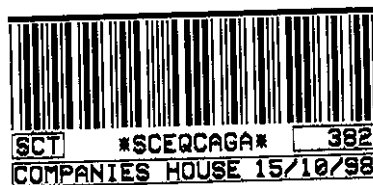


Miller/CTP (Pacific Quay) Limited
Directors' report and financial statements

31 December 1997

Registered number SC160930



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Miller/CTP (Pacific Quay) Limited

Director's report and financial statements

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Miller/CTP (Pacific Quay) Limited

Directors' report

The directors have pleasure in submitting their report together with the financial statements of the company for the year ended 31 December 1997.

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 £99,697.

Directors

The directors of the company during the year were:

RK McCormack

PH Miller

A Sutherland (resigned 2 June 1997)

DJ Topham

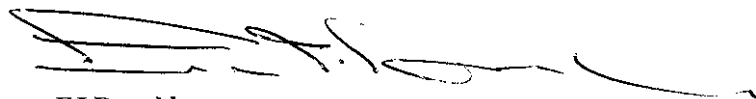
D Robinson (appointed 2 June 1997)

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

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



EJ Donaldson
Secretary

2 September 1998
Edinburgh

Miller/CTP (Pacific Quay) Limited

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.



Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Report of the auditors to the members of Miller/CTP (Pacific Quay) Limited

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

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 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 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

2 September 1998

Miller/CTP (Pacific Quay) Limited

Profit and loss account for the year ended 31 December 1997

	<i>Notes</i>	1997 £
Turnover	2	514,445
Cost of sales		(503,533)
		<hr/>
Gross profit		10,912
Administrative expenses		(110,609)
		<hr/>
Loss on ordinary activities before taxation	3	(99,697)
Tax on loss on ordinary activities	5	-
		<hr/>
Retained loss on ordinary activities after taxation		(99,697)
		<hr/>

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

Miller/CTP (Pacific Quay) Limited

Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
Current assets			
Work in progress	6	1,288,189	-
Debtors	7	666,625	2
Cash at bank		11,540	-
		<hr/>	<hr/>
		1,966,354	2
Creditors: amounts falling due within one year	8	(25,800)	-
		<hr/>	<hr/>
Net current assets		1,940,554	2
Creditors: amounts falling due after more than one year	9	(2,040,249)	-
		<hr/>	<hr/>
Net (liabilities)/assets		(99,695)	2
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		(99,697)	-
		<hr/>	<hr/>
Equity shareholders' (deficit)/funds		(99,695)	2
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 2 September 1998 and were signed on its behalf by:

PH Miller
Director

DJ Topham
Director

Miller/CTP (Pacific Quay) Limited

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.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences if liabilities are likely to crystallise in the foreseeable future.

2. Turnover

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

1997
£

3. Loss on ordinary activities before taxation

This is arrived at after charging:
Auditors' remuneration

1,300

4. Remuneration of directors

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

5. Tax on loss on ordinary activities

There is no corporation tax charge for the year due to losses incurred.

Miller/CTP (Pacific Quay) Limited

Notes (continued)

	1997 £	1996 £
6 Work in progress		
Development site	1,288,189	-
	<u> </u>	<u> </u>
7 Debtors		
Trade debtors	604,473	-
Other debtors	62,152	2
	<u> </u>	<u> </u>
	666,625	2
	<u> </u>	<u> </u>
8 Creditors: amounts falling due within one year		
Other creditors	23,500	-
Accruals and deferred income	2,300	-
	<u> </u>	<u> </u>
	25,800	-
	<u> </u>	<u> </u>
9 Creditors: amounts falling due after more than one year		
Shareholders' loans	2,040,249	-
	<u> </u>	<u> </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.		
	1997 £	1996 £
10 Share capital		
<i>Equity</i>		
<i>Authorised, allotted, called up and fully paid</i>		
2 ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>
11 Reconciliation of movements in shareholders' funds		
Retained loss for year	(99,697)	-
Opening shareholders' funds	2	2
	<u> </u>	<u> </u>
Closing shareholders' (deficit)/funds	(99,695)	2
	<u> </u>	<u> </u>

Miller/CTP (Pacific Quay) Limited

Notes (continued)

12. 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 Miller Group Limited is the ultimate parent company of Miller Investments Southern Limited.

Total amounts outstanding at 31 December 1997 in respect of related parties were as follows:

	1997 £	1996 £
Due to:		
Miller Investments Southern Limited	1,020,125	-
CTP Limited	1,020,124	-
Pacific Quay Developments Limited	23,500	-
	<hr/>	<hr/>
	2,063,749	-
	<hr/>	<hr/>
 Due from:		
Pacific Quay Developments Limited	604,473	-
The Miller Group Limited	51,302	-
	<hr/>	<hr/>
	655,775	-
	<hr/>	<hr/>