

Kingdom Park Limited

Financial Statements for the year ended 30 June 2010
together with Directors' and Independent Auditor's Report

Registered Number: SC224807



Report of the Directors

The directors present their report and the financial statements of the company for the year ended 30 June 2010.

Principal activities

The principal activity of the company is development of land.

Going concern

The balance sheet at 30 June 2010 shows that the company is in a net current liability and net liability position. The future operational existence of the company is dependent on the continuing financial support provided by the ultimate parent company, Murray International Holdings Limited. The directors have placed reliance on the letter of support obtained from Murray International Holdings Limited.

The directors have reviewed the trading prospects and projected cash flows of the company and have agreed funding from its immediate parent company, Murray Estates Limited. On that basis the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have determined that it is appropriate to continue to adopt the going concern basis of accounting in the preparation of these financial statements.

Directors of the Company

The directors who served the company during the year were as follows:

Sir David E Murray
J R Davies
J D G Wilson (resigned 9 December 2009)
D W M Horne
D D Murray (resigned 5 May 2010)
M S McGill (appointed 5 March 2010)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- ensure applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Report of the Directors (continued)

Directors' responsibilities (continued)

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD



D W M Home
Secretary
22 October 2010

Report of the Independent Auditor to the Member of Kingdom Park Limited

We have audited the financial statements of Kingdom Park Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Member of Kingdom Park Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Edinburgh

25 October 2010

Profit and Loss Account

	Notes	Year to 30 June 2010 £	17 months to 30 June 2009 £
Other operating expenses	2	(48,224)	(5,697)
Operating loss		(48,224)	(5,697)
Interest payable and similar charges	3	(100,074)	(446,662)
Loss on ordinary activities before taxation	4	(148,298)	(452,359)
Tax on loss on ordinary activities	5	-	-
Loss for the financial year/period	10	(148,298)	(452,359)

The current year loss and prior period loss have been derived wholly from continuing operations.

The Company has no recognised gains or losses in either the current year or prior period other than the reported loss for each year/period and therefore no Statement of Total Recognised Gains and Losses is presented.

The reported loss on ordinary activities before taxation equates to the historical cost loss on ordinary activities before taxation.

The accompanying notes form an integral part of this profit and loss account.

Balance Sheet

	Notes	30 June 2010 £	30 June 2009 £
Fixed assets			
Tangible assets	6	<u>7,059,761</u>	<u>6,736,320</u>
Current assets			
Debtors	7	<u>12,219</u>	<u>2,744</u>
Creditors: amounts falling due within one year	8	<u>(8,688,994)</u>	<u>(8,207,780)</u>
Net current liabilities		<u>(8,676,775)</u>	<u>(8,205,036)</u>
Net liabilities		<u>(1,617,014)</u>	<u>(1,468,716)</u>
Capital and reserves			
Called-up share capital	9	1	1
Profit and loss account	10	<u>(1,617,015)</u>	<u>(1,468,717)</u>
Shareholders' deficit	11	<u>(1,617,014)</u>	<u>(1,468,716)</u>

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the directors on 22 October 2010 and are signed on their behalf by:

J R Davies

)

) Directors

D W M Horne

)

The Company's registration number is SC224807.

Notes to the Financial Statements

1. Accounting policies

The principal policies which have been applied consistently throughout the current year and prior period are:

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, unless otherwise stated.

No cash flow statement has been presented as provided by FRS 1 (Revised) as the consolidated financial statements of the ultimate holding company (Note 13) contain a consolidated cash flow statement and are publicly available.

The balance sheet at 30 June 2010 shows that the company is in a net current liability and net liability position. The future operational existence of the company is dependent on the continuing financial support provided by the ultimate parent company, Murray International Holdings Limited. The directors have placed reliance on the letter of support obtained from Murray International Holdings Limited.

The directors have reviewed the trading prospects and projected cash flows of the company and have agreed funding from its immediate parent company, Murray Estates Limited. On that basis the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have determined that it is appropriate to continue to adopt the going concern basis of accounting in the preparation of these financial statements.

(b) Fixed assets

Development properties are those sites and properties in respect of which construction and development have not been completed at the balance sheet date, and are reflected at cost, including an allocation of overheads and interest charges on external borrowings which are related to the properties, where recoverability is reasonably certain. Interest is capitalised from the point at which development sites or properties are acquired except where there is a substantial delay between acquisition and commencement of physical construction, when capitalisation will commence at the latter point. Profit is accrued on a conservative basis as developments proceed where the realisation of profit is reasonably certain.

Provisions are made against the carrying value of development properties when the directors consider that these policies are necessary to provide a true and fair view.

(c) Depreciation

No depreciation is charged on land held for development.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(d) Taxation

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

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are normally recognised in the financial statements of the surrendering undertakings.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2. Other operating expenses

The following is included in other operating expenses:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Administrative expenses	48,224	5,697

3. Interest payable and similar charges

The following are included in interest payable and similar charges:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Bank interest payable	100,074	446,662

4. Loss on ordinary activities before taxation

The audit fees were borne by another group undertaking in the current year and prior period.

During the year the company incurred no staff costs (2009 - £Nil). The directors did not receive any remuneration for services provided directly to the company during the current year or prior period.

Notes to the Financial Statements (continued)

5. Taxation on loss on ordinary activities

The tax credit comprises:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Current tax		
Adjustments in respect of prior periods	-	(127,713)
Total current tax	-	(127,713)

In the opinion of the directors there is an unprovided deferred tax asset of £205,367 (2009 - £163,843).

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Loss on ordinary activities before taxation	148,297	452,359
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (30 June 2009 – 28.23%)	(41,523)	(127,713)
Effects of:		
Unrelieved tax losses and other deductions ongoing in the period	41,523	127,713
Current tax credit for the year/period	-	-

The Company suffers its losses in the UK, therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax, currently 28% (2009 - 28.23%).

No deferred tax provision has been made in the current year. In the opinion of the directors no deferred tax provision is required.

Notes to the Financial Statements (continued)

6. Tangible fixed assets

	Development properties £
Cost	
At 1 July 2009	6,755,993
Additions	323,441
At 30 June 2010	<u>7,079,434</u>
Depreciation	
At 1 July 2009 and 30 June 2010	<u>19,673</u>
Net book value	
At 30 June 2010	<u>7,059,761</u>
At 30 June 2009	<u>6,736,320</u>

In forming a view on the carrying value of the development properties held within fixed assets the Directors take into consideration the stage reached in the planning process and the likely outcome.

7. Debtors

	2010 £	2009 £
VAT receivable	<u>12,219</u>	<u>2,744</u>

8. Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loans and overdrafts	50,200	7,979,154
Trade creditors	2,350	-
Amounts owed to other group undertakings	8,616,664	199,111
Accruals and deferred income	19,780	29,515
	<u>8,688,994</u>	<u>8,207,780</u>

The bank overdraft is secured by a bond and floating charge over all the assets of the company.

9. Share capital

	2010 £	2009 £
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called-up and fully paid:		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

Notes to the Financial Statements (continued)

10. Profit and loss account

	2010 £	2009 £
Balance brought forward	(1,468,717)	(1,016,358)
Retained loss for the financial year/period	(148,298)	(452,359)
Balance at 30 June 2010	<u>(1,617,015)</u>	<u>(1,468,717)</u>

11. Reconciliation of movements in shareholders' deficit

	2010 £	2009 £
Retained loss for the financial year/period	(148,298)	(452,359)
Opening shareholders' deficit	(1,468,716)	(1,016,357)
Closing shareholders' deficit	<u>(1,617,014)</u>	<u>(1,468,716)</u>

12. Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at 30 June 2010 (2009 - £Nil).

b) Contingent liabilities

The Company has guaranteed bank borrowings of the Company, its ultimate holding company, Murray International Holdings Limited and certain fellow subsidiary undertakings by cross guarantees. The total contingency at 30 June 2010 amounts to £600,708,620 (2009 - £440,063,446).

13. Ultimate holding company

The immediate parent company is Murray Estates Limited and the ultimate holding company is Murray International Holdings Limited, both of which are registered in Scotland.

The largest group in which the results of the Company are consolidated is that headed by the ultimate holding company whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR. Copies of Murray International Holdings Limited's financial statements are available from the above address.

14. Ultimate control

Sir D E Murray, a director of the ultimate holding company (Note 13), and members of his close family control the Company as a result of controlling directly or indirectly 76% of the issued share capital of the ultimate holding company.