Queensberry Properties (Peebles) Limited
(formerly Queensberry Properties (Grange Loan) Limited)

Directors’ report and financial statements

Registered number SC314890
31 March 2016
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<td>8</td>
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</tbody>
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Directors and advisors

Directors
KD Reid
SG Simpson
D Peck
NAG Waugh

Company Secretary
WS Murray

Registered office
Baberton House
Juniper Green
Edinburgh
EH14 3HN

Auditor
KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

Bankers
Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2YB

Bank of Scotland
Edinburgh Royal Mile
PO Box 1000
BX2 1LB

Solicitors
Burness Paull and Williamson LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ
Directors’ report

The directors have pleasure in presenting their report together with the financial statements of the Company for the year ended 31 March 2016.

Principal activities

The principal activity of the Company is the development and selling of private residential housing.

Trading results and dividends

The results of the Company are shown in the profit and loss account on page 6. No dividend was declared in the year (2015: nil).

Name change

During the year the company changed its name from Queensberry Properties (Grange Loan) limited to Queensberry Properties (Peebles Limited).

Directors

The directors who served the Company during the year and to the date of this report were as follows:

SG Simpson
KD Reid
NAG Waugh
D Peck

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

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 to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

[Signature]

WS Murray
Secretary
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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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.
Independent auditor’s report to the members of Queensberry Properties (Peebles) Limited

We have audited the financial statements of Queensberry Properties (Peebles) Limited for the year ended 31 March 2016 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK 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 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 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 web-site 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 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors’ report:

- we have not identified material misstatements in that report; and.
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.
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.

Bruce Marks (Senior Statutory Auditor) 9 September 2016
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
### Profit and loss account

**for the year ended 31 March 2016**

<table>
<thead>
<tr>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>(1,662)</td>
<td>(1,618)</td>
</tr>
<tr>
<td>Operating loss</td>
<td>(1,662)</td>
<td>(1,618)</td>
</tr>
<tr>
<td>Loss on ordinary activities before taxation</td>
<td>2</td>
<td>(1,662)</td>
</tr>
<tr>
<td>Tax on loss on ordinary activities</td>
<td>4</td>
<td>332</td>
</tr>
<tr>
<td><strong>Loss for the financial year</strong></td>
<td></td>
<td>(1,330)</td>
</tr>
<tr>
<td>Retained earnings at beginning of year</td>
<td></td>
<td>2,236</td>
</tr>
<tr>
<td>Retained earnings at end of year</td>
<td></td>
<td>906</td>
</tr>
</tbody>
</table>

The Company has no recognised gains or losses other than the loss for the current year and prior year.
The result for the year has been derived from continuing activities.

Notes on pages 8 – 12 form part of these financial statements
Balance sheet
at 31 March 2016

<table>
<thead>
<tr>
<th></th>
<th>Note</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stocks</td>
<td>5</td>
<td>1,775,818</td>
<td>-</td>
</tr>
<tr>
<td>Debtors: amounts falling due within one year</td>
<td>6</td>
<td>50,781</td>
<td>14,749</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>683</td>
<td>579</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Creditors:</strong> amounts falling due within one year</td>
<td>7</td>
<td>1,827,282</td>
<td>15,328</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1,829,375)</td>
<td>(13,091)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>907</td>
<td>2,237</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Profit and loss account</td>
<td></td>
<td>906</td>
<td>2,236</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Shareholders’ funds</strong></td>
<td></td>
<td>907</td>
<td>2,237</td>
</tr>
</tbody>
</table>

These financial statements were approved by the board of directors on 26 August 2016 and signed on their behalf by:

KD Reid  
Director

D Peck  
Director

Notes on pages 8 – 12 form part of these financial statements
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.

Queensberry Properties (Peebles) Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with section 1A Small entities of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 – section 1A Small entities from old UK GAAP, the Company has made no measurement and recognition adjustments.

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 11.

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Under section 1A Small entities of FRS 102, the Company is not required to prepare a cash flow statement.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The Company’s day to day working capital requirements are provided by the shareholders. The shareholders have indicated that they will continue to provide such funds as are necessary to enable Queensberry Properties (Peebles) Limited to continue to trade and to meet its liabilities as they fall due and that the shareholders will not seek repayment of the amounts currently made available. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based upon the undertaking of financial support outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the Company’s annual financial statements.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.
Notes (continued)

1.4 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.

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.

Non-financial assets

The carrying amounts of the Company’s non-financial assets, other than investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.5 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions.

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.

1.6 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.
Notes (continued)

1.6 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor’s remuneration

The auditor’s remuneration of £1,623 (2015: £1,623) was borne by the parent company.

3 Particulars of employees

The Company has no employees other than its directors. No directors’ remuneration was paid during the year (2015: £nil).

4 Tax on loss on ordinary activities

Total tax expense recognised in the profit and loss account

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK Corporation tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current tax on income for the period</td>
<td>(332)</td>
<td>(340)</td>
</tr>
<tr>
<td>Adjustment in respect of previous year</td>
<td>-</td>
<td>(9)</td>
</tr>
<tr>
<td>Total tax on profit on ordinary activities</td>
<td>(332)</td>
<td>(349)</td>
</tr>
</tbody>
</table>

Reconciliation of effective tax rate

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss for the year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total tax credit</td>
<td>(1,330)</td>
<td>(1,269)</td>
</tr>
<tr>
<td>Loss excluding taxation</td>
<td>(1,662)</td>
<td>(1,618)</td>
</tr>
<tr>
<td>Current tax at 20% (2015: 21%)</td>
<td>(332)</td>
<td>(340)</td>
</tr>
<tr>
<td>Effects of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjustment to tax credit in respect of prior periods</td>
<td>-</td>
<td>(9)</td>
</tr>
<tr>
<td>Total tax credit (see above)</td>
<td>(332)</td>
<td>(349)</td>
</tr>
</tbody>
</table>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the budget on 16 March 2016. This will reduce the company’s future current tax charge accordingly. The deferred tax asset at 31 March 2016 has been calculated based on these rates.
Notes (continued)

5 Stocks

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and property for development</td>
<td>1,775,818</td>
<td>-</td>
</tr>
</tbody>
</table>

6 Debtors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>2,432</td>
<td>-</td>
</tr>
<tr>
<td>Amounts owed by parent</td>
<td>18,881</td>
<td>14,409</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>332</td>
<td>340</td>
</tr>
<tr>
<td>Other debtors</td>
<td>29,136</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>50,781</td>
<td>14,749</td>
</tr>
</tbody>
</table>

7 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accruals</td>
<td>19,950</td>
<td>10,874</td>
</tr>
<tr>
<td>Amounts owed to parent company</td>
<td>29,036</td>
<td>-</td>
</tr>
<tr>
<td>Amounts owed to group companies</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Amounts owed to shareholders</td>
<td>979,606</td>
<td>-</td>
</tr>
<tr>
<td>Bank loan</td>
<td>780,623</td>
<td>-</td>
</tr>
<tr>
<td>Other creditors</td>
<td>2,203</td>
<td>2,204</td>
</tr>
<tr>
<td>Trade creditors</td>
<td>14,957</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,826,375</td>
<td>13,091</td>
</tr>
</tbody>
</table>

The bank facility was entered into during the year with an expiry date of 30 June 2018. Interest is charged on this loan at a rate of 3.25% above 3 month LIBOR. The bank loan is secured by way of a standard security over property.

8 Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issued and fully paid:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 ordinary share of £1 each</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Notes (continued)

9 Related party disclosures

The Company is a 100% subsidiary undertaking of Queensberry Properties Limited, a company jointly owned by Cruden Homes (East) Limited and Tarras Park Properties Limited.

At the year end £487,980 (2015: £nil) was due to Cruden Homes (East) Limited and £481,886 (2015: £nil) was due to Tarras Park Properties Limited in respect of shareholders' loans. Interest charged on these loans amounted to £4,873 (2015: £nil) for Cruden Homes (East) Limited and £4,867 (2015: £nil) for Tarras Park Properties Limited. At the year-end accrued interest of £4,873 (2015: £nil) was due to Cruden Homes (East) Limited and £4,867 (2015: £nil) was due to Tarras Park Properties Limited and is included in loans from shareholders.

At year end £10,155 (2015: £14,409 due from) is due to Queensberry Properties Limited and is included within amounts owed by and to parent.

10 Parent Company

The parent company is Queensberry Properties Limited, a company incorporated in Scotland. Group accounts are not prepared by this company as it is a small group and takes the exemption from the requirement to prepare group accounts afforded by the Companies Act 2006 small companies regime.

11 Accounting estimates and judgements

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting estimate will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Carrying value of land and property for development

Inventories of land and development work in progress are stated at the lower of cost or net realisable value. The company allocates site wide development costs such as infrastructure between units being built and/or completed in the current year and those in future years. This estimate is reflected in the margin recognised on developments and in the carrying value of land and work in progress. Whilst there is a degree of uncertainty in making this estimate, reviews are carried out monthly on the carrying value of stock.