PPG Metro Limited

Financial Statements for the 17 month period ended 30 June 2009
together with Directors' and Independent Auditor's Report

Registered Number: SC206554

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Report of the Directors

The directors present their report and the financial statements of the Company for the 17 month period ended 30 June 2009. This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

Principal activity and business review

The principal activity of the Company during the period was the investment in and the development of property within the UK for medium and long-term performance.

Going concern

Following the completion of a new bank facility (Note 25), the directors have a reasonable expectation that there are adequate resources to allow the Company to continue to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, the directors have determined that it is appropriate to continue to adopt the going concern basis of accounting in the preparation of these financial statements.

Results and dividends

The trading results for the period and the Company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend (31 January 2008 - £Nil).

Directors of the company

The directors who served the Company during the period were as follows:

Sir D E Murray	
I B Tudhope	(resigned 30 November 2009)
A Glasgow	
L Higgins	
A T H Smith	(resigned 30 January 2009)
I Robertson	(resigned 29 January 2009)
B S Anderson	(resigned 18 December 2009)
M S McGill	(appointed 5 March 2010)

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Company has put in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company.

Credit risk

The Company has implemented a policy that requires credit checks on prospective purchasers and tenants and regular monitoring of existing tenancies.

Liquidity risk

Operations are financed by a mixture of shareholders' funds and bank borrowings. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the Company.

Report of the Directors (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

The Company's policy is to arrange core debt, bank loans and overdrafts, with a floating rate of interest plus an agreed margin. The Company uses interest rate swaps, caps and collars together with non-speculative hedging instruments to manage its exposure to interest rate movements on its bank borrowings.

Statement of Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

United Kingdom company law requires the directors to prepare financial statements for each financial period which 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 those 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;
- state whether applicable 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 proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Post balance sheet events

Events subsequent to the period end are disclosed in Note 25.

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 Horne
Secretary
28 April 2010

Report of the Independent Auditor to the Members of PPG Metro Limited

We have audited the Company financial statements (the "financial statements") of PPG Metro Limited for the period ended 30 June 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet, the cash flow statement and Notes 1 to 25. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Report of the Independent Auditor to the Members of PPG Metro Limited (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 30 June 2009 and of the Company's loss for the period then ended;

- the financial statements have been properly prepared in accordance with the Companies Act 1985; and

- the information given in the Directors' Report is consistent with the financial statements.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
GLASGOW
28 April 2010

Profit and Loss Account

		17 month period to 30 June 2009			
	Notes	Normal £	Exceptional £	Total £	Year to 31 January 2008 £
Turnover	1	**2,462,282**	**-**	**2,462,282**	2,872,133
Cost of sales		**(645,878)**	**-**	**(645,878)**	(642,821)
Impairment losses on development properties	2	**-**	**(505,870)**	**(505,870)**	-
Gross profit/(loss)		**1,816,404**	**(505,870)**	**1,310,534**	2,229,312
Other operating expenses	3	**(377,322)**	**-**	**(377,322)**	(218,367)
Operating profit/(loss)		**1,439,082**	**(505,870)**	**933,212**	2,010,945
Impairment losses on investment properties	2	**-**	**(2,732,316)**	**(2,732,316)**	-
Amounts written off fixed asset investments	2	**-**	**(35,352,920)**	**(35,352,920)**	(500,000)
Gain on sale of fixed assets		**-**	**-**	**-**	3,808,992
Gain on sale of subsidiary undertaking	5	**-**	**-**	**-**	2,250,000
Profit/(loss) on ordinary activities before interest and taxation		**1,439,082**	**(38,591,106)**	**(37,152,024)**	7,569,937
Interest receivable and similar income	6	**11,659,175**	**-**	**11,659,175**	18,730,758
Interest payable and similar charges	7	**(11,561,715)**	**-**	**(11,561,715)**	(9,456,848)
Profit/(loss) on ordinary activities before taxation	8	**1,536,542**	**(38,591,106)**	**(37,054,564)**	16,843,847
Tax on profit/(loss) on ordinary activities	9	**(247,560)**	**-**	**(247,560)**	(2,527,615)
Profit/(loss) for the financial period	18	**1,288,982**	**(38,591,106)**	**(37,302,124)**	14,316,232

The current and prior period results have been derived wholly from continuing operations.

The Company has no recognised gains or losses in the current period or prior year other than the reported (loss)/profit for the period and therefore no Statement of Total Recognised Gains and Losses is presented.

The reported profit/(loss) on ordinary activities before taxation equates to the historical cost profit/(loss) on ordinary activities before taxation.

Balance Sheet

	Notes	30 June 2009 £	31 January 2008 £
Fixed assets			
Tangible assets	10	**18,959,896**	21,020,274
Investments	11	**117,502,267**	152,855,187
		136,462,163	173,875,461
Current assets			
Stocks	12	**7,735,542**	1,471,277
Debtors	13	**11,839,580**	9,315,581
Cash at bank and in hand		**16,896,472**	12,165,107
		36,471,594	22,951,965
Creditors: amounts falling due within one year	14	**(184,172,358)**	(23,423,195)
Net current liabilities		**(147,700,764)**	(471,230)
Total assets less current liabilities		**(11,238,601)**	173,404,231
Creditors: amounts falling due after more than one year	15	**-**	(147,390,000)
Provision for liabilities and charges	16	**(659,868)**	(610,576)
Net (liabilities)/assets		**(11,898,469)**	25,403,655
Capital and reserves			
Called-up share capital	17	**1,000**	1,000
Revaluation reserve	18	**923,460**	923,460
Profit and loss account	18	**(12,822,929)**	24,479,195
Shareholders' (deficit)/funds	19	**(11,898,469)**	25,403,655

These financial statements were approved by the Board of Directors on 28 April 2010 and are signed on their behalf by:

Sir D E Murray
Director

L Higgins
Director

The Company's registration number is SC206554.

Cash Flow Statement

	Note	17 months to 30 June 2009 £	Year to 31 January 2008 £
Cash outflow from operating activities	20(a)	**(9,116,550)**	(8,940,127)
Returns on investments and servicing of finance	20(b)	**385,362**	8,937,567
Capital expenditure and financial investment	20(c)	**(662,447)**	7,212,097
Acquisitions and disposals	20(d)	**-**	17,624,204
Cash (outflow)/inflow before financing		**(9,393,635)**	24,833,741
Financing	20(e)	**-**	(33,050,000)
Decrease in cash in the period		**(9,393,635)**	(8,216,259)

Reconciliation of net cash outflow to movement in net debt

	Note	17 months to 30 June 2009 £	Year to 31 January 2008 £
Decrease in cash in the period		**(9,393,635)**	(8,216,259)
Cash inflow from movements in debt financing		**-**	33,050,000
Change in net debt resulting from cash flows		**(9,393,635)**	24,833,741
Movement in net debt in period		**(9,393,635)**	24,833,741
Net debt at start of period		**(135,224,893)**	(160,058,634)
Net debt at end of period	20(f)	**(144,618,528)**	(135,224,893)

Statement of Accounting Policies

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

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards, unless otherwise stated.

(b) Basis of preparation

The balance sheet at 30 June 2009 shows that the Company is in a net liability position. The directors have reviewed the trading prospects and financial and cash flow projections of the business and have secured a new bank facility based on these projections. On that basis the directors have a reasonable expectation that there are adequate resources to allow the Company to continue to realise its assets and discharge its liabilities in the normal course of business for the foreseeable future. Accordingly, the directors have determined that it is appropriate to continue to adopt the going concern basis of accounting in the preparation of these financial statements.

(c) Consolidation

No consolidated financial statements have been prepared for the Company and its subsidiary undertakings under the terms of Section 288(1)(6) of the Companies Act 1985 which exempts parent companies whose financial statements are included in the financial statements of a larger group from preparing consolidated financial statements. Note 23 contains details of the ultimate holding company.

The Company's financial statements present information about it as an individual undertaking and not about its Group.

(d) Investments

Investments in subsidiary undertakings and the unit trust are stated at cost less provision for impairment.

(e) Tangible fixed assets

In accordance with SSAP 19, investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the revaluation reserve, unless a deficit (or its reversal) is expected to be permanent and is in excess of any previously recognised surplus over cost related to the same property, in which case it is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the Companies Act, is necessary to provide a true and fair view.

Development properties are those properties in respect of which construction and development have not been completed at the balance sheet date, and are reflected at cost, including an allocation of overheads and interest charges on external borrowings which are related to the properties, where recoverability is reasonably certain. In the opinion of the directors, the residual value of those development properties currently being operated for business purposes is sufficient to eliminate the requirement for depreciation. Provisions are made against the carrying value of development properties when the directors consider book value to exceed recoverable value. The directors consider that these policies are necessary to provide a true and fair view.

Development properties are classified within tangible fixed assets or stocks according to the specific disposal or realisation strategy for each property with all properties held for both development and resale treated as stock.

Where there is a fundamental change in the nature of an investment property such as commencement of development activity it will be classified within tangible fixed assets or transferred to stocks in line with the above criteria.

Statement of Accounting Policies (continued)

(f) Stocks

Development properties held for development and resale are valued at the lower of the 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.

The estimated net realisable values for stock and work in progress are based on the Directors' assessment of residual values for land and properties under development and projected net sales proceeds for completed properties. The key assumptions in assessing these values take into account current market rental levels, investment yields and construction cost data.

(g) Capitalised interest

Interest is capitalised from the point at which development expenditure is incurred 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. Where properties are held for redevelopment interest is capitalised from the point redevelopment commences.

(h) 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 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 a non-discounted basis.

(i) Turnover and revenue recognition

Turnover was generated wholly within the United Kingdom and is net of VAT and intra group transactions. Rental and management fee income are recognised as they are earned. Income from the sale of development properties is recognised when the transaction is complete.

Statement of Accounting Policies (continued)

(j) Leases

Assets held under leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and estimated useful life. The capital elements of future finance lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the agreement to produce a constant rate of charge on the balance of capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Notes to the Financial Statements

1 Turnover

Segmental information:

	17 months to 30 June 2009	Year to 31 January 2008
	£	£
Rental income	**2,451,874**	2,122,133
Other income	**10,408**	750,000
	2,462,282	2,872,133

2 Exceptional items

The charge of £505,870 relates to a reduction in the net realisable value of development properties in the period.

The charge of £2,732,316 relates to an impairment in the market value of investment properties during the period.

The charge of £35,352,920 relates to the write-down in the carrying value of fixed asset investments in subsidiary undertakings and unit trusts (Note 11).

3 Other operating expenses

The following is included in other operating expenses:

	17 months to 30 June 2009	Year to 31 January 2008
	£	£
Administrative expenses	**377,322**	218,367

4 Staff costs

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

5 Gain on sale of subsidiary undertaking

The gain on sale of subsidiary undertaking in the prior year related to the disposal of the Company's interest in the ordinary share capital of PPG Metro Lime Street Limited (now renamed PPG Lime Street Limited).

Notes to the Financial Statements (continued)

6 Interest receivable and similar income

The following are included in interest receivable and similar income:

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Interest on inter-company loans	**531,920**	594,528
Distributions from unit trusts	**10,966,807**	7,796,230
Dividends received	**160,448**	10,340,000
	11,659,175	18,730,758

7 Interest payable and similar charges

The following are included in interest payable and similar charges:

	17 months to 30 June 2009 £	Year to 31 January 2008 £
On bank overdrafts	**10,883,139**	8,966,527
Other loans	**339,288**	250,321
On loan notes from group undertakings	**339,288**	240,000
	11,561,715	9,456,848

The cumulative interest capitalised is shown in Notes 10 and 12.

8 Profit/(loss) on ordinary activities before taxation

The profit/(loss) on ordinary activities before taxation is stated after charging:

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Auditor's remuneration for audit services	**7,083**	4,000

Notes to the Financial Statements (continued)

9 Tax on profit/(loss) on ordinary activities

The tax charge comprises:

	17 months to 30 June 2009	Year to 31 January 2008
	£	£
Current tax		
UK corporation tax	**195,967**	2,477,421
Adjustment in respect of prior years	**2,301**	-
Total current tax	**198,268**	2,477,421
Deferred tax		
Origination and reversal of timing differences		
- Current year	**49,292**	87,553
- Adjustment for change in tax rate	**-**	(37,359)
Total deferred tax (Note 16)	**49,292**	50,194
Total tax on profit/(loss) on ordinary activities	**247,560**	2,527,615

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)/profit before tax is as follows:

	17 months to 30 June 2009	Year to 31 January 2008
	£	£
(Loss)/profit on ordinary activities before tax	**(37,054,564)**	16,843,847
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 28.23% (31 January 2008 – 30%)	**(10,461,452)**	5,053,154
Effects of:		
Non-taxable income	**-**	(4,736,189)
Expenses not deductible for tax purposes	**10,707,138**	-
Unrelieved tax losses and other deductions	**(18)**	(29,388)
Capital allowances in excess of depreciation	**(49,701)**	(64,418)
Capital gains	**-**	2,254,262
Adjustment in respect of prior year	**2,301**	-
Current tax charge for period	**198,268**	2,477,421

The Company earns its results in the UK, therefore the tax rate used for tax on (loss)/profit on ordinary activities is the standard rate for UK corporation tax, currently 28.23% (31 January 2008 - 30%).

Notes to the Financial Statements (continued)

10 Tangible fixed assets

The following are included in the net book value of tangible fixed assets:

	30 June 2009	31 January 2008
	£	£
Investment properties	**18,959,896**	21,020,274

The movements in the period were as follows:

	Investment properties
	£
Cost or valuation:	
At 31 January 2008	21,020,274
Additions	671,938
Impairment losses	(2,732,316)
At 30 June 2009	**18,959,896**
Depreciation:	
At 31 January 2008 and 30 June 2009	-
Net book value:	
At 30 June 2009	**18,959,896**
At 31 January 2008	21,020,274

Freehold and leasehold investment properties were valued on an open-market existing-use basis as at 30 June 2009. The valuation was undertaken by an officer of the Company who is a qualified chartered surveyor. The valuation was made in full compliance with the RICS Appraisal and Valuation Manual. In addition, the Group policy is for all properties to be externally valued on acquisition and on a regular cycle thereafter.

The historic cost of investment properties at the year end was £22,615,672 (31 January 2008 - £21,943,734). If the revalued properties were sold at their book values, a credit to corporation tax of £1,032,026 would arise, which has not been provided in the financial statements.

In accordance with SSAP 19, the investment properties are not depreciated. It is not possible to quantify the depreciation which would otherwise have been charged.

Cumulative interest included in the cost of investment properties amounted to £Nil (31 January 2008 - £Nil).

Notes to the Financial Statements (continued)

11 Fixed asset investments

The following are included in the net book value of fixed asset investments:

	30 June 2009	31 January 2008
	£	£
Investments in subsidiary undertakings	28,878,643	31,866,083
Investment in unit trust	88,623,624	120,989,104
	117,502,267	152,855,187

The movements in the period from investments in subsidiary undertakings and investments in unit trust were as follows:

	Investment in subsidiary undertakings	Investment in unit trust	Total
	£	£	£
Cost:			
At 31 January 2008 and 30 June 2009	**32,366,083**	**120,989,104**	**153,355,187**
Provision for impairment:			
At 31 January 2008	500,000	-	500,000
Amounts provided	2,987,440	32,365,480	35,352,920
At June 2009	**3,487,440**	**32,365,480**	**35,852,920**
Net book value:			
At 30 June 2009	**28,878,643**	**88,623,624**	**117,502,267**
At 31 January 2008	31,866,083	120,989,104	152,855,187

Notes to the Financial Statements (continued)

11 Fixed asset investments (continued)

The subsidiary undertakings at 30 June 2009 were:

	Country of registration	Principal activity	Holding
PPG Metro Grosvenor Limited	Scotland	Property investment & development	100%
PPG Metro Oswald Limited *	Scotland	Non-trading	100%
PPG Metro Franborough Limited	Scotland	Property investment & development	100%
PPG Metro Aberdeen Limited *	England	Non-trading	100%
PPG Metro Caledonian Limited	Scotland	Property investment & development	100%
PPG Metro Greenock Limited	Scotland	Property investment & development	100%
PPG Metro (Charles II Street 1) Limited *	England	Non-trading	100%
PPG Metro (Charles II Street 2) Limited *	England	Non-trading	100%
PPG Metro 39 Limited	Scotland	Property investment & development	100%
PPG Metro 500 Limited	Scotland	Property investment & development	100%
PPG Metro Mansfield Limited	Scotland	Property investment & development	100%
Eleven Haymarket Limited	England	Property investment & development	100%

All holdings in subsidiary undertakings relate to the percentage of ordinary share capital held by the Company.

On 18 November 2008, PPG Metro Apex changed its name to PPG Metro Caledonian Limited.

* Subsequent to the period end these companies were dissolved.

The unit trust holding at 30 June 2009 was:

	Place of registration	Principal activity	Holding
Plumtree Court Unit Trust	Jersey	Property investment & development	99.51%

12 Stocks

The following is included in the net book value of stocks:

	30 June 2009 £	31 January 2008 £
Work in progress	**7,735,542**	1,471,277

Cumulative interest included in the cost of work in progress amounted to £Nil (31 January 2008 -£Nil).

Notes to the Financial Statements (continued)

13 Debtors

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

	30 June 2009	31 January 2008
	£	£
Trade debtors	**203,680**	123,045
Amounts due from other group undertakings	**2,266,976**	120,653
Loans to subsidiary undertakings	**8,896,998**	8,742,091
Other debtors	**104,219**	303,154
Prepayments and accrued income	**367,707**	26,638
	11,839,580	9,315,581

14 Creditors: amounts falling due within one year

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

	30 June 2009	31 January 2008
	£	£
Term loans (secured)	**155,515,000**	-
Interest bearing loan notes 2000/2009	**6,000,000**	-
Trade creditors	**1,443**	12,808
Amounts due to other group undertakings	**20,514,381**	21,530,038
Amounts due to related parties	**-**	20,383
Other creditors	**42,551**	26,692
Corporation tax	**19,191**	-
VAT	**18,728**	34,514
Accruals and deferred income	**2,061,064**	1,798,760
	184,172,358	23,423,195

The term loans are secured by bonds and floating charges and/or debentures over the assets of the Company and by standard securities and/or fixed charges over certain properties. The loans are repayable in one instalment on 31 July 2009, or earlier dependent on the disposal of certain properties. The loans bear interest at commercial rates.

The interest bearing loan notes 2000/2009 are unsecured and bear interest at commercial rates. The loan notes are issued by related parties and are repayable in one instalment by 31 July 2009.

Notes to the Financial Statements (continued)

15 Creditors: amounts falling due after more than one year

The following are included in creditors falling due after more than one year:

	30 June 2009	31 January 2008
	£	£
Interest bearing loan notes 2000/2009	-	6,000,000
Term loans (secured)	-	141,390,000
	-	147,390,000

The Company holds derivative financial instruments to manage interest rate risk arising from borrowings. The Company does not hold or issue derivative financial instruments for speculative purposes.

16 Provisions for liabilities and charges

Deferred taxation has been provided to the extent that the directors have concluded, on the basis of reasonable assumptions and the intentions of management, that it is probable that the liability will be realised.

	30 June 2009	31 January 2008
	£	£
Deferred taxation - accelerated capital allowances	**659,868**	610,576

The movement on net deferred tax liabilities during the period was:

	£
At 31 January 2008	610,576
Charged to profit and loss account (Note 9)	49,292
At 30 June 2009	**659,868**

17 Called up share capital

Authorised share capital:

	30 June 2009	31 January 2008
	£	£
Authorised:		
475 ordinary A shares of £1 each	**475**	475
525 ordinary B shares of £1 each	**525**	525
	1,000	1,000
Allotted, called up and fully paid:		
475 ordinary A shares of £1 each	**475**	475
525 ordinary B shares of £1 each	**525**	525
	1,000	1,000

A and B ordinary shares rank pari passu in all respects.

Notes to the Financial Statements (continued)

18 Reserves

The movement in the period was as follows:

	Revaluation Reserve £	Profit and loss account £
Balance at 31 January 2008	923,460	24,479,195
Loss for the financial period	-	(37,302,124)
Balance at 30 June 2009	**923,460**	**(12,822,929)**

19 Reconciliation of movements in shareholders' (deficit)/funds

	30 June 2009 £	31 January 2008 £
(Loss)/profit for the financial period	**(37,302,124)**	14,316,232
Opening shareholders' funds	**25,403,655**	11,087,423
Closing shareholders'(deficit)/funds	**(11,898,469)**	25,403,655

20 Notes to the cash flow statement

(a) Reconciliation of operating profit to operating cash flows

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Operating profit	**933,212**	2,010,945
Impairment losses on development properties	**505,870**	-
Increase in stock	**(6,770,135)**	(1,205,021)
(Increase)/decrease in debtors	**(2,523,999)**	19,373,184
Decrease in creditors	**(1,261,498)**	(29,119,235)
Net cash outflow from operating activities	**(9,116,550)**	(8,940,127)

(b) Returns on investment and servicing of finance

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Interest received	**543,015**	611,619
Distributions from unit trusts received	**10,966,807**	7,796,230
Dividends received	**160,448**	10,340,000
Interest paid	**(11,284,908)**	(9,810,282)
Net cash inflow	**385,362**	8,937,567

Notes to the Financial Statements (continued)

20 Notes to the cash flow statement (continued)

(c) Capital expenditure and financial investment

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Purchase of tangible fixed assets	**(662,447)**	(470,934)
Sale of tangible fixed assets	**-**	7,683,031
Net cash (outflow)/inflow	**(662,447)**	7,212,097

(d) Acquisitions and disposals

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Purchase of unit trust	**-**	(382,425)
Sale of subsidiary undertaking	**-**	18,006,629
Net cash inflow	**-**	17,624,204

(e) Financing

	17 months to 30 June 2009 £	Year to 31 January 2008 £
Repayment of secured loans	**-**	(33,050,000)
Net cash outflow	**-**	(33,050,000)

(f) Analysis and reconciliation of net debt

	At 31 January 2008 £	Cash flow £	Non-cash Movements £	At 30 June 2009 £
Cash at bank and in hand	12,165,107	4,731,365	-	**16,896,472**
Bank overdrafts within one year	-	(14,125,000)	(147,390,000)	**(161,515,000)**
	12,165,107	(9,393,635)	(147,390,000)	**(144,618,528)**
Debt due after more than one year	(147,390,000)	-	147,390,000	**-**
Total	**(135,224,893)**	**(9,393,635)**	**-**	**(144,618,528)**

Notes to the Financial Statements (continued)

21 Guarantees and other financial commitments

(a) Capital commitments

Capital expenditure contracted but not provided at 30 June 2009 amounted to £Nil (31 January 2008 - £112,288).

(b) Contingent liabilities

The Company has guaranteed bank borrowings of fellow subsidiary undertakings by a corporate guarantee. The total contingency at 30 June 2009 amounts to £36,094,268 (31 January 2008 - £26,316,643).

(c) VAT

The Company is registered for VAT purposes in a group of undertakings which share a common registration number. As a result, it has jointly guaranteed the VAT liability of the group, and failure by other members of the group to meet their VAT liabilities would give rise to additional liabilities for the Company. The directors are of the opinion that no additional liability is likely to arise.

(d) Fair values

The Company holds derivative financial instruments to manage interest rate risks. The total debt subject to interest rate derivative instruments at 30 June 2009 amounts to £200,000,000 (31 January 2008 - £120,000,000) with the fair value of these instruments amounting to a liability of £19,527,177 (31 January 2008 – liability of £3,546,456). The fair value of these instruments has been significantly impacted by the volatility of LIBOR in the financial period.

22 Related party transactions

The Company has taken advantage of the exemption available under FRS 8 not to disclose transactions with its wholly owned subsidiary undertakings.

The amounts due to and from other group undertakings and related parties at 30 June 2009 are shown in Notes 13, 14 and 15.

During the period the Company entered into transactions with The Premier Property Group Limited and Uberior Ventures Limited as immediate parent company and shareholder respectively. The main transactions during the period were as follows:

(a) The balance of loan notes at 30 June 2009 is £6,000,000 (31 January 2008 - £6,000,000).

(b) The Company paid interest at commercial rates on loan notes of £678,576 (year to 31 January 2008 - £480,000). At 30 June 2009 interest due was £119,014 (31 January 2008 - £20,384).

(c) The Company paid management fees of £445,275 (year to 31 January 2008 - £262,495) with a balance due at 30 June 2009 of £Nil (31 January 2008 - £Nil).

23 Ultimate holding company

The immediate parent company is The Premier Property Group Limited and the ultimate holding company is Murray International Holdings Limited both of which are registered in Scotland.

The largest and smallest group in which the results of the Company are consolidated is that headed by the ultimate holding company whose principal place of business is at 9 Charlotte Square, Edinburgh, EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address.

Notes to the Financial Statements (continued)

24 Ultimate control

Sir D E Murray, a director of the ultimate holding company (Note 23), and members of his close family control the Company as a result of controlling directly or indirectly 88% of the issued share capital of the ultimate holding company.

25 Post balance sheet events

On 21 April 2010, Murray International Holdings Limited (Note 23) and certain of its subsidiaries completed a financial restructuring, details of which are set out in the financial statements of Murray International Holdings Limited for the period ended 30 June 2009. A summary of the principal terms of this financial restructuring are set out below:

(i) Lloyds Banking Group has increased its equity interests in the Group, subscribing for approximately £150.0m of additional share capital and share premium in Murray International Holdings Limited while reducing debt levels by a similar quantum.

(ii) Following the issue of share capital, Sir David E. Murray and members of his close family continue to control the Company and the Group as a result of controlling, either directly or indirectly, 76% of the voting share capital of the issued share capital of the Company. This percentage was previously 88%.

(iii) Group borrowing facilities have been renewed with Lloyds Banking Group following completion of the financial restructuring. This has involved segregating the overall Group banking arrangement into a series of sub-facilities relevant and applicable to each of the Group's Divisions.

(iv) The Group has acquired minority interests held in certain subsidiaries in the Group for nominal value including PPG Metro Limited, PPG Land Limited, PPG Southern Limited and Brogue Properties Limited; and

(v) The Group has acquired minority interests held in certain subsidiaries in the Group for nominal value.

The impact of these changes has been shown in the unaudited pro forma group balance sheet set out in the Directors' Report of the financial statements of Murray International Holdings Limited. This unaudited pro forma balance sheet highlights the effect on the 30 June 2009 balance sheet of Murray International Holdings Limited of the various steps outlined above as if they had taken place on 30 June 2009.

As referred to above, The Premier Property Group Limited ("PPG"), the immediate parent company, finalised the terms of a new bank facility on 21 April 2010. The arrangements incorporate term loan and working capital facilities which are made available to PPG and its subsidiaries over a 7 year period.

On 18 December 2009 the interest bearing loan notes 2000/2009 (Notes 14 and 15), and associated accrued interest as at that date, were converted into ordinary share capital. On the same date, the immediate parent company acquired Uberior Ventures Limited's entire shareholding in the Company. This acquisition has resulted in the Company being a wholly owned subsidiary of The Premier Property Group Limited.