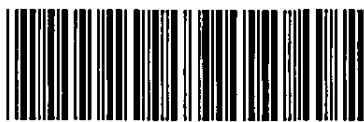


Murray Estates RH Limited

**Financial Statements for the year ended 30 June 2011 together with
Directors' and Independent Auditor's Reports**

Registered Number: SC334587

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Report of the Directors

The directors present their report and the financial statements of the Company for the year ended 30 June 2011.

Principal activities

The principal activity of the Company during the period was the investment in UK residential undertakings for medium and long-term performance. The Company itself did not trade during the year. Profit for the year arose from transactions relating to a prior period.

Going concern

The balance sheet at 30 June 2011 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 and to the date of this report were as follows:

Sir D E Murray
J R Davies
D W M Horne (resigned 31 May 2011)
M S McGill

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). 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 those 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.

Financial risk management

The Company's operations expose it to a variety of financial risks as discussed below. The Company has a risk management programme that seeks to limit the effect of such risks on financial performance.

Foreign currency risk

The Company does not enter into foreign currency transactions. The directors therefore consider the Company is not exposed to any foreign currency movement risk.

Credit risk

The Company's exposure to credit related losses in the event of the non-performance by counterparties is mitigated by the nature of the Company's trade. Land and property transactions are completed only when the counterparty delivers the necessary funds.

Liquidity risk

Operations are financed by income generated from sales and a loan from Murray Estates Limited. The objective is to ensure funding which offers flexibility and cost effectiveness to match the needs of the Company and Group.

Cashflow risk

The Company has arranged funding entirely through Murray Estates Limited.

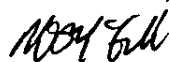
Auditor

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



M S McGill
Director

27 March 2012

Report of the Independent Auditor to the member of Murray Estates RH Limited

We have audited the financial statements of Murray Estates RH Limited for the year ended 30 June 2011 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/private.cfm

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 2011 and of its profit 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 Auditor to the member of Murray Estates RH 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.

Grant Thornton UK LLP

Lorraine Macphail
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
28 March 2012

Profit and Loss Account

	Notes	Year to 30 June 2011 £	17 months to 30 June 2010 £
Other operating expenses	2	2,832	(6,713)
Waiver of loan to joint venture undertaking	3	-	(27,060)
Operating profit/(loss)		2,832	(33,773)
Interest payable and similar charges	5	-	(17,196)
Profit/(loss) on ordinary activities before taxation	6	2,832	(50,969)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year/period	11/12	2,832	(50,969)

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

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

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

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

Balance Sheet

	Notes	30 June 2011 £	30 June 2010 £
Fixed assets			
Investments	8	21,051	21,051
Current assets			
Cash in bank		8	1,439
Creditors: amounts falling due within one year	9	(675,737)	(680,000)
Net current liabilities		(675,729)	(678,561)
Net liabilities		(654,678)	(657,510)
Capital and reserves			
Called-up share capital	10	1,000	1,000
Profit and loss account	11	(655,678)	(658,510)
Shareholders' deficit	12	(654,678)	(657,510)

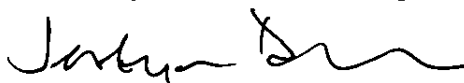

The accompanying notes form an integral part of this balance sheet.

These financial statements were approved by the directors on 27 March 2012 and are signed on their behalf by:

J R Davies

M S McGill

} Directors

The Company's registration number is SC334587.

Notes to the Financial Statements

1. Accounting policies

The principal accounting 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 parent company (Note 14) contain a consolidated cash flow statement and are publicly available.

The balance sheet at 30 June 2011 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) Investments

Investments in subsidiary and joint venture undertakings are stated at cost less provision for impairment.

(c) Taxation

Current tax, including UK corporation tax and foreign 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 given for nil consideration.

Notes to the Financial Statements (continued)

(d) Taxation (continued)

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 not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

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 (credited)/charged to other operating expenses:

	Year to 30 June 2011 £	17 months to 30 June 2010 £
Administrative expenses	(2,832)	6,713

3. Waiver of loan to joint venture undertaking

The charge of £Nil (2010 - £27,060) related to a part-waiver of a loan to the joint venture undertaking in the prior period.

4. Staff costs

The Company had no employees during the current year and prior period and none of the directors received any remuneration from the Company or from other undertakings in respect of services to it (2010 - £nil).

5. Interest payable and similar charges

The following is included in interest payable and similar charges:

	Year to 30 June 2011 £	17 months to 30 June 2010 £
On bank overdraft	-	17,196

Notes to the Financial Statements (continued)

6. Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	Year to 30 June 2011 £	17 months to 30 June 2010 £
Auditor's remuneration for audit services	-	1,833

In the current year audit fees were borne by another group undertaking.

7. Tax on loss on ordinary activities

The tax charge comprises:

	Year to 30 June 2011 £	17 months to 30 June 2010 £
Current tax	-	-
UK corporation tax	-	-

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

	Year to 30 June 2011 £	17 months to 30 June 2010 £
Profit/(loss) on ordinary activities before tax	2,832	(50,969)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 27.50% (2010 - 28%)	779	(14,271)
Effects of:		
Unrelieved tax losses and other deductions	-	12,773
Expenses not deductible for tax purposes	-	1,498
Utilisation of brought forward tax losses	(779)	-
Current tax (credit)/charge for the year/period	-	-

The Company suffers its losses in the UK, therefore the tax rate used for tax on profit/(loss) on ordinary activities is the standard rate for UK corporation tax, currently 27.50% (2010 - 28%).

No deferred tax provision has been made in the current year. In the opinion of the directors there is an unprovided deferred tax asset at 30 June 2011 of £165,778 (2010 - £179,323).

Notes to the Financial Statements (continued)

8. Investments

	2011 £	2010 £
Investments in subsidiary undertakings	<u>21,051</u>	<u>21,051</u>

9. Creditors: amounts falling due within one year

The following are included in creditors falling due within one year:

	2011 £	2010 £
Accruals and deferred income	-	4,328
Amounts due to other group undertakings	675,687	675,622
Other Creditors	50	50
	<u>675,737</u>	<u>680,000</u>

10. Called-up share capital

	2011 £	2010 £
Allotted, called-up and fully paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. Profit and loss account

The movement in the year was as follows:

	2011 £
Balance at 30 June 2010	(658,510)
Profit for the financial year	<u>2,832</u>
Balance at 30 June 2011	<u>(655,678)</u>

Notes to the Financial Statements (continued)

12. Reconciliation of movements in shareholders' deficit

	2011 £	2010 £
Profit/(loss) for the financial year/period	2,832	(50,969)
Opening shareholders' deficit	(657,510)	(606,541)
Closing shareholders' deficit	<u>(654,678)</u>	<u>(657,510)</u>

13. Guarantees, contingencies and other financial commitments

a) Capital commitments

There were no capital commitments at 30 June 2011 (2010 - £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 2011 amounts to £542,317,683 (2010 - £600,702,090). The Company's obligations under the cross-guarantee are secured by a bond and floating charge over all of its assets.

c) VAT

The Company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result it has jointly guaranteed the VAT liability of the group and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. The directors are of the opinion that no additional liability is likely to arise.

14. 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 10 Charlotte Square, Edinburgh EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address.

15. Ultimate control

Sir D E Murray, a director of the ultimate holding company (Note 14), and members of his close family control the Company as a result of controlling directly or indirectly 70% (2010: 76%) of the issued share capital of the ultimate holding company.

16. Post balance sheet events

On 7 March 2012, Murray International Holdings Limited and certain of its subsidiaries completed a financial restructuring, details of which are set out in the financial statements of Murray International Holdings Limited for the period ended 30 June 2011.