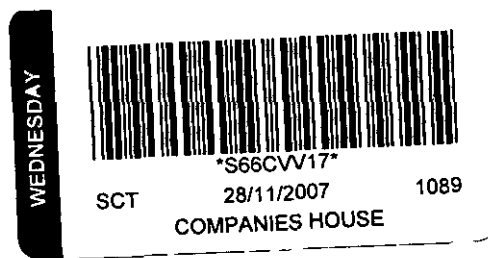


KILMARTIN PPG (STRAND) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2007
TOGETHER WITH DIRECTORS' AND INDEPENDENT AUDITOR'S REPORTS
REGISTERED NUMBER: SC192018



KILMARTIN PPG (STRAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2007

The directors present their report and the financial statements of the Company for the year ended 31 January 2007. The 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 ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company during the year has been dealing with residual matters arising from previous investment property transactions.

RESULTS AND DIVIDENDS

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

The directors have not recommended a dividend (2006 £Nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is not exposed to any significant financial risks as a result of its limited activities.

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

The directors who served the Company during the year together with their beneficial interests in the shares of the company were as follows:

I B Tudhope
R J Wotherspoon
D M Rudolph

At 31 January 2007 none of the directors had any interests in the share capital of the Company (2006 £Nil). The interests in the share capital of the controlling companies (Note 14) of the Company of those directors of the Company who are also directors of the controlling companies are disclosed in the directors' report accompanying those companies' financial statements.

KILMARTIN PPG (STRAND) LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2007

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 year 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 year. 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

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



D Horne
Secretary
12 June 2007

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF KILMARTIN PPG (STRAND) LIMITED

We have audited the financial statements of Kilmartin PPG (Strand) Limited for the year ended 31 January 2007 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 14. 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 KILMARTIN PPG
(STRAND) LIMITED**

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 2007 and of its profit for the year 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
14 JUNE 2007

KILMARTIN PPG (STRAND) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
Other operating expenses	2	£ 11,214	£
		<hr/>	<hr/>
OPERATING PROFIT		11,214	
Investment income	5	551	533
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,765	533
Tax on profit on ordinary activities	6	(1,870)	
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	10	£ 9,895	£ 533
		<hr/>	<hr/>

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

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

The reported profit on ordinary activities before taxation for each year equates to the historical cost profit on ordinary activities before taxation

The accompanying notes form an integral part of this profit and loss account

KILMARTIN PPG (STRAND) LIMITED

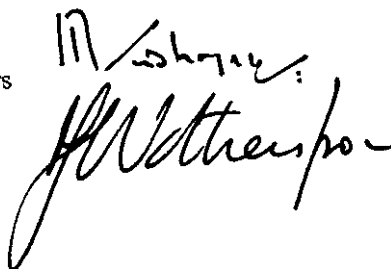
BALANCE SHEET 31 JANUARY 2007

	<u>Notes</u>	<u>2007</u>	<u>2006</u>
CURRENT ASSETS			
Debtors	7	£ 105	£ 86
Cash at bank and in hand		20,262	20,920
		<u>20,367</u>	<u>21,006</u>
CREDITORS Amounts falling due within one year	8	(1,870)	(12,404)
NET CURRENT ASSETS		18,497	8,602
NET ASSETS		<u>£ 18,497</u>	<u>£ 8,602</u>
CAPITAL AND RESERVES			
Called up share capital	9	£ 100	£ 100
Profit and loss account	10	18,397	8,502
SHAREHOLDERS' FUNDS	11	<u>£ 18,497</u>	<u>£ 8,602</u>

The accompanying notes form an integral part of this balance sheet

SIGNED ON BEHALF OF THE BOARD ON 12 JUNE 2007

I B Tudhope)
) Directors
R J Wotherspoon)



KILMARTIN PPG (STRAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies which have been applied consistently throughout the year and the preceding 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

The directors have taken advantage of the exemption in Financial Reporting Standard 1 (Revised) from including a cash flow statement in the financial statements on the grounds that the Company is small

(b) Taxation

Current tax, including UK corporation, 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

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 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 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

2 OTHER OPERATING EXPENSES

	<u>2007</u>	<u>2006</u>
The following is included in other operating expenses		
Write back of administrative expenses	£ 11,214	£

3 STAFF COSTS

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

4 AUDITOR'S REMUNERATION

Auditor's remuneration for the current and prior year was borne by another company

KILMARTIN PPG (STRAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 INVESTMENT INCOME

The following is included in investment income

	<u>2007</u>	<u>2006</u>
Bank interest receivable	£ 551	£ 533
	<hr/>	<hr/>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and comprises

	<u>2007</u>	<u>2006</u>
Current tax		
UK corporation tax	£ 1,870	£
	<hr/>	<hr/>
Total tax charge for the year	£ 1,870	£
	<hr/>	<hr/>

The 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 is as follows

	<u>2007</u>	<u>2006</u>
Profit on ordinary activities before tax	£ 11,765	£ 533
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK Corporation tax rate of 19% (2006 0%)	2,235	
Effects of		
Income not taxable	(69)	
Marginal relief	(296)	
	<hr/>	<hr/>
Current tax charge for year	£ 1,870	£
	<hr/>	<hr/>

The Company earns its profits in the UK, therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax, currently 19% (2006 – 0%)

7 DEBTORS

The following is included in the net book value of debtors

	<u>2007</u>	<u>2006</u>
Prepayments and accrued income	£ 105	£ 86
	<hr/>	<hr/>

KILMARTIN PPG (STRAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

The following are included in creditors falling due within one year

	<u>2007</u>	<u>2006</u>
Accruals and deferred income	£ 1,870	£ 12,404
Corporation tax	£ 1,870	£ 12,404
	<u>£ 1,870</u>	<u>£ 12,404</u>

9 CALLED UP SHARE CAPITAL

	<u>2007</u>	<u>2006</u>
Authorised		
500 A ordinary shares of £1 each	£ 500	£ 500
500 B ordinary shares of £1 each	500	500
	<u>£ 1,000</u>	<u>£ 1,000</u>
Allotted, called up and fully paid		
50 A ordinary shares of £1 each	£ 50	£ 50
50 B ordinary shares of £1 each	50	50
	<u>£ 100</u>	<u>£ 100</u>

A and B ordinary shares rank pari passu in all respects

10 PROFIT AND LOSS ACCOUNT

The movement in the year was as follows

	<u>2007</u>
Balance at 1 February 2006	£ 8,502
Profit for the financial year	9,895
	<u>£ 18,397</u>

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2007</u>	<u>2006</u>
Profit for the financial year	£ 9,895	£ 533
Opening shareholders' funds	8,602	8,069
	<u>£ 18,497</u>	<u>£ 8,602</u>

KILMARTIN PPG (STRAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year and no amounts due from or to related parties at 31 January 2007

13 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

There were no capital commitments at 31 January 2007 (2006 – £Nil)

14 OWNERSHIP OF COMPANY

The share capital of the Company is held by Kilmartin Property Group Limited (25%), Annfield Limited (25%) and PPG (Lothian) Limited (50%), all incorporated in Scotland