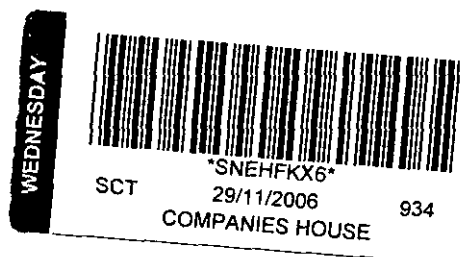


PPG METRO 39 LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2006
TOGETHER WITH DIRECTORS' AND INDEPENDENT AUDITORS' REPORTS
REGISTERED NUMBER. SC265768



PPG METRO 39 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 returns

RESULTS AND DIVIDENDS

Results and dividends for the year were as follows

Retained loss at 31 January 2005	£ (274,552)
Loss for the financial year	(937,130)
	<hr/>
Retained loss at 31 January 2006	£ (1,211,682)
	<hr/> <hr/>

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

Credit Risk

The Company has implemented a policy that requires credit checks on prospective purchasers and tenants and regular monitoring of existing tenancies

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

PPG METRO 39 LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2006

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
A Glasgow
A T H Smith
I Robertson
L Higgins

At 31 January 2006 none of the directors had any interests in the share capital of the Company. The interests in the share capital of the ultimate holding company (Note 18) 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.

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 period, 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 the profit or loss of the Company 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PPG METRO 39 LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 JANUARY 2006

AUDITORS

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors 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

26 May 2006

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PPG METRO 39 LIMITED

We have audited the financial statements of PPG Metro 39 Limited for the year ended 31 January 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 19. 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 METRO 39 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
31 May 2006

PPG METRO 39 LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2006

	<u>Notes</u>	<u>2006</u>	<u>10 months to 31 January 2005</u>
TURNOVER	2	£ 2,329,524	£ 2,132,246
Cost of sales		(1,381,236)	(809,394)
GROSS PROFIT		948,288	1,322,852
Other operating expenses	3	(872)	(41,093)
OPERATING PROFIT		947,416	1,281,759
Interest payable and similar charges	5	(2,286,173)	(1,673,975)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(1,338,757)	(392,216)
Tax on loss on ordinary activities	7	401,627	117,664
RETAINED LOSS FOR THE FINANCIAL YEAR/PERIOD	14	£ (937,130)	£ (274,552)

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

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

The reported losses 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 METRO 39 LIMITED
BALANCE SHEET 31 JANUARY 2006

	<u>Notes</u>	<u>2006</u>	<u>2005</u>
FIXED ASSETS			
Tangible assets	8	£ 44,430,070	£ 38,831,708
CURRENT ASSETS			
Debtors	9	992,390	713,317
CREDITORS Amounts falling due within one year	10	(8,134,141)	(1,271,200)
NET CURRENT LIABILITIES		(7,141,751)	(557,883)
TOTAL ASSETS LESS CURRENT LIABILITIES		37,288,319	38,273,825
CREDITORS Amounts falling due after one year	11	(38,500,000)	(38,500,000)
PROVISIONS FOR LIABILITIES AND CHARGES	12		(48,376)
NET LIABILITIES		£ (1,211,681)	£ (274,551)
CAPITAL AND RESERVES			
Called up share capital	13	£ 1	£ 1
Profit and loss account	14	(1,211,682)	(274,552)
SHAREHOLDERS' DEFICIT	15	£ (1,211,681)	£ (274,551)

The accompanying notes form an integral part of this balance sheet

SIGNED ON BEHALF OF THE BOARD ON 26 MAY 2006

I B Tudhope

L Higgins

)
) Directors
)

[Signature: I B Tudhope]
[Signature: L Higgins]

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

The directors have taken advantage of the exemptions 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) Tangible fixed assets

Development properties are those properties in respect of which construction and development have not been completed at the balance sheet date or where properties are acquired for re development. Development properties are held 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. Where there is a fundamental change in the nature of an investment property such as the commencement of development activity with a view to short or medium term disposal, it will be reclassified within tangible fixed assets or transferred to stocks in line with the above criteria.

(c) Capitalised interest

Interest is capitalised from the point at 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. Where properties are held for re development, interest is capitalised from the point re development commences.

(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.

PPG METRO 39 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 comprises of rental income and other income and is net of VAT. Turnover is wholly generated in the United Kingdom. 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>10 Months to 31 January 2005</u>
Property development and investment	£ 2,329,524	£ 2,132,246

All turnover was sourced and derived from the United Kingdom during the year. Included within turnover is £2,004,714 (2005 £2,132,246) relating to rental income. The remaining turnover during the year relates to other income.

3 OTHER OPERATING EXPENSES

The following is included in other operating expenses

	<u>2006</u>	<u>10 Months to 31 January 2005</u>
Administrative expenses	£ 872	£ 41,093

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

4 STAFF COSTS

The Company had no employees during the year or prior period. During the year and prior period 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>10 Months to 31 January 2005</u>
On bank loans and overdrafts	£ 2,060,663	£ 1,436,961
On interest bearing loan notes 2004/2009	320,000	237,014
Less capitalised on development properties	(94,490)	
	<u>£ 2,286,173</u>	<u>£ 1,673,975</u>

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

6 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration was borne by a fellow group company during the year and prior period.

7 TAX ON LOSS ON ORDINARY ACTIVITIES

The tax credit comprises

	<u>2006</u>	<u>10 months to 31 January 2005</u>
Current tax		
UK corporation tax	£ (401,627)	£ (166,040)
Adjustment in respect of prior period		
UK corporation tax	48,376	
Total current tax	<u>(353,251)</u>	<u>(166,040)</u>
Deferred tax		
Origination and reversal of timing differences		
current year	(48,376)	48,376
Total deferred tax (see note 12)	<u>(48,376)</u>	<u>48,376</u>
Total tax on loss on ordinary activities	<u>£ (401,627)</u>	<u>£ (117,664)</u>

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

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>10 months to 31 January 2005</u>
Loss on ordinary activities before tax	<u>£ (1,338,757)</u>	<u>£ (392,216)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 30%	(401,627)	(117,664)
Effects of Capital allowances in excess of depreciation Adjustment in respect of prior period	48,376	(48,376)
Current tax credit for the year/period	<u>£ (353,251)</u>	<u>£ (166,040)</u>

The Company suffers 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%)

PPG METRO 39 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>2006</u>	<u>2005</u>
Development properties	£ 44,043,380	£ 38,831,708

The movement in the year was as follows

	<u>Development properties</u>
COST	
At 31 January 2005	£ 38,831,708
Additions	5,598,362
At 31 January 2006	£ 44,430,070
DEPRECIATION	
At 31 January 2005 and 31 January 2006	£
NET BOOK VALUE	
At 31 January 2006	£ 44,430,070
NET BOOK VALUE	
At 31 January 2005	£ 38,831,708

Cumulative interest included in the cost of development properties amounts to £94,490 (2005 £Nil)

9 DEBTORS

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

	<u>2006</u>	<u>2005</u>
Trade debtors	£ 78,365	£ 105,932
Amounts owed by other group undertakings	178,502	334,291
VAT	358,166	
Accrued income	42,253	25,753
Sundry debtors	335,104	247,341
	£ 992,390	£ 713,317

PPG METRO 39 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>
Trade creditors	£ 168,227	£
Bank overdraft (secured)	6,888,346	531,046
Amounts owed to other group undertakings	178,663	148,851
Amounts owed to related parties	13,589	
VAT		99,683
Other creditors	28,402	7,330
Accruals and deferred income	856,914	484,290
	<u>£ 8,134,141</u>	<u>£ 1,271,200</u>

The bank overdraft is secured by a bond and floating charge over the assets of the Company and by 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>
Interest bearing loan notes 2004/2009	£ 4,000,000	£ 4,000,000
Term bank loan	34,500,000	34,500,000
	<u>£ 38,500,000</u>	<u>£ 38,500,000</u>

The interest bearing loan notes 2004/2009 are unsecured and bear interest at commercial rates. The loan notes are repayable in one instalment by 31 July 2009 or earlier dependent on the disposal of the property.

The term bank loan of £34,500,000 at 31 January 2005 is secured by a bond and floating charge over the assets of the Company and by a standard security over the property. The loan is repayable in one instalment by 31 July 2009 or earlier dependent on the disposal of the property. It bears interest at normal commercial rates.

12 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 possible that the liabilities will be realised.

	<u>2006</u>
The movement in the year comprises	
At 31 January 2005	£ 48,376
Charged to the profit and loss account (Note 7)	(48,376)
At 31 January 2006	<u>£</u>

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 CALLED UP SHARE CAPITAL

	<u>2006</u>	<u>2005</u>
Authorised 1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>
Allotted, called up and fully paid 1 ordinary share of £1	£ 1	£ 1
	<hr/>	<hr/>

14 PROFIT AND LOSS ACCOUNT

The movement in the year was as follows

	<u>2006</u>
Opening balance	£ (274,552)
Loss for the financial year	(937,130)
Closing balance	<u>£ (1,211,682)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	<u>2006</u>	<u>2005</u>
Loss for the financial year/period	£ (937,130)	£ (274,552)
New share capital subscribed		1
Net increase in shareholders' deficit	<u>£ (937,130)</u>	<u>£ (274,551)</u>
Opening shareholders' deficit	(274,551)	
Closing shareholders' deficit	<u>£ (1,211,681)</u>	<u>£ (274,551)</u>

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

a) Capital commitments

Capital expenditure contracted but not provided at 31 January 2006 totalled £4,438,751 (2005 £Nil)

b) Contingent liabilities

The Company has guaranteed bank borrowings of its immediate parent and certain fellow subsidiary undertakings by cross guarantees. The total contingency at 31 January 2006 amounts to £156,687,551 (2005 £169,517,708)

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.

17 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>Year ended 31 January 2006</u>	<u>10 months ended 31 January 2005</u>
Murray Group Management Limited	Fellow subsidiary of ultimate holding company	Tax group relief	(£155,789)	£166,040
The Premier Property Group Limited	Parent undertaking	(i) Management fees	(£627,135)	(£320,3504)
		(ii) Loan Note		(£2,000,000)
		(iii) Loan Note interest	(£160,000)	(£118,507)
Uberior Investments plc	Shareholder in immediate parent	(i) Loan Note		(£2,000,000)
		(ii) Loan Note interest	(£160,000)	(£118,507)

The following amounts are included in balances due from/(due to) other group undertakings and related parties at 31 January 2006 as shown in notes 9, 10 and 11

	<u>2006</u>	<u>2005</u>
Murray Group Management Limited	£178,502	£334,291
The Premier Property Group Limited	(£2,165,074)	(£2,148,851)
Uberior Investments plc	(£2,013,589)	(£2,000,000)

PPG METRO 39 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 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.

19 ULTIMATE CONTROL

D E Murray, a director of the ultimate holding company (Note 18), 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.