

## **Miller Dorchester Limited**

### **Directors' report and financial statements**

For the year ended 31 December 2008

Registered number SC268019

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29/10/2009

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## **Directors' report and financial statements**

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## **Directors' report**

The directors have pleasure in submitting their report together with the financial statements of the company for the year ended 31 December 2008.

### **Principal activities**

The principal activity of the company is that of investment.

### **Business Review**

The profit after providing for taxation amounted to £2,498,490 (2007: profit of £50).

### **Dividend**

An interim dividend of £2,488,000 was paid in respect of the year ended 31<sup>st</sup> December 2008 (2007: nil).

### **Directors**

The directors of the company during the year were:

P H Miller  
M Wood (resigned 29/05/09)  
D Milloy  
F M Hewett  
A Sutherland  
D Borland

### **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**  
23<sup>rd</sup> June 2009

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.

## **KPMG LLP**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

### **Independent auditors' report to the members of Miller Dorchester Limited**

We have audited the financial statements of Miller Dorchester Limited for the year ended 31 December 2008 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- and
- the information given in the Directors' Report is consistent with the financial statements.

  
KPMG LLP

Chartered Accountants  
Registered Auditor  
Edinburgh

Date

26.6.09

## **Profit and loss account**

*For the year ended 31 December 2008*

	<i>Notes</i>	<b>2008</b> £	2007 £
Cost of Sales		(30,000)	-
<b>Gross Loss</b>		(30,000)	-
Administrative expenses		(11)	-
<b>Operating loss</b>		(30,011)	-
Write down of Investments		(2,948)	-
Income from investments		2,531,406	-
Interest Received	3	43	-
<b>Profit on ordinary activities before taxation</b>	4	2,498,490	-
Tax on profit on ordinary activities	6	-	50
<b>Profit for the financial year</b>	12	2,498,490	50

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

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

**Balance sheet**  
**at 31 December 2008**

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	7	1,002,052	1,633,594
<b>Current assets</b>			
Debtors	8	5,251	1
Cash		-	8,076
		<u>5,251</u>	<u>8,077</u>
Creditors: amounts falling due within one year	9	(996,737)	-
<b>Net current (liabilities)/assets</b>		<u>(991,486)</u>	<u>8,077</u>
<b>Creditors:</b> amounts falling due in more than one year	10	-	(1,641,595)
		<u>-</u>	<u>(1,641,595)</u>
<b>Net assets</b>		<u>10,566</u>	<u>76</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	12	10,565	75
		<u>10,566</u>	<u>76</u>
<b>Shareholders' funds</b>	13	<u>10,566</u>	<u>76</u>

These financial statements were approved by the board of directors on 23<sup>rd</sup> June 2009 and were signed on their behalf by:



**D Borland**  
*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 which the directors believe to be appropriate for the following reasons. The working capital requirements of the company have been provided by its parent undertaking, The Miller Group Limited.

Having reviewed the company's cash flow forecasts, the directors are satisfied the company has sufficient resources available to it to be able to continue to fund the company's operations and accordingly, the financial statements continue to be prepared on a going concern basis. The Miller Group Limited has indicated to the directors of this company it will not seek repayment of the amounts currently made available.

Based upon the undertaking outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

As the company is a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions and balances which form part of the group. The consolidated financial statements of The Miller Group Limited (the group in which this company is included) can be obtained from the address in note 14.

#### ***Cash flow statement***

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

#### ***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.

#### ***Investments***

Investments are stated at the lower of cost and market value.

#### ***Dividends on shares presented within shareholders' funds***

Dividends unpaid at the balance sheet date are only recognised as a liability as that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.



**Notes (contd)**

**2. Remuneration of directors**

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

<b>3. Interest receivable</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>43</b>	-
	<hr/>	<hr/>
<b>4. Operating loss</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<i>This is stated after charging:</i>		
Auditors' remuneration	-	-
	<hr/>	<hr/>

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

**5. Staff numbers and costs**

There were no employee or staff costs during the year.

**Notes (contd)**

**6. Taxation**

	2008 £	2007 £
<b>Analysis of charge in year</b>		
<i>UK Corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	<u>-</u>	<u>(50)</u>
Tax on loss on ordinary activities	<u>-</u>	<u>(50)</u>

**Factors affecting the tax charge for the current year**

Current tax for the period is lower (2007: lower) than the standard rate of corporation tax in the UK (28.5%) (2007: 30%) The differences are explained below:

	2008 £	2007 £
<b>Current tax reconciliation</b>		
Profit on ordinary activities before tax	2,498,490	-
Current tax at 28.5%	712,070	-
<i>Effects of:</i>		
Prior year adjustments	-	(50)
Group relief surrendered for nil consideration	9,380	-
Non-taxable income	(721,450)	-
Total current tax charge (see above)	<u>-</u>	<u>(50)</u>

Any future 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.

## Notes (contd)

### 7. Investments

	Listed Investments £	Investment in Joint Venture £	Total £
<b>Cost</b>			
At beginning of year	5,000	1,628,594	1,633,594
Repayments	-	(628,594)	(628,594)
<b>At end of year</b>	<b>5,000</b>	<b>1,000,000</b>	<b>1,005,000</b>
<b>Provisions</b>			
At beginning of year	-	-	-
Made during the year	(2,948)	-	(2,948)
<b>At end of year</b>	<b>(2,948)</b>	<b>-</b>	<b>(2,948)</b>
<b>Net book value At 31 December 2008</b>	<b>2,052</b>	<b>1,000,000</b>	<b>1,002,052</b>
At 31 December 2007	5,000	1,628,594	1,633,594

The listed investments are quoted on the London Stock Exchange. The market value of listed investments at 31 December 2008 was £2,052 (2007: £7,508).

The companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Percentage of investment	Profit for the year £	Net assets £
Centros Miller Dorchester LP	UK	Property development	50%	3,406,258	966,302

### 8. Debtors

	2008 £	2007 £
Unpaid share capital	1	1
Amounts due from group Companies	5,250	-
	<b>5,251</b>	<b>1</b>

**Notes (contd)**

<b>9. Creditors: amounts falling due within one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amounts due to group companies	6,735	-
Amounts due to partnership	990,000	-
Bank Overdraft	2	-
	<u>996,737</u>	<u>-</u>
<b>10. Creditors: amounts falling due in more than one year</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Amounts due to group companies	-	1,641,595
<b>11. Share capital</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<i>Authorised</i> 100 ordinary shares of £1 each	100	100
<i>Allotted, called up and unpaid</i> 1 ordinary share of £1 each	1	1
<b>12. Profit and loss account</b>		<b>Profit and loss account £</b>
At beginning of year		75
Profit for the year		2,498,490
Dividend paid		(2,488,000)
At end of year		<u>10,565</u>

**Notes (contd)**

<b>13. Reconciliation of movement in shareholders' funds</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>2,498,490</b>	50
Dividend paid	<b>(2,488,000)</b>	-
Net increase in shareholders' funds	<u><b>10,490</b></u>	<u>50</u>
Opening shareholders' funds	<u><b>76</b></u>	<u>26</u>
<b>Closing shareholders' funds</b>	<u><u><b>10,566</b></u></u>	<u><u>76</u></u>

**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.