

# **Miller (Eccles) Limited**

## **Directors' Report and Financial Statements**

31 December 2007

Registered number 05484693

SATURDAY



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## **Directors' Report**

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2007

### **Principal activity**

The principal activity of the company is that of residential property development

### **Results and Dividends**

The result for the year is set out in the profit and loss account. The directors are unable to recommend the payment of a dividend for the year.

### **Directors**

The directors of the company during the year were

Ewan T Anderson	
Donald W Borland	(resigned 20 August 2007)
Nicholas I Smith	(resigned 24 August 2007)
Moirra J Kinniburgh	(appointed 5 September 2007)
Susan Warwick	(appointed 24 August 2007)

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Auditors**

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

By order of the Board



**Pamela J Smyth**  
Secretary

**30 May 2008**

## **Statement of Directors' Responsibilities**

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 year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 (Eccles) Limited

We have audited the financial statements of Miller (Eccles) Limited for the year ended 31 December 2007 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP  
Chartered Accountants  
Registered Auditor  
Edinburgh

30 May 2008

## **Profit and Loss Account**

*For the year ended 31 December 2007*

	<i>Note</i>	<b>2007</b> £	2006 £
Turnover		<b>6,608,542</b>	2,353,580
Cost of sales		<b>(6,227,751)</b>	(2,679,023)
<b>Gross profit/(loss)</b>		<b>380,791</b>	(325,443)
Administrative expenses		<b>26,664</b>	(592,882)
<b>Operating profit/(loss)</b>		<b>407,455</b>	(918,325)
Interest payable and similar charges	3	<b>(266,142)</b>	(346,147)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>141,313</b>	(1,264,472)
Tax on profit/(loss) on ordinary activities	4	<b>(42,394)</b>	379,342
<b>Profit/(loss) for the financial year</b>	10	<b>98,919</b>	(885,130)

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

## Balance Sheet

*As at 31 December 2007*

	Note	2007 £	2006 £
<b>Current assets</b>			
Stocks and work in progress	5	3,480,821	7,872,088
Debtors	6	291	856
		<u>3,481,112</u>	<u>7,872,944</u>
<b>Creditors</b> , amounts falling due within one year	7	(4,364,479)	(616,403)
<b>Total assets less current liabilities</b>		<u>(883,367)</u>	<u>7,256,541</u>
<b>Creditors</b> : amounts falling out with one year	8	-	(8,238,827)
<b>Net liabilities</b>		<u>(883,367)</u>	<u>(982,286)</u>
<b>Capital and reserves</b>			
Called up share capital	9	2	2
Profit and loss account	10	(883,369)	(982,288)
<b>Shareholders' deficit</b>	11	<u>(883,367)</u>	<u>(982,286)</u>

These financial statements were approved by the board of directors on 30 May 2008 and were signed on its behalf by



**Ewan T Anderson**  
**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 accounting***

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards

As the company's results are consolidated within its ultimate parent company, The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of The Miller Group Limited, within which this company is included, can be obtained from the address in note 12

#### ***Turnover***

Turnover represents the amounts (excluding value added tax) derived from the sale of new houses and is based on the selling price for the unit, net of any cash incentives, and is recognised on legal completion and receipt of cash

#### ***Going concern***

Notwithstanding the deficit in shareholder funds at 31 December 2007, the financial statements have been prepared on the basis of a going concern as the parent undertaking has confirmed that it will for the foreseeable future and for a period of at least twelve months from the date of approval of the financial statements continue to make available such funds as are needed by the company and that it will not seek repayment of the amounts already made available

#### ***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 profit for the year and takes into account taxation deferred 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

#### ***Staff numbers and costs***

The company has no employees The directors did not receive any remuneration from the company during the period



**Notes** (continued)

**2. Profit on ordinary activities before taxation**

	2007 £	2006 £
<i>This is stated after charging -</i>		
Auditors remuneration	1,050	620
Management fees payable to fellow subsidiary (included in administrative expenses)	(38,911)	592,892
	<hr/>	<hr/>

**3. Interest payable and similar charges**

	2007 £	2006 £
Interest payable on bank loan	266,142	346,147
	<hr/>	<hr/>

**4. Tax on profit/(loss) on ordinary activities**

	2007	2006
Analysis of charge for the year		
<b>UK corporation tax:</b>	£	£
Current tax on profit/(loss) in year	42,394	-
Group relief receivable	-	(379,342)
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	42,394	(379,342)
	<hr/>	<hr/>

Intercompany balances are stated after amounts due in respect of group relief receivable/payable

**Factors affecting tax charge for year**

The current tax charge for the year is equal to (2006 higher than) the standard rate of corporation tax in the UK 30% (2006 30%)

**Current tax reconciliation**

	2007 £	2006 £
Profit/(loss) on ordinary activities before tax	141,313	(1,264,472)
	<hr/>	<hr/>
Current tax at 30%	42,394	(379,342)
<i>Effect of</i>		
Group relief receivable	-	379,342
	<hr/>	<hr/>
Total current tax charge (see above)	42,394	-
	<hr/>	<hr/>

## Notes (continued)

### 5 Stocks and work in progress

	2007 £	2006 £
Work in progress	3,306,137	7,688,115
Part exchange properties	174,684	183,973
	<u>3,480,821</u>	<u>7,872,088</u>

### 6. Debtors

	2007 £	2006 £
Trade debtors	-	750
Unpaid share capital	2	2
Other debtors	289	104
	<u>291</u>	<u>856</u>

### 7. Creditors' amounts falling due within one year

	2007 £	2006 £
Bank loan	1,503,171	-
Intercompany loan	2,263,281	-
Accruals and loan income	36,039	81,614
Amounts owed to fellow subsidiary undertaking	561,988	534,789
	<u>4,364,479</u>	<u>616,403</u>

The bank loan is subject to interest at base rate plus 1.0% and final repayment is due to be made by December 2008. The bank loan is secured against the company's assets. The intercompany loan is not subject to any interest charge and repayment is due subsequent to the repayment of the bank loan and amounts due to other creditors.

### 8. Creditors: amounts falling out with one year

	2007 £	2006 £
Bank loan	-	5,975,546
Intercompany loan	-	2,263,281
	<u>-</u>	<u>8,238,827</u>

## Notes (continued)

### 9. Called up share capital

	2007 £	2006 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1,000	1,000
<i>Allotted, called up, but unpaid</i>		
2 ordinary shares of £1 each	2	2

### 10 Profit and loss account

	2007 £	2006 £
At beginning of year	(982,288)	(97,158)
Retained profit/(loss) for the year	98,919	(885,130)
At end of year	(883,369)	(982,288)

### 11. Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Profit/(loss) for the year	98,919	(885,130)
Shareholders' funds at beginning of year	(982,286)	(97,156)
<b>Shareholders' funds at end of year</b>	<b>(883,367)</b>	<b>(982,286)</b>

### 12 Immediate and ultimate parent company

The company's immediate parent company is Miller Homes Special Projects Portfolio Limited and its ultimate parent company is The Miller Group Limited. Both companies are registered in Scotland and incorporated in Great Britain and their accounts can be obtained from The Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.