

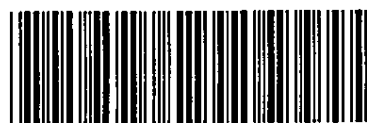
PPG BRACKNELL LIMITED

**FINANCIAL STATEMENTS FOR THE PERIOD FROM 22 NOVEMBER 2006
TO 31 JANUARY 2008**

TOGETHER WITH DIRECTORS' AND INDEPENDENT AUDITOR'S REPORTS

REGISTERED NUMBER: 6006896

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PPG BRACKNELL LIMITED

DIRECTORS' REPORT

FOR THE 15 MONTH PERIOD ENDED 31 JANUARY 2008

The directors present their first report and the financial statements of the Company for the 15 month period from incorporation to 31 January 2008

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company was incorporated on 22 November 2006

The principal activity of the Company during the period was the development of property within the UK for medium and long-term returns

The Company generated an operating profit of £4.4 million in its first trading period of 15 months. The trading results include the sale of development property and a lease surrender payment received.

The Company acquired two adjacent office properties during the period with one property sold in the period and the other being retained for future development. At 31 January 2008, the Company held property assets with a book value of £12.5 million and net assets of £2.9 million.

The Company monitors a wide range of performance measures. Key financial performance measures include operating profit, profit before tax, assets under management and return on capital employed. Non financial performance measures include the achievement of various milestones with regard to planning consent status and development activity status.

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.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The Company has 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.

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.

Interest rate risk

The Company policy is to arrange core debt, bank loans and overdrafts, with a floating rate of interest plus an agreed margin to manage its exposure to interest rate movements on its bank borrowings.

PPG BRACKNELL LIMITED

DIRECTORS' REPORT (continued)

FOR THE 15 MONTH PERIOD ENDED 31 JANUARY 2008

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

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

| | |
|-------------|------------------------------|
| I B Tudhope | (appointed 22 November 2006) |
| A Glasgow | (appointed 22 November 2006) |
| L Higgins | (appointed 22 November 2006) |

At 31 January 2008 none of the directors had any interests in the share capital of the Company

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

PPG BRACKNELL LIMITED

DIRECTORS' REPORT (continued)

FOR THE 15 MONTH PERIOD ENDED 31 JANUARY 2008

AUDITOR

Grant Thornton UK LLP were appointed as auditor to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985 Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton UK LLP as auditor will be proposed at the Annual General Meeting

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'D Home', written in a cursive style.

D Home
Secretary
24 June 2008

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF PPG BRACKNELL LIMITED

We have audited the financial statements of PPG Bracknell Limited for the period from 22 November 2006 to 31 January 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 17. 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 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 BRACKNELL 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 31 January 2008 and of its profit for the period from 22 November 2006 (date of incorporation) to 31 January 2008,
- 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
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
GLASGOW
27 JUNE 2008

PPG BRACKNELL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE 15 MONTH PERIOD ENDED 31 JANUARY 2008

| | <u>Notes</u> | 15 month period to <u>31 January 2008</u> |
|--------------------------------------------------|--------------|----------------------------------------------|
| TURNOVER | 2 | £ 12,808,351 |
| Cost of sales | | (8,264,423) |
| GROSS PROFIT | | <hr/> 4,543,928 |
| Other operating expenses | 3 | (113,908) |
| OPERATING PROFIT | | <hr/> 4,430,020 |
| Interest payable and similar charges | 5 | (265,468) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 6 | <hr/> 4,164,552 |
| Tax on profit on ordinary activities | 7 | (1,249,365) |
| PROFIT FOR THE FINANCIAL PERIOD | 13 | <hr/> <hr/> £ 2,915,187 |

The profit has been derived wholly from continuing operations

The Company has no gains or losses in the period other than the reported profit 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 an integral part of this profit and loss account

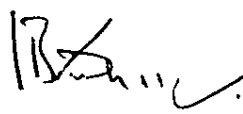

PPG BRACKNELL LIMITED
BALANCE SHEET - 31 JANUARY 2008

| | <u>Notes</u> | <u>2008</u> |
|-----------------------------------------------|--------------|--------------|
| FIXED ASSETS | | |
| Tangible assets | 8 | £ 12,454,898 |
| CURRENT ASSETS | | |
| Debtors | 9 | 32,656 |
| CREDITORS Amounts falling due within one year | 10 | (9,571,367) |
| NET CURRENT LIABILITIES | | (9,538,711) |
| NET ASSETS | | £ 2,916,187 |
| CAPITAL AND RESERVES | | |
| Called-up share capital | 11 | £ 1,000 |
| Profit and loss account | 12 | 2,915,187 |
| SHAREHOLDERS' FUNDS | 13 | £ 2,916,187 |

The accompanying notes form an integral part of this balance sheet

SIGNED ON BEHALF OF THE BOARD ON 24 JUNE 2008

I B Tudhope)
) Directors
 L Higgins)

PPG BRACKNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the 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, unless otherwise stated

No cash flow statement has been presented as provided by FRS 1 (Revised) as the consolidated financial statements of the immediate holding company (Note 16) contain a consolidated cash flow statement and are publicly available

(b) Tangible fixed assets

Development properties are those properties in respect of which construction and development have not been completed at the balance sheet date. They 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.

(c) Capitalised interest

Interest is capitalised from the point of 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.

(d) Taxation

Current tax, including UK corporation tax and foreign 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.

PPG BRACKNELL LIMITED

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 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 has been wholly generated in the UK and is net of VAT. Rental and other income is recognised as it is earned. Income from the sale of development properties is recognised when the transaction is complete.

2 TURNOVER

| Segmental information | 15 month period to <u>January 2008</u> |
|-----------------------|-------------------------------------------|
| Property sales | £ 10,050,000 |
| Rental income | 2,758,351 |
| | <u>£ 12,808,351</u> |

3 OTHER OPERATING EXPENSES

The following is included in other operating expenses

| | 15 month period to <u>January 2008</u> |
|-------------------------|-------------------------------------------|
| Administrative expenses | <u>£ 113,908</u> |

PPG BRACKNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 STAFF COSTS

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

5 INTEREST PAYABLE AND SIMILAR CHARGES

The following are included in interest payable and similar charges

| | 15 month period to <u>January 2008</u> |
|----------------------------------------------|-------------------------------------------|
| On bank overdrafts | £ 914,511 |
| Other interest | 3,392 |
| Less added to cost of development properties | (652,435) |
| | <u>£ 265,468</u> |

The cumulative interest capitalised is shown in note 8

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging

| | 15 month period to <u>January 2008</u> |
|-------------------------------------------|-------------------------------------------|
| Auditor's remuneration for audit services | <u>£ 1,000</u> |

PPG BRACKNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises

| | 15 month period to <u>January 2008</u> |
|------------------------------------------------------|-------------------------------------------|
| Current tax | |
| UK corporation tax | £ 1,249,365 |
| Total current tax | <u>1,249,365</u> |
| Total tax charge on profit on ordinary activities | <u>£ 1,249,365</u> |

There is no difference 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

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 30%

No deferred tax provision has been made in the period In the opinion of the directors there is no unprovided deferred tax at 31 January 2008

8 TANGIBLE FIXED ASSETS

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

| | Development <u>Properties</u> |
|--------------------------|----------------------------------|
| COST OR VALUATION | |
| Additions | £ 12,454,898 |
| At 31 January 2008 | <u>£ 12,454,898</u> |
| DEPRECIATION | |
| At 31 January 2008 | <u>£ -</u> |
| NET BOOK VALUE | |
| At 31 January 2008 | <u>£ 12,454,898</u> |

Cumulative interest included in the cost of development properties amounts to £652,435

PPG BRACKNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 DEBTORS

The following amount is included in the net book value of debtors

| | | |
|----------------|---|--------|
| VAT receivable | £ | 32,656 |
|----------------|---|--------|

10 CREDITORS Amounts falling due within one year

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

| | | |
|------------------------------------------|---|------------------|
| | | <u>2008</u> |
| Bank overdraft (secured) | £ | 8,931,967 |
| Amounts owed to other group undertakings | | 389,752 |
| Accruals and deferred income | | 249,648 |
| | £ | <u>9,571,367</u> |

The bank overdraft is secured by a debenture containing fixed and floating charges over the assets of the Company

11 CALLED-UP SHARE CAPITAL

| | | |
|------------------------------------------------------------------------|---|--------------|
| | | <u>2008</u> |
| Authorised 1,000 ordinary shares of £1 each | £ | 1,000 |
| Allotted, called-up and fully paid 1,000 ordinary shares of £1 each | £ | <u>1,000</u> |

During the period the Company allotted 1,000 ordinary shares with a nominal value of £1 for a cash consideration of £1,000

12 PROFIT AND LOSS ACCOUNT

The movement in the period was as follows

| | | |
|---------------------------------|---|------------------|
| | | <u>2008</u> |
| Balance at 22 November 2006 | £ | - |
| Profit for the financial period | | 2,915,187 |
| Balance at 31 January 2008 | £ | <u>2,915,187</u> |

PPG BRACKNELL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | <u>2008</u> |
|---------------------------------|--------------------|
| Profit for the financial period | £ 2,915,187 |
| New share capital subscribed | 1,000 |
| Closing shareholders' funds | <u>£ 2,916,187</u> |

14 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

There were no capital commitments at 31 January 2008

b) Contingent liabilities

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 31 January 2008 amounts to £378,694,860

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.

15 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption available under FRS 8 not to disclose transactions with fellow group undertakings.

16 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 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.

17 ULTIMATE CONTROL

Sir D E Murray, a director of the ultimate holding company (Note 16), and members of his close family control the Company as a result of controlling directly or indirectly 81% of the issued share capital of the ultimate holding company.