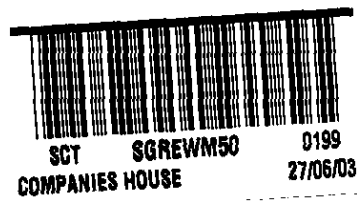


PPG METRO LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2003
TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS
REGISTERED NUMBER: SC206554



PPG METRO LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2003

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 January 2003.

PRINCIPAL ACTIVITY:

The principal activity of the company is the investment in property within the UK for medium and long term performance.

RESULTS AND DIVIDENDS:

Results and dividends for the year were as follows:

Retained profit at 31 January 2002	£ 3,681,896
Profit for the financial year	£ 442,123
Retained profit at 31 January 2003	<u>£ 4,124,019</u>

No dividend was paid or proposed in respect of the year (2002 - £Nil).

DIRECTORS AND THEIR INTERESTS:

The directors who served during the year were:

D E Murray
I B Tudhope
A Glasgow
A T H Smith
I Robertson
L Higgins

At 31 January 2003 none of the directors had any interests in the share capital of the company (2002 – Nil). The interests of the directors in the share capital of the ultimate holding company (Note 21) are disclosed in the directors' report accompanying that company's financial statements.

PPG METRO LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 JANUARY 2003

DIRECTORS' RESPONSIBILITIES:

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 its profit or loss 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 which 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 1985. 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.

AUDITORS:

Deloitte & Touche were appointed to fill a casual vacancy during the year following the resignation of Arthur Andersen. Deloitte & Touche have expressed their willingness to seek appointment and a resolution to appoint them as Auditors of the Company will be proposed at the forthcoming Annual General Meeting.

9 Charlotte Square
Edinburgh
EH2 4DR

BY ORDER OF THE BOARD



D Horne
Company Secretary

30 May 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG METRO LIMITED

We have audited the financial statements of PPG Metro Limited for the year ended 31 January 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 24. 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 auditors' 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 auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

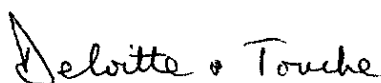
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Edinburgh
30 May 2003

PPG METRO LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
TURNOVER	2	£ 15,723,008	£ 26,854,222
Cost of sales		(12,917,806)	(19,692,136)
GROSS PROFIT		2,805,202	7,162,086
Other operating expenses (net)	3	(11,323)	(18,200)
OPERATING PROFIT		2,793,879	7,143,886
Investment income	5	50,322	88,006
Interest payable and similar charges	6	(2,363,026)	(4,104,327)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7	481,175	3,127,565
Tax on profit on ordinary activities	8	(39,052)	(848,050)
RETAINED PROFIT FOR THE FINANCIAL YEAR	16	£ 442,123	£ 2,279,515

The current year and the 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 profits for each year.

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.

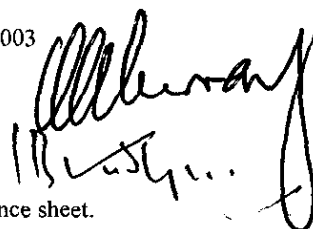
PPG METRO LIMITED

BALANCE SHEET - 31 JANUARY 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
FIXED ASSETS			
Tangible assets	9	£ 20,373,527	£ 40,768,644
Investments	10	21,986,324	14,336,324
		<u>42,359,851</u>	<u>55,104,968</u>
CURRENT ASSETS			
Debtors	11	1,695,280	1,341,568
Cash at bank and in hand		-	230,771
		<u>1,695,280</u>	<u>1,572,339</u>
CREDITORS: Amounts falling due within one year	12	(6,117,736)	(2,258,653)
NET CURRENT LIABILITIES		<u>(4,422,456)</u>	<u>(686,314)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>37,937,395</u>	<u>54,418,654</u>
CREDITORS: Amounts falling due after more than one year	13	(33,500,000)	(50,500,000)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(312,376)	(235,758)
NET ASSETS		<u>£ 4,125,019</u>	<u>£ 3,682,896</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15	£ 1,000	£ 1,000
Profit and loss account	16	4,124,019	3,681,896
SHAREHOLDERS' FUNDS	17	<u>£ 4,125,019</u>	<u>£ 3,682,896</u>

SIGNED ON BEHALF OF THE BOARD ON 30 MAY 2003

D E Murray)
) Directors
I B Tudhope)



The accompanying notes form an integral part of this balance sheet.

PPG METRO LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2003

	<u>Notes</u>	<u>2003</u>	<u>2002</u>
Net cash inflow from operating activities	18(a)	£ 19,359,177	£ 22,912,602
Returns on investment and servicing of finance	18(b)	(2,470,662)	(4,016,322)
Taxation	18(c)	(363,984)	(222,779)
Capital expenditure and financial investment	18(d)	(92,037)	(427,809)
Cash inflow before financing		<u>16,432,494</u>	<u>18,245,692</u>
Financing	18(e)	(17,000,000)	(19,350,000)
Decrease in cash in the period		<u>£ (567,506)</u>	<u>£ (1,104,308)</u>
Reconciliation of net cash outflow to movement in net debt			
Decrease in cash in the year		£ (567,506)	£ (1,104,308)
Cash outflow from changes in net debt		17,000,000	19,350,000
Change in net funds resulting from cash flows		<u>£ 16,432,494</u>	<u>£ 18,245,692</u>
Net debt at start of year		(50,269,229)	(68,514,921)
Net debt at end of year	18(f)	<u>£ (33,836,735)</u>	<u>£ (50,269,229)</u>

The accompanying notes form an integral part of this cash flow statement.

PPG METRO 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.

(b) Consolidation

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

No consolidated financial statements have been prepared for the company and its subsidiary undertakings under the terms of Section 228(1)(b) 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 21 contains details of the ultimate holding company.

(c) Investment properties

In accordance with SSAP 19, investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment 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 statutory accounting rules, is necessary to provide a true and fair view.

(d) Investments

Fixed asset investments are shown at cost less provision for impairment.

(e) 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.

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.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (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 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.

(f) Turnover

Turnover comprises sales of investment properties and rental income and is net of VAT. Turnover was generated wholly within the United Kingdom.

2. TURNOVER

Segmental information:

	<u>2003</u>	<u>2002</u>
Property development and investment	£ 15,723,008	£ 26,854,222

All turnover was sourced and derived from the United Kingdom during the year. Included within turnover is £2,368,477 (2002 - £6,011,781) relating to rental income. The remaining turnover represents net sale proceeds from the disposal of investment properties.

3. OTHER OPERATING EXPENSES (NET):

The following is included in other operating expenses (net):

	<u>2003</u>	<u>2002</u>
Administrative expenses	£ 11,323	£ 18,200

4. STAFF COSTS:

The company had no employees other than the directors during the year. The directors, other than I Robertson, are remunerated by other group undertakings. I Robertson is remunerated by an unrelated party.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. INVESTMENT INCOME:

The following is included in investment income:

	<u>2003</u>	<u>2002</u>
Interest receivable and similar income	£ 50,322	88,006
	<hr/>	<hr/>

6. INTEREST PAYABLE AND SIMILAR CHARGES:

The following are included in interest payable and similar charges:

	<u>2003</u>	<u>2002</u>
On bank loans and overdrafts	£ 1,883,026	£ 3,622,474
On interest bearing loan notes 2000/2006	480,000	480,000
Other interest	-	1,853
	<hr/>	<hr/>
	£ 2,363,026	£ 4,104,327
	<hr/>	<hr/>

7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

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

	<u>2003</u>	<u>2002</u>
Auditors' remuneration for audit services	£ 10,000	£ 10,000
	<hr/>	<hr/>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax (credit)/charge comprises:

	<u>2003</u>	<u>2002</u>
Current tax		
UK Corporation tax	£ (31,504)	£ 766,279
Adjustments in respect of prior years		
- UK corporation tax	£ (6,062)	£ (9,049)
	<hr/>	<hr/>
Total current tax	(37,566)	757,230
Deferred tax		
Origination and reversal of timing differences		
- current year	70,177	90,820
- prior year	6,441	-
	<hr/>	<hr/>
Total deferred tax (see note 14)	£ 76,618	£ 90,820
	<hr/>	<hr/>
Total tax on profit on ordinary activities	£ 39,052	£ 848,050
	<hr/>	<hr/>

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued):

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>2003</u>	<u>2002</u>
Profit on ordinary activities before tax	£ 481,175	£ 3,127,565
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2002 – 30%)	144,353	938,269
Effects of:		
Non-taxable income	(3,920,494)	(6,131,273)
Non-deductible expense	3,664,535	5,556,772
Capital allowances in excess of depreciation	(70,177)	(90,820)
Adjustments to tax charge in respect of previous periods	(6,062)	(9,049)
Capital gains	150,279	493,331
	<hr/>	<hr/>
Current tax (credit)/charge for period	£ (37,566)	£ 757,230
	<hr/>	<hr/>

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%.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. TANGIBLE FIXED ASSETS:

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

	<u>2003</u>	<u>2002</u>
Investment properties	£ 20,373,527	£40,768,644

The movement in the year was as follows:

	Investment properties
COST OR VALUATION:	
At 31 January 2002	£ 40,768,644
Additions	92,037
Disposals	(20,487,154)
At 31 January 2003	£ 20,373,527
DEPRECIATION:	
At 31 January 2002 and 31 January 2003	£ -
NET BOOK VALUE:	
At 31 January 2003	£ 20,373,527
At 31 January 2002	£ 40,768,644

Freehold and leasehold investment properties were valued on an open-market, existing-use basis as at 31 January 2003. 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.

The historic cost of investment properties at year end was £20,373,527 (2002 - £40,768,644).

In accordance with SSAP 19, investment properties are not depreciated (Note 1(c)). It is not possible to quantify the depreciation which would otherwise have been charged.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. FIXED ASSET INVESTMENTS:

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

	<u>2003</u>	<u>2002</u>
Investment in subsidiary undertakings	£ 21,986,324	£ 14,336,324

The movement in the year was as follows:

	<u>Subsidiary undertakings</u>
COST AND NET BOOK VALUE	
At 31 January 2002	£ 14,336,324
Additions	7,650,000
At 31 January 2003	£ 21,986,324

During the year the company acquired the entire share capital of PPG Metro Franborough Limited.

The subsidiary undertakings at 31 January 2003 were:

	<u>Country of registration</u>	<u>Principal activity</u>	<u>Percentage holding</u>
PPG Metro Corunna Limited	Scotland	Non-trading	100%
PPG Metro Grosvenor Limited	Scotland	Property investment	100%
PPG Metro Oswald Limited	Scotland	Property investment & development	100%
PPG Metro Franborough Limited	Scotland	Property investment & development	100%

11. DEBTORS:

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

	<u>2003</u>	<u>2002</u>
Amounts falling due within one year:		
Amounts due by other group undertakings	£ 1,500,700	£ 902,611
Trade debtors	116,527	345,956
VAT	2,249	24,033
Other debtors	75,804	68,968
	£ 1,695,280	£ 1,341,568

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

	<u>2003</u>	<u>2002</u>
Bank overdraft	£ 336,735	£ -
Amounts owed to other group undertakings	4,908,843	£ 905,411
Trade creditors	202,800	470,535
Corporation tax payable	316,732	363,982
Other creditors	121,729	86,350
Accruals and deferred income	230,897	432,375
	<u>£ 6,117,736</u>	<u>£ 2,258,653</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

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

	<u>2003</u>	<u>2002</u>
Interest bearing loan notes 2000/2006	£ 6,000,000	£ 6,000,000
Term bank loan	27,500,000	44,500,000
	<u>£ 33,500,000</u>	<u>£ 50,500,000</u>

The interest bearing loan notes 2000/2006 are unsecured and bear interest at commercial rates. The loan notes are repayable by 31 January 2006.

The term bank loan of £27,500,000 at 31 January 2003 is secured by a bond and floating charge over the assets of the company and by standard securities over certain properties. The loan is repayable by 14 January 2005 or earlier dependent on the disposal of certain investment properties. It bears interest at normal commercial rates.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. PROVISION 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 intention of management, that it is probable that the liability will be realised.

	<u>2003</u>	<u>2002</u>
Deferred taxation – accelerated capital allowances	£ 312,376	£ 235,758
	<hr/>	<hr/>

The movement during the year comprises:

At 31 January 2002	£ 235,758
Charged to profit and loss account	76,618
	<hr/>
At 31 January 2003	£ 312,376
	<hr/>

Deferred taxation has been provided in full.

15. CALLED-UP EQUITY SHARE CAPITAL:

	<u>2003</u>	<u>2002</u>
Authorised:		
475 ordinary A shares of £1.00 each	£ 475	£ 475
525 ordinary B shares of £1.00 each	525	525
	<hr/>	<hr/>
	£ 1,000	£ 1,000
	<hr/>	<hr/>
Allotted, called-up and fully paid:		
475 ordinary A shares of £1.00 each	£ 475	£ 475
525 ordinary B shares of £1.00 each	525	525
	<hr/>	<hr/>
	£ 1,000	£ 1,000
	<hr/>	<hr/>

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RESERVES:

The movement in the year was as follows:

	<u>Profit and loss account</u>
Opening balance	£ 3,681,896
Profit for the financial year	442,123
Closing balance	<u>£ 4,124,019</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:

	<u>2003</u>	<u>2002</u>
Profit for the financial year	£ 442,123	£ 2,279,515
Opening shareholders' funds	3,682,896	1,403,381
Closing shareholders' funds	<u>£ 4,125,019</u>	<u>£ 3,682,896</u>

18. NOTES TO CASH FLOW STATEMENT:

(a) Reconciliation of operating profit to operating cash flows:

	<u>2003</u>	<u>2002</u>
Operating profit	£ 2,793,879	£ 7,143,886
Original cost of investment properties disposed of	12,837,154	18,383,174
Decrease/(increase) in debtors	586	(791,172)
Increase/(decrease) in creditors	3,727,558	(1,823,286)
Net cash inflow from operating activities	<u>£ 19,359,177</u>	<u>£ 22,912,602</u>

(b) Returns on investment and servicing of finance

Interest received	£ 50,322	£ 88,005
Interest paid	(2,520,984)	(4,104,327)
Net cash outflow from returns on investment and servicing of finance	<u>£ (2,470,662)</u>	<u>£ (4,016,322)</u>

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. NOTES TO CASH FLOW STATEMENT (continued)

	<u>2003</u>	<u>2002</u>
(c) Taxation		
UK corporation tax paid	£ (363,984)	£ (222,779)
	<u> </u>	<u> </u>
(d) Capital expenditure and financial investment		
Purchase of tangible fixed assets	£ (92,037)	£ (427,809)
	<u> </u>	<u> </u>
(e) Financing		
Repayment of term loan	(17,000,000)	(19,350,000)
Net cash outflow from financing	£ (17,000,000)	£ (19,350,000)
	<u> </u>	<u> </u>
(f) Analysis and reconciliation of net debt		

	<u>At</u> <u>31 January 2002</u>	<u>Cashflow</u>	<u>At</u> <u>31 January 2003</u>
Cash at bank	£ 230,771	£ (567,506)	£ (336,735)
Debts due after one year	(50,500,000)	17,000,000	(33,500,000)
Net debt	£ (50,269,229)	£ 16,432,494	£ (33,836,735)
	<u> </u>	<u> </u>	<u> </u>

19. MAJOR NON-CASH TRANSACTIONS

During the year the company transferred an investment property to PPG Metro Franborough in exchange for share capital. The investment property had been held in the company at a cost of £7,650,000.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS:

(a) Capital commitments

There were no capital commitments at 31 January 2003 (2002 - £Nil).

(b) Contingent liabilities

The company has guaranteed bank borrowings of certain fellow subsidiary undertakings from Bank of Scotland by cross guarantees. The total contingency at 31 January 2003 amounts to £Nil (2002 - £Nil).

(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 liability is likely to arise from the failure of those companies.

21. ULTIMATE HOLDING COMPANY:

The ultimate holding company is Murray International Holdings Limited which is 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 43 Melville Street, Edinburgh, EH3 7JF.

22. ULTIMATE CONTROL:

Mr D E Murray a director of the ultimate holding company (Note 21), and members of his close family control the company as a result of controlling directly or indirectly 82% of the issued share capital of the ultimate holding company.

23. RELATED PARTY TRANSACTIONS:

During the year the company entered into the following transactions with related parties:

<u>Related Party</u>	<u>Relationship</u>	<u>Nature of Transactions</u>	<u>Amount</u>
The Premier Property Group Ltd	Parent company	(i) Interest payable	£240,000
		(ii) Management fees payable	£425,200
Murray Group Management Ltd	Fellow subsidiary of ultimate holding company (Note 21)	Tax group relief payable	£354,298

The amounts due to or by other group undertakings at 31 January 2003 are shown in Notes 11, 12 and 13.

PPG METRO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. POST BALANCE SHEET EVENTS:

Subsequent to the year-end, the group entered into the following transactions:

- the disposal of an investment property for a consideration of £5,150,000.
- the purchase of an investment property for a consideration of £9,500,000.
- the purchase of the entire issued share capital of a company for a total consideration of £524,420. This company subsequently changed its name to PPG Metro Aberdeen Limited on 11 March 2003.