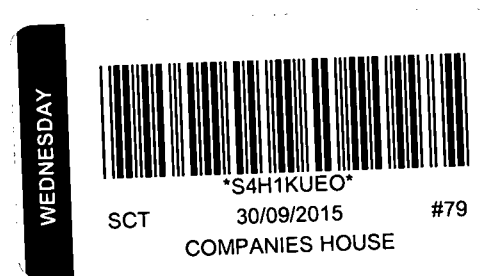


Financial Statements Murray Estates Limited

For the period ended 31 December 2014



Registered number: SC354028

Company Information

Directors	Jestyn Rowland Davies Sir David Edward Murray M S McGill (resigned 28 February 2014) D W Muir (resigned 28 February 2014)
Registered number	SC354028
Registered office	26 Charlotte Square Edinburgh EH2 4ET
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 95 Bothwell Street Glasgow G2 7JZ

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Directors' Report

For the period ended 31 December 2014

The directors present their report and the financial statements for the period ended 31 December 2014.

Directors' responsibilities statement

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 law). 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 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.

Principal activities

The principal activity of the Company is that of a holding and management company of a group of businesses engaged in the development of land and properties.

Directors

The directors who served during the period were:

Jestyn Rowland Davies
Sir David Edward Murray
M S McGill (resigned 28 February 2014)
D W Muir (resigned 28 February 2014)

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.

Directors' Report


For the period ended 31 December 2014

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

This report was approved by the board on 28 September 2015 and signed on its behalf.



Jestyn Rowland Davies
Director

Independent Auditor's Report to the Members of Murray Estates Limited

We have audited the financial statements of Murray Estates Limited for the period ended 31 December 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 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, 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 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 December 2014 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.



Independent Auditor's Report to the Members of Murray Estates Limited

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 from the requirement to prepare a strategic report..

Grant Thornton UK LLP

Lorraine Macphail (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Glasgow

Date: *30 September 2015*

Profit and Loss Account

For the period ended 31 December 2014

		Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
	Note		
Turnover	1,2	208,416	-
Administrative expenses		(289,758)	(22,247,828)
Operating loss	3	(81,342)	(22,247,828)
Exceptional items			
Exceptional items	7	2,027,523	(3,610,250)
Profit/(loss) on ordinary activities before interest		1,946,181	(25,858,078)
Interest receivable and similar income	5	2,435,100	-
Interest payable and similar charges	6	(154,001)	(587,125)
Profit/(loss) on ordinary activities before taxation		4,227,280	(26,445,203)
Tax on profit/(loss) on ordinary activities	8	-	-
Profit/(loss) for the financial period	15	4,227,280	(26,445,203)

The notes on pages 7 to 13 form part of these financial statements.

Balance Sheet

As at 31 December 2014

		31 December 2014		30 June 2013	
	Note	£	£	£	£
Fixed assets					
Tangible assets	9		7,390		-
Investments	10		2,347,691		2,347,691
			<u>2,355,081</u>		<u>2,347,691</u>
Current assets					
Debtors	11	5,236,953		1,123,399	
Cash at bank		126,717		-	
		<u>5,363,670</u>		<u>1,123,399</u>	
Creditors: amounts falling due within one year	12	(94,295)		(23,875,278)	
Net current assets/(liabilities)			<u>5,269,375</u>		<u>(22,751,879)</u>
Total assets less current liabilities			<u>7,624,456</u>		<u>(20,404,188)</u>
Creditors: amounts falling due after more than one year	13		(323,943)		(25,200,000)
Net assets/(liabilities)			<u><u>7,300,513</u></u>		<u><u>(45,604,188)</u></u>
Capital and reserves					
Called up share capital	14		48,677,422		1
Profit and loss account	15		(41,376,909)		(45,604,189)
Shareholders' funds/(deficit)	16		<u><u>7,300,513</u></u>		<u><u>(45,604,188)</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2015.



Jestyn Rowland Davies
Director

The notes on pages 7 to 13 form part of these financial statements.

Notes to the Financial Statements

For the period ended 31 December 2014

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 the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 Going concern

The Company is dependent 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.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

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 and trade discounts.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	-	5-25 years
Computer equipment	-	5-25 years

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

Notes to the Financial Statements

For the period ended 31 December 2014

1. Accounting Policies (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Exceptional items

Exceptional items are those that in management's judgement need to be disclosed by virtue of their size or incidence. These items are included within the Profit and Loss caption to which they relate and are separately disclosed in the notes to the accounts, or on the face of the Profit and Loss account.

2. Turnover

The whole of the turnover is attributable to management fees.

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging:

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
Auditor's remuneration	8,500	21,000
Pension costs	32,228	17,787
	<hr/> <hr/>	<hr/> <hr/>

During the period, no director received any emoluments (2013 - £NIL).

Notes to the Financial Statements

For the period ended 31 December 2014

4. Staff costs

Staff costs were as follows:

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
Wages and salaries	128,554	241,064
Social security costs	36,189	36,427
Other pension costs	32,228	17,787
	<u>196,971</u>	<u>295,278</u>

The average monthly number of employees, including the directors, during the period was as follows:

Period Ended 31 December 2014 No.	Year Ended 30 June 2013 No.
<u>2</u>	<u>3</u>

5. Interest receivable

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
Interest receivable from group companies	<u>2,435,100</u>	<u>-</u>

6. Interest payable

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
On bank loans and overdrafts	146,499	587,125
On loans from group undertakings	7,502	-
	<u>154,001</u>	<u>587,125</u>

Notes to the Financial Statements

For the period ended 31 December 2014

7. Exceptional items

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
Amounts written off investment	-	(3,610,250)
Group restructuring and over provision release	2,027,523	-
	<u>2,027,523</u>	<u>(3,610,250)</u>

8. Taxation**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is the same as (2013 - the same as) the standard rate of corporation tax in the UK of 22% (2013 - 23.75%) as set out below:

	Period Ended 31 December 2014 £	Year Ended 30 June 2013 £
Profit/loss on ordinary activities before tax	<u>4,227,280</u>	<u>(26,445,203)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2013 - 23.75%)	929,925	(6,280,736)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(445,345)	857,434
Capital allowances for period/year in excess of depreciation	(413)	-
Utilisation of tax losses	(123,689)	-
Other timing differences leading to an increase (decrease) in taxation	-	1,782
Non-taxable income	-	(48,793)
Changes in provisions leading to an increase (decrease) in the tax charge	-	5,147,768
Unrelieved tax losses carried forward	-	322,545
Group relief	(360,478)	-
Current tax charge for the period/year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The UK Corporation tax rate of 21% took effect from 1 April 2014.

Further changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include changes to reduce the main rate of corporation tax to 20% from 1 April 2015. As these changes have been substantively enacted at the balance sheet date their effects have been included in these financial statements.

Notes to the Financial Statements

For the period ended 31 December 2014

9. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 July 2013	-	-	-
Additions	4,541	2,849	7,390
At 31 December 2014	4,541	2,849	7,390
Depreciation			
At 1 July 2013 and 31 December 2014	-	-	-
Net book value			
At 31 December 2014	4,541	2,849	7,390
At 30 June 2013	-	-	-

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2013 and 31 December 2014	2,347,691
Net book value	
At 31 December 2014	2,347,691
At 30 June 2013	2,347,691

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Holding
Freespace Living Limited	Residential Property	100%
Kingdom Park Limited	Development of Land	100%
Murray Estates Lothian Limited	Development of Land	100%
New Brannock Limited	Development of Land	100%

Notes to the Financial Statements

For the period ended 31 December 2014

11. Debtors

	31 December 2014	30 June 2013
	£	£
Trade debtors	3,665	-
Amounts owed by group undertakings	5,232,441	1,120,507
Other debtors	847	2,892
	<u>5,236,953</u>	<u>1,123,399</u>

12. Creditors:

Amounts falling due within one year

	31 December 2014	30 June 2013
	£	£
Bank loans and overdrafts	-	21,802,407
Trade creditors	11,607	6,409
Amounts owed to group undertakings	7,733	1,646,385
Other taxation and social security	28,984	8,692
Accruals and deferred income	44,000	262,438
Other creditors	1,971	148,947
	<u>94,295</u>	<u>23,875,278</u>

13. Creditors:

Amounts falling due after more than one year

	31 December 2014	30 June 2013
	£	£
Amounts owed to group undertakings	<u>323,943</u>	<u>25,200,000</u>

14. Share capital

	31 December 2014	30 June 2013
	£	£
Allotted, called up and fully paid		
48,677,422 (2013 - 1) Ordinary Share shares of £1 each	<u>48,677,422</u>	<u>1</u>

During the period the Company issued 48,677,421 ordinary shares with a nominal value of £1 each.

Notes to the Financial Statements

For the period ended 31 December 2014

15. Reserves

	Profit and loss account £
At 1 July 2013	(45,604,189)
Profit for the period	4,227,280
	<hr/>
At 31 December 2014	(41,376,909)
	<hr/>

16. Reconciliation of movement in shareholders' funds

	31 December 2014 £	30 June 2013 £
Opening shareholders' deficit	(45,604,188)	(19,158,986)
Profit/(loss) for the financial period/year	4,227,280	(26,445,203)
Shares issued during the period/year	48,677,421	1
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	7,300,513	(45,604,188)
	<hr/>	<hr/>

17. Related party transactions

In accordance with the exemptions provided under Financial Reporting Standard 8 for companies whose voting rights are 100% owned within a group, the company has not disclosed transactions with other wholly owned subsidiary undertakings of the ultimate holding company (Note 18).

18. Ultimate parent undertaking and controlling party

The immediate parent company is Murray Estates Developments Limited and ultimate holding company is Murray Capital Group Limited, both of which are registered in Scotland. The largest group 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 the Murray Capital Group Limited financial statements are available from the above address.