Miller (Standishgate) Limited

Directors' report and financial statements

For the year ending 31 December 2008

Registered number 05605481

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Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ending 31 December 2008.

Principal activities

The principal activities of the company are those of property development and management.

Business review

The loss after providing for taxation amounted to £959,339 (2007: profit of £3,221).

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

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

DW Borland
J M Jackson
D Milloy
P H Miller
M Wood
A Sutherland

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

D Borland
Director
13th May 2009

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 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 year.

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.

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of Miller (Standishgate) Limited

We have audited the financial statements of Miller (Standishgate) Limited for the year ended 31 December 2008 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' responsibility for preparing 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 2008 and of its loss for the year;
- 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

KPMG LLP
Chartered Accountants
Registered Auditor

Date
18 May 2009

Profit and loss account
for the year ending 31 December 2008

	Note	**2008** £	2007 £
Turnover	2	**353,103**	354,897
Cost of sales - exceptional	3	**(1,000,000)**	-
Gross (loss)/profit		**(646,897)**	354,897
Administrative expenses		**(5)**	(4)
Operating (loss)/profit		**(646,902)**	354,893
Other interest receivable and similar income	5	**10,532**	12,807
Interest payable and similar charges	6	**(322,969)**	(364,479)
(Loss)/profit on ordinary activities before taxation	3	**(959,339)**	3,221
Tax on (loss)/profit on ordinary activities	7	**-**	-
(Loss)/profit for the financial year	13	**(959,339)**	3,221

The company has no recognised gains or losses other than the (loss)/profit for the above financial year.

The loss for the financial year has been derived from continuing activities.

Balance sheet
at 31 December 2008

	Note	**2008** **£**	2007 £
Current assets			
Stocks	8	**5,968,700**	6,968,700
Debtors	9	**101,776**	115,170
Cash at bank and in hand		**255,955**	158,991
		6,326,431	7,242,861
Creditors: amounts falling due within one year	*10*	**(2,011,745)**	(1,968,836)
Net current assets		**4,314,686**	5,274,025
Creditors: amounts falling due after one year	*11*	**(5,360,000)**	(5,360,000)
Net liabilities		**(1,045,314)**	(85,975)
Capital and reserves			
Called up share capital	*12*	**1**	1
Profit and loss account	*13*	**(1,045,315)**	(85,976)
Deficit in shareholders' funds	*14*	**(1,045,314)**	(85,975)

These financial statements were approved by the board of directors on 13th May 2009 and were signed on its behalf by:

D Borland
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 except as noted below.

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 which the directors believe to be appropriate for the following reasons. The company finances its day to day working capital requirements through a combination of funds advanced to the company by its parent undertaking and project specific bank term loan facilities.

The funds provided by the parent undertaking, which at 31 December 2008 amounted to £1,908,904, are not repayable until such time as the bank term loan facilities have been repaid and, only then, on the basis that the company has sufficient funds remaining, following repayment of the bank indebtedness, to settle the inter company indebtedness.

The company's term loan facilities are subject to compliance with certain standard financial covenants including maximum loan to property valuation. The directors recognise the sensitivity of these covenants caused by the unusual circumstances prevailing in the property market at the current time and the current difficult economic climate. However the directors acknowledge the support of their bankers, and remain in regular communication with them regarding the terms of the loan facilities. In light of this the directors have no reason to believe the support of their bankers will not continue for a period of at least 12 months from the date of approval of these financial statements.

In relation to the company's short term working capital requirements, the directors have prepared cash flow forecasts which indicate that the company should continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements.

In light of the foregoing, the directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on grounds of its size.

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 shown in note 16.

Stocks

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 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.

Notes *(continued)*

2 Turnover

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

3 (Loss)/profit on ordinary activities before taxation

	2008	2007
	£	£
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Write down of property value	**1,000,000**	-

Auditors' remuneration is paid by a fellow subsidiary company, Miller Developments Limited and is disclosed in the accounts of that company.

4 Remuneration of directors

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

5 Interest receivable and similar income

	2008	2007
	£	£
Bank interest receivable	**10,532**	12,807

6 Interest payable and similar charges

	2008	2007
	£	£
On bank loans and overdrafts	**322,969**	364,479

Notes *(continued)*

7 Taxation

Analysis of charge in year

	2008 **£**	2007 £
UK corporation tax		
Current tax on income for the year	-	-
Tax on (loss)/profit on ordinary activities	-	-

Factors affecting the tax charge for the current year
The current tax charge for the year is lower than (2007: lower than) the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below:

	2008 **£**	2007 £
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	**(959,339)**	3,221
Current tax at 28.5% (2007: 30%)	**(273,411)**	966
Group relief surrendered for nil consideration	**273,411**	-
Group relief received for nil consideration	-	(966)
Total current tax charge (see above)	-	-

Notes *(continued)*

8 Stocks

	2008 £	2007 £
Development work in progress	**5,968,700**	6,968,700

9 Debtors

	2008 £	2007 £
Trade debtors	**101,775**	115,169
Amounts owed by group undertakings	**1**	1
	101,776	115,170

10 Creditors: amounts falling due within one year

	2008 £	2007 £
Amounts due to group undertakings	**1,908,904**	1,831,466
Trade creditors	**-**	11,180
Taxation and social security	**13,275**	30,975
Accruals and deferred income	**89,566**	95,215
	2,011,745	1,968,836

11 Creditors: amounts falling due after one year

	2008 £	2007 £
Bank loan (secured)	**5,360,000**	5,360,000
Analysis of debt:		
Debt can be analysed as falling due:		
Between two and five years	**5,360,000**	5,360,000

The bank loan is fully repayable by January 2011. The bank loan is secured by a debenture from the company and a legal charge over the development work in progress.

12 Called up share capital

	2008 £	2007 £
Authorised, allocated, called up & unpaid		
Ordinary shares of £1 each	**1**	1

Notes *(continued)*

13 Profit and loss account

	2008 Profit and loss account
At beginning of year	(85,976)
Loss for the year	(959,339)
At end of year	(1,045,315)

14 Reconciliation of movements in shareholders' deficit

	2008 £	2007 £
(Loss)/profit for the financial year	(959,339)	3,221
Net (increase)/reduction in shareholders' deficit	(959,339)	3,221
Opening shareholders' deficit	(85,975)	(89,196)
Closing shareholders' deficit	(1,045,314)	(85,975)

15 Contingent liabilities.

The company has, with certain other Group companies, jointly provided guarantees in support of property specific term loan facilities made available by The Lloyds Banking Group to certain other Group companies.

16 Ultimate parent company.

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