

Cussins Homes (North) Limited

Directors' Report and Financial Statements

31 December 2000

Registered number 1578968



Directors' Report and Financial Statements

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Directors' report

The Directors present their report and the audited accounts for the year ended 31 December 2000.

Principal Activity

The company did not trade during the year.

Results and Dividend

The results for the year are set out in the profit and loss account on page 4. On 1 January 2000, certain trade debts and inter-company balances were waived by fellow subsidiaries of The Miller Group Limited resulting in an exceptional credit of £1,140,000 to the profit and loss account. On the same day, the company's trade and assets were transferred to The Miller Group Limited.

The Directors recommend the payment of a dividend of £321,000 (1999 : £nil).

Directors and Directors' Interests

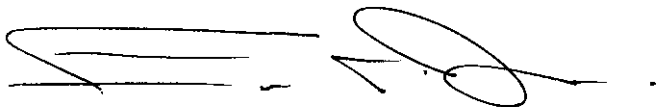
The Directors who served during the year were:

P Spoors	
I D Smith	(appointed 22 August 2000)
M P Windle	(resigned 31 December 2000)

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



Euan J Donaldson
Secretary

26 October 2001

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 period. 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.

Auditors' Report to the Members of Cussins Homes (North) Limited

We have audited the financial statements on pages 4 to 9.

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. 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 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG

KPMG
Chartered Accountants
Registered Auditors

26 October 2001

Edinburgh

Profit and Loss Account

for the year ended 31 December 2000

	Notes	2000 £000	1999 £000
Turnover	2	-	21,071
Cost of sales		-	(18,736)
		<hr/>	<hr/>
Gross profit		-	2,335
Administrative expenses		-	(4,630)
Exceptional item	3	1,140	-
		<hr/>	<hr/>
Operating profit / (loss)	3	1,140	(2,295)
Interest payable and similar charges	6	-	(229)
		<hr/>	<hr/>
Profit / (loss) before taxation		1,140	(2,524)
Taxation	7	-	174
		<hr/>	<hr/>
Profit / (loss) for the financial year		1,140	(2,350)
Dividends	8	(321)	-
		<hr/>	<hr/>
Balance for the financial year		819	(2,350)
(Loss) / profit brought forward		(819)	1,531
		<hr/>	<hr/>
Retained profit		-	(819)
		<hr/>	<hr/>

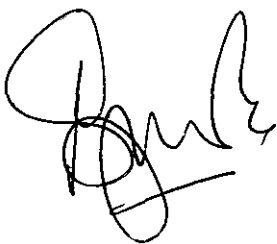
Other than the profit for the year and the preceding financial year, there were no other recognised gains or losses.

Balance sheet

at 31 December 2000

	Notes	2000 £000	1999 £000
Current assets			
Stocks	9	-	19,011
Debtors	10	-	178
		<hr/>	<hr/>
		-	19,189
Creditors: amounts falling due within one year	11	-	(20,008)
		<hr/>	<hr/>
Net current assets / (liabilities)		-	(819)
		<hr/>	<hr/>
Net assets / (liabilities)		-	(819)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		-	(819)
		<hr/>	<hr/>
Equity shareholders' funds / (deficit)	13	-	(819)
		<hr/>	<hr/>

These accounts were approved by the Board of Directors on 26 October 2001 and were signed on its behalf by:



Peter Spoors
Director

NOTES

(forming part of the financial statements)

1. Accounting policies

Basis of accounting

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The company is exempt from the requirement of Financial Reporting Standard 1 (revised), 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.

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. The consolidated financial statements of The Miller Group Limited, within which this company is included, can be obtained from the address given in note 14.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of timing differences if liabilities are likely to crystallise in the foreseeable future.

2. Turnover

Turnover all of which is generated in the United Kingdom, represents the proceeds on legal completions of residential houses. The sale proceeds of part exchange houses are not included in turnover.

3. Operating profit / (loss)	2000 £000	1999 £000
<i>This is stated after charging / (crediting) the following:</i>		
Operating lease rentals:		
hire of plant and equipment	-	912
Management charges	-	4,737
Exceptional item (see below)	(1,140)	-
	<hr/>	<hr/>

During the year, certain inter-company balances were waived by fellow subsidiary undertakings, resulting in a net credit of £1,140,000 to the profit and loss account.

NOTES *(continued)*

4. Remuneration of Directors

The remuneration paid to the Directors of Cussins Homes (North) Limited was

	2000 £000	1999 £000
Salary (including benefits in kind)	-	187
Aggregate pension costs	-	26
Performance related endowment	-	3
	<u>-</u>	<u>216</u>

5. Staff numbers and costs

The company had no employees during the year (1999 : nil).

6. Interest payable and similar charges

	2000 £000	1999 £000
On bank overdrafts	-	229
	<u>-</u>	<u>229</u>

7. Taxation

	2000 £000	1999 £000
Corporation tax:		
Over provision in respect of prior years	-	(174)
	<u>-</u>	<u>(174)</u>

8. Dividends

	2000 £000	1999 £000
Dividends on equity shares:		
Ordinary – final dividend of £3,210 per share (1999: £nil per share)	321	-
	<u>321</u>	<u>-</u>

NOTES (continued)

9. Stocks	2000	1999
	£000	£000
Land and site development	-	19,011
	<hr/>	<hr/>
10. Debtors	2000	1999
	£000	£000
Amounts falling due within one year		
Trade debtors	-	36
Corporation Tax	-	45
Other debtors	-	17
Prepayments and accrued income	-	80
	<hr/>	<hr/>
	-	178
	<hr/>	<hr/>
11. Creditors: amounts falling due within one year	2000	1999
	£000	£000
Bank overdraft	-	2,809
Trade creditors	-	1,749
Other taxes	-	6
Amounts owed to group undertakings	-	14,254
Accruals and deferred income	-	94
Dividends payable	-	1,096
	<hr/>	<hr/>
	-	20,008
	<hr/>	<hr/>
12. Share capital	2000	1999
	£	£
Equity		
<i>Authorised, allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

NOTES *(continued)*

13. Reconciliation of movements in shareholders' funds

	2000 £000	1999 £000
Profit / (loss) for the financial year	1,140	(2,350)
Dividend paid	(321)	-
	<hr/>	<hr/>
Net addition / (reduction) to shareholders' funds	819	(2,350)
Opening shareholders' (deficit) / funds	(819)	1,531
	<hr/>	<hr/>
Closing shareholders' funds / (deficit)	-	(819)
	<hr/> <hr/>	<hr/> <hr/>

14. Ultimate parent company

The company's ultimate parent company is The Miller Group Limited, which is registered in Scotland and incorporated in Great Britain. The accounts of The Miller Group Limited can be obtained from the Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh EH1 2EB.