

TULLOCH GROUP LIMITED

(Previously Tulloch Homes Group Limited)

Directors' Report and Unaudited Financial Statements

For the year ended 30 June 2015



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COMPANIES HOUSE

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

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TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G G Fraser
A J Grant

NON –EXECUTIVE DIRECTOR

T E Allison

REGISTERED OFFICE

Stoneyfield House
Stoneyfield Business Park
Inverness
IV2 7PA

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

STRATEGIC REPORT

The directors present their strategic report for the year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The company is a holding company and did not trade during the year.

REVIEW OF THE BUSINESS

The financial position of the company is shown within the balance sheet on page 4. More detail regarding the performance and financial position of Tulloch Homes Group Limited, the company's parent, and all of its subsidiaries, is set out in the annual report of Tulloch Homes Group Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

Market and economic risk

House building and market demand are affected by a number of economic factors such as changes in general and local economic conditions and market confidence, movements in land values and changes in the related demand for and pricing of land, the cost and availability of mortgage financing and socio-economic factors. Historically these factors have stimulated demand. The Directors have considered these factors in assessing the market and economic risk and currently regard this risk as low, given the Government supported housing initiatives and the apparent strength in the Housing market.

Funding and liquidity risk

Our relationship with our bankers is both strong and positive with good support and enthusiasm for our business model and our locations. The Company meets its day to day working capital requirements through its own cash reserves and through the cash flow generated from its principal activities, while also being reliant on funding from debt facilities.

The Group maintains long term finance facilities at variable rates to ensure that it has sufficient funds available for the Group's activities.

Financial risk policy

The Group's principal financial assets are bank balances and cash, trade debtors, other debtors and investments.

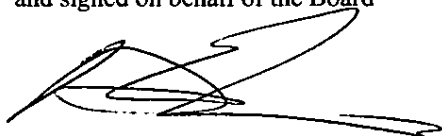
The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings, assigned by international credit rating agencies.

The Group's credit risk is primarily attributable to its trade debtors and amounts owed by participating interests. The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Future developments

The directors expect the Housing market to remain relatively stable throughout the coming year and as a result anticipate unit numbers and volumes to be consistent with the current year.

Approved by the Board of Directors
and signed on behalf of the Board



A J Grant
Director
18 December 2015

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 June 2015.

DIRECTORS

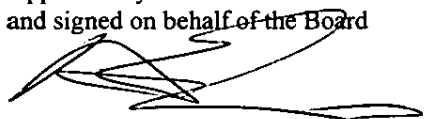
The directors who held office during the year and to the date of this report are:

G G Fraser
A J Grant
T E Allison (non-executive director)

DIRECTORS' AND OFFICERS' LIABILITY

The company maintains insurance to cover all directors and other officers indemnifying them against certain liabilities incurred by them while acting as officers of the company.

Approved by the Board of Directors
and signed on behalf of the Board



A J Grant
Director
18 December 2015

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

BALANCE SHEET
AS AT 30 JUNE 2015

	Note	30 June 2015 £'000	30 June 2014 £'000
FIXED ASSETS			
Investments	3	-	-
CURRENT ASSETS			
Debtors	4	4,769	4,769
Cash at bank and in hand		1	1
		<hr/>	<hr/>
		4,770	4,770
CREDITORS: amounts falling due within one year	5	(579)	(579)
		<hr/>	<hr/>
NET CURRENT ASSETS		4,191	4,191
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,191	4,191
		<hr/>	<hr/>
NET ASSETS		4,191	4,191
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Share premium	7	83,303	83,303
Capital redemption reserve	7	1,377	1,377
Merger reserve	7	20,500	20,500
	7	(100,991)	(100,991)
		<hr/>	<hr/>
SHAREHOLDER'S FUNDS	8	4,191	4,191
		<hr/>	<hr/>


The notes on pages 5 to 9 form an integral part of these financial statements.

For the financial year ended 30 June 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to qualifying subsidiaries. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The financial statements of Tulloch Group Limited (Company Registration No. SC166347) were approved by the Board of Directors on 18 December 2015.

Signed on behalf of the Board of Directors



A J Grant
Director

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been applied consistently throughout the current and prior year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going Concern

The Group's most recent financial projections show the business will continue to be profitable, with net assets increasing and net debt decreasing. There are committed banking facilities within the Group through to August 2017. In addition, the projections show that all banking covenants will be complied with throughout the period to August 2017.

The directors therefore have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Profit and loss account

The company did not trade during the current or prior year and, accordingly, no profit and loss account is presented within these financial statements.

Consolidation

The company is exempt from the requirement to prepare group accounts because it is a wholly owned subsidiary of another UK company which prepares consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow statement

The company has not presented a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised 1996) - "Cash Flow Statements" as Tulloch Homes Group Limited has included the company within its group financial statements.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. DIRECTORS' EMOLUMENTS

The company had no employees in the current or prior year. No remuneration was paid to or accrued by the directors during the year (2014: £nil).

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

3. FIXED ASSET INVESTMENTS

	Joint ventures £'000	Total £'000
Cost or valuation		
At 1 July 2014 and 30 June 2015	647	647
Provisions		
At 1 July 2014	(647)	(647)
Charge for the year	-	-
At 30 June 2015	(647)	(647)
Net book value		
At 30 June 2015	-	-
At 30 June 2014	-	-

During previous years the company impaired its carrying value in subsidiary undertakings as a result of the exceptional write downs in underlying assets within the respective entities.

The companies listed below were Group companies on 30 June 2015:

Company	Shares held		Principal activity
	Class	%	
Principal subsidiary undertakings			
Tulloch Homes (Scotia) Limited*	Ordinary	100	Homes
Inverness Holdings (Investments) Limited*	Ordinary	100	Investment
Tulloch Homes (Investments) Limited*	Ordinary	100	Investment
Inverness Caledonian Thistle Properties 2004 Limited	Ordinary	100	Property letting
Slackbuie Limited*	Ordinary	100	Homes
Argyll Homes North Limited*	Ordinary	100	Homes
Tulloch Limited*	Ordinary	100	Holding company
Tulloch Resorts Limited	Ordinary	100	Holding company
Tulloch Homes Limited*	Ordinary	100	Homes
Tulloch Homes Holdings Limited	Ordinary	100	Holding Company
Tulloch Holm Mains Limited	Ordinary	100	Homes
Tulloch Homes (Drumossie) Limited	Ordinary	100	Homes
Tulloch Homes (Inverness) Limited	Ordinary	100	Homes
Tulloch Homes (Highlands) Limited	Ordinary	100	Homes
Tulloch Homes Express Limited	Ordinary	100	Homes
Tulloch Homes (Drumnadrochit) Limited	Ordinary	100	Homes
Tulloch Homes Fortrose Limited	Ordinary	100	Homes
Tulloch Homes (West) Limited	Ordinary	100	Homes
Tulloch Homes (Tayside) Limited	Ordinary	100	Homes
Tulloch Homes Group Holdings Limited	Ordinary	100	Holding company
Argyll Homes South Limited	Ordinary	100	Homes
Tulloch Wick Limited	Ordinary	100	Property letting
Tulloch Dounreay Limited	Ordinary	100	Property letting
Highland House Limited	Ordinary	100	Property letting
Tulloch Caithness Limited	Ordinary	100	Homes
Brucefields Family Golf Centre Limited	Ordinary	100	Leisure
Castleglen Properties Deemount Limited	Ordinary	100	Homes
Ardassie Limited	Ordinary	100	Property development
Tulloch Homes (Grampian) Limited	Ordinary	100	Homes
Argyll Developments (Longman Drive) Limited	Ordinary	100	Property development

TULLOCH GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

3. FIXED ASSET INVESTMENTS (CONTINUED)

	Shares held		Principal activity
	Class	%	
Principal subsidiary undertakings (continued)			
Argyll Homes (Hamilton) Limited	Ordinary	100	Property development
Moray Firth Developments Limited	Ordinary	100	Property development
Cameron and Paterson Holdings Limited*	Ordinary	100	Homes
Cameron and Paterson Homes Limited	Ordinary	100	Homes
Tulloch Homes Highland Limited	Ordinary	100	Homes
Cradlehall Developments Limited	Ordinary	100	Property development
Argyll Developments (Scotland) Limited*	Ordinary	100	Property development
Brora Investments Limited	Ordinary	100	Property development
Fairways Developments Inverness Limited	Ordinary	100	Property development
Inverness Caledonian Thistle Properties Limited	Ordinary	100	Property letting
Portree Development Company Limited	Ordinary	100	Property development
Ross-shire Developments Limited	Ordinary	100	Property development
Duncraggie Limited	Ordinary	100	Property development
Loch Ness Country House Limited	Ordinary	100	Property development

	Shares held		
	Class	%	Principal activity
Principal joint ventures and participating interest			
Tulloch Homes Express Aviemore Limited	Ordinary	50	Leisure
Tulloch Ventureline Limited	Ordinary	50	Property development
Tulloch Gray Limited	Ordinary	50	Property development
SDG Tulloch Homes Limited	Ordinary	50	Property development
Pennyland Development Company Limited	Ordinary	50	Property development
Scottish Sustainable Homes Limited	Ordinary	50	Homes
West Highland Properties Limited	Ordinary	50	Property development
Inverness Estates Limited	Ordinary	25	Property development
Fort William Waterfront Limited	Ordinary	33	Property development

A complete list of the Group's subsidiaries, joint ventures and participating interests is available from the Company's registration records at Companies House.

All of the subsidiary, joint venture and participating interest companies are registered in Scotland and have year ends that are coterminous with the Company.

* Directly held by the Company

4. DEBTORS

	30 June 2015 £'000	30 June 2014 £'000
Amounts owed by group undertakings	4,769	4,769

TULLOCH GROUP LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

5. CREDITORS: amounts falling due within one year

	30 June 2015 £'000	30 June 2014 £'000
Amounts owed to related parties	579	579

6. SHARE CAPITAL

	30 June 2015 £'000	30 June 2014 £'000
Allotted, called up and fully paid		
1,378,120 Ordinary shares of £0.001 each	1	1
79,999,448 Redeemable B Preferred Ordinary shares at £0.00001 each	1	1

7. RESERVES

Company	Capital redemption reserve £'000	Merger reserve £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance at 1 July 2014	1,377	20,500	83,303	(100,991)	4,189
Profit for the financial year	-	-	-	-	-
Balance at 30 June 2015	1,377	20,500	83,303	(100,991)	4,189

8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	30 June 2015 £'000	30 June 2014 £'000
Result for the financial year	-	-
Opening shareholder's funds	4,191	4,191
Closing shareholder's funds	4,191	4,191

9. CONTINGENT LIABILITIES

The company was party to a cross guarantee arrangement with other group companies in respect of the group's multi-option bank borrowing facility which, at 30 June 2015, amounted to £13,745,000 (2014: £89,000,000).

TULLOCH GROUP LIMITED
(Previously Tulloch Homes Group Limited)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2015

10. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available to those subsidiaries that are 100% owned under FRS 8 "Related Party Disclosures". Accordingly, disclosure is not made of any related party transactions with the company's parent company or fellow subsidiaries.

The parent undertaking has guaranteed all outstanding liabilities to which the subsidiary company is subject at 30 June 2015, until they are satisfied in full.

11. ULTIMATE PARENT UNDERTAKING

At 30 June 2015, the immediate and ultimate parent company was Tulloch Homes Group Limited, a company registered in Scotland. Copies of the group financial statements of Tulloch Homes Group Limited are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh EH3 9FF.