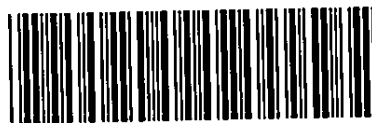


PPG Metro Caledonian Limited

Financial Statements for the year ended 30 June 2012
together with Directors' and Independent Auditor's Reports

Registered Number: SC258295



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Report of the Directors

The directors present their report and the financial statements of PPG Metro Caledonian Limited (the "Company") for the year ended 30 June 2012. 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 year was the management of commercial property within the UK.

Directors of the Company

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

Sir D E Murray
A Glasgow (resigned 10 April 2012)
L Higgins
M S McGill

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). 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 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 Company 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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company'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)

Post balance sheet events

Subsequent to the year end, the Company completed the disposal of its sole property for total consideration amounting to £7.75 million.

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
19 March 2013

Independent Auditor's Report to the member of PPG Metro Caledonian Limited

We have audited the financial statements of PPG Metro Caledonian Limited for the year ended 30 June 2012 which comprise the profit and loss account, the balance sheet 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 member, 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 member 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 member 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 and express an opinion on 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 Company's affairs as at 30 June 2012 and of its profit 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.

Independent Auditor's Report to the member of PPG Metro Caledonian Limited (continued)

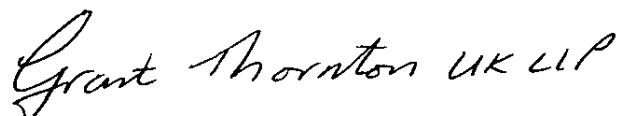
Opinion on other matter prescribed by the Companies Act 2006

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.



Lorraine Macphail
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
20 March 2013

Profit and Loss Account

	Notes	Normal £	Exceptional £	2012 Total £	Normal £	Exceptional £	2011 Total £
Turnover	2	720,306	-	720,306	711,624	-	711,624
Cost of sales		(209,559)	-	(209,559)	(113,131)	-	(113,131)
Gross profit		<u>510,747</u>	<u>-</u>	<u>510,747</u>	<u>598,493</u>	<u>-</u>	<u>598,493</u>
Other operating expenses	3	(2,011)	-	(2,011)	(12,031)	-	(12,031)
Operating profit		<u>508,736</u>	<u>-</u>	<u>508,736</u>	<u>586,462</u>	<u>-</u>	<u>586,462</u>
Reversal of prior impairment loss on development properties	4	-	1,100,000	1,100,000	-	600,000	600,000
Interest payable and similar charges	6	-	-	-	6,000	-	6,000
Profit on ordinary activities before taxation	7	<u>508,736</u>	<u>1,100,000</u>	<u>1,608,736</u>	<u>592,462</u>	<u>600,000</u>	<u>1,192,462</u>
Tax on profit on ordinary activities	8	-	-	-	-	-	-
Profit for the financial year	13	<u>508,736</u>	<u>1,100,000</u>	<u>1,608,736</u>	<u>592,462</u>	<u>600,000</u>	<u>1,192,462</u>

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

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

The reported profit on ordinary activities before taxation equates to the historical cost profit on ordinary activities before taxation.

The accompanying notes form part of these financial statements.

Balance Sheet

	Notes	2012 £	2011 £
Current assets			
Stocks	9	7,613,000	6,513,000
Debtors	10	4,160,010	4,178,172
Cash at bank and in hand		67,883	9,517
		<u>11,840,893</u>	<u>10,700,689</u>
Creditors: amounts falling due within one year	11	<u>(7,674,451)</u>	<u>(8,142,983)</u>
Net assets		<u>4,166,442</u>	<u>2,557,706</u>
Capital and reserves			
Called-up share capital	12	1	1
Share premium	13	4,219,050	4,219,050
Profit and loss account	13	(52,609)	(1,661,345)
Shareholders' funds	14	<u>4,166,442</u>	<u>2,557,706</u>

These financial statements were approved by the directors on 19 March 2013 and are signed on their behalf by:

M S McGill)
) Directors
L Higgins)

M S McGill
L Higgins

The Company's registration number is SC258295.

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.

No cash flow statement has been presented as provided by FRS 1 (Revised) as the consolidated financial statements of the ultimate holding company (Note 17) contain a consolidated cash flow statement which include cash flows of this Company and are publicly available.

The directors have reviewed the trading prospects and projected cash flows of the business and have agreed funding from its intermediate parent company based on these projections. Details of the parent company bank facilities are set out in the financial statements of The Premier Property Group Limited. 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.

(b) Stocks and work in progress

Development properties and land held for development and/or resale 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.

Net realisable values are based on directors' assessment of the projected net sales proceeds for each property or plot of land. The key assumptions in assessing these values take into account the current and projected rental levels, anticipated property investment yields at the projected date of sale and underlying capital values. As the property values can be heavily influenced by variances in these assumptions over time the directors' assessment of valuation assumes that properties can be held for a longer period where the net realisable value cannot be achieved in the short term.

(c) 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 Company's taxable profits and its 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.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(c) Taxation (continued)

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 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.

(d) Turnover and revenue recognition

Turnover is wholly generated in the United Kingdom and is net of VAT. Rental income is recognised as it is earned.

2. Turnover

Segmental information:

	2012 £	2011 £
Rental income	<u>720,306</u>	<u>711,624</u>

3. Other operating expenses

The following is included in other operating expenses:

	2012 £	2011 £
Administrative expenses	<u>2,011</u>	<u>12,031</u>

4. Exceptional items

The credit in the current year of £1,100,000 (2011 - £600,000) related to a reversal of an impairment in the net realisable value of stocks during the year.

5. 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.

Notes to the Financial Statements (continued)

6. Interest payable and similar charges

The following is included in interest payable and similar charges:

	2012 £	2011 £
Reversal of over accrued other interest	-	6,000

7. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

	2012 £	2011 £
Auditor's remuneration for audit services	2,000	2,000

8. Tax on profit on ordinary activities

	2012 £	2011 £
UK corporation tax	-	-

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2012 £	2011 £
Profit on ordinary activities before tax	1,608,736	1,192,462
Tax on profit on ordinary activities at standard UK corporation tax rate of 25.5% (2011 – 27.5%)	410,228	327,927
Effects of: Group relief received for nil payment	(410,228)	(327,927)
Tax for the year	-	-

The Company earns its profits in the UK, therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 25.5% (2011 – 27.5%).

In the opinion of the directors there is no unprovided deferred tax asset at 30 June 2012 (2011 – £Nil).

Notes to the Financial Statements (continued)

9. Stocks

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

	2012 £	2011 £
Development properties	<u>7,613,000</u>	<u>6,513,000</u>

10. Debtors

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

	2012 £	2011 £
Amounts due from other group undertakings	4,159,593	4,159,593
Prepayments and accrued income	417	18,579
	<u>4,160,010</u>	<u>4,178,172</u>

11. Creditors: amounts falling due within one year

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

	2012 £	2011 £
Amounts due to other group undertakings	7,537,283	8,039,539
VAT payable	26,212	35,508
Accruals and prepaid income	110,827	67,936
Sundry creditors	129	-
	<u>7,674,451</u>	<u>8,142,983</u>

The inter-company funding has no fixed repayment date, is unsecured and no interest is charged. Details of the Group bank facilities are set out in the financial statements of The Premier Property Group Limited.

12. Called-up share capital

	2012 £	2011 £
Allotted, called-up and fully paid: 1 ordinary share of £1 each	<u>1</u>	<u>1</u>

Notes to the Financial Statements (continued)

13. Reserves

The movement in the year was as follows:

	Profit and loss account £	Share premium account £
At 30 June 2011	(1,661,345)	4,219,050
Profit for the financial year	1,608,736	-
At 30 June 2012	(52,609)	4,219,050

14. Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,608,736	1,192,462
Opening shareholders' funds	2,557,706	1,365,244
Closing shareholders' funds	4,166,442	2,557,706

15. Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at 30 June 2012 (2011 - £Nil).

b) Contingent liabilities

At 30 June 2012, the Company has guaranteed bank borrowings of the Company, its ultimate holding company, Murray International Holdings Limited, and certain fellow subsidiary undertakings by cross guarantees. The total contingency at 30 June 2012 amounts to £286,984,491 (2011 - £542,327,192). These guarantees are secured by a bond and floating charge over the assets of the Company and by standard securities and/or legal charges over certain properties.

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.

Notes to the Financial Statements (continued)

16. Related party transactions

The Company has taken advantage of the exemption in FRS 8 "Related Party Transactions" from disclosing transactions with fellow group undertakings.

17. Ultimate holding company

The Company's immediate parent company is PPG Metro Limited and the ultimate holding company is Murray International Holdings Limited, both of which are registered in Scotland.

The largest 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 10 Charlotte Square, Edinburgh EH2 4DR. Copies of Murray International Holdings Limited financial statements are available from the above address. The smallest group in which the results of the Company are consolidated is that headed by The Premier Property Group Limited whose principal place of business is at 10 Charlotte Square, Edinburgh, EH2 4DR.

18. Ultimate control

Sir D E Murray, a director of the ultimate holding company (Note 17), and members of his close family control the Company as a result of controlling directly or indirectly 70% of the issued share capital of the ultimate holding company.