

**CENTROS MILLER
(PONTYPOOL) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2004



Company no 4647513

CENTROS MILLER (PONTYPOOL) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2004

Company registration number:	4647513
Registered office:	C/o Miller Developments Limited 28 Dover Street LONDON W1S 4NA
Directors:	Mr J F Laker Mr P H Miller Mr D T Milloy
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:	KPMG LLP Level 3 Saltire Court 20 Castle Terrace Edinburgh Midlothian EH1 2EG

CENTROS MILLER (PONTYPOOL) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2004

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CENTROS MILLER (PONTYPOOL) LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 2004.

Principal activity

The principal activity of the company is that of property development.

Business review

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

There was a profit for the year of £2,156,993 (2003: loss of £2,000). The directors recommend a dividend of £2,000,000 (2003: £nil) and the remainder of the profit has been transferred from reserves.

Directors

The membership of the Board at the end of the period is set out below. All of the directors served during the year.

Mr J F Laker

Mr P H Miller

Mr S Frost (resigned 18 March 2005)

Mr D A Lewis (resigned 5 February 2005)

Mr L P Hampson (resigned 26 March 2004)

Mr D T Milloy (appointed 18 March 2005)

Mrs J M Jackson (appointed alternate director 18 March 2005)

Mrs M Wood (appointed alternate director 18 March 2005)

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.

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

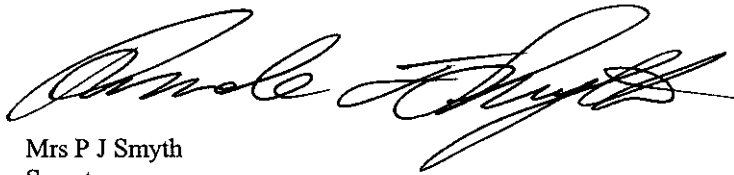
CENTROS MILLER (PONTYPOOL) LIMITED

REPORT OF THE DIRECTORS

Auditors

During the year Grant Thornton resigned as auditors and KPMG LLP were appointed auditors by the directors. KPMG LLP have expressed their willingness to continue in office and a resolution to appoint them will be made in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mrs P J Smyth
Secretary

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

We have audited the financial statements on pages 4 to 9.

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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 1, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit opinion

We conducted our audit in accordance with 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.

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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
KPMG LLP

*Chartered Accountants
Registered Auditor*

27 September 2005

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

For the year ended 31 December 2004

	Note	2004 £	Period Ended 2003 £
Turnover	1	11,460,200	792,454
Cost of sales		<u>(11,959,577)</u>	<u>(792,454)</u>
Gross loss		(499,377)	-
Other operating income		2,649,700	-
Administrative expenses		<u>(341)</u>	<u>(2,000)</u>
Operating profit/(loss)		2,149,982	(2,000)
Interest receivable	2	<u>7,011</u>	<u>-</u>
Profit/(loss) on ordinary activities before taxation	1	2,156,993	(2,000)
Tax on profit/(loss) on ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(loss) on ordinary activities after taxation	9	2,156,993	(2,000)
Dividends on equity shares		<u>(2,000,000)</u>	<u>-</u>
(Loss)/profit retained for the year		<u>156,993</u>	<u>(2,000)</u>

There were no recognised gains or losses other than the loss for the financial period.

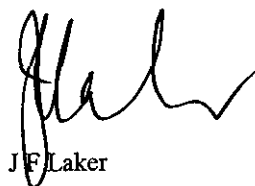
The accompanying accounting policies and notes form an integral part of these financial statements.

CENTROS MILLER (PONTYPOOL) LIMITED

BALANCE SHEET AT 31 DECEMBER 2004

	Note	2004	2003 £
Current assets			
Work in progress	5	-	1,544,405
Debtors	6	216,498	931,134
Cash		3,730,186	-
		<u>3,946,684</u>	<u>2,475,539</u>
Creditors: amounts falling due within one year	7	<u>(3,791,690)</u>	<u>(2,477,538)</u>
Net assets/(liabilities)		<u>154,994</u>	<u>(1,999)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	154,993	(2,000)
Shareholders' funds	10	<u>154,994</u>	<u>(1,999)</u>

The financial statements were approved by the Board of Directors on 16 August 2005


J F Laker


P H Miller
Directors

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

CENTROS MILLER (PONTYPOOL) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

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

Under FRS 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent company includes the company in its own published consolidated financial statements.

TURNOVER

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

GRANTS

Revenue based grant income is credited to other income in the period in which the related revenue is received.

LAND AND DEVELOPMENT WORK IN PROGRESS

Profit is recognised on property developments when the conditions on the contract for sale have been met.

Land and development work in progress are stated at the lower of cost and net realisable value. Full provision is made for all known or expected losses at completion immediately such losses are forecast on each development.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

CENTROS MILLER (PONTYPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

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

The turnover and profit/(loss) on ordinary activities before taxation are attributable to the development of property for resale or retention for investment purposes.

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

	Period ended 31 December	
	2004	2003
	£	£
Auditors' remuneration	-	4,000
Grant income received	2,649,700	-

All audit fees are paid by the company's parent company, Centros Miller 1999 Limited.

2 INTEREST RECEIVABLE

	Period ended 31 December	
	2004	2003
	£	£
Bank interest received	7,011	-

3 DIRECTORS AND EMPLOYEES

There were no staff during the period except the directors. No remuneration was receivable by the directors during the period.

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

There is no tax charge for the year.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences were explained as follows:

	Period ended 31 December	
	2004	2003
	£	£
Profit/(loss) on ordinary activities before tax	2,156,993	(2,000)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	647,098	(3,600)
Effect of: Group relief (received)/given	(647,098)	600
Current tax charge for the period	-	-

The company's liability to corporation tax will be covered by way of group relief or met by Centros Miller Holdings Limited, for which no payment will be made.

CENTROS MILLER (PONTYPOOL) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2004

Notes (continued)**5 WORK IN PROGRESS**

	2004 £	2003 £
Land and development work in progress	-	1,544,405

6 DEBTORS

	2004 £	2003 £
Other debtors	133,977	-
Trade debtors	82,521	931,134
	<u>216,498</u>	<u>931,134</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to group undertakings	3,157,558	460,074
Other creditors	374,205	138,680
Accruals and deferred income	259,927	1,878,784
	<u>3,791,690</u>	<u>2,477,538</u>

8 SHARE CAPITAL

	2004 and 2003 £
Authorised 100 ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>

9 PROFIT AND LOSS ACCOUNT

	£
At 1 January 2004	(2,000)
Retained profit for the year	<u>156,993</u>
At 31 December 2004	<u>154,993</u>

CENTROS MILLER (PONTYPOOL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2004

Notes (continued)

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004	2003
	£	£
Profit/(Loss) for the financial year	156,993	(2,000)
Issue of shares	-	1
Net movement in shareholder's funds	156,993	(1,999)
Shareholders' funds at 1 January 2004	(1,999)	-
Shareholders' funds at 31 December 2004	154,994	(1,999)

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2004 or at 31 December 2003.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2004 or at 31 December 2003.

13 TRANSACTIONS WITH RELATED PARTIES

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

14 CONTROLLING RELATED PARTY

Centros Miller 1999 Limited is the company's controlling related party by virtue of its majority shareholding. The ultimate parent undertaking of Centros Miller 1999 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 1999 Limited, incorporated in Scotland.