

MILLER (DUNDEE) LIMITED

Directors' report and financial statements

For the year ended 31 December 2005

Registered number SC217231



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 2005

Business review and future developments

The principal activity of the company is that of property development. The directors consider the year end financial position to be satisfactory.

Results and dividends

The loss for the year amounted to £6,829 (2004 £113,406). The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were

PH Miller
DT Milloy
M Wood

The directors had no interests in the shares of the company. The interests of PH Miller in the shares of the ultimate parent company, The Miller Group Limited, are shown in that company's financial statements. The interests of DT Milloy and M Wood in the shares of The Miller Group Limited are shown in the accounts of Miller Developments Holdings Limited (previously Miller Investment Holdings Limited), the intermediate parent company.

On behalf of the board



PH Miller
Director

30 October 2006

Edinburgh

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.

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.

Independent auditors report to the members of Miller (Dundee) Limited

We have audited the financial statements of Miller (Dundee) Ltd for the year 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 loss for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP
Chartered Accountants
Registered Auditor
Edinburgh

30 October 2006

Profit and loss account
for the year ended 31 December 2005

	<i>Note</i>	2005 £	2004 £
Turnover	2	243,635	192,569
Cost of Sales		(3,678)	(218,979)
		<hr/>	<hr/>
Gross profit/(loss)		239,957	(26,410)
Administrative expenses		(1)	(81)
		<hr/>	<hr/>
Operating profit/(loss)	3	239,956	(26,491)
Interest receivable	5		243
Interest payable	6	(246,785)	(87,158)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(6,829)	(113,406)
Tax on loss on ordinary activities	7		
		<hr/>	<hr/>
Loss for the financial year		(6,829)	(113,406)
		<hr/>	<hr/>

The company has no recognised gains or losses other than the loss for the year

The profit for the financial year has been derived from continuing activities

Balance sheet
31 December 2005

	<i>Note</i>	2005 £	2004 £
Current assets			
Work in Progress	8	3,959,000	3,959,000
Debtors	9	3,679	8,207
		<hr/>	<hr/>
		3,962,679	3,967,207
Creditors, amounts falling due within one year	10	(4,082,913)	(4,080,612)
		<hr/>	<hr/>
Net liabilities		(120,234)	(113,405)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	(120,235)	(113,406)
		<hr/>	<hr/>
Shareholders' funds	13	(120,234)	(113,405)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 3 October 2006 and were signed on its behalf by


P.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. The financial statements have been prepared on the going concern basis as the shareholders have indicated that they will continue to support the company.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement 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 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 (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 given in note 14.

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 loss 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.

2 Turnover

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

3 Loss on ordinary activities before taxation

This is stated after charging/(crediting)

Auditors remuneration

2005	2004
£	£
-	
<u> </u>	<u> </u>

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 the directors during the year.

Notes (cont'd)

5 Interest receivable	2005 £	2004 £
Bank interest	-	243
	<hr/>	<hr/>
	-	243
	<hr/>	<hr/>

6 Interest payable	2005 £	2004 £
On bank loans and overdrafts	246,785	87,158
	<hr/>	<hr/>

7. Taxation	2005 £	2004 £
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Analysis of charge in year

UK Corporation tax

Current tax on income for the year

Tax on loss on ordinary activities

The current tax charge for the year is lower than (2004 lower than) the standard rate of corporation tax in the UK (30%) (2004 30%) The differences are explained below

Current tax reconciliation	2005 £	2004 £
Loss on ordinary activities before tax	(6,829)	(113,406)
	<hr/>	<hr/>
Current tax at 30% (2004 30%)	(2,049)	(113,406)
Effects of		
Losses carried forward	2,049	113,406
	<hr/>	<hr/>
Total current tax charge (see above)	<hr/>	<hr/>

The company's liability to corporation tax will be covered by way of group relief or met by Miller Developments Holdings Limited, for which no payment will be made

8 Work in progress	2005 £	2004 £
Development site	3,959,000	3,959,000
	<hr/>	<hr/>

Notes (cont'd)

9. Debtors	2005	2004
	£	£
Other debtors	3,679	1
Amounts due from fellow group companies	-	8,206
	<u>3,679</u>	<u>8,207</u>
	<u><u>3,679</u></u>	<u><u>8,207</u></u>
10. Creditors' amounts falling due within one year	2005	2004
	£	£
Bank overdraft	3,962,281	3,989,318
Amount owed to fellow group companies	40,247	23,129
Accruals and deferred income	69,513	57,293
Other creditors	10,872	10,872
	<u>4,082,913</u>	<u>4,080,612</u>
	<u><u>4,082,913</u></u>	<u><u>4,080,612</u></u>
11 Share capital	2005	2004
	£	£
<i>Equity</i>		
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and unpaid</i>		
1 ordinary share of £1	<u>1</u>	<u>1</u>
12 Profit and loss account	2005	2004
	£	£
At beginning of year	(113,406)	
Loss for the year	(6,829)	(113,406)
	<u>(120,235)</u>	<u>(113,406)</u>
At end of year	<u><u>(120,235)</u></u>	<u><u>(113,406)</u></u>
13 Reconciliation of movements in shareholders' funds	2005	2004
	£	£
Opening shareholders' deficit	(113,405)	1
Loss for the year	(6,829)	(113,406)
	<u>(120,234)</u>	<u>(113,405)</u>
Closing shareholders' deficit	<u><u>(120,234)</u></u>	<u><u>(113,405)</u></u>

Notes (cont'd)

14. Ultimate parent company

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