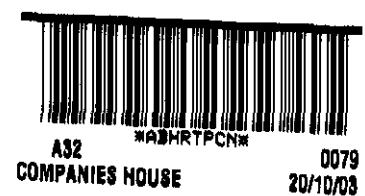


**CENTROS MILLER
(MAIDSTONE) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002



CENTROS MILLER (MAIDSTONE) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2002

Company registration number: 4139681

Registered office: Albemarle House
1 Albemarle Street
LONDON
W1X 3HF

Directors: Mr L P Hampson
Mr J F Laker
Mr P H Miller
Mr S Frost

Secretary: Mrs P J Smyth

Bankers: The Royal Bank of Scotland
5-10 Great Tower Street
LONDON
EC3P 3HX

Solicitors: Lawrence Graham
190 Strand
LONDON
WC2R 1JN

Auditors: Grant Thornton
Registered Auditors
Chartered Accountants
Byron House
Cambridge Business Park
Cowley Road
CAMBRIDGE
CB4 0WZ

CENTROS MILLER (MAIDSTONE) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2002

| INDEX | PAGE |
|------------------------------------|-------------|
| Report of the directors | 1 - 2 |
| Report of the independent auditors | 3 - 4 |
| Principal accounting policies | 5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 - 11 |

CENTROS MILLER (MAIDSTONE) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2002.

Principal activity

The principal activity of the company is that of property development for resale or retention for investment purposes.

Business review

The directors are satisfied with the performance of the company during the year and with its position at the year end and are optimistic for the coming year.

There was a profit for the year after taxation amounting to £2,729 (2001: loss of £201,837). The directors do not recommend a dividend and the profit has therefore been transferred to reserves (2001: loss transferred from reserves).

Directors

The present membership of the Board is set out below. All directors served throughout the year apart from Mr S Frost who was appointed to the Board on 25 September 2002.

Mr N J Harris retired from the Board on 25 September 2002.

Mr L P Hampson
Mr J F Laker
Mr P H Miller
Mr S Frost

None of the directors had an interest in the shares of this company. The interests of the directors who are also directors of the parent undertaking are disclosed in that company's financial statements.

Directors' responsibilities for the financial statements

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
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

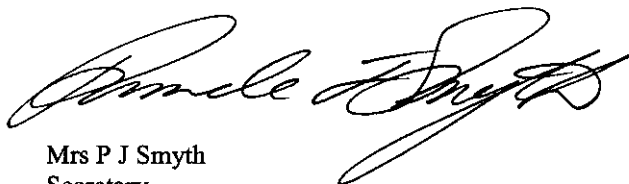
CENTROS MILLER (MAIDSTONE) LIMITED

REPORT OF THE DIRECTORS

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Pamela Smyth', written in a cursive style.

Mrs P J Smyth
Secretary

10 OCTOBER 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CENTROS MILLER (MAIDSTONE) LIMITED**

We have audited the financial statements of Centros Miller (Maidstone) Limited for the year ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet, and notes 1 to 14. 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 directors' report and the financial statements in accordance with applicable law and United Kingdom accounting standards 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 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 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 transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. This other information comprises only the directors' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CENTROS MILLER (MAIDSTONE) LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
CAMBRIDGE**

15 OCTOBER 2003

CENTROS MILLER (MAIDSTONE) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for rental income, excluding VAT and trade discounts.

WORK IN PROGRESS

Work in progress includes land and property held for use in developments.

CENTROS MILLER (MAIDSTONE) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 2002

| | Note | Year ended 31 December 2002 £ | Period ended 31 December 2001 £ |
|--|------|--|--|
| Turnover | 1 | 183,928 | 149,693 |
| Cost of sales | | <u>85,731</u> | <u>233,754</u> |
| Gross profit/(loss) | | 98,197 | (84,061) |
| Net interest payable | 2 | <u>94,968</u> | <u>117,776</u> |
| Profit/(loss) on ordinary activities before taxation | 1 | 3,229 | (201,837) |
| Tax on profit/(loss) on ordinary activities | 4 | <u>500</u> | <u>-</u> |
| Profit/(loss) for the period | 9 | <u><u>2,729</u></u> | <u><u>(201,837)</u></u> |

There were no recognised gains or losses other than the profit for the financial year.

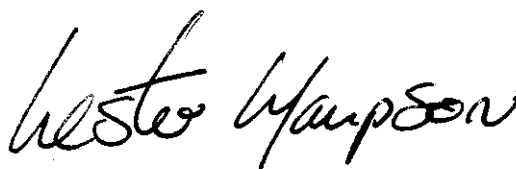
The accompanying accounting policies and notes form an integral part of these financial statements.

CENTROS MILLER (MAIDSTONE) LIMITED**BALANCE SHEET AT 31 DECEMBER 2002**

| | Note | 2002 £ | 2001 £ |
|---|------|------------------|------------------|
| Current assets | | | |
| Work in progress | 5 | 20,000 | 20,000 |
| Debtors | 6 | 5,019,027 | 2,801,148 |
| Cash at bank and in hand | | 15,535 | 146,614 |
| | | <u>5,054,562</u> | <u>2,967,762</u> |
| Creditors: amounts falling due within one year | 7 | <u>5,253,669</u> | <u>3,169,598</u> |
| Net current liabilities | | <u>(199,107)</u> | <u>(201,836)</u> |
| Capital and reserves | | | |
| Called up share capital | 8 | 1 | 1 |
| Profit and loss account | 9 | <u>(199,108)</u> | <u>(201,837)</u> |
| Shareholders' funds | 10 | <u>(199,107)</u> | <u>(201,836)</u> |

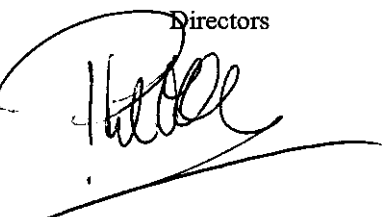
The financial statements were approved by the Board of Directors on 10 October 2003

L P Hampson



Directors

P H Miller



The accompanying accounting policies and notes form an integral part of these financial statements.

CENTROS MILLER (MAIDSTONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

1 TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit/(loss) on ordinary activities before taxation are attributable to rental income from property held within work in progress.

The profit/(loss) on ordinary activities is stated after:

| | Year ended 31 December 2002 £ | Period ended 31 December 2001 £ |
|------------------------|--|--|
| Auditors' remuneration | <u>1,200</u> | <u>1,000</u> |

2 NET INTEREST

| | Year ended 31 December 2002 £ | Period ended 31 December 2001 £ |
|--|--|--|
| On bank loan | 95,295 | 117,776 |
| Other interest receivable and similar income | <u>(327)</u> | <u>-</u> |
| | <u>94,968</u> | <u>117,776</u> |

3 DIRECTORS AND EMPLOYEES

There were no staff during the year except the directors. No remuneration was receivable by the directors during the year (2001: £nil).

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

The tax charge represents:

| | 2002 £ | 2001 £ |
|---------------------------------------|-------------------|-------------------|
| Corporation tax at 19.25% (2001: 20%) | <u>500</u> | <u>-</u> |

CENTROS MILLER (MAIDSTONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

The tax assessed for the period is lower (2001: higher) than the standard rate of corporation tax in the UK of 19.25% (2001: 20%). The differences are explained as follows:

| | 2002 £ | 2001 £ |
|---|--------------|------------------|
| Profit/(loss) on ordinary activities before tax | <u>3,229</u> | <u>(201,837)</u> |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2001: 20%) | 622 | (40,367) |
| Effect of: | | |
| Expenses not deductible for tax purposes | 92 | - |
| Marginal relief | (214) | - |
| Group relief surrendered | <u>-</u> | <u>40,367</u> |
| Current tax charge for the period | <u>500</u> | <u>-</u> |

5 WORK IN PROGRESS

| | 2002 £ | 2001 £ |
|---------------------------------------|---------------|---------------|
| Land and development work in progress | <u>20,000</u> | <u>20,000</u> |

6 DEBTORS

| | 2002 £ | 2001 £ |
|-------------------------------------|------------------|------------------|
| Trade debtors | - | 55,276 |
| Other debtors | 297,739 | - |
| Amounts due from group undertakings | <u>4,721,288</u> | <u>2,745,872</u> |
| | <u>5,019,027</u> | <u>2,801,148</u> |

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2002 £ | 2001 £ |
|------------------------------------|------------------|------------------|
| Bank loan | 1,521,141 | 1,758,701 |
| Amounts owed to group undertakings | 3,724,091 | 1,299,653 |
| Corporation tax | 500 | - |
| Social security and other taxes | - | 186 |
| Accruals and deferred income | <u>7,937</u> | <u>111,058</u> |
| | <u>5,253,669</u> | <u>3,169,598</u> |

The bank loan is secured by a fixed and floating charge over the assets of the company.

CENTROS MILLER (MAIDSTONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

8 SHARE CAPITAL

| | 2002 £ | 2001 £ |
|--|---------------|---------------|
| Authorised 10,000 ordinary shares of £1 each | <u>10,000</u> | <u>10,000</u> |
| Allotted, called up and fully paid 1 ordinary share of £1 | <u>1</u> | <u>1</u> |

9 PROFIT AND LOSS ACCOUNT

| | 2002 £ |
|---------------------|------------------|
| At 1 January 2002 | (201,837) |
| Profit for the year | <u>2,729</u> |
| At 31 December 2002 | <u>(199,108)</u> |

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2002 £ | 2001 £ |
|--|------------------|------------------|
| Profit/(loss) for the year | 2,729 | (201,837) |
| Issue of shares | <u>-</u> | <u>1</u> |
| Net increase/(decrease) in shareholders' funds | 2,729 | (201,836) |
| Shareholders' funds at 1 January 2002 | <u>(201,836)</u> | <u>-</u> |
| Shareholders' funds at 31 December 2002 | <u>(199,107)</u> | <u>(201,836)</u> |

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2002 or 31 December 2001.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2002 or 31 December 2001.

13 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Centros Miller Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Centros Miller Limited.

CENTROS MILLER (MAIDSTONE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

14 CONTROLLING RELATED PARTY

Centros Miller Limited is the company's controlling related party by virtue of its majority shareholding. The ultimate parent undertaking of Centros Miller Limited is Centros Miller Holdings Limited, incorporated in England. The ownership of Centros Miller Holdings Limited is disclosed in that company's financial statements.

The largest group of undertakings for which group accounts have been drawn up is that headed by Centros Miller Holdings Limited, incorporated in Scotland, and the smallest such group of undertakings, including the company, is that headed by Centros Miller Limited, incorporated in Scotland.