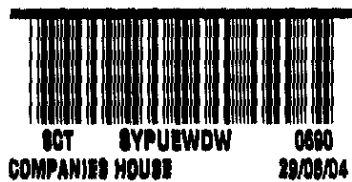


Miller/CTP (Pacific Quay) Limited

Directors' report and financial statements

For the year ended 31 December 2003

Registered number SC160930



Directors' report and financial statements

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Directors' report

The directors have pleasure in submitting their report together with the financial statements of the company for the year ended 31 December 2003.

Principal activities

The principal activity of the company is property development.

Results

The results for the year are set out in the profit and loss account on page 4. The retained loss for the year is £746 (2002: loss of £3,050).

Directors

The directors of the company during the year were:

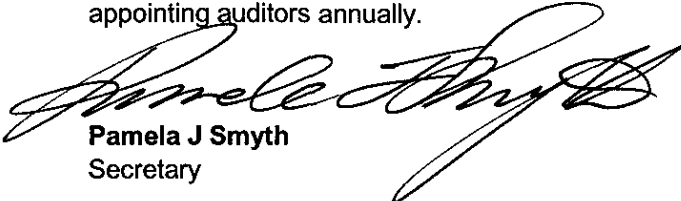
RK McCormack
PH Miller
DJ Topham
D Milloy

The directors had no interests in the shares of the company during the year.

Elective Resolution

An Elective Resolution was signed by the members on 1 April 2002 to dispense with the following legal requirements:

the holding of AGMs; the laying of accounts and reports before the company AGM; and the obligation of appointing auditors annually.



Pamela J Smyth
Secretary

Edinburgh

14 June 2004

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 year. 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.

Independent Auditors' Report to the members of Miller/CTP (Pacific Quay) 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 2, 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 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 at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Edinburgh

*Chartered Accountants
Registered Auditor*

28 June 2004

Profit and loss account
for the year ended 31 December 2003

	<i>Notes</i>	2003 £	2002 £
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(2,667)	(3,778)
		<hr/>	<hr/>
Operating loss		(2,667)	(3,778)
Interest receivable	3	570	728
		<hr/>	<hr/>
Loss on ordinary activities before taxation	4	(2,097)	(3,050)
Tax on loss on ordinary activities	6	1,351	-
		<hr/>	<hr/>
Retained loss for the year	11	(746)	(3,050)
Retained loss brought forward		(28,243)	(25,193)
		<hr/>	<hr/>
Retained loss carried forward		(28,989)	(28,243)
		<hr/>	<hr/>

There have been no recognised gains or losses other than the loss for the year.

Balance sheet
 at 31 December 2003

	Notes	2003 £	2002 £
Current assets			
Work in progress	7	1,269,664	1,269,664
Cash at bank		43,122	47,476
		<hr/>	<hr/>
		1,312,786	1,317,140
Creditors: amounts falling due within one year	8	(3,970)	(7,578)
		<hr/>	<hr/>
Net current assets		1,308,816	1,309,562
Creditors: amounts falling due after more than one year	9	(1,337,803)	(1,337,803)
		<hr/>	<hr/>
Net liabilities		(28,987)	(28,241)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		(28,989)	(28,243)
		<hr/>	<hr/>
Equity shareholders' deficit	11	(28,987)	(28,241)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 20 May 2004 and were signed on its behalf by:


 PH Miller
 Director


 DJ Topham
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules. The financial statements have been prepared on the going concern basis as the shareholders have indicated that they will continue to support the company.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard number 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

Development work in progress

Development work in progress is carried at cost plus attributable overheads or net realisable value if lower.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2 Turnover

Turnover comprises income received from property developments and arises entirely in the United Kingdom.

3	Interest receivable	2003 £	2002 £
	Bank interest receivable	525	726
	Other interest receivable	45	2
		<hr/>	<hr/>
		570	728
		<hr/>	<hr/>

Notes (cont'd)

4	Loss on ordinary activities before taxation	2003	2002
			£
	<i>This is stated after charging:</i>		
	Auditors' remuneration	1,350	1,730
		<hr/>	<hr/>
5	Remuneration of directors		
	There were no emoluments paid to the directors during the year.		
6	Taxation		
		2003	2002
		£	£
	Analysis of charge in period		
	UK corporation tax		
	Current tax on income for the period	-	-
	Adjustments in respect of prior periods	(1,351)	-
		<hr/>	<hr/>
		(1,351)	-
		<hr/>	<hr/>
	Factors affecting the tax charge for the current period		
	The current tax charge for the period is higher (2002 : <i>higher</i>) than the standard rate of corporation tax in the UK 30% (2002 : 30%).		
		2003	2002
		£	£
	Current tax reconciliation		
	(Loss) on ordinary activities before tax	(2,097)	(3,050)
	Current tax at 30% (2002: 30%)	<hr/> (629)	<hr/> (915)
	<i>Effects of:</i>		
	Deferred tax not recognised	629	915
	Total current tax charge	<hr/> -	<hr/> -
		<hr/>	<hr/>
7	Work in progress	2003	2002
		£	£
	Development site	1,269,664	1,269,664
		<hr/>	<hr/>

Notes (cont'd)

8	Creditors: amounts falling due within one year	2003	2002
		£	£
	Corporation Tax	-	-
	Trade creditors	15	4,758
	Other creditors	-	15
	Accruals and deferred income	3,955	2,805
		<u>3,970</u>	<u>7,578</u>

9	Creditors: amounts falling due after more than one year	2003	2002
		£	£
	Shareholders' loans	1,337,803	1,337,803
		<u>1,337,803</u>	<u>1,337,803</u>

The shareholders' loans, which have no fixed repayment date, carry interest at National Westminster Bank plc base rate plus 1%. Interest on the loans has been waived for the year.

10	Share capital	2003	2002
		£	£
	Equity		
	<i>Authorised</i>		
	1,000 ordinary shares of £1 each	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
	<i>Allotted, called up and fully paid</i>		
	2 ordinary shares of £1 each	2	2
		<u>2</u>	<u>2</u>
11	Reconciliation of movements in shareholders' funds	2003	2002
		£	£
	Retained loss for year	(746)	(3,050)
	Opening shareholders' deficit	(28,241)	(25,191)
		<u>(28,987)</u>	<u>(28,241)</u>
	Closing shareholders' deficit	(28,987)	(28,241)

Notes (cont'd)

12 Related party disclosures

The company is controlled jointly by CTP Limited and Miller Investments Holdings Limited (formerly Miller Investments Southern Limited). Pacific Quay Developments Limited is another joint venture between these two parties and Grosvenor Developments Limited. The ultimate parent company of each of these joint venture partners is CTP Property Holdings Limited, The Miller Group Limited and Grosvenor Group Holdings Limited.

Total amounts outstanding at the year end in respect of related parties were as follows:

	2003 £	2002 £
Due to:		
Miller Investments Holdings Limited	668,902	668,902
CTP Limited	668,901	668,901
	<hr/>	<hr/>
	1,337,803	1,337,803
	<hr/>	<hr/>