

## **MILLER / CTP (FAREHAM) LIMITED**

### **Directors' report and financial statements**

For the year ended 31 December 2004

Registered number 04018553



## **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 2004.

### Principal activities

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

### Results and dividends

The results for the year are set out on page 4 to 9 of the financial statements.

### Directors

The directors of the company during the year were:

P H Miller	
G Illingworth	
D J Topham	
S Frost	(resigned 18 March 2005)
A Sutherland	(appointed 18 March 2005)
M Wood (alternate director)	(appointed 18 March 2005)
J M Jackson (alternate director)	(appointed 18 March 2005)

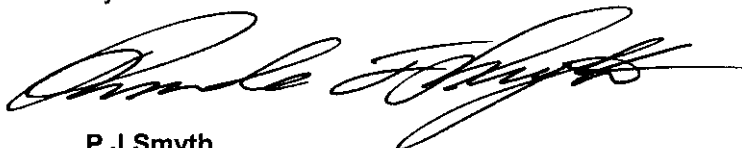
The directors had no interests in shares of the company during the year.

### 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.

By order of the board



P J Smyth  
Secretary

26 August 2005

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 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 (Fareham) 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 2004 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*

10 October 2005

**Profit and loss account**  
 For the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	36,946	-
Cost of sales		(37,143)	(1,190,908)
<b>Gross loss</b>		<b>(197)</b>	<b>(1,190,908)</b>
Administrative expenses		(3,045)	(2,750)
<b>Operating loss</b>		<b>(3,242)</b>	<b>(1,193,658)</b>
Interest payable	4	(643,428)	(191,276)
<b>Loss on ordinary activities before taxation</b>	3	<b>(646,670)</b>	<b>(1,384,934)</b>
Tax on loss on ordinary activities	5	194,001	415,480
<b>Retained loss for the year</b>		<b>(452,669)</b>	<b>(969,454)</b>
Retained loss brought forward		(969,454)	-
Retained loss carried forward		(1,422,123)	(969,454)

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


**Balance sheet**  
**at 31 December 2004**

	Notes	2004 £	2003 £
<b>Current assets</b>			
Stocks and work in progress	6	11,518,951	6,533,998
Debtors	7	884,766	847,183
Cash at bank		29,319	114,179
		<u>12,433,036</u>	<u>7,495,360</u>
<b>Creditors:</b> amounts falling due within one year	9	<u>(13,855,059)</u>	<u>(8,464,714)</u>
<b>Net liabilities</b>		<u>(1,422,023)</u>	<u>(969,354)</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account	11	<u>(1,422,123)</u>	<u>(969,454)</u>
<b>Equity shareholders' deficit</b>	12	<u>(1,422,023)</u>	<u>(969,354)</u>

These financial statements were approved by the board of directors on 8 August 2005 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.

<b>3</b>	<b>Loss on ordinary activities before taxation</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<i>This is stated after charging:</i>		
	Auditors' remuneration	<b>1,689</b>	<b>1,500</b>
		<hr/>	<hr/>

There were no emoluments paid to the directors during the year.



**Notes (cont'd)**

**4 Interest payable**

	2004 £	2003 £
Bank loan interest	627,260	139,635
Shareholder loan interest	16,168	51,641
	<hr/>	<hr/>
	643,428	191,276
	<hr/>	<hr/>

**5 Taxation**

	2004 £	2003 £
Analysis of charge in period		
<b>UK Corporation tax</b>		
Current tax on income for the period	-	-
Deferred tax – origination of timing differences	(194,001)	(415,480)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(194,001)	(415,480)
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**Factors affecting the tax charge for the current period**

The current tax charge for the period is higher than (2003: *higher than*) the standard rate of corporation tax the UK 30% (2003 : 30%). The differences are explained below.

	2004 £	2003 £
<b>Current tax reconciliation</b>		
Loss on ordinary activities before tax	(646,670)	(1,384,934)
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	(194,001)	(415,480)
	<hr/>	<hr/>
<b>Effects of:</b>		
Deferred tax – origination of timing differences	194,001	415,480
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

**6 Work in progress**

	2004 £	2003 £
Development site	11,518,951	6,533,998
	<hr/>	<hr/>

**Notes (cont'd)**

**7 Debtors**

	2004 £	2003 £
Trade debtors	136,937	-
Other debtors	83,700	83,700
Other taxes	54,648	348,003
Deferred tax (see note 8)	609,481	415,480
	<hr/>	<hr/>
	884,766	847,183
	<hr/>	<hr/>

**8 Deferred Tax**

	2004 £	2003 £
At beginning of year	415,480	-
Credited to profit and loss account	194,001	415,480
	<hr/>	<hr/>
<b>At end of year</b>	<b>609,481</b>	<b>415,480</b>
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The deferred tax asset relates to tax losses available for set off in future years

**9 Creditors: amounts falling due within one year**

	2004 £	2003 £
Trade creditors	-	10,279
Other creditor	131	-
Accruals and deferred income	128,799	28,039
Shareholder's loans	1,109,490	1,093,323
Bank loan	12,618,639	7,333,073
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	13,855,059	8,464,714
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The bank loan is secured by way of a debenture over the development and is due to be repaid on 31 July 2005. Interest is payable at 1.5% above base rate.

## Notes (cont'd)

### 10 Share capital

	2004 £	2003 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary 'A' shares of £1 each	50	50
Ordinary 'B' shares of £1 each	50	50
	<u>100</u>	<u>100</u>

The 'A' and 'B' shares rank pari passu in all respects.

### 11 Profit and loss account

	2004 £	2003 £
At beginning of year	(969,454)	-
Retained loss for the year	(452,669)	(969,454)
<b>At end of year</b>	<u>(1,422,123)</u>	<u>(969,454)</u>

### 12 Reconciliation of movement in shareholders' funds

	2004 £	2003 £
Opening shareholders' (deficit) / funds	(969,354)	100
Retained loss for the year	(452,669)	(969,454)
<b>Closing shareholders' deficit</b>	<u>(1,422,023)</u>	<u>(969,354)</u>

### 13 Related party disclosures

The company is jointly controlled by Miller Investments Holdings Limited and CTP Limited.

At the year end shareholder loans of £554,745 (2003: £546,661) and £554,745 (2003: £546,661) were outstanding to Miller Investments Holdings Limited and CTP Limited respectively.