**Miller/CTP (Pacific Quay) Limited**

**Directors' report and financial statements**

For the year ended 31 December 2002

Registered number SC160930

SCT S17DEMVP 0110
COMPANIES HOUSE 23/07/03

**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 2002.

### 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 £3,050 (*2001:profit of £57,498).*

### Directors

The directors of the company during the year were:

RK McCormack
PH Miller
DJ Topham
D Milloy

The directors had no interests in 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.

### Auditors

Our auditors KPMG transferred their business to a limited liability partnership, KPMG LLP on 3 May 2002. Accordingly KPMG resigned as auditors and the Directors thereupon appointed KPMG LLP to fill the vacancy arising.

By order of the board

**Pamela J Smyth**
Secretary

Edinburgh

**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.

## Independent Auditors' Report to the Members of Miller/CTP (Pacific Quay) Limited

We have audited the financial statements on pages 4 to 8.

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 2002 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*

21 July 2003

**Profit and loss account**
***at 31 December 2002***

| | *Notes* | **2002** **£** | 2001 £ |
|---|---|---|---|
| **Turnover** | 2 | **-** | 59,187 |
| Cost of sales | | **-** | - |
| **Gross profit** | | **-** | 59,187 |
| Administrative expenses | | **(3,778)** | (1,523) |
| **Operating (loss)/profit** | | **(3,778)** | 57,664 |
| Interest receivable | | **728** | 2,740 |
| **(Loss)/profit on ordinary activities before *taxation*** | 3 | **(3,050)** | 60,404 |
| Tax on (loss)/profit on ordinary activities | 5 | **-** | (2,906) |
| **Retained (loss)/profit for the year** | | **(3,050)** | 57,498 |
| Retained loss brought forward | | **(25,193)** | (82,691) |
| *Retained loss carried forward* | | **(28,243)** | (25,193) |

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

**Balance sheet**
***at 31 December 2002***

| | Notes | 2002 £ | 2001 £ |
|---|---|---|---|
| **Current assets** | | | |
| Work in progress | 6 | **1,269,664** | 1,269,664 |
| Cash at bank | | **47,476** | 149,949 |
| | | **1,317,140** | 1,419,613 |
| **Creditors:** amounts falling due within one year | 7 | **(7,578)** | (7,001) |
| **Net current assets** | | **1,309,562** | 1,412,612 |
| **Creditors:** amounts falling due after more than one year | 8 | **(1,337,803)** | (1,437,803) |
| **Net liabilities** | | **(28,241)** | (25,191) |
| **Capital and reserves** | | | |
| Called up share capital | 9 | **2** | 2 |
| Profit and loss account | | **(28,243)** | (25,193) |
| **Equity shareholders' deficit** | 10 | **(28,241)** | (25,191) |

These financial statements were approved by the board of directors on 07 July 2003 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 profit 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 Profit on ordinary activities before taxation

| | **2002** | 2001 |
|---|---|---|
| | | £ |
| *This is arrived at after charging:* | | |
| Auditors' remuneration | **1,730** | 1,000 |

## 4 Remuneration of directors

The directors did not receive any remuneration from the company during the year.

**Notes** *(continued)*

## 5 Taxation

| | 2002 £ | 2001 £ |
|---|---|---|
| Analysis of charge in period | | |
| *UK corporation tax* | | |
| Current tax on income for the period | - | 2,906 |
| | - | 2,906 |

*Factors affecting the tax charge for the current period*

The current tax charge for the period is higher *(2001:lower)* than the standard rate of corporation tax in the UK ( 30%, *2001: 30%)*. The differences are explained below.

| | 2002 £ | 2001 £ |
|---|---|---|
| *Current tax reconciliation* | | |
| (Loss)/profit on ordinary activities before tax | **(3,050)** | 60,404 |
| Current tax at 30% *(2001: 30%)* | **(915)** | 18,121 |
| *Effects of:* | | |
| Deferred tax not recognised | **915** | - |
| Utilisation of tax losses | - | (15,215) |
| Total current tax charge | - | 2,906 |

## 6 Work in progress

| | 2002 £ | 2001 £ |
|---|---|---|
| Development site | **1,269,664** | 1,269,664 |

## 7 Creditors: amounts falling due within one year

| | 2002 £ | 2001 £ |
|---|---|---|
| Corporation Tax | - | 2,906 |
| Trade creditors | **4,758** | - |
| Other creditors | **15** | - |
| Accruals and deferred income | **2,805** | 4,095 |
| | **7,578** | 7,001 |

**Notes** (continued)

**8 Creditors:** amounts falling due after more than one year

| | 2002 £ | 2001 £ |
|---|---|---|
| *Shareholders' loans* | **1,337,803** | 1,437,803 |

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.

**9 Share capital**

| | 2002 £ | 2001 £ |
|---|---|---|
| ***Equity*** | | |
| *Authorised* | | |
| 1,000 ordinary shares of £1 each | **1,000** | 1,000 |
| *Allotted, called up and fully paid* | | |
| 2 ordinary shares of £1 each | **2** | 2 |

**10 Reconciliation of movements in shareholders' funds**

| | 2002 £ | 2001 £ |
|---|---|---|
| Retained profit/(loss) for year | **(3,050)** | 57,498 |
| Opening shareholders' deficit | **(25,191)** | (82,689) |
| **Closing shareholders' deficit** | **(28,241)** | (25,191) |

**11 Related party disclosures**

The company is controlled jointly by CTP Limited and 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:

| | 2002 £ | 2001 £ |
|---|---|---|
| **Due to:** | | |
| Miller Investments Southern Limited | **668,902** | 718,902 |
| CTP Limited | **668,901** | 718,901 |
| | **1,337,803** | 1,437,803 |