The Barnsley Miller Partnership Limited

Annual Report

For the year ended 31 December 2005

Registered number 3446785

Annual Report

Contents

Directors' Report

The directors have pleasure in presenting their report together with the financial statements of the company for the year ended 31 December 2005.

Principal Activities

The principal activities of the Company are commercial land development for sale and commercial property development.

Dividend

The directors have approved a final dividend of £800,000 to be paid in January 2006 (2005:£nil)

Business Review and Future Developments

Activity during 2005 has been concentrated on the following projects:-

1. Midas

The Midas building at Fields End was completed in late December 2003 and was expected to produce profit in 2004. This building was successfully let on 1 October 2006.

2. Plots 3B & 4, Fields End

A joint development with Cannock Developments was commenced during the year and this involved a speculative development of 46,000sqft of B1 offices on Plot 4 and 47,000sqft of B2/B8 accommodation on Plot 3B.

3. Plot 5, Fields End

A deal was concluded in the Autumn with Portwest Clothing Ltd, a successful local company based in Goldthorpe for the development on a freehold turnkey package basis for a 93,000sqft warehouse which includes 6,000sqft of offices. Construction started on site in January 2006 and practical completion took place in mid August 2006.

4. Burleigh House, Sheffield Road

This is a prime site suitable for office development of 30,000sqft in a single building. There is no current interest on this site for a building of this size following the decision of South Yorkshire Fire and Rescue Service to not relocate to Barnsley.

5. Westgate Office Development

The construction of this 65,500sqft building pre-let to BMBC commenced in September 2005 and practical completion was achieved in October 2006. The completed building has been funded with a private investor.

6. Conclusion

2005 has been a successful year in the company with post tax profits of £727, 336 being generated. This compares with a post tax loss in 2004 of £96, 384.
The number of sites currently under the control of the Partnership has diminished however, due to the number of successful deals concluded during the year
Looking forward, the current business plan has been reviewed by the Board and is designed to maximise opportunities for the company whilst also bringing future benefits and opportunities to the Borough. Another successful year is forecast for 2006.

Directors' Report *(continued)*

Directors and Directors' Interests

The directors of the company who served during the period were:
S G Houghton
J H Thomson
P H Miller
M Wood
N Harris
J Rea
A Sutherland (appointed 25/2/05)

The directors had no interests in shares of the Company during the period.

Elective Resolution

An Elective Resolution was signed by the members on 13 June 2001 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.

Approval

The Directors' Report was approved by the Board on and signed on its behalf by:

P H Miller
Director

Edinburgh

30 October 2006

Statement of Directors' Responsibilities for the Financial Statements

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the Company for that period. In preparing these financial statements, the directors have:

- select suitable accounting policies and apply them consistently;
- made judgements and estimates that are reasonable and prudent; 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 which 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Shareholders of The Barnsley Miller Partnership Limited

We have audited the financial statements of The Barnsley Miller Partnership Limited for the year ended 31 December 2005, which comprise the profit and loss account, the balance sheet and related notes.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards (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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company as at 31 December 2005 and of the Company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Leeds, England

30 October 2006

Profit and Loss Account
for the year ended 31 December 2005

	Notes	2005 £	2004 £
Turnover: continuing operations		**4,531,149**	(11,025)
Cost of Sales		**(3,394,811)**	271
Gross profit		**1,136,338**	(10,754)
Administrative expenses		**(140,902)**	(135,159)
Operating profit/(loss): continuing operations	2	**995,436**	(145,913)
Interest receivable	3	**23,408**	22,364
Profit on ordinary activities before tax		**1,018,844**	(123,549)
Tax on profit on ordinary activities	4	**(291,508)**	27,165
Retained profit for the year		**727,336**	(96,384)

There have been no recognised gains or losses other than those reported above.

Balance sheet
at 31 December 2005

	Notes	2005 £	2004 £
Current assets			
Stock/WIP		-	389,791
Debtors		**1,738,095**	48,536
Cash at bank		**1,782,433**	1,382,363
		3,520,528	1,820,690
Creditors: amounts falling due within one year	6	**(1,748,980)**	(593,765)
Net current assets		**1,771,548**	1,226,925
Creditors: amounts falling due after one year	7	**(523,041)**	(705,754)
Net assets		**1,248,507**	521,171
Capital and reserves			
Called up share capital	8	**100**	100
Profit and loss account	9	**1,248,407**	521,071
Equity shareholders' funds	10	**1,248,507**	521,171

These financial statements were approved by the board of directors on 30 October 2006 and were signed on its behalf by:

S G Houghton
Director

P H Miller
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.

Cash flow statement

The Company has taken advantage of the exemption not to prepare a cash flow statement under sections 246 to 249 of the Companies Act 1985 on the basis that it is a small company.

Turnover

Turnover represents the amounts derived from the sales of land for commercial development and, in the case of long term contracts, the value of work done during the year.

Long Term Contracts

Long term contracts are those extending in excess of 12 months and of any shorter duration which are material to the activity of the period.

Amounts recoverable on contracts are included in debtors and are valued, inclusive of profit, at work executed at contract prices plus variations less payment on account. Profit on long term contracts is recognised once the outcome can be assessed with reasonable certainty. The margin on each contract is the lower of margin earned to date and forecast at completion. Full provision is made for anticipated future losses and such losses are included in creditors. Where contract payments exceed amounts recoverable these amounts are included in creditors.

Amounts recoverable normally include claims only when there is a firm agreement with the client, but when assessing anticipated losses on major contracts a prudent and reasonable estimate of claims is taken into account.

Where costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account are not matched with turnover these amounts are included in work in progress.

Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from gains on the sale of non monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Profit recognition

Profits in respect of long term contracts are recognised when the contract outcome can be foreseen with reasonable certainty and are determined by reference to work done less related costs.

Government grants

Grants of a non-capital nature are credited to the profit and loss account in the same period as the expenditure to which they contribute.

2. Operating profit

	2005	2004
	£	£
This is arrived at after charging:		
Auditors' remuneration	**5,000**	4,550
Other services	-	1,335
	5,000	5,885

3. Interest receivable and similar income

	2005	2004
	£	£
Bank interest receivable	**23,408**	22,364

4 Tax on profit on ordinary activities

	2005	2004
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax on profits of the period	**281,437**	(17,096)
Adjustments in respect of prior periods	-	2
Total current tax	**281,437**	(17,094)
Deferred tax		
Losses carried forward	-	(10,071)
Losses utilised	**10,071**	-
Tax on profit/(loss) on ordinary activities	**291,508**	(27,165)

Notes (forming part of the financial statements) continued

4. Tax on profit/(loss) on ordinary activities (continued)

Current tax reconciliation

The tax assessed is lower than (2004: lower than) the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2005 £	2004 £
Profit/(loss) on ordinary activities before tax	**1,018,844**	(123,549)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	**305,653**	(37,065)
Effects of:		
Expenses not deductible for tax purposes	**9**	-
Losses (utilised)/unutilised	**(10,071)**	10,071
Rate differences on tax charge	**(14,154)**	9,898
Adjustments in respect of prior periods	**-**	2
Current tax charge for period	**281,437**	(17,094)

5. Debtors

	2005 £	2004 £
Trade debtors	**109,040**	-
Other debtors	**1,501,442**	-
Deferred tax asset	**-**	10,071
VAT and other taxes	**127,613**	38,465
	1,738,095	48,536

6. Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	**897,096**	25,826
Amounts due to consortium companies/partners	**85,240**	47,597
Corporation tax payable	**281,437**	-
Other creditors	**46,480**	46,480
Accruals and deferred income	**438,727**	473,862
	1,748,980	593,765

Notes (forming part of the financial statements) continued

		2005	2004
7.	**Creditors:** Amounts falling due after more than one year	**£**	£
	Accruals and deferred income	**523,041**	705,754

		2005	2004
8.	**Share capital**	**£**	£
	Authorised, allotted, called up and fully paid		
	50 ordinary "A" shares of £1 each	**50**	50
	50 ordinary "B" shares of £1 each	**50**	50
		100	100

Each class of shares has equal voting rights

		Profit and Loss account £
9.	**Profit and loss account**	
	At 1 January 2005	521,071
	Retained profit for the year	727,336
	At 31 December 2005	**1,248,407**

		2005	2004
10.	**Reconciliation of movement in shareholders' funds**	**£**	£
	Opening shareholders' funds	**521,171**	617,555
	Retained profit for the year	**727,336**	(96,384)
	Closing shareholders' funds	**1,248,507**	521,171

Notes (forming part of the financial statements) continued

11. Related Party Transactions

The company was jointly owned during the year by Barnsley Metropolitan Borough Council and The Miller Group Limited.

Total amounts included in creditors at 31 December 2005 were as follows:-

	2005	2004
	£	£
The Miller Group Limited	**79,207**	45,425
Barnsley Metropolitan Borough Council	**6,033**	2,172
	85,240	47,597

Throughout the period, The Miller Group Limited invoiced for transactions to the value of £124,733 (2004: £131,281).

The Barnsley Metropolitan Borough Council has invoiced for transactions to the value of £1,352,064 (2004: £11,992)

12. Directors and staff

No director received any emoluments during the period.

There were no persons employed by the company during the year (2004: nil).

Related parties recharged the payroll costs of employees seconded to the company during the period amounting to £104,482 (2004: £103,953).