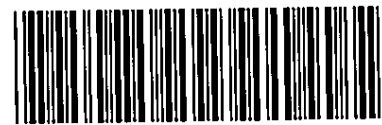


PPG Metro Caledonian Limited

Financial Statements for the year ended 30 June 2010
together with Directors' and Independent Auditor's Reports

Registered Number: SC258295

THURSDAY



SVESOSW5

SCT

31/03/2011

337

COMPANIES HOUSE

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 2010. 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

During the year the Company completed a business review and refinancing exercise. As part of this process the underlying strategy of the Company was revised to focus on medium term asset realisation and debt reduction in line with the terms of the new funding arrangements. As a consequence the Company no longer conducts an investment property activity and as such have transferred the investment property to stock, which is carried in the financial statements at the lower of cost and net realisable value. The principal activity of the Company during the year was the development and 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
I B Tudhope (resigned 30 November 2009)
A Glasgow
L Higgins
M S McGill (appointed 5 March 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 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.

Report of the Directors (continued)

Directors' responsibilities (continued)

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.

In so far as each of the directors 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.

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 Horne
Secretary
25 October 2010

Report of the Independent Auditor 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 2010 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 pages 1 and 2, 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/UKNP.

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 2010 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 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.



Andrew Howie
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Glasgow
25 October 2010

Profit and Loss Account

	Notes	Year to 30 June 2010 £	17 month period to 30 June 2009		Total £
			Normal £	Exceptional £	
Turnover	2	774,998	945,698	-	945,698
Cost of sales		(683,011)	(176,311)	-	(176,311)
Gross profit		91,987	769,387	-	769,387
Other operating expenses	3	(20,165)	(22,414)	-	(22,414)
Operating profit		71,822	746,973	-	746,973
Impairment losses on investment properties	4	-	-	(3,051,074)	(3,051,074)
Interest payable and similar charges	6	(110,289)	(517,489)	-	(517,489)
Loss on ordinary activities before taxation	7	(38,467)	229,484	(3,051,074)	(2,821,590)
Tax on loss on ordinary activities	8	32,349	(62,321)	-	(62,321)
Loss for the financial year/period	15	(6,118)	167,163	(3,051,074)	(2,883,911)

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

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

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

The accompanying notes form part of these financial statements.

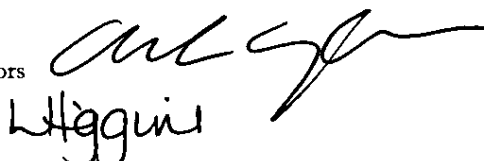
Balance Sheet

	Notes	30 June 2010 £	30 June 2009 £
Fixed assets			
Tangible assets	9	-	5,913,000
Current assets			
Stock	10	5,913,000	-
Debtors	11	4,188,176	4,153,275
Cash at bank and in hand		21,849	367,488
		10,123,025	4,520,763
Creditors: amounts falling due within one year	12	(8,757,781)	(9,003,132)
Net current assets/(liabilities)		1,365,244	(4,482,369)
Total assets less current liabilities		1,365,244	1,430,631
Provisions for liabilities and charges	13	-	(59,269)
Net assets		1,365,244	1,371,362
Capital and reserves			
Called-up share capital	14	1	1
Share premium	15	4,219,050	4,219,050
Profit and loss account	15	(2,853,807)	(2,847,689)
Shareholders' funds	16	1,365,244	1,371,362

These financial statements were approved by the directors on 25 October 2010 and are signed on their behalf by:

A Glasgow)
L Higgins)

) Directors



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 year and prior period 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 19) contain a consolidated cash flow statement which include cash flows of this Company and are publicly available.

(b) 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 no more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view.

(c) Stocks and work in progress

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.

(d) 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.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

(d) Taxation (continued)

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.

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.

(e) 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:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Rental income	<u>774,998</u>	<u>945,698</u>

3. Other operating expenses

The following is included in other operating expenses:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Administrative expenses	<u>20,165</u>	<u>22,414</u>

Notes to the Financial Statements (continued)

4. Exceptional items

The charge in the prior period of £3,051,074 related to an impairment in the market value of investment properties during that period.

5. Staff costs

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

6. Interest payable and similar charges

The following are included in interest payable and similar charges:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Bank overdraft interest	104,289	517,489
Other interest	6,000	-
	<u>110,289</u>	<u>517,489</u>

7. Loss on ordinary activities before taxation

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

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Auditor's remuneration for audit services	<u>1,700</u>	<u>2,542</u>

Notes to the Financial Statements (continued)

8. Tax on loss on ordinary activities

The tax charge/(credit) comprises:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Current tax		
UK corporation tax	-	37,863
Adjustment in respect of prior period		
UK corporation tax	26,920	(33,629)
Total current tax	<u>26,920</u>	<u>4,234</u>
Deferred tax		
Origination and reversal of timing differences		
- current year	(59,269)	26,701
- prior periods	-	31,386
Total deferred tax (Note 13)	<u>(59,269)</u>	<u>58,087</u>
Total tax on loss on ordinary activities	<u>(32,349)</u>	<u>62,321</u>

The differences 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 are as follows:

	Year to 30 June 2010 £	17 months to 30 June 2009 £
Loss on ordinary activities before tax	<u>(38,467)</u>	<u>(2,821,590)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2009 - 28.23%)	(10,771)	(796,607)
Effects of:		
Expenses not deductible for tax purposes	97,706	861,396
Adjustments in respect of prior periods	26,920	(33,629)
Capital allowances less than/(in excess of) depreciation	32,568	(26,926)
Unrelieved tax losses	10,771	-
Income not taxable for tax purposes	(130,274)	-
Current tax charge for period	<u>26,920</u>	<u>4,234</u>

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% (2009 - 28.23%).

In the opinion of the directors there is an unprovided deferred tax asset of £10,771 at 30 June 2010 (2009 - £Nil).

Notes to the Financial Statements (continued)

9. Tangible fixed assets

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

	2010 £	2009 £
Investment properties	-	5,913,000

The movement in the year was as follows:

	Investment properties £
Valuation	
At 30 June 2009	5,913,000
Transfers to stock	(5,913,000)
At 30 June 2010	-
Depreciation	
At 30 June 2009 and 30 June 2010	-
Net book value	
At 30 June 2010	-
At 30 June 2009	5,913,000

Investment properties, which are all freehold, 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 Company policy is for all properties to be externally valued on acquisition and on a regular cycle thereafter. In accordance with SSAP 19, investment properties were not been depreciated. It was not possible to quantify the depreciation which would otherwise have been charged. The historic cost of investment properties at the year end was £Nil (2009 - £8,964,074).

10. Stock

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

	2010 £	2009 £
Work in progress	5,913,000	-

Notes to the Financial Statements (continued)

11. Debtors

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

	2010 £	2009 £
Amounts owed by other group undertakings	4,159,593	4,125,860
Prepayments and accrued income	-	27,415
Trade debtors	4,113	-
Sundry debtors	24,470	-
	<u>4,188,176</u>	<u>4,153,275</u>

12. Creditors: amounts falling due within one year

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

	2010 £	2009 £
Term bank loan (secured)	-	8,750,000
Amounts owed to other group undertakings	8,635,044	33,080
VAT payable	31,364	25,050
Other creditors	-	100,132
Accruals and prepaid income	91,373	94,870
	<u>8,757,781</u>	<u>9,003,132</u>

The term bank loan at 30 June 2009 of £8,750,000 was secured by a bond and floating charge over the assets of the Company and by a fixed charge over the property.

On 21 April 2010 the Company received inter-company funding from The Premier Property Group Limited as part of a refinancing arrangement. This funding enabled the Company to repay its bank borrowings in full on that date. The inter-company funding has no fixed repayment date, is unsecured and no interest is charged. Details of the refinancing arrangements and new bank facilities are set out in the financial statements of The Premier Property Group Limited.

Notes to the Financial Statements (continued)

13. 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.

	2010 £	2009 £
Deferred taxation – capital allowances in excess of depreciation	-	59,269

The movement during the year comprises:

	£
At 30 June 2009	59,269
Charged to the profit and loss account (Note 8)	(59,269)
At 30 June 2010	-

Deferred taxation has been provided in full.

14. Called-up share capital

	2010 £	2009 £
Allotted, called-up and fully paid: 1 ordinary share of £1 each	1	1

15. Reserves

The movement in the year was as follows:

	Profit and loss account £	Share premium account £
At 30 June 2009	(2,847,689)	4,219,050
Loss for the financial year	(6,118)	-
At 30 June 2010	(2,853,807)	4,219,050

Notes to the Financial Statements (continued)

16. Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Loss for the financial period	(6,118)	(2,883,911)
Opening shareholders' funds	1,371,362	4,255,273
Closing shareholders' funds	<u>1,365,244</u>	<u>1,371,362</u>

17. Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments at 30 June 2010 (2009 - £Nil).

b) Contingent liabilities

In the prior period the Company guaranteed bank borrowings of its immediate parent and certain fellow subsidiary undertakings by cross guarantees. The total contingency at 30 June 2009 amounted to £360,013,410).

At 30 June 2010, the Company has guaranteed bank borrowings of the Company, its ultimate holding company, Murray International Holdings Limited, and certain fellow subsidiary undertakings by gross guarantees. The total contingency at 30 June 2010 amounts to £600,723,995.

Loans held by The Premier Property Group Limited, an intermediate parent company, are secured by bond and floating charges and debentures over the assets of the Company and by standard securities 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

18. Related party transactions

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

In the period to 18 December 2009, prior to the immediate parent company (Note 19) becoming a wholly owned subsidiary, the Company entered into the following transactions:

- Incurred a management fee from an intermediate parent company, The Premier Property Group Limited, of £27,706 (2009 - £154,824).
- Incurred group tax relief from a fellow group undertaking, Murray Group Management Limited, of £39,003 (2009 - £1,076).

Notes to the Financial Statements (continued)

19. 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 9 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.

20. Ultimate control

Sir D E Murray, a director of the ultimate holding company (Note 19), and members of his close family control the Company as a result of controlling directly or indirectly 76% of the issued share capital of the ultimate holding company.