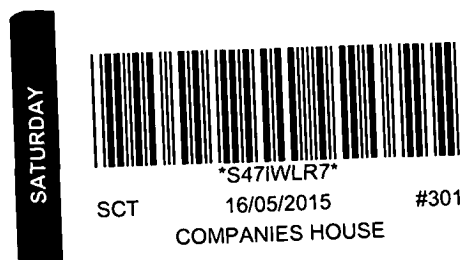


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Buccleuch Property Developments Limited

Financial statements

For the year ended 31 October 2014



Company No. SC257360

Officers and professional advisors

Company registration number

SC257360

Registered office

Head Office
Weatherhouse
Bowhill
SELKIRK
TD7 5ES

Directors

A F Nisbet
R W Shields
J S Alexander (Appointed 17/04/14)
K M Ross (Resigned 19/09/2014)
J C Lamont (Resigned 31/10/2013)

Secretary

M J McGrath

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
EDINBURGH
EH2 2YB

Solicitors

Anderson Strathern LLP
1 Rutland Court
EDINBURGH
EH3 8EY

Auditor

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
7 Exchange Crescent
Conference Square
EDINBURGH
EH3 8AN

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 October 2014.

Principal activities

The principal activity of the company during the year was the provision of rural management, architectural and planning services.

Going concern

Trading forecasts and projections show that the company can continue to generate positive cash flows for the foreseeable future. As a consequence, the directors believe the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future; therefore they continue to adapt the going concern basis of accounting in preparing the financial statements.

Directors

The directors who served the company during the year and up to the date of signing these financial statements were as follows:

A F Nisbet
R W Shields
J S Alexander (Appointed 17/04/2014)
K M Ross (Resigned 19/09/2014)
J C Lamont (Resigned 31/10/2013)

Directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

Report of the directors (continued)

Provision 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
- the director has taken all steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is 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

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

ON BEHALF OF THE BOARD

A F Nisbet
Director


.....
26.3.15



Independent auditor's report to the member of Buccleuch Property Developments Limited

We have audited the financial statements of Buccleuch Property Developments Limited for the year ended 31 October 2014 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 the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 October 2014 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.

Independent auditor's report to the member of Buccleuch Property Developments Limited (continued)

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.

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 in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.



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

26/3/15

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

The turnover shown in the profit and loss account principally represents amounts earned during the year in respect of architectural design and project management fees on buildings owned by customers internal and external to The Buccleuch Estates Limited. In addition turnover was derived from fees earned for rural management services.

In respect of long-term contracts for ongoing services, turnover represents the value of work done in the year with reference to a fee structure, based on completion of services to planning application and building warrant stages.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 5 years
IT Equipment (included within Plant & Machinery)	- 3 years

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Accounting policies (continued)

Deferred taxation (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2014 £	2013 £
Turnover		943,322	757,383
Other operating charges	1	<u>(970,959)</u>	<u>(785,571)</u>
Operating loss	2	(27,637)	(28,188)
Profit on disposal of fixed asset		-	660
Interest receivable		4,807	1,133
Interest payable		<u>(5,905)</u>	<u>(3,092)</u>
Loss on ordinary activities before taxation		(28,735)	(29,487)
Tax on profit on ordinary activities	3	<u>4,911</u>	<u>1,406</u>
Loss for the financial year	12	<u>(23,824)</u>	<u>(28,081)</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

Balance sheet

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	6	13,875	3,600
Current assets			
Debtors	7	404,013	443,848
		<u>404,013</u>	<u>443,848</u>
Creditors: amounts falling due within one year	8	(180,292)	(186,028)
Net current assets		<u>223,721</u>	<u>257,820</u>
Total assets less current liabilities		<u>237,596</u>	<u>261,420</u>
Capital and reserves			
Called-up equity share capital	11	100	100
Profit and loss account	12	237,496	261,320
Shareholders' funds		<u>237,596</u>	<u>261,420</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors on 26.3.15 and are signed on their behalf by:



A F Nisbet
Director

Notes to the Financial Statements

1 Other operating charges

	2014	2013
	£	£
Administrative expenses	<u>970,959</u>	<u>785,571</u>

2 Operating loss

Operating loss is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	7,715	3,691
Auditor's fees	<u>3,050</u>	<u>2,925</u>

3 Taxation on ordinary activities

Corporation tax losses arising in the period have been carried forward for offset against future taxable profits.

The tax credit reported in the Profit and Loss Account represents an adjustment from prior years.

Notes to the Financial Statements

4 Pensions

A number of the company's employees are members of The Buccleuch Estates Limited group defined benefit pension scheme.

The assets of the scheme are held separately from those of the group in independently administered funds.

The contributions to the scheme are determined with the advice of an independent qualified actuary on the basis of a triennial valuation using the projected unit method.

The most recent actuarial valuation of the scheme was carried out at 1 May 2012 and was updated to 31 October 2014 by a qualified actuary. The main assumptions used for the updates were as follows:

	At 31 October 2014	At 31 October 2013
Discount rate	4.00%	4.40%
Salary increases	3.30%	3.40%
Pension increases in payment (capped at 5.00% pa)	3.30%	3.40%
Pension increases in payment (capped at 2.50% pa)	2.50%	2.50%
Increases to deferred pensions	3.30%	3.40%
Expected return on equities	5.90%	6.30%
Expected return on bonds	3.40%	3.70%
Expected return on others	0.50%	0.50%

At the date of the latest updated actuarial valuation the market value of the scheme's assets was £26,330,000 (2013 - £23,078,000) and the actuarial value of the assets was sufficient to cover 77.6% (2013 - 70.6%) of the benefits that had accrued to members. The deficit of £6,083,000 (2013 - £7,587,000), stated after deducting the related deferred tax asset of £1,521,000 (2013 - £2,017,000), has been included in the consolidated financial statements of The Buccleuch Estates Limited, the ultimate parent company. This is a multi-employer scheme of which the company is unable to identify its share of the underlying assets and liabilities in the defined benefit scheme on a consistent and reasonable basis. In line with other companies within the group the company accounts for the employer contributions as if the scheme was a defined contribution scheme.

Further information regarding the scheme is disclosed in the group financial statements of the parent undertaking.

Notes to the Financial Statements

5 Particulars of employees

The company has no employees and neither the directors nor the secretary received any remuneration from the company in either year.

The parent undertaking, The Buccleuch Estates Limited, makes a charge for the services of its personnel and the charge for the year was £557,592 (2013: £462,144).

The directors are employees of the holding company, The Buccleuch Estates Limited, and are also directors of other group subsidiaries. Emoluments are paid by The Buccleuch Estates Limited and it is not practicable to allocate emoluments between their services as executives of The Buccleuch Estates Limited and their services as directors of this company and other subsidiaries.

One (2013 - one) director is accruing benefits under a defined benefit pension scheme and two (2013 - two) directors are accruing benefits under a defined contribution scheme in respect of their services to the group companies.

6 Tangible fixed assets

	Plant & Machinery
	£
Cost	
At 31 October 2013	34,032
Additions	17,990
Disposals	-
At 31 October 2014	<u>52,022</u>
Depreciation	
At 31 October 2013	30,432
Charge for the year	7,715
Disposals	-
At 31 October 2014	<u>38,147</u>
Net book value	
At 31 October 2014	<u>13,875</u>
At 31 October 2013	<u>3,600</u>

Notes to the Financial Statements

7 Debtors

	2014 £	2013 £
Trade debtors	291,798	338,826
Amounts owed by group undertakings	90,341	56,042
Other debtors	21,874	48,980
	<u>404,013</u>	<u>443,848</u>

8 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdraft	38,357	31,813
Trade creditors	25,194	103,378
Amounts owed to group undertakings	59,323	44,155
Other creditors	57,418	6,682
	<u>180,292</u>	<u>186,028</u>

9 Contingent liability

The directors have signed an unlimited inter company guarantee in favour of the group's bankers in respect of the group's global overdraft and debt facility. The company had a total contingent liability at 31 October 2014 of £89,469,604.

10 Related party transactions

Related party transactions with other group undertakings are excluded from the consolidated financial statements of The Buccleuch Estates Limited and are therefore exempt from disclosure in these financial statements.

Notes to the Financial Statements

11 Share capital

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

12 Profit and loss account

	2014	2013
	£	£
Balance brought forward	261,320	289,401
Loss for the financial year	(23,824)	(28,081)
Balance carried forward	<u>237,496</u>	<u>261,320</u>

13 Ultimate parent company

The company's parent undertaking and controlling entity is The Buccleuch Estates Limited, a company registered in Scotland.