyors
Net Defence Limited*	100	IT cyber security and telecommunications
Malcolm Hughes Land Surveyors Limited*	100	Land and building surveyors
Freedom Homes (Stirling) Limited*	100	Residential property development
Tilsun Vehicle Contracts Limited	100	Vehicle personal contract hire
Scorpion Vehicle Management Limited	100	Vehicle contract hire broker
AAS Group Limited **	80	Management Company
Active Claims Solutions Limited (Formerly Active Auto Solutions Limited)	100	Vehicle insurance claim handling
Claim Mitigation Solutions Limited	100	Vehicle insurance claim handling
Assert Services Limited	100	Vehicle insurance claim handling
Participating Interests		
Drumpellier Business Park LLP*	50	Property development
Falkirk Schools Gateway HC Limited*	22	Holding company
Falkirk Schools Gateway Limited*	22	Construction and service delivery
GRML Rental Management Ltd	50	Vehicle daily rental

** Company owns all of the A ordinary shares

Non trading subsidiaries

Name of company	*Percentage held*	*Nature of business*
Driveasy Limited	100	Non Trading
Comtec Business Equipment Limited*	100	Non Trading
Ogilvie Communications Limited	100	Non Trading
Freedom Homes (West) Limited	100	Non Trading
Mogil Motors (Stirling) Limited	100	Non Trading
Mogil Motors (Dumfries) Limited	100	Non Trading
Ogilvie Preservation Limited*	100	Non Trading
Ogilvie Sealants Limited*	100	Non Trading
MIFLEET Limited*	100	Non Trading
Torbrex Developments Limited*	100	Non Trading
Ogilvie Abbotsford Limited*	100	Non Trading
Ogilvie Ryeside Limited*	100	Non Trading

*held by subsidiary undertakings

Notes *(continued)*

11 Investments *(continued)*

The registered office of the above companies is 200 Glasgow Road, Stirling, FK7 8ES with the exception of:-

Longdin & Browning (Surveys) Limited – Cherry Tree House, Carmarthen Road, Swansea, SA1 1HE
Malcolm Hughes Land Surveyors Limited – 63-65 Cross Street, Sale, Manchester, M33 7HT
Comtec Business Equipment Limited – Princess Park, Team Valley Trading Estate, Gateshead, NE11 0NF
MIFLEET Limited – Sir Wilfred Newton House, Newton Chambers Road, Sheffield, SP35 2PH
Active Claims Solutions Limited – Unit A17 Arena Business Centre, 9 Nimrod Way, Wimborne, England, BH21 7UH
Claim Mitigation Solutions Limited - Unit A17 Arena Business Centre, 9 Nimrod Way, Wimborne, England, BH21 7UH
Assert Services Limited - Unit A17 Arena Business Centre, 9 Nimrod Way, Wimborne, England, BH21 7UH
Scorpion Vehicle Management – Sir Wilfred Newton House, Newton Chambers Road, Sheffield, SP35 2PH
Tilsun Vehicle Contracts Limited - Unit 5 Verity Court, Middlewich, Cheshire CW10 0GW
Falkirk Schools Gateway HC Limited - Quartermile One, 15 Laurieston Place, Edinburgh, EH3 9EP
Falkirk Schools Gateway Limited – Quartermile One, 15 Laurieston Place, Edinburgh, EH3 9EP
GRML Rental Management Limited – Kemp House, 152-160 City Road, London, EC1V 2NX

The registered address and principle place of business for Drumpellier Business Park LLP is 200 Glasgow Road, Stirling, FK7 8ES.

12 Stocks

Group	2020 £000	2019 £000
Motor vehicles – repurchase stocks	**22,584**	26,091
Other stocks:		
Work in progress	**27,615**	22,089
Land held for development purposes	**7,850**	6,140
Motor vehicles for resale	**6,817**	6,723
Part exchange properties	**63**	357
	42,345	35,309
	64,929	61,400

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

Notes *(continued)*

13 Debtors

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Trade debtors	**48,543**	45,384	**1**	2
Amount owed by group companies	**-**	-	**12,225**	10,292
Amount owed by joint ventures	**420**	420	**-**	-
Other debtors	**7,710**	6,246	**176**	167
Prepayments	**1,852**	1,661	**363**	702
Other taxes and social security costs	**1,945**	1,414	**26**	27
Corporation Tax	**721**	-	**-**	-
Deferred tax asset (note 8)	**6,434**	3,954	**380**	203
Recoverable on contracts	**817**	1,663	**-**	-
	68,442	60,742	**13,171**	11,393

Amounts owed by group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Bank overdraft (note 17)	**3,779**	2,751	**8,890**	6.027
Trade creditors	**33,122**	33,801	**54**	155
Payments received on account	**13,396**	7,623	**-**	-
Amounts owed to group companies	**-**	-	**154**	149
Corporation tax	**-**	1,841	**-**	-
Other taxes and social security costs	**7,163**	2,553	**67**	57
Obligations under finance leases and hire purchase contracts (note 16)	**81,980**	59,333	**-**	-
Accruals and receipts in advance	**9,661**	9,120	**134**	123
Other creditors	**9,986**	7,878	**-**	955
Vehicle repurchase liability	**8,130**	6,899		-
	167,217	131,799	**9,299**	7,466

Amounts owed to group companies are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Creditors: amounts falling after more than one year

Group	**2020**	2019
	£000	£000
Vehicle repurchase liability	**14,454**	19,192
Obligations under finance leases and hire purchase contracts (note 16)	**73,072**	82,312
Other creditors	**7,274**	6,442
	94,800	107,946

Notes *(continued)*

16 Amounts due under finance leases and hire purchase contract

	2020 £000	2019 £000
Amounts payable:		
Within one year	**85,915**	62,344
In two to five years	**76,453**	86,471
	162,368	148,815
Less: finance charges allocated to future years	**(7,316)**	(7,170)
	155,052	141,645
Current obligations (note 14)	**81,980**	59,333
Non-current obligations (note 15)	**73,072**	82,312
	155,052	141,645

Terms and repayment

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2020 £000	2019 £000
Finance lease liabilities	**GBP**	**2-5%**	**2019-24**	**Monthly**	**155,052**	141,645

17 Notes to the statement of cash flows

	2020 £000	2019 £000
Profit for the financial year	**2,085**	4,258
Adjustments for:		
Tax on profit	**(253)**	1,472
Interest expense	**5,560**	5,010
Income from investments	**(401)**	(501)
Share of operating (profit)/loss in joint venture	**(6)**	16
Write down of investments	**143**	-
Depreciation charge	**48,517**	43,262
Gain on sale of tangible fixed assets	**(2,859)**	(2,838)
Gain on sale of investments	**(2,464)**	-
Amortisation of goodwill	**666**	652
	50,988	51,331
Increase in debtors	**(5,224)**	(8,084)
Increase in stocks	**(3,529)**	(3,609)
Increase in payables	**9,624**	12,423
Net cash inflow from operating activities	**51,859**	52,061

Notes *(continued)*

17 Notes to the statement of cash flows *(continued)*

Non-cash transactions

The Group has acquired tangible assets under finance leases £79,790 *(2019: £81,949,000)* which has been capitalised as the cost of the assets, being the present value of the minimum lease payments.

	At 1 July 2019 £000	Cash flow £000	Non cash changes £000	**At 30 June 2020 £000**
Bank overdraft	(2,751)	(1,028)	-	(3,779)
Finance leases	(141,645)	66,383	(79,790)	(155,052)
	(144,396)	65,355	(79,790)	(158,831)

18 Employee benefits

Defined benefit plan

The company sponsors the Ogilvie Group 2004 Pension Scheme which is an arrangement which provides benefits on a 'defined benefit' basis. A full actuarial valuation of the scheme was carried out as at 1 January 2015 by a qualified actuary. An updated valuation of this scheme for FRS 102 purposes was carried out by a qualified independent actuary as at 30 June 2020. The scheme has been closed to new entrants since 2004.

The contributions made by the employer over the financial year have been £54,000. The best estimate of contributions to be paid by the company to the scheme for the year commencing 1 July 2020 is £52,000.

The assets (at fair value) and liabilities of the scheme recognised on the balance sheet at 30 June are:

	2020 £000	2019 £000
Equities, property, fixed interest and cash	**4,998**	5,177
Fair value of scheme assets	**4,998**	5,177
Present value of scheme liabilities	**(6,510)**	(6,083)
Defined benefit pension scheme deficit	**(1,512)**	(906)

The fair value of the assets of the scheme at 30 June 2020 relates wholly to equities, property, fixed interest bonds and cash.

The movements in assets and liabilities in the year are as follows:

Change in benefit obligation:

	2020 £000	2019 £000
At 1 July	**6,083**	5,843
Interest cost	**131**	149
Benefits paid	**(285)**	(262)
Actuarial loss	**581**	353
At 30 June	**6,510**	6,083

Notes *(continued)*

18 Employee benefits *(continued)*

Change in scheme assets:

	2020 £000	2019 £000
Fair value of scheme assets at 1 July	**5,177**	5,079
Expected return on scheme assets	**111**	130
Contributions by employer	**54**	76
Benefits paid	**(285)**	(262)
Actuarial (loss)/gain	**(59)**	154
Fair value of scheme assets at 30 June	**4,998**	5,177

The amounts recognised in the group profit and loss account and in other comprehensive income for the year are analysed as follows:

Recognised in the profit and loss account:

	2020 £000	2019 £000
Expected return on scheme assets	**111**	130
Interest on pension obligation	**(131)**	(149)
Other finance expense	**(20)**	(19)
Total recognised in the profit and loss account	**(20)**	(19)

Recognised in other comprehensive income:

	2020 £000	2019 £000
Actual return on scheme assets	**52**	284
Less expected return on scheme assets	**(111)**	(130)
Actual return less expected return on scheme assets	**(59)**	154
Other actuarial gains and (losses)	**(581)**	(353)
Actuarial gains and (losses) recognised in the other comprehensive income	**(640)**	(199)

Notes *(continued)*

18 Employee benefits *(continued)*

The fair value of the plan assets and the return on those assets were as follows:

	2020 Fair value £000	2019 Fair value £000
Equities	**2,302**	1,869
Government debt	**2,466**	129
Corporate bonds	**-**	2,087
Property	**-**	999
Other	**230**	93
	4,998	5,177
Actual return on plan assets	**52**	284

Main assumptions:

	2020 %	20198 %
Rate of increase in deferred pensions	**2.15%**	2.25%
Rate of increase in pensions in deferment	**2.15%**	2.25%
Discount rate	**1.55%**	2.20%
RPI inflation assumption	**2.95%**	3.25%
CPI Inflation assumption	**2.15%**	2.25%

The mortality assumptions adopted imply the following future life expectancies:

	Future life expectancy (years) 2020	Future life expectancy (years) 2019
Current pensioners at age 65 (male)	**21.8**	21.6
Current pensioners at age 65 (female)	**23.7**	23.5
Future pensioners at age 65 (male) aged 45 now	**23.1**	22.6
Future pensioners at age 65 (female) aged 45 now	**25.2**	24.7

Defined contribution plan

The group also operates a defined contribution pension scheme for employees. The assets of this scheme are held separately from those of the Company in an independently administered fund. The total expense relating to this plan in the current year was £1,445,000 *(2019: £1,245,000)*. Included within other creditors is £183,000 *(2019: £147,000)* in respect of contributions to the money purchase pension scheme.

Notes *(continued)*

19 Share capital

Group and company	**2020**	2019
	£	£
Allotted, called up and fully paid		
31,780 ordinary shares of £1 each	**31,780**	31,780

20 Contingencies

The company and its subsidiaries have granted floating charges and standard securities over certain assets of the group to Barclays Bank plc.

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

The company and certain subsidiaries had other contingent liabilities in the normal course of business, including guarantees and counter indemnities for performance and tendering bonds of certain subsidiaries and joint ventures

The following subsidiaries of the group have taken advantage of the permitted exception from the requirements of the Companies Act 2006 relating to the audit of accounts under Section 479A of the Companies Act 2006. As such, Ogilvie Group Limited has provided guarantees to these subsidiaries under Section 479C of the Companies Act 2006 in respect of the financial year ended 30 June 2020.

Loys Surveys Limited
Longdin & Browning (Surveys) Limited
Ogilvie Geomatics Limited
Assert Services Limited
AAS Group Limited
Scorpion Vehicle Management Limited
Claim Management Solutions Limited
Freedom Homes (Stirling) Limited
Ogilvie Communications Limited
Cable Pressure Systems Limited

21 Related parties

Transactions with key management personnel

Under FRS192.33.7A, the Group is exempt from disclosing the Key Management Personnel compensation where they have already been included in note 6. In the opinion of the Directors, there are no other Key Management Personnel.

Transactions with subsidiaries and joint ventures

As a member of Ogilvie Group, the Group is exempt from the requirements of FRS102.33 to disclose transactions with other members of the group headed by Ogilvie Group Limited. Transactions with other related parties are summarised below:

- Included within group debtors (amounts owed by joint ventures) at 30 June 2020: Drumpellier Business Park LLP £420,000 *(2019: £420,000)*.

Transactions with directors

- Included within work in progress is an amount of £62,304 *(2019: £214,345)* due from Mr Duncan Ogilvie, Director.

Other related party transactions

Ogilvie Securities Limited has a subordinated loan of £2,799,755 (2019: £2,803,912) that it has provided to Falkirk Schools Gateway HC Limited. During the year interest of £378,335 (2019: £378,854) was paid under the loan. The loan remains outstanding at 30 June 2020. Ogilvie Securities also received £3,500 (2019: £3,500) in relation to the provision of Directors services from Falkirk Schools Gateway HC Limited.

Notes *(continued)*

22 Ultimate parent company and parent company of larger group

The directors consider that Duncan H Ogilvie is the group and company's controlling party by virtue of his office and his shareholding.

The largest and smallest group in which the results of the Company are consolidated is that headed by Ogilvie Group Limited, 200 Glasgow Road, Stirling, FK7 8ES. No other group financial statements include the results of the Company.