

Company Registration Number: 2386397

THE NEW MILL DEVELOPMENT COMPANY LIMITED

REPORTS AND FINANCIAL STATEMENTS

YEAR ENDED 28 FEBRUARY 2005



THE NEW MILL DEVELOPMENT COMPANY LIMITED

REPORTS & FINANCIAL STATEMENTS

Year ended 28 February 2005

CONTENTS

1. Report of the Directors
2. Report of the Auditors
3. Profit & Loss Account
4. Balance Sheet
- 5-6 Notes to the Accounts

THE NEW MILL DEVELOPMENT COMPANY LIMITED

COMPANY INFORMATION

DIRECTORS:	K C McCabe J G Jones J L Burnley
SECRETARY:	Teesland Secretarial Services Limited
REGISTERED OFFICE:	Europa House 20 Esplanade SCARBOROUGH N Yorkshire YO11 2AQ
COMPANY NUMBER:	2386397
AUDITORS:	Mazars LLP Chartered Accountants 90 St Vincent Street GLASGOW G2 5UB
BANKERS:	Bank of Scotland PO Box 39900 LONDON EC2M 3YB
SOLICITORS:	Walker Morris LEEDS Semple Fraser GLASGOW

THE NEW MILL DEVELOPMENT COMPANY LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements for the year ended 28 February 2005.

REVIEW OF THE BUSINESS

The principal activity of the company continued to be the development and refurbishment of commercial, industrial and residential properties.

Both the level of business and the year end financial position were as expected.

RESULTS AND DIVIDENDS

The results of the company for the year ended 28 February 2005 are set out in the financial statements on pages 3 to 6. The Directors do not recommend the payment of any dividend.

DIRECTORS

The Directors set out below have held office during the whole of the year to the date of this report unless otherwise stated. No Director has any beneficial interest in the share capital of the company.

K C McCabe

J G Jones

J L Burnley

The interests of the Directors in the share capital of the parent company are shown in the Directors' report of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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;
- comply with applicable accounting standards, 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 the company will continue in business.

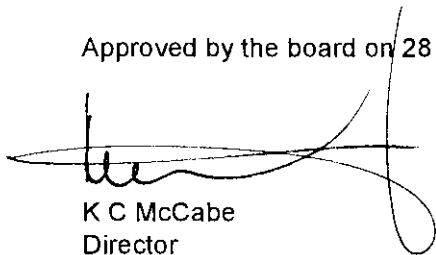
The Directors confirm that the accounts comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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

During the year Mazars LLP succeeded to Mazars as independent auditors to the company. A resolution to reappoint Mazars LLP as auditors will be put to the members at the Annual General Meeting.

Approved by the board on 28 September 2005 and signed on its behalf by:



K C McCabe
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW MILL DEVELOPMENT COMPANY LIMITED

We have audited the financial statements for the year ended 28 February 2005 which comprise the Profit and Loss Account, the Balance Sheet and related notes 1 - 12. These financial statements have been prepared under the historical cost convention and 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.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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. 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

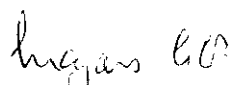
Basis of audit opinion

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 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 28 February 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MAZARS LLP

Chartered Accountants and Registered Auditor

GLASGOW

Date: 4 Nov 2005

THE NEW MILL DEVELOPMENT COMPANY LIMITED

PROFIT & LOSS ACCOUNT

Year ended 28 February 2005

		<u>2005</u>	<u>2004</u>
	<u>Notes</u>	£	£
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		-	-
Administrative expenses		(2,548)	(4,872)
		<hr/>	<hr/>
OPERATING LOSS		(2,548)	(4,872)
Interest receivable	2	1,917	1,450
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(631)	(3,422)
Taxation	5	181	-
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	<u>(450)</u>	<u>(3,422)</u>

The company's turnover and expenses all relate to continuing operations.

There were no recognised gains or losses other than the loss for the year, and accordingly a separate Statement of Gains and Losses has not been prepared.

THE NEW MILL DEVELOPMENT COMPANY LIMITED

BALANCE SHEET

At 28 February 2005

	<u>Notes</u>	<u>2005</u>	<u>2004</u>
		£	£
CURRENT ASSETS			
Debtors	6	34	57
Cash at bank and in hand		62,797	65,567
		<u>62,831</u>	<u>65,624</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	7	(191,755)	(194,098)
		<u></u>	<u></u>
NET CURRENT LIABILITIES		(128,924)	(128,474)
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	8	(263,046)	(263,046)
		<u></u>	<u></u>
NET LIABILITIES		<u>(391,970)</u>	<u>(391,520)</u>
CAPITAL AND RESERVES		£	£
Called up share capital	9	100	100
Profit & Loss account	10	(392,070)	(391,620)
		<u></u>	<u></u>
SHAREHOLDERS' DEFICIT	10	<u>(391,970)</u>	<u>(391,520)</u>

Approved by the Board on 28 September 2005 and signed on its behalf by

K C McCabe

Director

J Jones

Director

The notes on pages 5 and 6 form part of these financial statements.

THE NEW MILL DEVELOPMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 28 February 2005

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards

(a) Accounting convention

The financial statements are prepared under the historical cost convention

(b) Going concern

The financial statements have been prepared on a going concern basis as the parent companies have agreed to assist the company to meet the company's liabilities as they fall due.

	<u>2005</u>	<u>2004</u>
	£	£
2 INTEREST RECEIVABLE		
Bank interest	<u>1,917</u>	<u>1,450</u>

	£	£
3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		

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

Auditors' remuneration - audit fee

<u>1,025</u>	<u>1,000</u>
--------------	--------------

4 EMPLOYEES

The average number of employees during the period was nil (2004: nil). None of the directors received any remuneration in the period.

	£	£
5 TAXATION		
The corporation tax (credit) / charge for the year comprises:		
Corporation tax - current year charge	-	-
Credit relating to prior years	<u>(181)</u>	<u>-</u>
	<u>(181)</u>	<u>-</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	£	£
Loss on ordinary activities before tax	<u>(631)</u>	<u>(3,422)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK (19%) (2004 - 19%)	(120)	(650)
Effects of:		
Losses carried forward	120	229
Expenses not deductible for tax purposes	-	421
Prior year adjustment - consortium relief paid for	(181)	-
Tax (credit) / charge for the year	<u>(181)</u>	<u>-</u>

THE NEW MILL DEVELOPMENT COMPANY LIMITED

NOTES TO THE ACCOUNTS

Year ended 28 February 2005

	<u>2005</u>	<u>2004</u>
6 DEBTORS	£	£
Other taxation	<u>34</u>	<u>57</u>
7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	£	£
Amounts owed to parent company	190,316	192,816
Accruals and deferred income	1,437	1,280
Corporation tax	<u>2</u>	<u>2</u>
	<u>191,755</u>	<u>194,098</u>
8 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	£	£
Amounts owed to related company	<u>263,046</u>	<u>263,046</u>
9 SHARE CAPITAL	£	£
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted issued and fully paid:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
10 RECONCILIATION OF SHAREHOLDERS' DEFICIT		
	Share Capital	Profit & Loss account
	£	£
At 1 March 2004	100	(391,620)
Loss for the financial year	<u>-</u>	<u>(450)</u>
At 28 February 2005	<u>100</u>	<u>(392,070)</u>

11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No. 8 from the requirement to make disclosures concerning related party transactions within the group.

12 PARENT COMPANY

The ultimate parent company is Minigulf Limited, a company registered in England and Wales.