

Miller Holdings (International) Limited

Directors' Report and Financial Statements

31 December 2004

Registered Number SC115235



Directors' Report and Financial Statements

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Directors' Report

The Directors present their annual report and audited financial statements for the year ended 31 December 2004.

Business Review and Principal Activity

The principal activity of the company is to act as a holding company for investments in overseas joint venture companies.

Directors

The Director of the company during the year was:

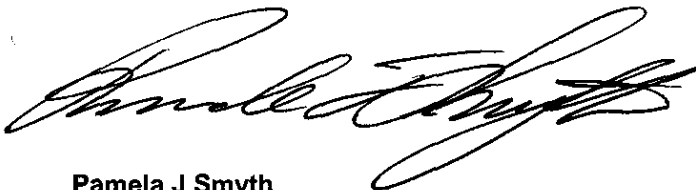
Philip H Miller

The Director had no interests in shares of the company during the year. The interests of Philip Miller in the shares of the ultimate parent company, The Miller Group Limited, are disclosed in that company's financial statements.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



**Pamela J Smyth
Secretary**

29 August 2005

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 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 the Directors 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 Holdings (International) 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 for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors
Edinburgh

1 September 2005

Profit and Loss Account

for the year ended 31 December 2004

		2004 £000	2003 £000
Administrative expenses		<u>(27)</u>	<u>-</u>
Operating loss	3	(27)	-
Investment income		-	193
Profit on disposal of investments		5,337	-
Interest receivable		<u>218</u>	<u>-</u>
Profit on ordinary activities before taxation		5,528	193
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		5,528	193
Dividend on equity shares		<u>-</u>	<u>(193)</u>
Retained profit for the year	9	<u>5,528</u>	<u>-</u>

The company had no recognised gains or losses other than the above profit for the year.

Balance sheet

as at 31 December 2004

	Note	2004 £000	2003 £000
Fixed assets			
Investments	5	2,815	617
		<hr/>	<hr/>
Current assets			
Debtors	6	11,891	1
Cash at bank		6	-
		<hr/>	<hr/>
		11,897	1
Creditors: amounts falling due within one year	7	(9,183)	(617)
		<hr/>	<hr/>
Net current assets (liabilities)		2,714	(616)
		<hr/>	<hr/>
Net assets		5,529	1
		<hr/>	<hr/>
Capital and reserves			
Share capital	8	1	1
Profit and loss account		5,528	-
		<hr/>	<hr/>
Equity Shareholders funds	9	5,529	1
		<hr/>	<hr/>

These accounts were approved by the Board of Directors on 19 August 2005 and were signed on its behalf by:



Philip H 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.

As the company is a wholly owned subsidiary of Miller Investments Holdings Limited which is in turn a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions and balances which form part of the group. The consolidated financial statements of The Miller Group Limited (the group in which this company is included) can be obtained from the address in note 10.

Investments

Investments are stated at cost less provision made for permanent diminution in value.

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.

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the profit 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.

Notes (continued)

2. Directors' emoluments

The director received no remuneration from the company during the year or in the previous year.

3 Operating loss

	2004 £'000	2003 £'000
<i>This is stated after charging:</i>		
Auditors' remuneration	-	-

Auditors' remuneration will be paid on behalf of the company by Miller Investments Holdings Limited.

4 Taxation

	2004 £'000	2003 £'000
Analysis of charge in period		
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Tax on profit on ordinary activities	-	-

Factors affecting the tax charge for the period

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

	2004 £'000	2003 £'000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	5,528	193
Current tax at 30% (2003: 30%)	1,658	58
Effects of:		
Group relief received	(1,658)	(58)

Notes (continued)

5.	Investments	Shares in joint venture undertakings £000	Loans to joint venture undertakings £000	Total £000
	At beginning of year	617	-	617
	Additions	86	2,667	2,753
	Disposals	(555)	-	(555)
	At end of year	<u>148</u>	<u>2,667</u>	<u>2,815</u>
		Principal activity	Country of registration	Share capital owed
<i>The joint ventures are:</i>				
	Soguia – Sociedade Imobiliaria SA	Property company	Portugal	50%
	Centro Retail Park – Parques Comerciais SA	Property company	Portugal	50%
6.	Debtors	2004 £000	2003 £000	
	Other debtors	112	1	
	Amounts owed to fellow group companies	11,779	-	
		<u>11,891</u>	<u>1</u>	
7.	Creditors: amounts falling due within one year	2004 £000	2003 £000	
	Amounts owed to fellow group companies	9,183	617	
8.	Share capital	2004 £000	2003 £000	
	<i>Authorised, allotted, called up and unpaid:</i>			
	1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>	

Notes (continued)

	2004 £000	2003 £000
9. Reconciliation of movement in shareholders funds		
Profit on ordinary activities before tax	5,528	193
Dividends	-	(193)
	<hr/>	<hr/>
Net addition to shareholders funds	5,528	-
Opening shareholders funds	1	1
	<hr/>	<hr/>
Closing shareholders funds	5,529	1
	<hr/>	<hr/>

10. Ultimate parent company

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