

# **MILLER INVESTMENTS HOLDINGS LIMITED**

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

For the year ended 31 December 2004

Registration number 849553



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

### **Contents**

Directors' report	1
Statement of directors' responsibilities	2
Independent Auditors Report to the members of Miller Investments Holdings Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2004.

### Business review and future developments

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

### Results and dividends

The profit for the financial year amounted to £10,467,730 (2003: £13,144,092). The directors do not recommend payment of a dividend for the year.

### Directors

The directors of the company during the year were:

P H Miller  
J S Richards  
KM Miller  
M Wood

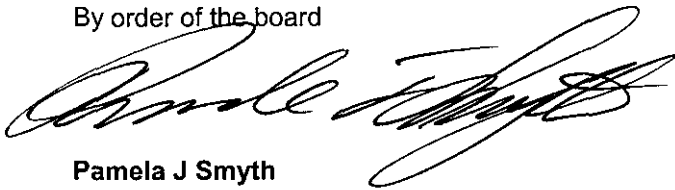
None of the directors had any interests in the shares of the company. PH Miller, JS Richards and KM Miller are directors of the holding company, The Miller Group Limited, and their interests in the shares of that company are disclosed in its annual report.

### Elective Resolution

An Elective Resolution was signed by the members on 29 August 2003 to dispense with the following legal requirements:

the holding of AGMs; the laying of accounts and reports before the company AGM; and the obligation of appointing auditors annually.

By order of the board



Pamela J Smyth  
Secretary

28<sup>th</sup> October 2005

Edinburgh

## **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 year. 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 Investments Holdings Limited**

We have audited the financial statements on pages 4 to 11.

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.

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 of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
Edinburgh

28 October 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

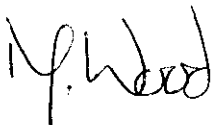
	<i>Note</i>	<b>2004</b> £	<b>2003</b> £
Management fees receivable		<b>441,246</b>	265,000
Cost of sales		-	(114,530)
<b>Gross profit</b>		<b>441,246</b>	150,470
Administrative expenses		(11,130)	79,449
<b>Operating profit</b>	2	<b>430,116</b>	229,919
Income from fixed asset investments		<b>12,954,239</b>	11,800,222
Write back of investment in joint ventures		<b>1,066</b>	1,073,903
Write down of investments in joint ventures		<b>(3,941,033)</b>	(587,582)
Write back of investment in associate		<b>618,674</b>	1,474
<b>Profit on ordinary activities before interest and taxation</b>		<b>10,063,062</b>	12,517,936
Net interest receivable	3	<b>422,031</b>	733,721
<b>Profit on ordinary activities before taxation</b>		<b>10,485,093</b>	13,251,657
Tax on profit on ordinary activities	4	(17,363)	(107,565)
<b>Retained profit for the year</b>		<b>10,467,730</b>	13,144,092

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

**Balance sheet**  
*as at 31 December 2004*

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Investments	5	33,738,294	17,445,643
<b>Current assets</b>			
Debtors	6	16,402,119	15,016,505
Cash at bank and in hand		6,230,388	11,422,540
		22,632,507	26,439,045
<b>Creditors: amounts falling due within one year</b>	7	(12,843,017)	(10,824,634)
<b>Net current assets</b>		9,789,490	15,614,411
<b>Net assets</b>		43,527,784	33,060,054
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	43,527,684	33,059,954
<b>Equity shareholders' funds</b>	10	43,527,784	33,060,054

These financial statements were approved by the board of directors on 28/6/05 and were signed on its behalf by:



**M Wood**  
 Director

## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost basis of accounting.

#### *Investments*

Investments are stated at cost less provision made for permanent diminution in value.

#### *Cash flow statement*

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

#### *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 one 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.

<b>2</b>	<b>Operating profit</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<i>This is stated after charging:</i>		
	Audit fee	(4,000)	(3,000)
	Professional fees	-	2,291
		<hr/>	<hr/>
	There were no emoluments paid to Directors in the year.		
<b>3</b>	<b>Net Interest receivable</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Interest payable to group companies	(2,170,926)	(1,154,241)
	Interest receivable from group companies	2,349,348	1,716,939
	Interest receivable from joint ventures	272,109	171,023
	Interest payable external	(28,500)	-
		<hr/>	<hr/>
		<b>422,031</b>	<b>733,721</b>
		<hr/>	<hr/>



**Notes (cont'd)**

4	<b>Taxation</b>	<b>2004</b> £	2003 £
	Analysis of tax charge in the year		
	<b>UK Corporation tax</b>		
	Current tax on income for the year	<b>332,363</b>	115,257
	Adjustment in respect of prior years	<b>(315,000)</b>	(7,692)
		<hr/>	<hr/>
	Tax on ordinary activities	<b>17,363</b>	107,565
		<hr/>	<hr/>

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

The current tax charge for the year is lower (2003: lower) than the standard rate of corporation tax in the UK 30% (2003: 30%). The differences are explained below.

	<b>2004</b> £	2003 £
<b>Current tax reconciliation</b>		
Profit on ordinary activities before tax	<b>10,485,093</b>	13,251,657
	<hr/>	<hr/>
Current tax at 30% (2003:30%)	<b>3,145,528</b>	3,975,498
<i>Effects of:</i>		
Dividends from Investments	<b>(3,886,272)</b>	(3,540,067)
Disallowable write back/Down of investments	<b>1,047,922</b>	(320,861)
Disallowable expenses	<b>25,185</b>	687
Prior year adjustment	<b>(315,000)</b>	(7,692)
	<hr/>	<hr/>
Total current tax charge (see above)	<b>17,363</b>	107,565
	<hr/>	<hr/>

**5 Investments**

	<b>Subsidiary undertakings</b> £	<b>Joint Ventures</b> £	<b>Associated Undertaking</b> £	<b>Total</b> £
At beginning of year	7,813,855	9,376,273	255,515	17,445,643
Additions	3,948,494	19,139,939	-	23,088,433
Net loans repaid	(800,640)	(2,673,849)	-	(3,474,489)
Write down of investment	-	(3,941,033)	-	(3,941,033)
Write back of investment	-	1,066	618,674	619,740
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>10,961,709</b>	<b>21,902,396</b>	<b>874,189</b>	<b>33,738,294</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes (cont'd)

### 5 Investments (cont'd)

#### Subsidiary undertakings

At 31 December 2004 the company had the following subsidiary undertakings .

Name	% of ordinary shares held	Nature of business
Birch Developments Limited	100%	Property Development
Cussins Commercial Developments Limited	100%	Property Development Holding of commercial Investment portfolio
Cussins Investment Properties Limited	100%	Property Development
Foray 1203 Limited	100%	Property Development
Miller (Arena Central) Limited	100%	Property Development
Miller (Chiswick) Limited	100%	Property Development
Miller (Queens Drive) Limited	100%	Property Development
Miller (St Neots) Limited	100%	Property Development
Miller (Whitehall) Limited	100%	Property Development
Miller Airdrie Limited	100%	Property Development
Miller Developments (South Wales) Limited	100%	Property Development
Miller Retail Properties Limited	100%	Property Development
Miller STG (NI) Limited	100%	Property Development
Miller Triumph Properties Limited	100%	Property Development
Miller Wednesbury Limited	100%	Property Development
Miller Wigan Limited	100%	Property Development
Outlet Estates Limited	100%	Property Development

The above subsidiary undertakings are all incorporated in Great Britain and registered in England and Wales

Miller BoS Limited	75%	Property Development
Miller (Portsmouth) Limited	100%	Property Development
Miller Cambridge Limited	100%	Property Development
Miller Central House Limited	100%	Property Development
Miller Cromdale (Consort House) Limited	100%	Property Development
Miller Developments Limited	100%	Property Development
Miller Developments Management Services Limited	100%	Property Development
Miller Developments Northern Limited	100%	Property Development
Miller Dorchester Limited	100%	Property Development
Miller Holdings International Limited	100%	Property Development
Miller Investments (Whitehall) Limited	100%	Property Development
Miller Investments Northern Limited	100%	Property Development
Miller Ventures Limited	100%	Property Development
Stewart's (Leith) Holdings Limited	100%	Property Development

The above subsidiary undertakings are all incorporated in Great Britain and registered in Scotland

## Notes (cont'd)

### 5 Investments (cont'd)

#### Joint Venture

The Joint Venture undertakings are:

Name	Principle Activity	Country of Registration	Ordinary Share Capital Owned
Centros Miller Holdings Limited	Property Development	Scotland	55.556%
Miller/CTP (Pacific Quay) Limited	Property Development	Scotland	50%
Pacific Shelf 728 Limited	Property Development	Scotland	50%
New Edinburgh Limited	Property Development	Scotland	50%
Miller Cromdale Limited	Property Development	Scotland	50%
Miller Aberdeen Limited	Property Development	Scotland	50%
Omega Warrington Limited	Property Development	England and Wales	50%
Shawfair Developments Limited	Property Development	Scotland	50%
Miller Birch Limited	Property Development	England and Wales	50%
City Road Basin Limited	Property Development	England and Wales	50%
Lothian Fifty (523) Limited	Property Development	Scotland	50%
Lothian Fifty (South Queensferry) Limited	Property Development	England and Wales	50%
Cromdale Enterprises Limited	Property Development	Scotland	50%
Miller/CTP (Fareham) Limited	Property Development	England and Wales	50%
Miller/CTP (Oldham) Limited	Property Development	England and Wales	50%
Barnsley Miller Partnership	Property Development	England and Wales	50%
CTP/Miller (Southport) Limited	Property Development	England and Wales	50%
Dorchester General Partner Limited	Property Development	England and Wales	50%
Edinburgh Quay Limited	Property Development	Scotland	51%
Miller Argent (South Wales) Limited	Property Development	England and Wales	42.54%
Miller/CTP (Wigan) Limited	Property Development	England and Wales	50%
Miller (Swinton) Limited	Property Development	England and Wales	50%
Portsmouth General Partner Limited	Property Development	England and Wales	50%
Retail Parks (Hamilton) Limited	Property Development	Scotland	50%
Retail Parks (Scotland) Limited	Property Development	Scotland	50%

#### Associated undertaking

The associated undertaking is:

Name	Principle Activity	Country of Registration	Ordinary Share Capital Owned
Pacific Quay Developments Limited	Property Development	Scotland	33%

**Notes** (cont'd)

<b>6</b>	<b>Debtors</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Trade debtors	139,350	95,372
	Other debtors	397,936	76,368
	Amounts owed by parent and fellow subsidiary undertakings	15,864,833	14,844,765
		<hr/>	<hr/>
		<b>16,402,119</b>	<b>15,016,505</b>
		<hr/>	<hr/>
<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Amount owed to parent and fellow subsidiary undertakings	11,927,478	10,235,489
	Other creditors	858,283	560,389
	Accruals and deferred income	57,256	28,756
		<hr/>	<hr/>
		<b>12,843,017</b>	<b>10,824,634</b>
		<hr/>	<hr/>
<b>8</b>	<b>Called up share capital</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	<i>Authorised, allotted, called up and fully paid</i> 100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>
<b>9</b>	<b>Profit and loss account</b>		<b>£</b>
	At beginning of year		33,059,954
	Retained profit for the year		10,467,730
			<hr/>
	<b>At end of year</b>		<b>43,527,784</b>
			<hr/>

**Notes (cont'd)**

<b>10</b>	<b>Reconciliation of movements in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
		<b>£</b>	<b>£</b>
	Profit for the financial year	<b>10,467,730</b>	13,144,092
	Opening shareholders' funds	<b>33,060,054</b>	19,915,962
		<hr/>	<hr/>
	<b>Closing shareholders' funds</b>	<b>43,527,784</b>	33,060,054
		<hr/>	<hr/>

**11**      **Contingent liabilities**

The company has with certain other subsidiaries, jointly guaranteed the unsecured multi-currency revolving credit facilities available to the parent company, The Miller Group Limited. In addition, the company has jointly guaranteed the unsecured multi-currency overdraft facility of The Miller Group Limited and certain subsidiaries.

**12**      **Related party transactions**

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 (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 given in note 13.

**13**      **Ultimate parent company**

The company is exempt under Section 228 of the Companies Act 1985 from the obligation to prepare group accounts, as it is included in the consolidated accounts of The Miller Group Limited, the company's ultimate parent company, a company registered in Scotland. The financial statements of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.