REGISTERED NUMBER: 05398492 (England and Wales)

Strategic Report, Directors' Report and Audited Financial Statements (the "Annual Report") for the Year Ended 31 March 2015 for Explore Living Limited

Explore Living Limited (Registered number: 05398492)

**Contents of the Financial Statements
for the Year Ended 31 March 2015**

Company Information
for the Year Ended 31 March 2015

DIRECTORS:	S A McIntyre C Richards
SECRETARY:	R E Turner
REGISTERED OFFICE:	Bridge Place Anchor Boulevard Admirals Park, Crossways Dartford Kent DA2 6SN
REGISTERED NUMBER:	05398492 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place London WC2N 6RH

Strategic Report
for the Year Ended 31 March 2015

The directors present their strategic report of Explore Living Limited ("Company") for the year ended 31 March 2015.

REVIEW OF BUSINESS
The Company is a wholly owned subsidiary of Explore Capital Limited and a member of the Laing O'Rourke Corporation Limited Group ("Group"). During the year the Company suffered losses; trading conditions have improved but still remain uncertain. A summary of the results is shown in the Directors' Report on page 3.

The directors of Laing O'Rourke Corporation Limited manage financial risks for the Group as a whole, rather than as individual entities. For this reason, the Company's directors believe that analysis of the Company's risks should be viewed in the context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which include those of the Company, are discussed in the Group's annual review which does not form part of this report.

The directors of Laing O'Rourke Corporation Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators should be viewed in the context of the Group. The development, performance and position of the Europe hub of Laing O'Rourke Corporation Limited, which include those of the Company, are discussed in the Group's annual review which does not form part of this report.

BY ORDER OF THE BOARD:

....
C Richards - Director

Date: 14\4\16

Directors' Report
for the Year Ended 31 March 2015

The directors present their annual report together with the audited financial statements of Explore Living Limited ("Company") for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the year under review were those of construction of residential properties and residential property management.

RESULTS

The results for the financial year are set out on page 8.

Turnover for the year was £35,381,000 (2014: £30,681,000). The loss on ordinary activities before taxation for the year was £4,184,000 (2014: £6,881,000) and the loss for the financial year was £788,000 (2014: £8,313,000). The net liability position at 31 March 2015 is £6,344,000 (2014: £5,556,000).

GOING CONCERN

The Company is reliant on funding from its parent and from the wider Laing O'Rourke group ("the Group"). During 2015 the Group experienced challenging trading and financial circumstances, in particular in respect to certain problem contracts, which culminated with the Group being refinanced on 14 April 2016.

Principle risks of the Group for the next twelve months relate to the UK construction business including the delivery of programmes of work and managing associated working capital, work winning assumptions and delivering business restructuring. The UK business is also responsible for funding the completion of its share of other construction projects, including joint venture arrangements, in overseas territories operating within the Group's European Hub.

As part of the refinancing on 14 April 2016 a number of new banking covenants were established, including covenants relating to liquidity, tangible net worth and the requirement that the estimated final margin on a specific project is not below a certain amount. If certain of these covenants are breached this will constitute an event of default on the Group's borrowing facilities.

After a detailed review of the Group's business plans, including contract performance the directors believe the refinancing provides adequate headroom for the Group, and for the Company, for the foreseeable future and that the business risks are manageable within the limits sets out in the Group's core business and financing plans.

However, given the proximity of the date of the new borrowing facilities to the date of signing these financial statements, the directors have not had enough time to provide the Company's auditors with sufficient information on the specified project included within the new banking covenants. The directors have approved on this date to comply with the filing requirements of Companies House. The directors of the Company are satisfied that the Company can continue as a going concern.

FINANCIAL RISK MANAGEMENT

The directors of Laing O'Rourke Corporation Limited manage financial risks for the Group as a whole, rather than as individual entities. For this reason, the Company's directors believe that analysis of the Company's risks should be viewed in context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

DIVIDENDS

No dividends were declared or paid during the year (2014: £nil). The directors do not recommend the payment of a final dividend (2014: £nil).

Directors' Report
for the Year Ended 31 March 2015

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2014 to the date of this report.

C Richards

Other changes in directors holding office are as follows:

P C Collins - resigned 7 August 2014
J A Inglis - resigned 30 November 2015
S A McIntyre - appointed 27 May 2015
C M Tuckett - appointed 7 August 2014, resigned 27 May 2015

DIRECTORS' INDEMNITIES
As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

EMPLOYMENT POLICY
The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Company's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

HEALTH, SAFETY AND WELFARE
The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

POST BALANCE SHEET EVENT
During 2015 the Group experienced challenging trading and financial circumstances in particular in respect to certain problem contracts, which culminated with the Group being refinanced on 14 April 2016. Further information can be found within note 21.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Strategic Report, 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 prepared 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 judgements and accounting 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;
- 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, except for information on the specific project referred to in the "Basis for qualified opinion" section of the Independent Auditors Report.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information, except for information on the specific project referred to in the "Basis for our qualified opinion" section of the Independent Auditors Report.

AUDITORS
In accordance with section 487(2) of the Companies Act 2006, the independent auditors, PricewaterhouseCoopers LLP, are deemed to be re-appointed.

BY ORDER OF THE BOARD:

....
C Richards - Director

Date: 14\4\16

REPORT ON THE FINANCIAL STATEMENTS

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the Basis for our qualified opinion paragraph below, Explore Living Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 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 our qualified opinion

The Company is reliant on funding from the wider Laing O'Rourke group ("the Group"). As explained in Note 1 to the financial statements, the Group refinanced its borrowing facilities on 14 April 2016. The new facilities include covenants relating to liquidity, tangible net worth and the requirement that the estimated final margin on a specific project is not below a set amount. If certain of these covenants are breached this will constitute an event of default on the Group's borrowing facilities.

The specific project relating to one of the covenants has not been audited by us since 31 March 2015. Given the proximity of the date of the new borrowing facilities to the date of signing these financial statements, and the need to meet the filing deadlines for the Company's financial statements, the directors have not had enough time to provide us with sufficient information on the specific project to enable us to complete our audit procedures on the profitability of this project.

Consequently we are not in a position to assess management's current estimate of future profitability of this project and therefore whether this covenant may be breached in the future. If the covenant were to be breached and not subsequently waived by the lenders this could represent a material uncertainty in respect of whether the Group, and consequently the Company, could continue as a going concern.

What we have audited

The financial statements, included within the Annual Report comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

In respect solely of the limitation on our work described in the Basis for our qualified opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

Under the Companies Act 2006 we are also required to report to you if, in our opinion:

- we were unable to determine whether adequate accounting records have 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT
Our responsibilities and those of the directors
As explained more fully in the Directors' Responsibilities Statement set out on page 5 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) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 14 April 2016

Profit and Loss Account
for the Year Ended 31 March 2015

	Notes	2015 £'000	2014 £'000
TURNOVER		35,381	30,681
Cost of sales		(35,774)	(31,930)
GROSS LOSS		(393)	(1,249)
Administrative expenses		(2,548)	(14,245)
		(2,941)	(15,494)
Other operating income		-	9,835
OPERATING LOSS	3	(2,941)	(5,659)
Exceptional Items	4	-	(302)
		(2,941)	(5,961)
Interest receivable and similar income	5	1,775	2,284
Interest payable and similar charges	6	(3,018)	(3,204)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,184)	(6,881)
Tax on loss on ordinary activities	7	3,396	(1,432)
LOSS FOR THE FINANCIAL YEAR		(788)	(8,313)

CONTINUING OPERATIONS
The results stated above are all derived from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES
The Company has no recognised gains or losses other than the losses for the current year or previous year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

Explore Living Limited (Registered number: 05398492)

Balance Sheet
31 March 2015

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Tangible assets	8	-	-
Investments	9	149	4,163
		149	4,163
CURRENT ASSETS			
Stocks	10	12,053	45,040
Debtors	11	20,410	52,234
Cash at bank and in hand		727	28,209
		33,190	125,483
Creditors: amounts falling due within one year	12	(39,561)	(118,992)
NET CURRENT (LIABILITIES)/ ASSETS		(6,371)	6,491
TOTAL ASSETS LESS CURRENT LIABILITIES		(6,222)	10,654
Creditors: amounts falling due after more than one year	13	(122)	(16,210)
NET LIABILITIES		(6,344)	(5,556)
CAPITAL AND RESERVES			
Called up share capital	15	-	-
Profit and loss account	16	(6,344)	(5,556)
SHAREHOLDERS' FUNDS	20	(6,344)	(5,556)

The financial statements on pages 8 to 18 were approved by the Board of Directors on 14.4.16 and were signed on its behalf by:

C Richards - Director

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
These financial statements have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Company has consistently applied all relevant accounting standards. The principal accounting policies are set out below.

The financial statements have been prepared on a going concern basis having regard to an undertaking given by Laing O'Rourke Plc and its subsidiaries that they will not seek repayment of any amount due to them by the Company within one year of the date of signing these financial statements, if by doing so, they will jeopardise the financial status of the Company. As a part of this undertaking Laing O'Rourke Plc has confirmed that it will provide support to ensure that the Company meets all its obligations for a period not less than 12 months from the date of signing the financial statements.

Going concern
The Company is reliant on funding from its parent and from the wider Laing O'Rourke group ("the Group"). During 2015 the Group experienced challenging trading and financial circumstances, in particular in respect to certain problem contracts, which culminated with the Group being refinanced on 14 April 2016.

Principle risks of the Group for the next twelve months relate to the UK construction business including the delivery of programmes of work and managing associated working capital, work winning assumptions and delivering business restructuring. The UK business is also responsible for funding the completion of its share of other construction projects, including joint venture arrangements, in overseas territories operating within the Group's European Hub.

As part of the refinancing on 14 April 2016 a number of new banking covenants were established, including covenants relating to liquidity, tangible net worth and the requirement that the estimated final margin on a specific project is not below a certain amount. If certain of these covenants are breached this will constitute an event of default on the Group's borrowing facilities.

After a detailed review of the Group's business plans, including contract performance the directors believe the refinancing provides adequate headroom for the Group, and for the Company, for the foreseeable future and that the business risks are manageable within the limits sets out in the Group's core business and financing plans.

However, given the proximity of the date of the new borrowing facilities to the date of signing these financial statements, the directors have not had enough time to provide the Company's auditors with sufficient information on the specified project included within the new banking covenants. The directors have approved these financial statements on this date to comply with the filing requirements of Companies House. The directors of the Company are satisfied that the Company can continue as a going concern.

Basis of consolidation
The results of the Company and its subsidiaries have been incorporated into the consolidated financial statements of Laing O'Rourke Corporation Limited, which are publicly available, therefore the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Cash flow statement
The Company is a wholly owned subsidiary within the Laing O'Rourke Corporation Limited Group and is included in the consolidated financial statements of Laing O'Rourke Corporation Limited which are publicly available. Consequently the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996).

1. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment losses. Cost comprises purchase price and directly attributable costs.

Depreciation is provided at rates calculated to write off the cost or valuation less residual value of each asset evenly over its expected useful life, as follows:

Websites - 1 year

Fixed asset investments
Fixed asset investments are stated at cost less provision for a permanent diminution in value. Income from investments is included in the profit and loss account as committed.

Stocks and work in progress
Stocks and work in progress, including land and related development activity thereon, are valued at the lower of cost and estimated net realisable value. The cost of work in progress and finished goods comprises materials, direct and sub-contract labour and attributable production overheads. Net realisable value is based on estimated selling price less further costs to completion and distribution.

Deferred tax
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.

A deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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 an undiscounted basis.

Trade and other debtors
Trade and other debtors are initially recorded at fair value and subsequently measured at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other creditors
Trade and other creditors are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

Loans and overdrafts
Interest-bearing bank loans and overdrafts are recognised initially at fair value net of transaction costs incurred, and subsequently measured at amortised cost with the difference between initial net proceeds and redemption value recognised in the profit and loss account over the period to redemption.

Turnover
Private housing sales are recognised on legal completion. Turnover represents the cash price receivable less the value of sales incentives. Affordable housing turnover is recognised with reference to the stage of completion of the contract. Where contracts of sale have been signed, the revenue receivable is recognised as accrued income in debtors. Rental income is recognised in the profit and loss account on a straight-line basis over the term of the lease. Where revenue has been received in advance, the advance element is recognised as deferred income in creditors. All turnover is generated from the United Kingdom.

1. ACCOUNTING POLICIES - continued

Leasing and hire purchase commitments
Assets obtained under hire purchase contracts and finance leases where a significant portion of the risks and rewards of ownership is transferred to the Company, are classified as finance leases.

Leases other than finance leases are classified as operating leases. Payments made under operating leases are recognised as an expense in the profit and loss account on a straight-line basis over the lease term. Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Finance costs
Interest on specific funds borrowed for the construction of qualifying assets is capitalised and released to the profit and loss account in line with turnover. All other finance costs are charged to the profit and loss account on an accruals basis.

Foreign currencies
Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the date of the transaction. Foreign currency denominated monetary assets and liabilities are re-translated at the exchange rates ruling at the balance sheet date. Exchange differences arising from foreign currency transactions are reflected in the profit and loss account.

2. STAFF COSTS

The Company has no employees (2014: none). All of the directors and staff working on the Company's contracts are employed by another subsidiary undertaking of Laing O'Rourke Corporation Limited, Laing O'Rourke Services Limited. Costs for staff are incurred on the basis of time spent on the Company's contracts and these costs are included in cost of sales or administrative expenses as appropriate. The management charge includes a recharge of administrative costs borne by Laing O'Rourke Services Limited on behalf of the company and it is not possible to identify separately the amount of directors' emoluments.

	2015	2014
	£'000	£'000
Total employment costs included in the cost of sales	-	-

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2015	2014
	£'000	£'000
Provision for diminution in value of investments	258	13,107
Dividends from subsidiary undertakings	-	(9,835)
Management charges	1,708	561

The audit fee and some administrative expenses of the Company were borne by another Group company, Laing O'Rourke Services Limited.

4. EXCEPTIONAL ITEMS

	2015 £000	2014 £000
Impairment of undeveloped sites	-	(1,597)
Proceeds from sale of previously impaired undeveloped sites	-	1,295
	-	(302)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Rental and other income	83	97
Interest receivable from group undertakings	1,638	2,147
Bank interest	54	40
	1,775	2,284

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Bank interest	3,018	2,711
Other interest	-	493
	3,018	3,204

7. TAXATION

	2015 £'000	2014 £'000
Current tax		
UK corporation tax	(825)	1,432
Adjustments in respect of prior years	(2,571)	-
Total current tax (credit)/ charge	(3,396)	1,432

The tax assessed for the year is lower than (2014: same as) the standard rate of corporation tax in the UK 21% (2014: 23%). The differences are explained below:

	2015	2014
Loss on ordinary activities before taxation	(4,184)	(6,881)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014: 23%)	(879)	(1,583)
Effects of:		
- provision for diminution in value of investments	54	3,015
- adjustments in respect of prior years	(2,571)	-
Total current tax (credit)/ charge	(3,396)	1,432

7. **TAXATION – continued**

Factors that may affect future tax charges
The UK corporation tax rate will be 20% from 1 April 2015 and this has been reflected in the accounts. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

8. **TANGIBLE FIXED ASSETS**

	Website £'000
COST	
At 1st April 2014 and 31 March 2015	49
DEPRECIATION	
At 1st April 2014 and 31 March 2015	49
NET BOOK VALUE	
At 31st March 2014 and 31 March 2015	-

9. **FIXED ASSET INVESTMENTS**

	Subsidiary undertakings shares £'000
COST	
At 1 April 2014	17,320
Disposal	(3,756)
At 31 March 2015	13,564
IMPAIRMENT	
At 1 April 2014	13,157
Increase in impairment	258
At 31 March 2015	13,415
NET BOOK VALUE	
At 31 March 2015	149
At 31 March 2014	4,163

The directors believe that the carrying value of investments are supported by their underlying net assets.

The impairment relates to provision for diminution in value of subsidiary undertakings with respect to their net asset positions at 31 March 2015.

9. FIXED ASSET INVESTMENTS - continued

Holdings

The Company holds an interest in the share capital of the following companies:

Subsidiary undertaking	Principal activity	Interest in ordinary voting shares
Explore Living (No.1) Limited	Residential property development	100%
Explore Living Balls Park Limited	Residential property development	100%
Explore Living Property Management Limited	Residential rental management company	100%
Explore Living South East Limited	Dormant company	100%

All of the companies above are registered in England and Wales.

Explore Living Limited held an interest throughout the year in New Meridian Village Management Company Limited, a company limited by guarantee. The company is registered in England and Wales and its principal activity was that of residential development management.

10. STOCKS

	2015	2014
	£'000	£'000
Stocks	11,543	43,317
Work-in-progress (capitalised interest)	510	1,723
	12,053	45,040

During the year interest of £nil (2014: £nil) was capitalised and included within work in progress.

11. DEBTORS

	2015	2014
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1	4,615
Amounts owed by group undertakings	16,915	39,820
Corporation tax	1,964	4,953
Prepayments and accrued income	-	502
	18,880	49,890
Amounts falling due after more than one year:		
Trade debtors	1,530	2,344
Aggregate amounts	20,410	52,234

Amounts owed by Explore Living Property Management Limited, a subsidiary company, accrue interest of 3% over LIBOR. At 31 March 2015 amounts owed by Explore Living Property Management Limited amounted to £16,845,000 (2014: £35,203,000). Amounts owed by other group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Bank loans and overdrafts (see note 14)	-	44,000
Trade creditors	382	198
Amounts owed to group undertakings	29,170	67,012
VAT	8,714	4,421
Other creditors	133	35
Accruals and deferred income	1,162	3,326
	39,561	118,992

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£'000	£'000
Bank loans (see note 14)	-	16,000
Trade creditors	122	210
	122	16,210

The bank loan was secured by a fixed charge over specific developments of the Company and its subsidiaries. The facility attracted interest at LIBOR plus 3% and was repaid during the year.

14. LOANS

An analysis of the maturity of loans is given below:

	2015	2014
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank loans	-	44,000
Amounts falling due between one and two years:		
Bank loans	-	16,000

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
50,000	Ordinary	£1	1	1

On 26 March 2014 one ordinary share was issued for cash. The nominal value of the share was £1, and the consideration received was £45,100,000.

On 26 March 2014 the share capital and share premium of the Company were reduced by £45,149,999 by the cancellation of one ordinary share. This resulted in a transfer to the profit and loss account reserve of £45,149,999, which is considered to be distributable (see note 20).

16. RESERVES

	Profit and loss account £'000
At 1 April 2014	(5,556)
Loss for the year	(788)
At 31 March 2015	(6,344)

17. ULTIMATE PARENT COMPANY

The immediate parent undertaking of Explore Living Limited, is Explore Capital Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Suffolk Partners Corporation, a company incorporated in the British Virgin Islands.

Laing O'Rourke Corporation Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2015. Copies of the Laing O'Rourke Corporation Limited consolidated financial statements are available for viewing at the Registrar of Companies in Cyprus on payment of the appropriate fee.

Laing O'Rourke Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Laing O'Rourke Plc are available from the Registrar of Companies in England and Wales on payment of the appropriate fee.

18. CONTINGENT LIABILITIES

The Company has given performance and trade guarantees in the normal course of business. The Company is party to disputes from which legal actions have or may arise in the ordinary course of business. While the outcome of these disputes is uncertain, the directors believe that, except where provided in these financial statements, no material loss to the Company will occur. In forming their opinions the directors have taken relevant legal advice.

19. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary within the Laing O'Rourke Corporation Limited Group, the Company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the Laing O'Rourke Corporation Limited Group.

There are no other related party transactions.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£'000	£'000
Loss for the financial year	(788)	(8,313)
Reduction in ordinary share capital and share premium	-	45,100
Net (reduction)/addition to shareholders' funds	(788)	36,787
Opening shareholders' funds	(5,556)	(42,343)
Closing shareholders' funds	(6,344)	(5,556)

21. POST BALANCE SHEET EVENT

The Company is reliant on funding from its parent and from the wider UK based Laing O'Rourke group. Subsequent to the 31 March 2015 year end the Group experienced challenging trading and financial circumstances difficulties which culminated with the Group being refinanced on 14 April 2016. Further information about this refinancing is set out at Note 1.