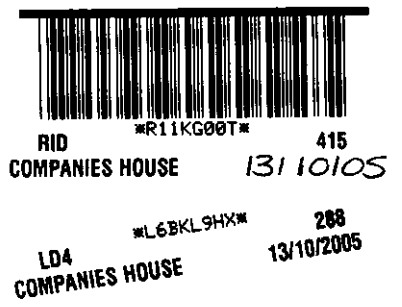


**HILLSWOOD 3000 LIMITED**

**REGISTERED NUMBER 03612455**

**DIRECTORS' REPORT AND ACCOUNTS**

**24 DECEMBER 2004**



**HILLSWOOD 3000 LIMITED**  
**REPORT OF THE DIRECTORS**

Page 1

The directors present their annual report and accounts of the company for the year ended 24 December 2004

**Principal activity and review of business:**

The company's principal activity is property development.

**Directors and directors' interests:**

The directors during the year were:

W T Edgerley

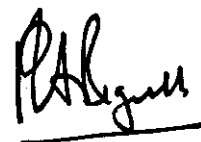
S O F Kerridge

P A Bignell

All of the directors are also members of the board of directors of P&O Property Holdings Limited of which this company is a wholly owned subsidiary undertaking. Their interests in shares and debentures of group undertakings are disclosed in the directors' report of that company.

On behalf of the board

247 Tottenham Court Road  
LONDON, W1T 7HH  
12 October 2005

A handwritten signature in black ink, appearing to read 'P A Bignell', written over a horizontal line.

P A BIGNELL  
DIRECTOR

**HILLSWOOD 3000 LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Page 2

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year. In preparing those accounts, the directors are required to select appropriate accounting policies and then employ them consistently, make judgements and estimates that are reasonable and prudent and state whether all accounting standards which they consider to be applicable have been followed. The directors are also required to use a going concern basis in preparing the accounts unless this is inappropriate.

The directors have responsibility for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company and enable them to ensure that the accounts 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.

**HILLWOOD 3000 LIMITED**  
**BALANCE SHEET AT 24 DECEMBER 2004**

Page 3

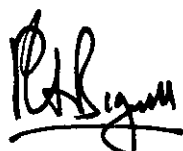
<u>NOTES</u>	24 December 2004		24 December 2003	
	£	£	£	£
<b>CURRENT ASSETS</b>				
<b>Debtors</b>				
Amounts owed by group undertakings	10,000,000		10,000,000	
		10,000,000		10,000,000
		10,000,000		10,000,000
<b>CAPITAL AND RESERVES</b>				
3 Called up share capital		10,000,000		10,000,000
Equity shareholders' funds		10,000,000		10,000,000

During the financial year and the preceding financial year the company received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor loss.

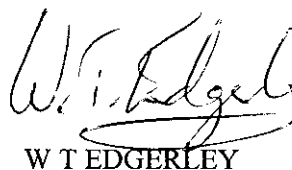
The directors:

- (a) confirm that the company was entitled to exemption under subsection (1) of section 249AA of the Companies Act 1985 from the requirement to have its accounts for the financial year ended 24 December 2004 audited.
- (b) confirm that members have not required the company to obtain an audit of its accounts for the financial year in accordance with sub-section (2) of section 249B of the Act.
- (c) acknowledge their responsibilities for:
  - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board of Directors and signed on its behalf by:-



P A BIGNELL  
 Directors  
 12 October 2005



W T EDGERLEY

## **1 ACCOUNTING POLICIES**

The principal accounting policies that have been adopted in the preparation of these accounts are given below.

### **Basis of preparation of accounts**

The accounts have been prepared in accordance with applicable United Kingdom accounting standards, and under historical cost accounting rules.

### **Related party transactions**

Under Financial Reporting Standard 8 the company is exempt from the requirement to disclose transactions or balances with entities which form part of the group.

### **Cash flow statement**

Under Financial Reporting Standard 1 (Revised), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

## **2 PROFIT AND LOSS ACCOUNT**

- (a) The company's business is organised in the United Kingdom.
- (b) The basis of charging intra-group interest is agreed between the parties from time to time.
- (c) The directors do not receive any remuneration for their services to the company; their emoluments for work within the group are paid by other group undertakings and are dealt with in the accounts of those undertakings.
- (d) Auditors' remuneration is dealt with on a group basis and no amount has been specifically recharged to this company.
- (e) Details of staff numbers and staff costs are disclosed in the accounts of the parent undertaking.

**3 CALLED UP SHARE CAPITAL**

	<b>Authorised £</b>	<b>Allotted, called up and fully paid £</b>
Ordinary shares at £1 each		
At 24 December 2004 and 25 December 2003	<u>10,000,000</u>	<u>10,000,000</u>

**4 PARENT UNDERTAKING**

The results of the company are included in the consolidated accounts of The Peninsular and Oriental Steam Navigation Company, its ultimate parent undertaking, a company incorporated by Royal Charter and therefore not registered, copies of whose accounts can be obtained from: The Registrar of Companies, Companies House, Crown Way, Cardiff CF14 3UZ.