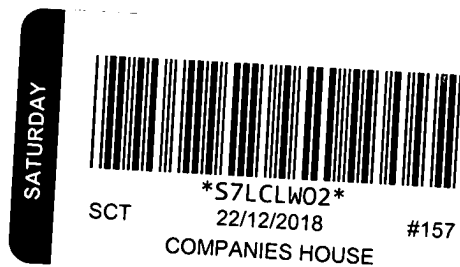


Muirfield Homes Limited
Directors' report and financial statements
For the year ended 30 June 2018
Registered number SC116895



Contents

	<i>Page</i>
Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditor's report to the members of Muirfield Homes Limited	4
Statement of profit and loss account and reserves	7
Balance sheet	8
Notes to the financial statements	9

Company information

Board of Directors

I D Lowe
M J Baynham

Secretary

M J Baynham

Registered Office

61a North Castle Street
Edinburgh
EH2 3LJ

Auditor

Johnston Carmichael LLP
7 – 11 Melville Street
Edinburgh
EH3 7PE

Bankers

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2018.

Activities and review of business

The principal activities of the company are the acquisition and development of property.

Results

The loss for the year after taxation amounted to £31,497 (2017: *profit* £486,244). No dividends were paid or proposed (2017: *£nil*).

Directors

The directors who held office during the year and up to the date of this report were as follows:

I D Lowe
M J Baynham

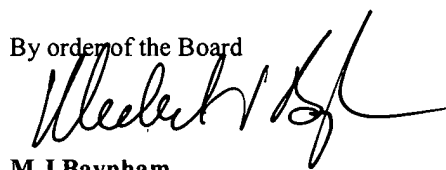
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed and Johnston Carmichael LLP will therefore continue in office.

By order of the Board



M J Baynham
Secretary

61a North Castle Street
Edinburgh
EH2 3LJ

21 December 2018

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *The Financial Reporting Standard applicable to 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 and then apply them consistently;
- make judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

MUIRFIELD HOMES LIMITED
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUIRFIELD HOMES LIMITED

Opinion

We have audited the financial statements of Muirfield Homes Limited (the 'company') for the year ended 30 June 2018, which comprise the statement of profit and loss account and reserves, the balance sheet, and notes to the financial statements, including a summary of significant accounting policies. 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), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MUIRFIELD HOMES LIMITED
INDEPENDENT AUDITOR'S REPORT (continued)
TO THE MEMBERS OF MUIRFIELD HOMES LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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.

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 and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

MUIRFIELD HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE MEMBERS OF MUIRFIELD HOMES LIMITED

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

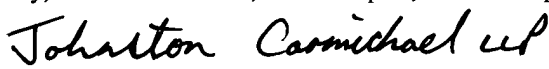
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.


David Holmes (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP


21 December 2018

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

Statement of profit and loss account and reserves
for the year ended 30 June 2018

	<i>Note</i>	2018 £	2017 £
Turnover rents and service charges		9,096	12,480
Turnover from sale of development property		-	144,880
Total turnover	2	9,096	157,360
Cost of development property sales		-	(107,447)
Administrative costs		(23,020)	(61,446)
Other operating income		6,969	6,341
Operating (loss)		(6,955)	(5,192)
Valuation (loss)/gain on investment properties		(25,000)	500,000
(Loss)/profit on ordinary activities before taxation	3	(31,955)	494,808
Tax on (loss)/profit on ordinary activities	5	458	(8,564)
(Loss)/profit for the financial year		(31,497)	486,244
Retained earnings at beginning of year		1,857,428	1,371,184
(Loss)/profit for the financial year		(31,497)	486,244
Retained earnings at end of year		1,825,931	1,857,428

The company has no recognised gains or losses other than the profit for the current and previous financial year.

The result for the year has been derived from continuing activities.

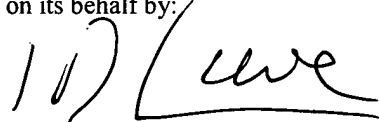
The notes on pages 9 to 15 form an integral part of these financial statements.

Balance sheet
at 30 June 2018

	<i>Note</i>	2018 £	2017 £
Fixed assets			
Investment properties	6	2,825,000	2,850,000
Investments	7	20	20
		2,825,020	2,850,020
Current assets			
Stock	8	5,465,010	5,442,631
Debtors	9	15,063	6,010
Cash at bank and in hand		-	554
		5,480,073	5,449,195
Creditors: amounts falling due within one year	10	(6,479,160)	(6,441,785)
Net current liabilities		(999,087)	(992,590)
Net assets		1,825,933	1,857,430
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		1,825,931	1,857,428
Equity shareholders' funds		1,825,933	1,857,430

The notes on pages 9 to 15 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 21 December 2018 and were signed on its behalf by:



I D Lowe
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The registered office and principal place of business are noted on the company information on page 1.

Muirfield Homes Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. Monetary amounts in these financial statements are rounded to the nearest pound.

The Company's ultimate parent undertaking, Caledonian Trust PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Caledonian Trust PLC are available to the public and may be obtained from the address shown in note 13. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Caledonian Trust PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.11.

Notes

(forming part of the financial statements)

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, except for investment properties which are stated at their fair value.

1.2 Going concern

The directors have considered the cash position of the company for the period for at least twelve months from the date of signing these accounts. The company has no external borrowings and its parent company does not intend to seek repayment of the intra-group borrowing within the next twelve months. The cash flow forecasts show that the company can operate within its available funds for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.3 Non-derivative financial instruments

Cash and cash equivalents

Cash includes cash in hand, deposits held at call (or with a maturity of less than 3 months) with banks, and bank overdrafts. Bank overdrafts that are repayable on demand and which form an integral part of the Group's cash management are shown within current liabilities on the balance sheet and included with cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

i. investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

1.5 Land and development work in progress

Land and development work in progress are stated at lower of cost and net realisable value.

1.6 Impairment excluding investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

Financial assets (including trade and other debtors) (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss.

When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.7 Turnover

Turnover comprises rental income from investment properties and sale of development property. Turnover comprises rent and service charges receivable without taking into account any expenditure borne by tenants. This income is recognised on an accruals basis.

Turnover from the sale of development properties is recognised in the profit and loss account on the date on which the significant risks and rewards of ownership are transferred to the buyer and cash consideration has been received or is certain.

All turnover is generated in the UK.

1.8 Expenses

Interest receivable and Interest payable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1 Accounting policies (continued)

1.11 Areas of estimation uncertainty and critical judgements

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is contained in the following notes:

- *Valuation of investment properties (note 6)*

The fair value has been assessed by directors taking account of third party valuations provided by external independent valuers at 30 June 2016. The valuations are based upon assumptions including future rental income, anticipated void cost, the appropriate discount rate or yield and the potential for redevelopment. The directors' valuation also takes into consideration market evidence for comparable properties in respect of both transaction prices and rental agreement.

- *Valuation of trading properties (note 8)*

Trading properties are carried at the lower of cost and net realisable value. The net realisable value of such properties is based on the amount the Company is likely to achieve in a sale to a third party. This is then dependent on availability of planning consent and demand for sites which is influenced by the housing and property markets.

- *Deferred Tax (note 12)*

A significant proportion of the Company's deferred tax asset relates to differences between the carrying value of investment properties and their original tax base. A decision has been taken not to recognise the asset on the basis of the uncertainty that surrounds the availability of future taxable profits.

2 Turnover

	2018 £	2017 £
Rent and service charges	9,096	12,480
Sale of development property	-	144,880
	9,096	157,360

3 Expenses and auditor's remuneration

(Loss)/profit on ordinary activities before taxation is stated after charging the following:

	2018 £	2017 £
Auditor's Remuneration – audit of these financial statements	2,250	2,500

Notes (continued)

4 Employees

There were no employees during the year (2017: *nil*). In addition the directors received no remuneration from the company. The remuneration for their services as directors of the parent undertaking is shown in the financial statements of Caledonian Trust PLC.

5 Tax on (loss)/profit on ordinary activities

	2018 £	2017 £
<i>UK Corporation tax</i>		
Group relief (receivable)/payable on income for the period	(400)	8,564
Adjustment in respect of previous years	(58)	-
<i>Total current tax</i>	458	8,564
<i>Deferred tax (see note 12)</i>	-	-
<i>Tax on (loss)/profit on ordinary activities</i>	458	8,564
	2018 £	2018 £
Reconciliation of effective tax rate		
(Loss)/profit for the year	(31,497)	486,244
Total tax expense	(458)	8,564
(Loss)/profit excluding taxation	(31,955)	494,808
Current tax at 19% (2017: 19.75%)	(6,071)	97,725
<i>Effects of:</i>		
Disallowed professional fees	921	9,589
Unrealised loss /(gain) on investment property	4,750	(98,750)
Over provided in previous period	(58)	-
Total current tax charge (see above)	(458)	8,564

A reduction in the UK corporation tax rate from 20% to 19% was effective from 1 April 2017 and a further reduction to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

6 Investment properties

	£
Valuation as at 30 June 2017	2,850,000
Loss on revaluation	(25,000)
Valuation at 30 June 2018	2,825,000

The carrying value of investment property is the fair value at the balance sheet date at directors' valuation based on their knowledge of the market and taking account of an independent external valuation by Montagu Evans, Chartered Surveyors as at 30 June 2016. In determining the fair value of investment property, the Company considers market value based on existing use and having regard to its development potential.

The historical cost of the properties is £1,781,483 (2017: £1,781,483).

7 Investments

	£
At 30 June 2017 and 30 June 2018	20

The company's investment in unlisted investments is as follows:

	% held	Activity
Bedrocks Limited	19.9%	Leisure Activity operator

The company is registered in Scotland.

8 Stock

	2018 £	2017 £
Development land	5,465,010	5,442,631

9 Debtors

	2018 £	2017 £
Prepayments and accrued income	15,063	6,010

Notes (continued)

10 Creditors: amounts falling due within one year

	2018 £	2017 £
Amount owed to parent undertaking	6,423,834	6,381,704
Bank overdraft	277	-
Other creditors and accruals	55,049	51,517
Group relief payable	-	8,564
	<u>6,479,160</u>	<u>6,441,785</u>

Amounts payable to the parent company are interest free and repayable on demand.

11 Share capital

	2018 £	2017 £
<i>Authorised share capital</i>		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
 <i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

12 Deferred tax

No provision for deferred tax is required as the base cost and indexation of investment property exceeds valuation.

13 Ultimate parent undertaking

The ultimate parent undertaking is Caledonian Trust PLC, a company incorporated in Great Britain and registered in England and Wales. The financial statements of Caledonian Trust PLC are available from 61A North Castle Street, Edinburgh EH2 3LJ or on its website www.caledoniantrust.com. The ultimate controlling party is I D Lowe.

14 Related party transactions

Contracting work on the Company's investment and development sites was undertaken by Leafrealm Land Limited, a company under the control of I D Lowe. The value of the work done in the accounts for the year to 30 June 2018 amounted to £Nil (2017: £31,768) at rates which do not exceed normal commercial rates. The balance due to Leafrealm Land Limited at 30 June 2018 in respect of invoices for this work less amounts paid to account is £47,036 (2017: £47,036).