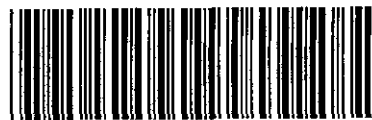


PPG LIGHTNING LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2006
TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS
REGISTERED NUMBER: SC224053

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PPG LIGHTNING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2006

The directors present their annual report on the affairs of the Company together with the financial statements and independent auditors' report for the year ended 31 January 2006

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the development of 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 2005 | £ 38,010 |
| Loss for the financial year | (94,929) |
| Retained loss at 31 January 2006 | £ (56,919) |

No dividend was paid or proposed in respect of the year (2005 - £ Nil)

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks. The Company has a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring the following areas of risk

Liquidity Risk

The Company maintains a mixture of short and long term debt finance to ensure a mix of funding to match the needs of the Company

Interest Rate Risk

The Company's 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

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and to the date of this report were

D E Murray
I B Tudhope
L Higgins
J R Davies
A Glasgow

At 31 January 2006 none of the directors had any interests in the share capital of the company (2005 Nil)

The interests in the share capital of the ultimate holding company (Note 17) of those directors of the Company who are also directors of the ultimate holding company are disclosed in the directors' report accompanying that company's financial statements

PPG LIGHTNING LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual report and the financial statements. The directors have chosen to prepare the financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare such financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company and of its profit or loss for that period and comply with United Kingdom Generally Accepted Accounting Practice and the Companies Act 1985. 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.

INDEPENDENT AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office and a resolution to re-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

25 July 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG LIGHTNING LIMITED

We have audited the financial statements of PPG Lightning Limited for the year ended 31 January 2006 which comprise the profit and loss account, balance sheet and the related notes 1 to 18. 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you 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 other transactions 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 or material inconsistencies with the financial statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG LIGHTNING 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 2006 and of its loss for the year then ended, and

the financial statements have been properly prepared in accordance with the Companies Act 1985

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Edinburgh

United Kingdom

8th August 2006

PPG LIGHTNING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2006

| | <u>Notes</u> | <u>2006</u> | <u>2005</u> |
|--|--------------|-------------------|-------------------|
| TURNOVER | 2 | £ 2,750 | £ 528,728 |
| Cost of sales | | (105,508) | |
| GROSS (LOSS)/PROFIT | | <u>(102,758)</u> | <u>528,728</u> |
| Other operating expenses | 3 | (34,033) | (1,024) |
| OPERATING (LOSS)/PROFIT | | <u>(136,791)</u> | <u>527,704</u> |
| Interest payable and similar charges | 5 | | (571,653) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 6 | (136,791) | (43,949) |
| Tax on loss on ordinary activities | 7 | 41,862 | 13,185 |
| RETAINED LOSS FOR THE FINANCIAL YEAR | 13 | <u>£ (94,929)</u> | <u>£ (30,764)</u> |

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

The Company has no gains or losses in either year other than the reported loss for the current and prior year 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 an integral part of this profit and loss account

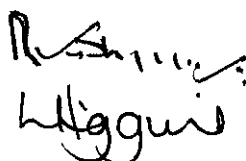
PPG LIGHTNING LIMITED
BALANCE SHEET 31 JANUARY 2006

| | <u>Notes</u> | <u>2006</u> | <u>2005</u> |
|--|--------------|--------------|--------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | £ 16,103,736 | £ 14,250,840 |
| | | <hr/> | <hr/> |
| CURRENT ASSETS | | | |
| Debtors | 9 | 59,145 | 16,828 |
| | | <hr/> | <hr/> |
| CREDITORS Amounts falling due within one year | 10 | (16,218,800) | (121,432) |
| | | <hr/> | <hr/> |
| NET CURRENT LIABILITIES | | (16,159,655) | (104,604) |
| | | <hr/> | <hr/> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (55,919) | 14,146,236 |
| | | <hr/> | <hr/> |
| CREDITORS Amounts falling due after more than one year | 11 | | (14,107,226) |
| | | <hr/> | <hr/> |
| NET (LIABILITIES)/ASSETS | | £ (55,919) | £ 39,010 |
| | | <hr/> | <hr/> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | £ 1,000 | £ 1,000 |
| Profit and loss account | 13 | (56,919) | 38,010 |
| | | <hr/> | <hr/> |
| SHAREHOLDERS' (DEFICIT)/FUNDS | 14 | £ (55,919) | £ 39,010 |
| | | <hr/> | <hr/> |

The accompanying notes form an integral part of this balance sheet

SIGNED ON BEHALF OF THE BOARD ON 25 JULY 2006

I B Tudhope)
) Directors
L Higgins)



PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

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

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 includes the cash flows of this Company 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. The proceeds and costs on disposal of development properties which have been classified as stocks are reflected in turnover and cost of sales respectively.

(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 LIGHTNING 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 management fee income is recognised as it becomes receivable. Income from the sale of current development properties is recognised when the transaction is complete.

2 TURNOVER

| Segmental information | <u>2006</u> | <u>2005</u> |
|-------------------------------------|-------------|-------------|
| Property development and investment | £ 2,750 | £ 528,728 |

Included within turnover is £Nil (2005 £528,728) relating to rental income. The remaining turnover in the year relates to other income.

3 OTHER OPERATING EXPENSES

The following is included in other operating expenses:

| | <u>2006</u> | <u>2005</u> |
|-------------------------|-------------|-------------|
| Administrative expenses | £ 34,033 | £ 1,024 |

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 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

5 INTEREST PAYABLE AND SIMILAR CHARGES

The following are included in interest payable and similar charges

| | <u>2006</u> | <u>2005</u> |
|--|-------------|------------------|
| On bank overdrafts | £ 810,077 | £ 571,653 |
| Other interest | 25,196 | |
| Less added to cost of development properties | (835,273) | |
| | <u>£</u> | <u>£ 571,653</u> |

Interest capitalised is based on commercial rates The cumulative interest capitalised is shown in note 8

6 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging

| | <u>2006</u> | <u>2005</u> |
|---|-------------|-------------|
| Auditors' remuneration for audit services | £ 1,000 | £ 1,000 |

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit comprises

| | <u>2006</u> | <u>2005</u> |
|--|-------------------|-------------------|
| Current tax | | |
| UK corporation tax | £ (41,862) | £ (13,185) |
| Total current tax | <u>(41,862)</u> | <u>(13,185)</u> |
| Total tax credit on loss on ordinary activities | <u>£ (41,862)</u> | <u>£ (13,185)</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 is as follows

| | <u>2006</u> | <u>2005</u> |
|---|-------------------|-------------------|
| Loss on ordinary activities before tax | £ (136,791) | £ (43,949) |
| Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2005 – 30%) | (41,037) | (13,185) |
| Effects of | | |
| Non taxable income | (825) | |
| Current tax credit for year | <u>£ (41,862)</u> | <u>£ (13,185)</u> |

The Company incurs its losses in the UK, therefore the tax rate used for tax on loss on ordinary activities is the standard rate for UK corporation tax, currently 30% (2005 – 30%)

In the opinion of the directors no deferred tax provision is required

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8 TANGIBLE FIXED ASSETS

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

| | |
|---|-----------------------------------|
| | <u>Development properties</u> |
| COST OR VALUATION | |
| At 1 February 2005 | £ 14,250,840 |
| Additions | 1,852,896 |
| At 31 January 2006 | <u>£ 16,103,736</u> |
| DEPRECIATION | |
| At 1 February 2005 and 31 January 2006 | <u>£</u> |
| NET BOOK VALUE | |
| At 31 January 2006 | <u>£ 16,103,736</u> |
| At 31 January 2005 | <u>£ 14,250,840</u> |

Cumulative interest included in the cost of development properties amounts to £835,273 (2005 £Nil)

9 DEBTORS

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

| | | |
|--|-----------------|-----------------|
| | <u>2006</u> | <u>2005</u> |
| Amounts falling due within one year | | |
| Amounts owed by other group undertakings | £ 16,499 | 6,537 |
| VAT receivable | 42,646 | 10,291 |
| | <u>£ 59,145</u> | <u>£ 16,828</u> |

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

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

| | <u>2006</u> | <u>2005</u> |
|--|---------------------|------------------|
| Bank overdraft (secured) | £ 14,682,996 | £ |
| Trade creditors | 25,528 | |
| Amounts owed to other group undertakings | 1,371,196 | |
| Accruals and deferred income | 139,080 | 121,432 |
| | <u>£ 16,218,800</u> | <u>£ 121,432</u> |

The bank overdraft is secured by a bond and floating charge over the assets of the Company and a standard security over the property

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

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

| | <u>2006</u> | <u>2005</u> |
|------------------------------------|-------------|--------------|
| Between one and two years | | |
| Bank overdraft (secured) (Note 10) | £ | £ 14,107,226 |
| | <u></u> | <u></u> |

12 CALLED UP SHARE CAPITAL

| | <u>2006</u> | <u>2005</u> |
|-----------------------------------|-------------|-------------|
| Authorised | | |
| 10,000 ordinary shares of £1 each | £ 10,000 | £ 10,000 |
| | <u></u> | <u></u> |
| Allotted, called up and unpaid | | |
| 1,000 ordinary shares of £1 each | £ 1,000 | £ 1,000 |
| | <u></u> | <u></u> |

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 PROFIT AND LOSS ACCOUNT

The movement in the year was as follows

| | <u>2006</u> |
|-----------------------------|-------------------|
| Balance at 1 February 2005 | £ 38,010 |
| Loss for the financial year | (94,929) |
| Balance at 31 January 2006 | <u>£ (56,919)</u> |

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

| | <u>2006</u> |
|-------------------------------|-------------------|
| Loss for the financial year | £ (94,929) |
| Opening shareholders' funds | 39,010 |
| Closing shareholders' deficit | <u>£ (55,919)</u> |

15 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

The Company had no capital commitments at 31 January 2006 (2005 £Nil)

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 2006 amounts to £142,256,749 (2005 £220,168,788)

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.

PPG LIGHTNING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 RELATED PARTY TRANSACTIONS

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

17 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.

18 ULTIMATE CONTROL

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 81% of the issued share capital of the ultimate holding company.