

Company Registration No SC274858 (England and Wales)

PRINCES STREET INVESTMENTS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2007



PRINCES STREET INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	S Carlin A Rowell
Secretary	M J Dean
Company number	SC274858
Registered office	123 St Vincent Street Glasgow G2 5EA
Auditors	Wilson Wright & Co, Chartered Accountants, 71 Kingsway, London, WC2B 6ST

PRINCES STREET INVESTMENTS LIMITED

CONTENTS

	Page
Directors' report	1 2
Independent auditors' report	3 4
<i>Profit and loss account</i>	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 15

PRINCES STREET INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

The directors submit their annual report and financial statements for the period ended 30 September 2007

Principal activities and review of the business

The company's principal activity is property investment for rental return

The company owns a portfolio of 22 petrol stations, located throughout England

The service stations all of which trade well, are principally located in prominent areas beside busy arterial roads. The majority of the stations have recently been refurbished and re branded from their original "Jet" brand to leading market brands such as Texaco, BP, Esso, Total and Elf

The portfolio is let to Malthurst Limited, a prominent UK petrol station operator. The most southerly of these properties is located in Cornwall in the South West and the furthest north in Northumberland. The average size is approximately 0.5 acres in size.

The 22 petrol stations provide stable income generating an initial yield of 5.5% and a reversionary yield of approximately 7.8%.

The sites were all tenanted as at 30 September 2007

Principal risks and uncertainties

The company is subject to commercial property risk. Property is essentially a defensive asset class, which provides excellent diversification benefits.

Although over the long term property is considered a low risk asset, investors must be aware that significant short and medium term risk factors are inherent in the asset class.

Investments in properties are relatively illiquid and usually more difficult to realise than listed equities or bonds. Investment in property cannot therefore necessarily be converted to cash on demand.

Property is inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date.

Key performance indicators

	2007 £	2006 £
Rental receivable	1,143,383	1,237,866
Rental receivable per trading day	4,188	4,283

The above key performance indicators are based on a period of trade of 273 days and 289 days, for 2007 and 2006 respectively.

Results and dividends

The results for the period are set out on page 5.

No dividend has been proposed.

PRINCES STREET INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Subsequent events and future developments

There have not been any important post balance sheet events, nor are there any major plans for future development

Directors

The following directors have held office since 1 January 2007

M A Herbert	(Resigned 30 April 2007)
L E Herbert	(Resigned 30 April 2007)
C B Beatty	(Appointed 17 January 2007 and resigned 30 April 2007)
S Carlin	(Appointed 30 April 2007)
A Rowell	(Appointed 30 April 2007)

Creditor payment policy

The company's policy in relation to the payments of trade creditors, is to agree its terms of payment with each supplier on an individual basis

Auditors

Wilson Wright & Co, having been appointed auditors, will be proposed for re appointment in accordance with Section 385(2) of the Companies Act 1985

Directors' responsibilities

The directors are obliged under company law to prepare financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice for each financial year

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the profit or loss for that period, and they must comply with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements. The directors must 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 also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements


The directors confirm that the above requirements have been complied with in the financial statements

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board


A. Rowell
28/7/2008

PRINCES STREET INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PRINCES STREET INVESTMENTS LIMITED

We have audited the financial statements of Princes Street Investments Limited for the period ended 30 September 2007 set out on pages 5 to 15. 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom 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.

PRINCES STREET INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF PRINCES STREET INVESTMENTS LIMITED

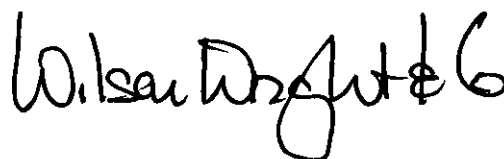
Opinion

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 30 September 2007 and of its loss for the period 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

**Wilson Wright & Co,
Chartered Accountants
and Registered Auditors,
71 Kingsway,
London, WC2B 6ST**

A handwritten signature in black ink, appearing to read 'Wilson Wright & Co', with a stylized flourish at the end.

30 July 2008

PRINCES STREET INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

		Period ended 30 September 2007 £	Period ended 31 December 2006 £
	Notes		
Turnover		1,143,383	1,237,866
Administrative expenses		(136,150)	(156,121)
Operating profit	2	1,007,233	1,081,745
Interest receivable		3,698	3,222
Interest payable	3	(1,209,299)	(1,105,816)
Loss on ordinary activities before taxation		(198,368)	(20,849)
Tax on loss on ordinary activities	4		
Loss for the financial year	10	(198,368)	(20,849)

The profit and loss account has been prepared on the basis that all operations are continuing operations

PRINCES STREET INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Period ended 30 September 2007 £	Period ended 31 December 2006 £
Loss for the financial year	(198,368)	(20,849)
Unrealised surplus on revaluation of properties	250,000	
Total recognised gains and losses relating to the period	<u>51,632</u>	<u>(20,849)</u>

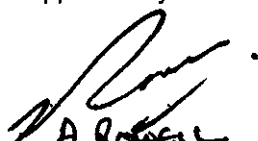
PRINCES STREET INVESTMENTS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	5	26,500,000		26,250,000	
Current assets					
Debtors	6	23,358		136,409	
Cash at bank and in hand		473,680		407,883	
		<u>497,038</u>		<u>544,292</u>	
Creditors' amounts falling due within one year	7	<u>(812,425)</u>		<u>(3,726,288)</u>	
Net current liabilities			<u>(315,387)</u>		<u>(3,181,996)</u>
Total assets less current liabilities			26,184,613		23,068,004
Creditors' amounts falling due after more than one year	8		<u>(25,608,112)</u>		<u>(22,543,135)</u>
			<u>576,501</u>		<u>524,869</u>
Capital and reserves					
Called up share capital	9		1		1
Revaluation reserve	10		795,717		545,717
Profit and loss account	10		<u>(219,217)</u>		<u>(20,849)</u>
Shareholders' funds	11		<u>576,501</u>		<u>524,869</u>

Approved by the Board and authorised for issue on 28/7/2008


A. Roberts
Director

PRINCES STREET INVESTMENTS LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

	Period ended 30 September 2007	Period ended 31 December 2006
	£	£
Net cash (outflow)/inflow from operating activities	(95,283)	4,264,526
Returns on investments and servicing of finance		
Interest received	3,698	3,222
Interest paid	(1,192,441)	(799,814)
Net cash outflow for returns on investments and servicing of finance	(1,188,743)	(796,592)
Capital expenditure		
Payments to acquire tangible assets		(25,704,283)
Net cash outflow for capital expenditure		(25,704,283)
Net cash outflow before management of liquid resources and financing	(1,284,026)	(22,236,350)
Financing		
New debenture loan	24,000,000	
New long term bank loan		22,644,232
Repayment of long term bank loan	(22,650,177)	
Net cash inflow from financing	1,349,823	22,644,232
Increase in cash in the period	65,797	407,883

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities	2007		2006	
	£		£	
Operating profit	1,007,233		1,081,745	
Decrease/(increase) in debtors	113,051		(136,408)	
(Decrease)/increase in creditors within one year	(1,322,609)		3,420,286	
Net effect of foreign exchange differences	107,042		(101,097)	
Net cash (outflow)/inflow from operating activities	(95,283)		4,264,526	

2 Analysis of net debt	1 January 2007	Cash flow	Other non cash changes	30 September 2007
	£	£	£	£
Net cash				
Cash at bank and in hand	407,883	65,797		473,680
Debt				
Debts falling due after one year	(22,543,135)	(1,349,823)	(107,042)	(24,000,000)
Net debt	(22,135,252)	(1,284,026)	(107,042)	(23,526,320)

3 Reconciliation of net cash flow to movement in net debt	2007		2006	
	£		£	
Increase in cash in the period	65,797		407,883	
Cash inflow from increase in debt	1,349,823		(22,644,232)	
Net effect of foreign exchange differences	(107,042)		101,097	
Movement in net debt in the period	(1,391,068)		(22,135,252)	
Opening net debt	(22,135,252)			
Closing net debt	(23,526,320)		(22,135,252)	

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

1.3 Turnover

Turnover represents rent receivable, excluding value added tax and arises solely in the United Kingdom

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by Chartered Surveyors and the directors on an open market value basis

As required by Statement of Standard Accounting Practice No 19, no depreciation is provided on investment properties, and they are included in the Balance Sheet at their open market value. This policy is contrary to the Companies Act 1985 but has been applied in order to give a true and fair view

Any aggregate surplus or deficit arising on revaluation is transferred to the investment revaluation reserve. Deficits on individual investment properties that are expected to be permanent are charged to the profit and loss account

1.5 Leasing

Rentals payable under operating leases are charged to the profit and loss account as incurred

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.7 Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions are converted into sterling at the average rate for the month in which the transactions occurred. Exchange differences are taken into account in arriving at the operating result

2 Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Loss/(profit) on foreign exchange transactions	107,042	(101,097)
Operating lease rentals	12,881	12,938
Auditors' remuneration for Audit	5,000	5,000

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

3	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	489,923	1,105,816
	On loans repayable after five years	719,376	
		<u>1,209,299</u>	<u>1,105,816</u>
4	Taxation	2007	2006
	Current tax charge		
	Factors affecting the tax charge for the period		
	Loss on ordinary activities before taxation	<u>(198,368)</u>	<u>(20,849)</u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	<u>(59,510)</u>	<u>(6,255)</u>
	Effects of		
	Non deductible expenses	900	
	Group relief surrendered		6,255
	Tax losses	<u>58,610</u>	
		<u>59,510</u>	<u>6,255</u>
	Current tax charge		

The company has estimated losses of £ 195,000 (2006: £ nil) available for carry forward against future trading profits

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2007

5 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 January 2007	26,250,000
Revaluation	250,000
	<hr/>
At 30 September 2007	26,500,000
	<hr/>

Investment properties were valued by the directors at 30 September 2007 on an open market value basis, having regard to the professional valuation which was undertaken on 13 April 2007 by DTZ Debenham Tie Leung International Property Advisors. No depreciation is provided in respect of these properties.

The comparable historic cost amounted to £25,704,283.

6 Debtors	2007 £	2006 £
Amounts owed by parent company		134,509
Other debtors	23,358	1,900
	<hr/>	<hr/>
	23,358	136,409
	<hr/>	<hr/>

7 Creditors amounts falling due within one year	2007 £	2006 £
Trade creditors	14,335	
Amounts owed to group undertakings		2,253,427
Taxes and social security costs	67,145	68,195
Other creditors		738,616
Accruals and deferred income	730,945	666,050
	<hr/>	<hr/>
	812,425	3,726,288
	<hr/>	<hr/>

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

8 Creditors' amounts falling due after more than one year	2007	2006
	£	£
Debenture loan	24,000,000	
Bank loans		22,543,135
Amounts owed to parent company	1,608,112	
	<u>25,608,112</u>	<u>22,543,135</u>
Analysis of loans		
Wholly repayable within five years	25,608,112	22,543,135
	<u>25,608,112</u>	<u>22,543,135</u>
Loan maturity analysis		
In more than two years but not more than five years	24,000,000	22,543,135
In more than five years	1,608,112	
	<u>25,608,112</u>	<u>22,543,135</u>

The debenture loan is secured by way of fixed and floating charge over the assets of the company, bears interest at a rate of 7 1/2% per annum and is repayable in 2012

The parent company loan is repayable in 2014

9 Share capital	2007	2006
	£	£
Authorised		
100 Ordinary Shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 Ordinary Shares of £1 each	1	1
	<u>1</u>	<u>1</u>

10 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 January 2007	545,717	(20,849)
Loss for the period		(198,368)
Revaluation during the period	250,000	
	<u>795,717</u>	<u>(219,217)</u>
Balance at 30 September 2007	795,717	(219,217)

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

11 Reconciliation of movements in shareholders' funds	2007 £	2006 £
Loss for the financial period	(198,368)	(20,849)
Other recognised gains and losses	250,000	
Net addition to/(depletion in) shareholders' funds	51,632	(20,849)
Opening shareholders' funds	524,869	545,718
Closing shareholders' funds	576,501	524,869

12 Contingent liabilities

The company has provided a guarantee by way of fixed and floating charges on £20 million of borrowings of it's immediate parent company, Ceref Malthurst Limited

13 Financial commitments

At 30 September 2007 the company was committed to making the following payments under non cancellable operating leases in the year to 30 September 2008

	Land and buildings	
	2007 £	2006 £
Operating leases which expire in over five years	17,250	17,250

14 Employees

Number of employees

There were no employees during the period apart from the directors

15 Control

Ceref Malthurst Limited, a company registered in the British Virgin Islands is the company's immediate parent

Ceref Limited, a company registered in Jersey is regarded as the company's ultimate parent

Group accounts are drawn up by Ceref Limited, the company is not a member of any other group preparing group accounts

The accounts of the ultimate parent company are available from Channel House, Green Street, St Helier, JE2 4UH, Jersey

PRINCES STREET INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2007

16 Related party transactions

The company was a wholly owned subsidiary of Herbel Restaurants (Ireland) Limited, a company incorporated in the Republic of Ireland until 30 April 2007. Herbel Restaurants (Ireland) Limited is a wholly owned subsidiary of Herbel Restaurants Limited, a company incorporated in Northern Ireland and was the ultimate parent company.

In accordance with FRS 8, transactions with Herbel Restaurants Limited, or fellow subsidiary undertakings have not been disclosed as the consolidated financial statements of Herbel Restaurants Limited are publicly available.

At the balance sheet date, the company owed Lebreh Limited, a company incorporated in Northern Ireland, £nil (2006 £738,616). M A Herbert and L E Herbert were directors of both companies during the year.

At the balance sheet date, £1,608,112 (2006 £nil) was outstanding to the company's immediate parent, Cref Malthurst Limited.