

Miller Graysmill Limited

Directors' Report and Financial Statements

31 December 2009

Registered number SC287631

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Directors' Report

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

Principal activity

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

Results and dividends

The result for the year is set out in the profit and loss account. A dividend of £1,564,886 was paid during the year.

Directors

The directors of the company during the year were:

Ewan T Anderson
Brendan McShane
Moiria J Kinniburgh
David J E Knight

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/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

On behalf of the Board



Pamela J Smyth
Secretary

27 April 2010

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 judgements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH12EG
United Kingdom

Independent auditors' report to the members of Miller Graysmill Limited

We have audited the financial statements of Miller Graysmill Limited for the year ended 31 December 2009 set out on pages 4 to 9. 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

28 April 2010

Profit and Loss Account

For the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	1	795,000	2,194,855
Cost of sales		(751,892)	(1,779,728)
Gross profit		43,108	415,127
Administrative expenses		-	(44,500)
Profit on ordinary activities before taxation	2	43,108	370,627
Tax on profit on ordinary activities	3	(12,070)	(103,412)
Profit for the financial year	9	31,038	267,215

There are no recognised gains or losses other than those disclosed above.

Balance Sheet

As at 31 December 2009

	Note	2009 £	2008 £
Current assets			
Stocks and work in progress	5	-	750,000
Debtors	6	1	1,031,401
		<hr/>	<hr/>
		1	1,781,401
Creditors: amounts falling due within one year	7	-	(247,552)
		<hr/>	<hr/>
Net assets		1	1,533,849
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	-	1,533,848
		<hr/>	<hr/>
Shareholders' funds	10	1	1,533,849
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 27 April 2010 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.

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 11.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of new houses and is based on the selling price for the unit, net of any cash incentives, and is recognised on legal completion and receipt of cash.

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.

Dividend 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.

2. Profit on ordinary activities before taxation

	2009	2008
	£	£
<i>This is stated after charging: -</i>		
Auditors' remuneration	370	1,095
Management fees payable to fellow subsidiary	-	44,500
	<hr/>	<hr/>

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

Notes (continued)

3. Tax on profit on ordinary activities

Analysis of charge for the year

	2009 £	2008 £
UK corporation tax:		
Group relief payable at 28% (2008: 28%)	12,070	103,776
Adjustment in respect of prior period	-	(364)
	<u>12,070</u>	<u>103,412</u>

Factors affecting tax charge for year

The group relief payable of £12,070 is equal to (2008: equal to) the standard rate of corporation tax in the UK of 28% (2008: 28%).

4. Dividend

	2009 £	2008 £
Dividend paid	1,564,886	-

5. Stocks and work in progress

	2009 £	2008 £
Work in progress	-	750,000

6. Debtors

	2009 £	2008 £
Unpaid share capital	1	1
Amounts owed by fellow subsidiary undertaking	-	1,031,400
	<u>1</u>	<u>1,031,401</u>

Intercompany balances are stated after amounts due in respect of group relief receivable/ payable.

Notes (continued)

7. Creditors: amounts falling due within one year

	2009 £	2008 £
Accruals and deferred income	-	2,088
Other creditors	-	245,464
	<u>-</u>	<u>247,552</u>

8. Called up share capital

	2009 £	2008 £
<i>Authorised:</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up, and unpaid:</i>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

9. Profit and loss account

	2009 £	2008 £
At beginning of year	1,533,848	1,266,633
Profit for the year	31,038	267,215
Dividend paid	(1,564,886)	-
	<u>-</u>	<u>1,533,848</u>
At end of year	<u>-</u>	<u>1,533,848</u>

10. Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Profit for the year	31,038	267,215
Shareholders' funds at beginning of year	1,533,849	1,266,634
Dividend paid	(1,564,886)	-
	<u>1</u>	<u>1,533,849</u>
Shareholders' funds at end of year	<u>1</u>	<u>1,533,849</u>

Notes *(continued)*

11. Immediate and ultimate parent company

The company's immediate parent company is Miller Homes Special Projects Portfolio Limited and its ultimate parent company is The Miller Group Limited. Both companies are registered in Scotland and incorporated in Great Britain and their accounts can be obtained from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.