Miller (Chiswick) Limited

Directors' report and financial statements

For the period ended 31 December 2004
Registered number 04827761

Directors' report and financial statements

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Directors' report

The directors have pleasure in presenting their first report and audited financial statements for the period from 10 July 2003 (date of incorporation) to 31 December 2004.

Business review and future developments

The principal activity of the company is that of property development. The directors consider the year end financial position to be satisfactory.

Results and dividends

The company made a profit for the period of £17,710. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the period were:

Inhoco Formations Limited	(appointed 10 July 2003, resigned 9 September 2003)
PH Miller	(appointed 9 September 2003)
M Wood	(appointed 9 September 2003)
DT Milloy	(appointed 25 February 2005)

Auditors

During the period KPMG LLP were appointed as first auditors of the company. In accordance with Section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

PJ Smyth
Secretary
29 April 2005

Edinburgh

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 (Chiswick) 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 audit 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 as at 31 December 2004 and of its profit from incorporation (10 July 2003) to 31 December 2004 have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP

Chartered Accountants
Registered Auditor 5 May *2005*

Edinburgh

Profit and loss account
for the period ended 31 December 2004

	Note	18 months to 31 December 2004 £
Turnover	2	984,171
Cost of sales		(612,828)
Gross profit		371,343
Administrative expenses		(3,834)
Operating profit		367,509
Interest receivable	4	13,130
Interest payable	5	(355,339)
Profit on ordinary activities before taxation		25,300
Tax on profit on ordinary activities	6	(7,590)
Retained profit for the period		17,710
Profit and loss reserve at start of period		-
Profit and loss reserve at end of period		17,710

There are no recognised gains or losses other than those disclosed above.

Balance sheet
at 31 December 2004

	Note	2004 £
Current assets		
Work in progress	*7*	7,800,000
Debtors	*8*	266,843
Cash at bank and in hand		28,919
		8,095,762
Creditors: amounts falling due within one year	*9*	(3,405,551)
Net current assets		4,690,211
Creditors: amounts falling due in more than one year	*10*	(4,672,500)
Net assets		17,711
Capital and reserves		
Called up share capital	*11*	1
Profit and loss account	*12*	17,710
Equity shareholders' funds	*13*	17,711

These financial statements were approved by the board of directors on 29 April 2005 and were signed on its behalf by:

PH Miller
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 company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

As the company is a wholly owned subsidiary of the Miller Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Miller Group Limited, within which the company is included, can be obtained from the address given in note 13.

Development work in progress

Development work in progress has been valued 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 represents rental income. Turnover is stated net of Value Added Tax

3. Remuneration of directors

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

4. Interest receivable

	18 months to 31 December 2004 £
Bank interest	**12,433**
Other interest	**697**
	13,130

Notes (cont'd)

5. Interest payable

	18 months to 31 December 2004 £
Bank loans and overdrafts	355,339

6. Taxation

	18 months to 31 December 2004 £
Analysis of charge in period	
UK Corporation tax	
Current tax on income for the period	7,590
Deferred tax	-
Tax on profit on ordinary activities	7,590

The tax charge for the period is equal to the standard rate of corporation tax in the UK (30%).

7. Work in progress

	2004 £
Development site	7,800,000

8. Debtors

	2004 £
Trade debtors	266,842
Amount owed by fellow group companies	1
	266,843

Notes (cont'd)

9. Creditors: amounts falling due within one year

	2004
	£
Bank loan	565,000
Amount owed to fellow group companies	57,904
Amounts owed to parent company undertaking	2,527,652
Corporation tax	7,590
Other creditors	40,530
Accruals and deferred income	206,875
	3,405,551

10. Creditors: amounts falling due in more than one year

	2004
	£
Bank loan	4,672,500

The bank term loan is repayable in full by 17 December 2006. Interest is payable on the outstanding balance at 1.25% above LIBOR. The term loan is secured by a legal charge over the specific property to which it relates and by a debenture over the assets of the company. A parent company guarantee has been issued to the lender.

11. Share capital

	2004
	£
Authorised, allotted, called up and fully paid:	
1 Ordinary share of £1 each	1

12. Profit and loss account

	2004
	£
Retained profit for the period	17,710
At beginning of period	-
At end of period	17,710

Notes (cont'd)

13. Reconciliation of movements in shareholders' funds

	2004
	£
Opening shareholders' funds	-
Retained profit for the period	17,710
Share capital issued	1
Closing shareholders' funds	**17,711**

13. Ultimate parent company

The company's ultimate parent company is The Miller Group Limited, a company registered in Scotland. The accounts of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.