

MILLER INVESTMENTS (WHITEHALL) LIMITED

Director's report and financial statements

For the year ended 31 December 2003

Registered number SC220379



Director's report and financial statements

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Director's report

The director presents his report and audited financial statements for the year ended 31 December 2003.

Principal activities

The principal activity of the company is property development and investment.

Business review

The company made a profit for the year of £4,498,035 (2002: loss of £498,078). The director recommends the payment of a dividend in the sum of £2,814,050 (2002: £nil).

Director

The director of the company during the year was:

P Miller

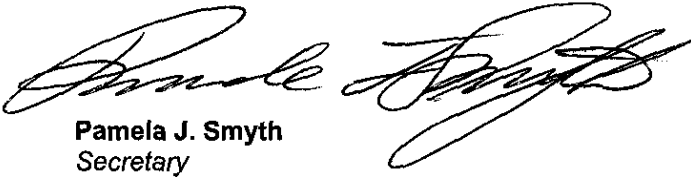
The director had no interests in the shares of the company during the year. The director's interests in parent companies are shown in the accounts of the relevant company.

Elective Resolutions

An elective resolution was signed by the members on 21 August 2001 to dispense with the following legal requirements:

the holding of Annual General Meetings; the obligation to appoint auditors annually; and the laying of accounts and reports before the Company in general meeting.

By order of the board



Pamela J. Smyth
Secretary
25 June 2004

Edinburgh

Statement of director's responsibilities

Company law requires the director to prepare accounts 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 year. In preparing those accounts, the director is 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the members of Miller Investments (Whitehall) Limited

We have audited the financial statements on pages 4 to 8.

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 director's 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 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 at 31 December 2003 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

Edinburgh

*Chartered Accountants
Registered Auditor*

22 July 2004

Profit and loss account
 for the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	2	24,900,000	-
Cost of sales		(17,097,505)	(38,630)
Gross profit/(loss)		7,802,495	(38,630)
Administrative expenses		(29)	(64)
Operating profit/(loss)		7,802,466	(38,694)
Interest payable	4	(490,381)	(459,384)
Profit/(loss) on ordinary activities before taxation		7,312,085	(498,078)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) on ordinary activities after taxation		7,312,085	(498,078)
Dividend payable		(2,814,050)	-
Retained profit/(loss) for the year		4,498,035	(498,078)
Retained loss brought forward		(608,770)	(110,692)
Retained profit/(loss) carried forward		3,889,265	(608,770)

There are no recognised gains or losses other than the profit for the period.

Balance sheet
at 31 December 2003

	Note	2003 £	2002 £
Current assets			
Work in progress	6	-	15,249,248
Debtors	7	3,919,410	291,553
Cash at bank and in hand		134,954	599,472
		<hr/>	<hr/>
		4,054,364	16,140,273
 Creditors: amounts falling due within one year	 8	 (165,097)	 (16,749,041)
		<hr/>	<hr/>
Net assets/(liabilities)		3,889,267	(608,768)
		<hr/>	<hr/>
 Capital and reserves			
Share capital	9	2	2
Profit and loss account		3,889,265	(608,770)
		<hr/>	<hr/>
Equity shareholders' funds/(deficit)	10	3,889,267	(608,768)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 25 June 2004 and were signed on its behalf by:



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 basis of accounting.

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 (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 11.

Cash flow statement

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

Development work in progress

Development work in progress is carried at cost plus attributable overheads or net realisable value if lower.

2 Turnover

Turnover represents development sales and rental income. Turnover is stated net of Value Added Tax.

3 Remuneration of director

There were no emoluments paid to the director during the year.

4 Interest payable

	2003 £	2002 £
Interest on bank loans and overdrafts	490,381	459,384

Notes (cont'd)

5 Taxation

	2003 £	2002 £
Analysis of charge in period		
UK Corporation Tax		
Current tax on income for the period	-	-

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

6 Work in Progress

	2003 £	2002 £
Development site	-	15,249,248

7 Debtors

	2003 £	2002 £
Trade debtors	-	54,054
Other debtors	6,520	190,060
Amounts due from fellow group companies	3,912,890	47,439
	3,919,410	291,553

8 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdraft	-	13,191,222
Accruals and deferred income	147,045	61,476
Amounts due to fellow group companies	-	3,494,550
Trade creditors	18,052	1,793
	165,097	16,749,041

Notes (cont'd)

9 Called up share capital

	2003 £	2002 £
Authorised:		
1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Called up, issued and fully paid:		
2 ordinary shares of £1 each	2	2
	<hr/>	<hr/>

10 Reconciliation of movement in shareholders' funds

	2003 £	2002 £
Retained profit/(loss) for the year	4,498,035	(498,078)
Opening shareholders' deficit	(608,768)	(110,690)
	<hr/>	<hr/>
Closing shareholders' funds/(deficit)	3,889,267	(608,768)
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11 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.