

Registered number: SC224807

Kingdom Park Limited



Annual Report and Financial Statements

For the year ended 31 December 2015



Kingdom Park Limited

Company Information

Directors	Sir D E Murray J R Davies E N Campbell (appointed 27 June 2016) R J Wilkie (appointed 27 June 2016)
Registered number	SC224807
Registered office	26 Charlotte Square Edinburgh Midlothian EH2 4ET
Independent auditor	Ernst & Young LLP 10 George Street Edinburgh EH2 2DZ

Kingdom Park Limited

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Kingdom Park Limited

Directors' Report
For the year ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal activities

The principal activity of the Company is development of land.

Directors

The directors who served during the year were:

Sir D E Murray
J R Davies
E N Campbell (Appointed 27/06/16)
R J Wilkie (Appointed 27/06/16)

Going concern

The Company is dependant on the continuing financial support provided by Murray Capital Limited. The directors have placed reliance on the letter of support obtained from Murray Capital Limited.

The directors have reviewed the trading prospects and projected cash flows of the Company and have agreed funding from its intermediate parent company, Murray Capital 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Kingdom Park Limited

Directors' Report (continued)
For the year ended 31 December 2015

Auditors

Ernst & Young LLP were appointed as auditors during the year.

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. The directors have taken advantage of the small companies exemption provided by Section 414B of the Companies Act 2006 not to provide a Strategic Report.

This report was approved by the board on 7 October 2016 and signed on its behalf.



E N Campbell
Director

Kingdom Park Limited

**Directors' responsibilities statement
For the year ended 31 December 2015**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent auditor's report to the members of Kingdom Park Limited

We have audited the financial statements of Kingdom Park Limited for the year ended 31 December 2015, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of changes in equity and the related notes 1 to 15. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

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 those accounts. In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

Independent auditor's report to the members 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Paul Copland (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

Edinburgh

Date: 7 October 2016

Kingdom Park Limited

**Statement of comprehensive income
For the year ended 31 December 2015**

		31 December 2015	18 months ended 31 December 2014
	Note	£	£
Administrative expenses		(79,045)	(204,616)
Operating loss	3	(79,045)	(204,616)
Interest payable and expenses	6	(1,080,721)	(953,807)
Loss before tax		(1,159,766)	(1,158,423)
Tax on loss	7	-	-
Total comprehensive loss for the year		<u>(1,159,766)</u>	<u>(1,158,423)</u>

Amounts relate to continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

Kingdom Park Limited
Registered number: SC224807

Statement of financial position
As at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Stocks	8	4,725,345	4,609,944
Debtors: amounts falling due within one year	9	4,553	8,129
Cash and cash equivalents	10	37,302	316
		<u>4,767,200</u>	<u>4,618,389</u>
Creditors: amounts falling due within one year	11	(11,068)	(38,038)
Net current assets		<u>4,756,132</u>	<u>4,580,351</u>
Total assets less current liabilities		<u>4,756,132</u>	<u>4,580,351</u>
Creditors: amounts falling due after more than one year	12	(11,945,541)	(10,609,994)
Net liabilities		<u>(7,189,409)</u>	<u>(6,029,643)</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account		(7,189,410)	(6,029,644)
Shareholders' deficit		<u>(7,189,409)</u>	<u>(6,029,643)</u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

7 October 2016

E N Campbell
 Director

The notes on pages 9 to 14 form part of these financial statements.

Kingdom Park Limited

Statement of changes in equity
For the year ended 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	1	(6,029,644)	(6,029,643)
Comprehensive loss for the year			
Loss for the year	-	(1,159,766)	(1,159,766)
Other comprehensive loss for the year	-	-	-
Total comprehensive loss for the year	-	(1,159,766)	(1,159,766)
At 31 December 2015	1	(7,189,410)	(7,189,409)

Statement of changes in equity
For the year ended 31 December 2014

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 July 2013	1	(4,871,221)	(4,871,220)
Comprehensive loss for the period			
Loss for the period	-	(1,158,423)	(1,158,423)
Other comprehensive loss for the period	-	-	-
Total comprehensive loss for the period	-	(1,158,423)	(1,158,423)
At 31 December 2014	1	(6,029,644)	(6,029,643)

The notes on pages 9 to 14 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in Note 15.

The financial statements of Kingdom Park Limited were authorised for issue by the Board of Directors on 30 September 2016. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements have been prepared in sterling which is the functional currency of the company.

Kingdom Park Limited is a limited liability company incorporated in Scotland. The registered office is 26 Charlotte Square, Edinburgh, Midlothian, EH2 4ET.

The comparative financial period was 18 month period for 31 December 2014.

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Murray Capital Group Limited as at 31 December 2015 and these financial statements may be obtained from 26 Charlotte Square, Edinburgh, Midlothian, EH2 4ET.

1.3 Going concern

The Company is dependant on the continuing financial support provided by Murray Capital Limited. The directors have placed reliance on the letter of support obtained from Murray Capital Limited.

The directors have reviewed the trading prospects and projected cash flows of the Company and have agreed funding from its intermediate parent company, Murray Capital 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.

1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax.

**Notes to the financial statements
For the year ended 31 December 2015**

1. Accounting policies (continued)

1.5 Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable overheads based on normal levels of activity. Provision is made for any obsolete and slow moving stock.

Development properties held for development and resale are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development until legal completion of sale, is valued at cost. Work in progress on development properties is valued at the cost of labour and materials plus capitalised legal and professional fees.

1.6 Short term-debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

1.7 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1.9 Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using 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 other group undertakings. The tax benefits arising from group relief are 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.

Kingdom Park Limited

**Notes to the financial statements
For the year ended 31 December 2015**

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In the view of the directors there are no critical judgements affecting the Company's financial statements.

3. Operating loss

The operating loss is stated after charging:

	18 months ended
	31 December 2015
	£
Development fees	-
	57,502

4. Auditor's remuneration

In the current period, auditors remuneration has been incurred by Murray Estates Development Limited for all Murray Estates entities.

5. Employees

The company has no employees other than the directors. No directors received any emoluments during the period in respect of services to the company (2014: £nil).

The directors were remunerated by other group companies and it is not possible to separately identify remuneration for qualifying services to this company.

6. Interest payable

	18 months ended
	31 December 2015
	£
On loans from group undertakings	1,080,721
	953,807

Kingdom Park Limited

**Notes to the financial statements
For the year ended 31 December 2015**

7. Taxation

There is no tax charge or credit in the current or prior year.

No provision has been made for deferred taxation, as it is unlikely that the Company will generate sufficient taxable profits in the future to utilise this amount. There was an unrecognised deferred taxation asset at 31 December 2015 of £550,758 (2014: £380,000).

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 22%). The differences are explained below:

	31 December 2015 £	18 months ended 31 December 2014 £
Loss on ordinary activities before tax	(1,159,766)	(1,158,423)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 22%)	(234,813)	(254,832)
Effects of:		
Deferred tax not recognised	234,813	254,832
Total tax charge for the year/period	-	-

Factors that may affect future tax charges

The standard rate of UK corporation tax reduced from 21% to 20% on 1 April 2015. The Finance Act (No.2) 2015 includes legislation which will reduce the rate further to 19%, from 1 April 2017, and to 18%, from 1 April 2020. The Finance Act (No.2) 2015 was substantively enacted on 26 October 2015 and given Royal Assent on 18 November 2015. Accordingly these rates have been applied in the measurement of the deferred tax balances at 31 December 2015. Further to the Budget announcement on 16 March 2016, the corporation tax rate will now be reduced to 17% from 1 April 2020. The effect of this subsequent reduction on deferred tax has not been reflected in these financial statements due to the relevant legislation not having been substantively enacted at the reporting date.

8. Stocks

	2015 £	2014 £
Development land	4,725,345	4,609,944

Kingdom Park Limited

**Notes to the financial statements
For the year ended 31 December 2015**

9. Debtors

	2015 £	2014 £
Other debtors	<u>4,553</u>	<u>8,129</u>

10. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	<u>37,302</u>	<u>316</u>

11. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	<u>11,068</u>	<u>38,038</u>

12. Creditors: Amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertaking	<u>11,945,541</u>	<u>10,609,994</u>

13. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

14. Controlling party

The immediate parent company is Murray Estates Limited and the ultimate holding company is Murray Capital Group 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 26 Charlotte Square, Edinburgh, EH2 4ET. Copies of Murray Capital Group Limited's financial statements are available from the above address.

**Notes to the financial statements
For the year ended 31 December 2015**

15. First time adoption of FRS 102

For all periods up to and including the year ended 31 December 2014, the Company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first the Company has prepared in accordance with FRS 102. Accordingly, the Company has prepared individual financial statements which comply with FRS 102 applicable for periods beginning on or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

The accounting policies applied under the entity's previous accounting framework are not materially different to FRS 102 and had no material impact on equity or profit or loss.