MILLER DEVELOPMENTS (WARRISTON ROAD) LTD

Directors' report and financial statements

For the year ended 31 December 2009
Registered number SC 245711

Directors' report and financial statements

Contents

Directors' report

The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 December 2009.

Principal activities

The principal activity of the company is that of property development.

Results

The profit for the year was £148,018 (*2008: loss of* £571,773*)*. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

P H Miller	
A Sutherland	
M Wood	(resigned 29 May 2009)
DW Borland	
JM Jackson	(resigned 18 September 2009)
D Milloy	

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board

D Borland
Director
10th June 2010

Miller House
2 Lochside View
Edinburgh Park
Edinburgh
EH12 9DH

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 Miller Developments (Warriston Road) Limited

We have audited the financial statements of Miller Developments (Warriston Road) Limited for the year ended 31 December 2009 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

M Ross (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Date
18 June 2010

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	**209,100**	209,145
Cost of sales – normal		-	(25,424)
– exceptional	4	-	(619,421)
Gross profit/(loss)		**209,100**	(435,700)
Administrative expenses		**(3)**	996
Operating profit/(loss)		**209,097**	(434,704)
Interest receivable	5	**82**	5,049
Interest payable	6	**(61,161)**	(142,118)
Profit/(loss) on ordinary activities before taxation	4	**148,018**	(571,773)
Tax on profit/(loss) on ordinary activities	7	-	-
Profit/(loss) for the financial year		**148,018**	(571,773)

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

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

The notes on pages 6 to 10 form part of these financial statements.

Balance sheet
at 31 December 2009

	Notes	**2009** **£**	2008 £
Current assets			
Stocks	*8*	**2,456,250**	2,456,250
Debtors	*9*	**1**	1
Cash at bank		**133,843**	82,661
		2,590,094	2,538,912
Creditors			
Amounts falling due within one year	*10*	**(180,610)**	(1,059,296)
Net current assets		**2,409,484**	1,476,616
Creditors:			
Amounts falling due after one year	*11*	**(2,656,850)**	(1,875,000)
Net liabilities		**(247,366)**	(395,384)
Capital and reserves			
Called up share capital	*12*	**1**	1
Profit and loss account	*13*	**(247,367)**	(395,385)
Shareholders' deficit	*14*	**(247,366)**	(395,384)

These financial statements were approved by the board of directors on 10th June 2010 and were signed on its behalf by:

D Borland
Director

Notes to the financial statements
(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 which the directors believe to be appropriate for the following reasons. The company finances its day to day working capital requirements through a combination of funds advanced to the company by its parent undertaking and project specific bank term loan facilities.

The funds provided by the parent undertaking, which at 31 December 2009 amounted to £856,850 are not repayable until such time as the bank term loan facilities have been repaid and, only then, on the basis that the company has sufficient funds remaining, following repayment of the bank indebtedness, to settle the inter company indebtedness.

The company's term loan facilities are subject to compliance with certain standard financial covenants including maximum loan to property valuation. The directors recognise the sensitivity of these covenants caused by the unusual circumstances prevailing in the property market at the current time and the current difficult economic climate. However the directors acknowledge the support of their bankers, and remain in regular communication with them regarding the terms of the loan facilities. In light of this the directors have no reason to believe the support of their bankers will not continue for a period of at least 12 months from the date of approval of these financial statements.

In relation to the company's short term working capital requirements, the directors have prepared cash flow forecasts which indicate that the company should continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements.

In light of the foregoing, the directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis.

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. The consolidated financial statements of The Miller Group Limited, within which the company is included, can be obtained from the address shown in note 16.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard number 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.

Stocks

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower.

Notes to the financial statements (cont'd)

Taxation

The charge for taxation is based on the profit 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 comprises income received from the rental of commercial property and excludes value added tax. Turnover arises entirely in the United Kingdom.

3 Remuneration of directors

There were no emoluments paid to the directors during the year. There were no employee costs during the year.

4 Profit/(loss) on ordinary activities before taxation

	2009	2008
	£	£
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Write down of property value	**-**	619,421

Auditors' remuneration is paid by a fellow subsidiary, Miller Developments Limited and disclosed in the statutory accounts of that company.

5 Interest receivable

	2009	2008
	£	£
Bank interest	**82**	5,049

Notes to the financial statements (cont'd)

6	**Interest payable**	**2009**	2008
		£	£
	Bank interest payable	**61,161**	142,118

7	**Taxation**	**2009**	2008
		£	£
	Analysis of charge in year		
	UK Corporation Tax		
	Current tax on income for the year	-	-
	Total current tax	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2008: lower than) the standard rate of corporation tax in the UK 28%, (2008: 28.5%). The differences are explained below:

	2009	2008
	£	£
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	**148,018**	(571,773)
Current tax at 28% *(2008: 28.5%)*	**41,445**	(162,956)
Effects of:		
Group relief (received)/surrendered for nil consideration	**(41,445)**	162,956
Total current tax charge	-	-

Notes to the financial statements (cont'd)

8 Stocks

	2009 £	2008 £
Development work in progress	**2,456,250**	2,456,250

9 Debtors

	2009 £	2008 £
Other debtors	**1**	1

10 Creditors: Amounts falling due within one year

	2009 £	2008 £
Bank loan (secured)	**100,000**	125,000
Accruals and deferred income	**72,770**	70,348
Other taxes and social security costs	**7,840**	7,098
Amounts due to fellow Group Companies	**-**	856,850
	180,610	1,059,296

11 Creditors: Amounts falling due after one year

	2009 £	2008 £
Bank Loan	**1,800,000**	1,875,000
Amounts due to Parent Undertaking	**856,850**	-
	2,656,850	1,875,000

Analysis of Debt

Debt can be analysed as falling due:	2009 £	2008 £
Between 1 and 2 years	**1,800,000**	100,000
Between 2 and 5 years	**856,850**	1,775,000
Bank Loan (secured)	**2,656,850**	1,875,000

The bank loan is secured over the property of the company and is repayable by November 2011.

Notes to the financial statements (cont'd)

12. Share capital

	2009 £	2008 £
Authorised, allotted, called up and unpaid		
1 Ordinary share of £1 each	**1**	1

13. Profit and loss account

	2008 £
At beginning of year	**(395,385)**
Profit for the year	**148,018**
At end of year	**(247,367)**

14. Reconciliation of movement in shareholders' (deficit)/funds

	2009 £	2008 £
Profit/(loss) for the year	**148,018**	(571,773)
Opening shareholders' (deficit)/funds	**(395,384)**	176,389
Closing shareholders' deficit	**(247,366)**	(395,384)

15. Contingent liabilities

The company has, with certain other Group companies, jointly provided guarantees in support of property specific term loan facilities made available by The Lloyds Banking Group to certain other Group companies.

16. 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, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.