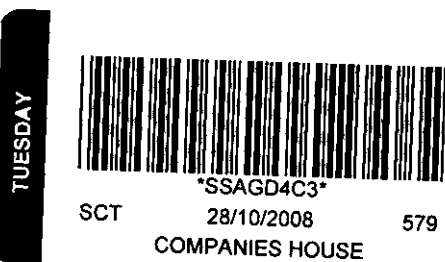


# **SKERRICHA PROPERTIES LIMITED**

## **Directors' report and financial statements**

For the year ended 31 December 2007

Registered number SC162639



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

## Principal activities

The principal activity of the company is that of property management

## Business review

The loss after providing for taxation amounted to £26,504 (2006 *profit* £3,236,670)

## Directors

The Directors who held office during the year were as follows

P H Miller  
M Wood  
T M Deans (resigned 1<sup>st</sup> June 07)  
D W Borland (appointed 20 August 2007)  
J M Jackson (appointed 4 July 2007)  
D Milloy (appointed 4 July 2007)  
A Sutherland (appointed 4 July 2007)

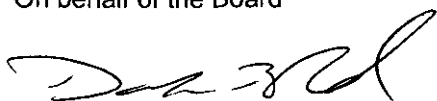
## Disclosure of information to auditors

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 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

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

On behalf of the Board



D Borland  
Director

25 March 2008

## **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 Skerricha Properties Limited**

We have audited the financial statements of Skerricha Properties 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**

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. In addition we 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 loss 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

Date  
31 March 2008

**Profit and loss account  
 for the year ended 31 December 2007**


	Note	2007 £	2006 £
<b>Turnover</b>	2	812	21,706
Cost of sales		(3,531)	(77,481)
<b>Gross loss</b>		<u>(2,719)</u>	<u>(55,775)</u>
Administrative expenses		(4)	1,260
<b>Operating loss</b>		<u>(2,723)</u>	<u>(54,515)</u>
Income from shares in group undertakings			4,658,297
Interest receivable and similar income	5	5,290	155,428
Amounts written off investments	8		(1,102,738)
Interest payable and similar charges	6	(29,071)	
<b>(Loss)/profit on ordinary activities before Taxation</b>	3	<u>(26,504)</u>	<u>3,656,472</u>
Tax on (loss)/profit on ordinary activities	7		(419,802)
<b>(Loss)/profit for the financial year</b>	13	<u><u>(26,504)</u></u>	<u><u>3,236,670</u></u>

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

**Balance sheet  
at 31 December 2007**

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Investments	8	6	6
<b>Current assets</b>			
Debtors	9	540,310	545,785
Cash at bank and in hand		77,572	75,947
		<u>617,882</u>	<u>621,732</u>
<b>Creditors</b> amounts falling due within one year	10	<u>(46,374)</u>	<u>(23,720)</u>
<b>Net current assets</b>		<u>571,508</u>	<u>598,012</u>
<b>Net assets</b>		<u>571,514</u>	<u>598,018</u>
<b>Capital and reserves</b>			
Called up share capital	12	2	2
Profit and loss account	13	571,512	598,016
<b>Shareholders' funds</b>	14	<u>571,514</u>	<u>598,018</u>

These financial statements were approved by the board of directors on ~~25 March~~ 2008 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

***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 15

***Investments***

Investments held as fixed assets are stated at cost less provision for permanent diminution in value

***Taxation***

The charge for taxation is based on the loss for the year end 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

***Profit recognition***

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

***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

**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 Auditors' remuneration**

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 or staff costs during the year

**5 Interest receivable and similar income**

	2007 £	2006 £
Bank interest	5,290	155,428
	<u>5,290</u>	<u>155,428</u>

**6 Interest payable and similar charges**

	2007 £	2006 £
Payable to group companies	29,071	
	<u>29,071</u>	<u></u>

**7 Taxation**

Analysis of charge in year

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on income for the year		
Adjustments in respect of prior years		
	<u></u>	<u></u>
Total current tax		
Deferred tax, prior year adjustment (see note 11)		419,802
	<u></u>	<u>419,802</u>
Tax on profit/(loss) on ordinary activities		419,802
	<u></u>	<u>419,802</u>

**Notes (continued)**

**7 Taxation (continued)**

*Factors affecting the tax charge for the current year*

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

	2007 £	2006 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(26,504)	3,656,472
	<hr/>	<hr/>
Current tax at 30% (2006 30%)	(7,951)	1,096,942
Group relief surrendered/(received) for nil consideration	7,951	(94,963)
Non taxable income		(1,001,979)
Prior year adjustment		419,802
	<hr/>	<hr/>
Total current tax charge (see above)		419,802
	<hr/>	<hr/>

**8 Fixed asset investments**

Shares Cost	Shares in group Undertakings £
At 31 December 2006 and 31 December 2007	6
	<hr/>

The companies in which the company's interest at the year end is more than 20% are as follows

Subsidiary undertakings	Country of incorporation	Principal activity	Percentage of ordinary shares held	Profit for the year	Net assets
Skerricha Properties (Glenrothes) Limited	UK	Property development	100%	0	2
Skerricha Properties (Inverness) Limited	UK	Property development	100%	0	2
Skerricha Properties (Newcastle) Limited	UK	Property development	100%	0	2

Notes (continued)

9 Debtors

	2007 £	2006 £
Amounts owed by group companies	537,535	545,785
Other debtors	2,775	
	<u>540,310</u>	<u>545,785</u>

10 Creditors amounts falling due within one year

	2007 £	2006 £
Trade creditors		484
Amounts owed to group companies	46,374	23,144
Taxation and social security		92
	<u>46,374</u>	<u>23,720</u>

11 Deferred tax

	2007 £	2006 £
At 31 December 2006		419,802
Release to profit and loss account		(419,802)
	<u>          </u>	<u>          </u>
<b>At 31 December 2007</b>	<u>          </u>	<u>          </u>

12 Called up share capital

	2007 £	2006 £
<b>Authorised</b>		
Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
<b>Allotted, called up and unpaid</b>		
Ordinary shares of £1 each	2	2
	<u>          </u>	<u>          </u>

**Notes (continued)**

**13 Profit and loss account**

	£
At 31 December 2006	<b>598,016</b>
Loss for the year	<b>(26,504)</b>
	<hr/>
<b>At 31 December 2007</b>	<b>571,512</b>
	<hr/> <hr/>

**14 Reconciliation of movements in shareholders' funds**

	2007 £	2006 £
(Loss)/profit for the financial year	<b>(26,504)</b>	3,236,670
Dividend paid		(1,659,117)
	<hr/>	<hr/>
(Decrease)/increase in shareholders funds	<b>(26,504)</b>	1,577,553
Opening shareholders' funds/(deficit)	<b>598,018</b>	(979,535)
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>571,514</b>	598,018
	<hr/> <hr/>	<hr/> <hr/>

**15 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.