

# **Miller (Duloch 1) Limited**

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

31 December 2005

Registered number SC286037



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COMPANIES HOUSE 15/01/2006

## **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 ended 31 December 2005. The company was incorporated on 10 June 2005 at which time the company commenced trading.

### 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:

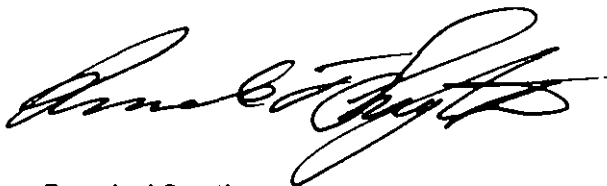
DW Director 1	(Resigned 13 June 2005)
Ewan T Anderson	(Appointed 13 June 2005)
Brendan McShane	(Appointed 13 June 2005)
Robert G Sneddon	(Appointed 13 June 2005)
Donald Borland	(Appointed 20 June 2005)

None of the Directors had any interest in the share capital of the company. The interests of Ewan T Anderson, Brendan McShane and Donald Borland in the Miller Group Limited, the ultimate parent company, are shown respectively in the accounts of Miller Homes Holdings Limited, Miller Homes Limited and Miller (Buidheann) Limited.

### Auditors

During the period the directors appointed KPMG LLP 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



Pamela J Smyth  
Secretary

21 August 2006

## **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 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 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.

## **Independent auditors' report to the members of Miller (Duloch 1) Limited**

We have audited the financial statements of Miller (Duloch 1) Limited for the year ended 31 December 2005 which comprise of the Profit and Loss Account and 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**

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 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 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 2005 and of its loss for the period from 10 June 2005 (date of incorporation) to 31 December 2005; and
- have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP  
Chartered Accountants  
Registered Auditor  
Edinburgh

31 August 2006

## Profit and Loss Account

For the 7 month period ended 31 December 2005


	Note	7 month period ended 31 December 2005 £
Interest payable and similar charges	3	(69,947)
<b>Loss on ordinary activities before taxation</b>		<b>(69,947)</b>
Tax on loss on ordinary activities	4	20,723
<b>Retained loss for the period</b>		<b>(49,224)</b>

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

**Balance sheet**  
 As at 31 December 2005

	Note	2005 £
<b>Current assets</b>		
Work in progress	5	3,461,867
Debtors	6	20,724
		<hr/>
		3,482,591
<b>Creditors: amounts falling due within one year</b>	7	<hr/> (189,570)
<b>Total assets less current liabilities</b>		<hr/> 3,293,021
<b>Creditors: amounts falling out with one year</b>	8	(3,342,244)
<b>Net liabilities</b>		<hr/> (49,223) <hr/>
<b>Capital and reserves</b>		
Called up share capital	9	1
Profit and loss account	10	(49,224)
<b>Deficit in Shareholders' Funds</b>	11	<hr/> (49,223) <hr/>

These financial statements were approved by the Board of Directors on 21 August 2006 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. In these financial statements the following new standards have been adopted for the first time:

FRS 21 'Events after the balance sheet date';

The presentation requirements for FRS25 'Financial instruments: presentation and disclosure'; and

FRS 28 'Corresponding amounts'.

The accounting policies under these new standards are set out below together with an indication of the effects of their adoption. FRS 28 'Corresponding amounts' has had no material effect as it imposes the same requirements for comparatives as hitherto required by the Companies Act 1985. FRS 21 'Events after the balance sheet date' has had no impact on the financial statements. The presentation requirements for FRS 25 result in dividends no longer being presented on the face of the profit and loss account. The corresponding amounts in these financial statements are restated in accordance with the new policies.

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.

As the company's results are consolidated within its ultimate parent company, The Miller Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 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 in note 12.

#### ***Going Concern***

The company has been established to carry out a specific property development. The directors have adopted what they regard as the prudent policy of expensing the management fees charged by the company shareholders and interest costs as incurred. As a result of this policy the company has incurred a loss on its activities to date and has net liabilities as at 31 December 2005. The development being undertaken is progressing well and the company expects to make an overall profit when it is completed.

#### ***Development work in progress***

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

#### ***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. 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.



## Notes (continued)

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

Dividends unpaid at the balance sheet date are only recognised as a liability at 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.

### **Staff numbers and costs**

The company has no employees. The directors did not receive any remuneration from the company during the period.

#### **2. Auditors remuneration**

	7 month period ended 31 December 2005 £
Auditors remuneration	600
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#### **3. Interest payable and similar charges**

	7 month period ended 31 December 2005 £
Interest payable on bank loan	69,947
	<hr/>

#### **4. Tax on profit on ordinary activities**

Analysis of charge for the period

	7 month period ended 31 December 2005 £
<b>UK corporation tax:</b>	£
Current tax on income in period	-
Group relief receivable	(20,723)
	<hr/>
Tax on loss on ordinary activities	(20,723)
	<hr/>

### **Factors affecting tax charge for period**

The current tax charge for the period is higher than the standard rate of corporation tax in the UK 30%.

**Notes** (continued)

**Current tax reconciliation**

	7 month period ended 31 December 2005 £
Loss on ordinary activities before tax	(69,947)
Current tax at 30%	(20,984)
Effect of:	
Disallowed expenditure	261
Group relief receivable	20,723
Total current tax charge (see above)	-

**5. Work in progress**

	2005 £
Land work-in-progress	3,250,770
Development work-in-progress	211,097
	<u>3,461,867</u>

**6. Debtors**

	2005 £
Other debtors	1
Amounts owed by parent undertaking	20,723
	<u>20,724</u>

**7. Creditors: amounts falling due within one year**

	2005 £
Accruals and deferred income	189,570

**Notes** *(continued)*

**8. Creditors: amounts falling out with one year**

	2005 £
Bank loan	2,524,303
Shareholder loan	817,941
	<hr/> 3,342,244 <hr/>

The bank loan is subject to interest at base rate plus 1.0% and final repayment is due to be made by 30 June 2007. The bank loan is secured against the company's assets. The shareholder loan is not subject to any interest charge and repayment is due subsequent to the repayment of the bank loan.

**9. Called up share capital**

	2005 £
<i>Authorised:</i>	
1000 ordinary shares of £1 each	1,000
	<hr/>
<i>Allotted, called up, but unpaid:</i>	
1 Ordinary share of £1 each	1
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**10. Profit and loss account**

	2005 £
At date of incorporation	-
Retained loss for the period	(49,224)
	<hr/>
At 31 December 2005	(49,224) <hr/>

**11. Reconciliation of Movement in Shareholders' Funds**

	2005 £
Loss for the period	(49,224)
New shares issued	1
	<hr/>
Total movements during the period	(49,223)
Shareholders' funds at date of incorporation	-
	<hr/>
<b>Shareholders' funds at end of year</b>	<b>(49,223)</b> <hr/>

**Notes** *(continued)*

**12. Ultimate parent company**

The company is a subsidiary undertaking of The Miller Group Limited which is the ultimate parent company incorporated in Scotland.

The largest group in which the results of the company are consolidated is that headed by The Miller Group Limited, incorporated in Scotland. The smallest group in which they are consolidated is that headed by Miller Homes Holdings Limited, incorporated in Scotland. The consolidated financial statements of these groups are available to the public and may be obtained from The Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.