

Miller Belmont Limited

Directors' Report and Financial Statements

31 December 2002

Registered number SC227805



Directors' Report and Financial Statements

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Directors' Report

The Directors have pleasure in presenting their first report and audited financial statements for the period 6 February 2002 (date of Incorporation) to 31 December 2002.

Results and Dividends

The result for the period is set out in the profit and loss account. The Directors do not recommend the payment of a dividend for the period.

Review of the Business

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

Directors and Directors' Interests

The Directors of the company during the period were:

Donald W Borland	(appointed 28 March 2002)
Keith M Miller	(appointed 28 March 2002)
Ewan T Anderson	(appointed 28 March 2002)
John S Richards	(appointed 28 March 2002)
Vindex Services Limited	(appointed 6 February 2002, resigned 28 March 2002)
Vindex Limited	(appointed 6 February 2002, resigned 28 March 2002)

On the date of his appointment and at 31 December 2002, Donald W Borland held 26 B Ordinary Shares of 10p. None of the other Directors had any interest in the share capital of the company.

Auditors

During the period KPMG LLP were appointed as 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



Ewan T Anderson
Director

25 September 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 Belmont 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 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.

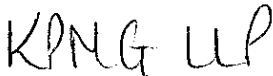
We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept 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 profit from the date of incorporation (6 February 2002 to 31 December 2002) and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP

Chartered Accountants
Registered Auditor

Edinburgh

30 September 2003

Profit and Loss Account

For the period ended 31 December 2002

	Note	8 months to 31 December 2002 £
Turnover	3	6,256,018
Cost of sales		(4,614,308)
		<hr/>
Profit on ordinary activities before taxation		1,641,710
Tax on profit on ordinary activities	4	(492,513)
		<hr/>
Retained Profit for the period		1,149,197
		<hr/> <hr/>

Other than the result for the current period there are no recognised gains or losses.

Balance sheet

As at 31 December 2002

	Note	2002 £
Current assets		
Debtors	5	1,641,810
Creditors: amounts falling due within one year	6	(492,513)
Net Assets		<u>1,149,297</u>
Capital and reserves		
Called up share capital	7	100
Profit and loss account	8	<u>1,149,197</u>
Shareholder funds	9	<u>1,149,297</u>

These financial statements were approved by the Board of Directors on 25 September 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 financial statements have been prepared under the historical cost basis of accounting 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 10.

Turnover

Turnover represents the invoiced value of sales and other services provided to third parties during the period, exclusive of value added tax.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

2. Remuneration of directors

The directors did not receive any remuneration from the company during the period.

3. Analysis of turnover and profit on ordinary activities before taxation

The turnover and profit before taxation are attributable to the principal activities of the company and arose entirely in the United Kingdom.

4. Tax on ordinary activities

	2002 £
UK corporation tax at 30%	492,513

Notes (continued)

5. Debtors

	2002 £
Amounts owed by Parent Undertaking	1,641,710
Unpaid Share Capital	100
	<hr/> 1,641,810 <hr/>

6. Creditors: amounts falling due within one year

	2002 £
Corporation tax payable	492,513
	<hr/>

7. Called up share capital

	2002 £
<i>Authorised, allotted, called up but unpaid:</i>	
74 Class A ordinary shares of £1 each	74
26 Class B ordinary shares of £1 each	26
	<hr/> 100 <hr/>

The holders of the B Ordinary Shares have no entitlement to any distribution of the profits of the company. In the event of a winding up of the company the holders of the B Ordinary Shares are entitled to the sum of £1 for every share held with the balance of the surplus assets of the company available for distribution being distributed to the holders of the A Ordinary Shares. In all other matters the A and B shares rank pari passu as set out in the articles of the company.

8. Reserves

	<i>Profit and Loss Account</i> £
At incorporation	-
Retained Profit for the period	1,149,197
	<hr/>
At 31 December 2002	1,149,197 <hr/>

Notes (continued)

9. Reconciliation of Shareholders' Funds

	2002 £
Profit for the period	1,149,197
Other movements:-	
New shares issued	100
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Total movements during the year	1,149,297
Shareholders' funds at incorporation	-
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Shareholders' funds at 31 December 2002	1,149,297
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10. 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