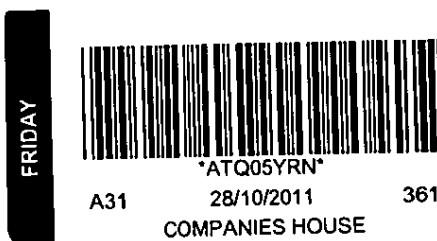


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Bretton Street Developments Limited and Subsidiary

Financial Statements for the year to 31 January 2011
together with Directors' and Independent Auditor's Reports

Registered Number: 5168673



Report of the Directors

The directors present their report and the financial statements of Bretton Street Developments Limited and Subsidiary (the "Group") for the year to 31 January 2011. This directors' report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company during the period was the development and management of commercial property within the UK.

Directors of the Company

The directors who served Bretton Street Developments Limited (the "Company") during the year were as follows:

S F Martin
R M Culliford (resigned 31 January 2011)
M H Bales (appointed 31 January 2011)
L Higgins
M S McGill (appointed 17 September 2010)
D M Rudolph (resigned 31 August 2010)

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group 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 estimates that are reasonable and prudent,
- ensure applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the Group's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Directors (continued)

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the Company receives notice under Section 488(1) of the Companies Act 2006

BY ORDER OF THE BOARD



D W M Home
Secretary

25 October 2011

Report of the Independent Auditor to the Members of Bretton Street Developments Limited and Subsidiary

We have audited the financial statements of Bretton Street Developments Limited and its Subsidiary for the year ended 31 January 2011 which comprise the consolidated profit and loss account, consolidated and Company balance sheets, consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's 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 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with the applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group and the parent company's affairs as at 31 January 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the Independent Auditor to the Members of Bretton Street Developments Limited and Subsidiary (continued)

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime



Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
27 October 2011

Consolidated Profit and Loss Account

	Notes	2011 £	2010 £
Turnover	2	-	1,275,000
Cost of sales		(19,915)	(1,136,095)
Gross (loss)/profit		(19,915)	138,905
Other operating expenses	3	(18,040)	(973,747)
Operating loss		(37,955)	(834,842)
Investment income	5	8	1,151
Loss on ordinary activities before taxation	6	(37,947)	(833,691)
Tax on loss on ordinary activities	7	(33,460)	218,529
Loss for the year	12	(71,407)	(615,162)

The current and prior year losses have been derived wholly from continuing operations

The Group has no recognised gains or losses in the current or prior year other than the reported loss as stated above and therefore no Statement of Total Recognised Gains and Losses has been presented

The reported loss on ordinary activities before tax equates to the historical cost loss on ordinary activities before taxation

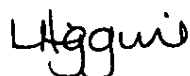
The accompanying notes form part of these financial statements

Consolidated Balance Sheet

	Notes	2011 £	2010 £
Current assets			
Debtors	9	185,676	389,931
Cash at bank and in hand		82,099	140,826
		<u>267,775</u>	<u>530,757</u>
Creditors: amounts falling due within one year	10	<u>(20,401)</u>	<u>(211,976)</u>
Net assets		<u>247,374</u>	<u>318,781</u>
Capital and reserves			
Called-up share capital	11	1,000	1,000
Profit and loss account	12	246,374	317,781
Shareholders' funds	13	<u>247,374</u>	<u>318,781</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors on 25 October 2011 and are signed on their behalf by



L Higgins



S F Martin

)
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) Directors
)
)

The Company's registration number is 5168673

The accompanying notes form part of these financial statements

Balance Sheet

	Notes	2011 £	2010 £
Fixed assets			
Investments	8	1	1
Current assets			
Debtors	9	185,676	389,931
Cash at bank and in hand		82,099	140,826
		<u>267,775</u>	<u>530,757</u>
Creditors amounts falling due within one year	10	<u>(20,402)</u>	<u>(211,977)</u>
Net current assets		<u>247,373</u>	<u>318,780</u>
Net assets		<u>247,374</u>	<u>318,781</u>
Capital and reserves			
Called-up share capital	11	1,000	1,000
Profit and loss account	12	246,374	317,781
Shareholders' funds	13	<u>247,374</u>	<u>318,781</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These financial statements were approved by the directors on 25 October 2011 and are signed on their behalf by



L Higgins



S F Martin

)
)
) Directors
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)

The Company's registration number is 5168673

The accompanying notes form part of these financial statements

Consolidated Cash Flow Statement

	Notes	2011 £	2010 £
Net cash outflow from operating activities	14(a)	(58,735)	(55,041)
Cash inflow from servicing of finance	14(b)	8	1,151
Decrease in cash in the year		<u>(58,727)</u>	<u>(53,890)</u>
Reconciliation of net cash flow to movement in net debt		2011 £	2010 £
Decrease in cash in the year		(58,727)	(53,890)
Net cash at start of year		140,826	194,716
Net cash at end of year	14(c)	<u>82,099</u>	<u>140,826</u>

The accompanying notes form part of these financial statements

Notes to the Financial Statements

1. Accounting policies

The principal accounting policies which have been applied consistently throughout the current and prior year are

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

As provided by s408 of the Companies Act 2006, no profit and loss account is presented for Bretton Street Developments Limited. The Company's loss for the financial year, determined in accordance with the Act was £71,407 (2010 - £615,162 loss)

(b) Basis of consolidation

The consolidated financial statements include the results of Bretton Street Developments Limited and its subsidiary undertaking to 31 January 2011. The acquisition method of accounting for the subsidiary has been adopted. Turnover and profits arising from transactions between group companies are excluded.

(c) Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less provision for impairment. Only dividends received and receivable are credited to the Company's profit and loss account.

(d) Stock and work in progress

Development properties are valued at the lower of cost and net realisable value. Land held for development, including land in the course of development until legal completion of sale, is valued at cost. Work in progress on development properties is valued at the cost of labour and materials plus interest incurred on borrowings for development expenditure until the date of practical completion.

(e) Capitalised interest

Interest is capitalised from the point at which development properties are acquired until the date of practical completion except where there is a substantial delay between acquisition and commencement of physical construction, where capitalisation will commence at the latter point.

Note to the Financial Statements (continued)

1. Accounting policies (continued)

(f) Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are normally recognised in the financial statements of the surrendering undertakings

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group undertakings taxable profits and their results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

(g) Turnover

Turnover is wholly generated in the United Kingdom and is net of VAT and intra group transactions. Income from the sale of development property is recognised when the transaction is complete. Rental income is recognised as it is earned

2. Turnover

Segmental information

	2011 £	2010 £
Development property sales	-	1,275,000

Note to the Financial Statements (continued)

3. Other operating expenses

The following is included in other operating expenses

	2011 £	2010 £
Administrative expenses	18,040	973,747

4. Staff costs

The Company had no employees during the current or prior year and none of the directors received any remuneration from the Company or from other undertakings in respect of services to it

5. Investment income

The following are included in investment income

	2011 £	2010 £
Other interest receivable	-	3
Bank interest	8	1,148
	8	1,151

6. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2011 £	2010 £
Auditor's remuneration for audit services	3,000	2,000

Note to the Financial Statements (continued)

7. Tax on loss on ordinary activities

The tax charge/(credit) comprises

	2011 £	2010 £
Current tax		
UK corporation tax – adjustment in respect of prior years	33,460	(218,529)
Total tax charge/(credit) on loss on ordinary activities	33,460	(218,529)

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

	2011 £	2010 £
Loss on ordinary activities before tax	(37,947)	(833,691)
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2010 – 28%)	(10,625)	(233,433)
Utilisation of tax losses and other deductions	-	233,433
Unrelieved tax losses	10,625	-
Adjustment in respect of prior years	33,460	(218,529)
Current tax charge/(credit) for the year	33,460	(218,529)

The Company earns its results in the UK, therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax, currently 28% (2010 – 28%)

In the opinion of the directors there is no unprovided deferred tax asset (2010 – £Nil)

Note to the Financial Statements (continued)

8. Investments

The following is included in the net book value of investments

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Investment in subsidiary undertaking	-	1	-	1

There was no movement in investments during the year

	Group £	Company £
Cost and net book value At 31 January 2010 and 31 January 2011	-	1

The subsidiary undertaking at 31 January 2011 was

	Country of registration	Principal activity	Holding
Bretton Street Management Company No 1 Limited	England	Property management	100%

9. Debtors

The following amounts are included in the net book value of debtors

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Trade debtors	-	-	164,500	164,500
VAT recoverable	607	607	-	-
UK corporation tax receivable	185,069	185,069	185,069	185,069
Other debtors	-	-	5,000	5,000
Amounts due from related parties	-	-	33,460	33,460
Prepayments	-	-	1,902	1,902
	185,676	185,676	389,931	389,931

Note to the Financial Statements (continued)

10. Creditors: amounts falling due within one year

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

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Accruals and deferred income	18,001	18,002	189,559	189,560
Amounts due to related parties	2,400	2,400	-	-
VAT payable	-	-	22,417	22,417
	20,401	20,402	211,976	211,977

11. Called-up share capital

	2011 £	2010 £
Allotted and issued		
500 ordinary A shares of £1 each	500	500
500 ordinary B shares of £1 each	500	500
	1,000	1,000

The ordinary A and ordinary B shares differ only in respect to voting rights on the appointment and removal of directors

Note to the Financial Statements (continued)

12. Profit and loss account

The movement in the year was as follows

	Group 2011 £	Company 2011 £
Balance at 31 January 2010	317,781	317,781
Loss for the financial year	(71,407)	(71,407)
Balance at 31 January 2011	246,374	246,374

13. Reconciliation of movements in shareholders' funds

	Group 2011 £	Company 2011 £	Group 2010 £	Company 2010 £
Loss for the financial year	(71,407)	(71,407)	(615,162)	(615,162)
Opening shareholders' funds	318,781	318,781	933,943	933,943
Closing shareholders' funds	247,374	247,374	318,781	318,781

Note to the Financial Statements (continued)

14. Notes to cash flow statement

(a) Reconciliation of operating loss to operating cash flows

	2011 £	2010 £
Operating loss	(37,955)	(834,842)
Decrease in stock	-	1,026,835
Decrease in debtors	170,795	133,346
Decrease in creditors	(191,575)	(380,380)
Net cash outflow	<u>(58,735)</u>	<u>(55,041)</u>

(b) Returns on investment and servicing of finance

	2011 £	2010 £
Interest received	8	1,151
Net cash inflow	<u>8</u>	<u>1,151</u>

(c) Analysis of changes in net debt

	2010 £	Cashflow £	2011 £
Cash at bank and in hand	<u>140,826</u>	<u>(58,727)</u>	<u>82,099</u>

15. Capital commitments

Capital commitments at 31 January 2011 were £Nil (2010 - £Nil)

Note to the Financial Statements (continued)

16. Related party transactions

During the year the Company entered into the following transactions with related parties

Related Party	Relationship	Nature of Transactions	2011 £	2010 £
Murray Group Management Limited	Fellow group undertaking of PPG Land Limited	Consortium relief (payable) / receivable	(33,460)	33,460
PPG Land Limited	Shareholder	Development services	(15,000)	(490,000)
Clugston Estates Limited	Shareholder	Development services	-	(475,000)
Clugston Construction Limited	Fellow group undertaking of Clugston Estates Limited	Construction services	(14,905)	(37,486)

The following amounts are included in balances due from/(due to) related parties as shown on Notes 9 and 10

	2011 £	2010 £
Murray Group Management Limited	-	33,460
The Premier Property Group Limited	(2,400)	-

The balance due to The Premier Property Group Limited, the parent undertaking of PPG Land Limited (Note 17) is in respect of a recharge of audit fees

Included within accruals is £15,000 (2010 - £Nil) which represents construction services and management fees not invoiced by related parties at the year end

17. Ownership of the company

The share capital of the Company is held by PPG Land Limited (50%) which is registered in Scotland and Clugston Estates Limited (50%) which is registered in England