Miller Triumph Properties Limited

Directors' Report and Financial Statements

For the 17 month period ended 31 December 2005

Registered Number 5192995

Contents

Directors' report

The directors present their first annual report and the audited financial statements for the 17 month period ended 31 December 2005.

Principal activities

The principal activity of the company is that of property management.

Business review

The company was incorporated on 29 July 2004 as Inhoco 3121 Limited and changed its name to Miller Triumph Properties Limited on 30 September 2004. The company commenced business as a property investment company on 29 July 2004. The net profit for the period after providing for taxation amounted to £936,270.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors who held office during the period were as follows:

P H Miller	(Appointed 20 September 2004)
M Wood	(Appointed 20 September 2004)
Inhoco Formations Limited	(Appointed 29 July 2004, Resigned 20 September 2004)

None of the directors had interests in the shares of the company. The interests of P H Miller in the shares of The Miller Group Limited, the ultimate parent company, are shown in the accounts of that company. The interests of M Wood in the shares of The Miller Group Limited are shown in the accounts of Miller Developments Holdings Limited, the intermediate parent company.

Auditors

KPMG LLP were appointed as first auditors by the directors in accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company will be proposed at the forthcoming annual general meeting.

By order of the board

P J Smyth
Secretary
24 May 2006

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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 Triumph Properties Limited

We have audited the financial statements of Miller Triumph Properties Limited for the period ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its profit for the period from 29 July 2004 (date of incorporation) to 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors
Edinburgh

25 May 2006

Profit and loss account
for the 17 month period ended 31 December 2005

	Note	**17 month period to 31 December 2005 £**
Turnover	*2*	**19,319,835**
Cost of sales		**(17,117,675)**
Gross profit		**2,202,160**
Administrative expenses		**(7,270)**
Other operating income		**2,147**
Operating profit		**2,197,037**
Other interest receivable and similar income	*6*	**11,174**
Interest payable and similar charges	*7*	**(870,683)**
Profit on ordinary activities before taxation	*3*	**1,337,528**
Tax on profit on ordinary activities	*8*	**(401,258)**
Retained profit for the period	*14*	**936,270**

The company has no recognised gains or losses other than the profit for the above financial period.

The profit for the period has been derived from continuing activities.

Balance sheet
at 31 December 2005

	Note	2005 £
Current assets		
Stocks	9	**2,849,600**
Debtors	10	**41,322**
Cash at bank and in hand		**7,053,891**
		9,944,813
Creditors: amounts falling due within one year	11	**(6,808,542)**
Net current assets		**3,136,271**
Creditors: amounts falling due after more than one year	12	**(2,200,000)**
Net assets		**936,271**
Capital and reserves		
Called up share capital	13	**1**
Profit and loss account	14	**936,270**
Equity shareholders' funds	15	**936,271**

The notes on pages 6 to 10 form part of these financial statements.

These financial statements were approved by the board of directors on 24 May 2006 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 in relation 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 statements 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, 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 16.

Development work in progress

Development work in progress has been valued at the lower of cost plus attributable overheads or net realisable value.

Taxation

The charge for taxation is based on the profit for the year end and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain terms 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.

Profit recognition

Profits in respect of sales of commercial properties are taken at the time of legal completion.

2 Turnover

Turnover represents income received from the rental of commercial property and development sales and excludes value added for tax. Turnover arises entirely in the United Kingdom.

Notes *(continued)*

3 Profit on ordinary activities before taxation

Auditors remuneration is paid by the parent company, Miller Developments Holdings Limited and is disclosed in the accounts of that company.

4 Remuneration of directors

There were no emoluments paid to directors during the period.

5 Staff number and costs

The company had no employees during the period.

6 Interest receivable and similar income

	17 month period to 31 December 2005 £
Bank interest	9,690
Other interest	1,484
	11,174

7 Interest payable and similar charges

	17 month period to 31 December 2005 £
On bank loans and overdrafts	870,683

Notes *(continued)*

8 Taxation

Analysis of charge in period

	17 month period to 31 December 2005 £
UK corporation tax	
Current tax on income for the period	401,258

Factors affecting the tax credit for the current period

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

	17 month period to 31 December 2005 £
Current tax reconciliation	
Profit on ordinary activities before tax	1,337,528
Current tax at 30%	401,258
Total current tax charge (see above)	401,258

9 Stocks

	2005 £
Work in progress	2,849,600

10 Debtors

	2005 £
Trade debtors	8,299
Other debtors	33,023
	41,322

Notes *(continued)*

11 Creditors: amounts falling due within one year

	2005 £
Trade creditors	4,626
Amounts due to group undertakings	4,645,435
Taxation and social security	1,307,880
Other creditors	5,392
Corporation tax	401,258
Accruals and deferred income	443,951
	6,808,542

12 Creditors: amounts falling due after more than one year

	2005 £
Bank loan	2,200,000

Analysis of debt:

	2005 £
Debt can be analysed as falling due:	
In one year or less, or on demand	-
Between one and two years	2,200,000
	2,200,000

The bank loan is repayable in full by June 2007. Interest is payable on the outstanding balance at 1.5% above Libor. The bank loan is secured by a bond and a floating charge over the company and a legal charge over the specific property to which it relates.

13 Called up share capital

	2005 £
Authorised	
Equity: Ordinary shares of £1 each	1,000
Allotted, called up and uppaid	
Equity: Ordinary shares of £1 each	1

Notes *(continued)*

14 Profit and loss account

	Profit and loss account £
At beginning of period	-
Retained profit for the period	936,270
At end of period	**936,270**

15 Reconciliation of movements in shareholders' funds

	2005 £
Profit for the financial period	**936,270**
New share capital subscribed	**1**
Net addition to shareholders funds	**936,271**
Opening shareholders' funds	**-**
Closing shareholders' funds	**936,271**

16 Ultimate parent company

The company is a subsidiary undertaking of Miller Developments Holdings Limited, a company registered in Scotland. The ultimate parent company is The Miller Group Limited. The accounts of The Miller Group Limited can be obtained from the Register of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2GB.