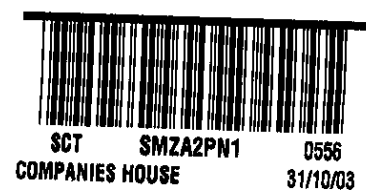


# **Miller City Centre Limited**

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

31 December 2002

Registered Number SC217615



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

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## Directors' Report

The Directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2002.

### Results and Dividends

The company did not trade on its own account during the financial year, but acted as trustee holding property on behalf of The Miller Group Limited, whose principal activities include the construction and refurbishment of houses for sale.

### Directors and Directors' Interests

The Directors of the company during the year were:



Donald W Borland  
Ewan T Anderson  
Geoffrey F Potton (resigned 29 March 2002)

None of the Directors had any interest in the share capital of the company.

### 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

31 October 2003

## **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 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 City Centre Limited**

We have audited the financial statements on pages 4 to 7.

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.

### **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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

**KPMG LLP**  
**Chartered Accountants**  
**Registered Auditor**

**31 October 2003**

**Balance sheet**  
 at 31 December 2001

	Note	2002 £	2001 (restated) £
<b>Current assets</b>			
Debtors – called up share capital not paid		1	1
		<hr/>	<hr/>
<b>Net assets</b>		1	1
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	4	1	1
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>		1	1
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 31 October 2003 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 accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard 1 (revised), 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 FRS8 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 this company is included, can be obtained from the address given in note 7.

#### ***Prior year adjustment***

The previous financial statements indicated that the company held work-in-progress totalling £9,421,000 representing property purchased for development which was funded by an intercompany loan from its ultimate parent company, The Miller Group Limited.

In actual fact the company held the property as a trustee for The Miller Group Limited and the beneficial interest in the property remained with them. Therefore the transactions should not have been reflected in the accounts of Miller City Centre Limited.

Accordingly, the previous period's figures have been restated to remove the property, and the balance due to the parent company from the balance sheet.

There is no impact on shareholder's funds as a result of this restatement.

### 2. Profit and loss account

During the year the company earned no income and incurred no expenses. Consequently the company made neither a profit nor a loss.

### 3. Directors emoluments

There were no emoluments paid to Directors during the year.

**Notes (continued)**

**4. Called up share capital**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
<i>Authorised:</i>		
100 Ordinary shares of £1 each	<u><b>100</b></u>	<u><b>100</b></u>
<i>Allotted, called up, but unpaid:</i>		
1 Ordinary share of £1 each	<u><b>1</b></u>	<u><b>1</b></u>

**5. 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.