

# **Miller Gadsby (Castle Marina) Limited**

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

**31 December 2003**

**Registration Number 4416753**



## Directors' Report and Financial Statements

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## Directors' Report

The directors have pleasure in presenting their report and audited financial statement for the year ended 31 December 2003.

### Results and Dividends

The result for the year is set out in the profit and loss account. The directors do not recommend the payment of a dividend for the year.

### 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

The Directors who held office during the financial year, together with their beneficial shareholding were as follows:

	31 December 2003	31 December 2002
P J Gadsby	500	500
C J Endsor	-	-
A J Noton	-	-
M Brayshaw	-	-

### 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

30 June 2004

## **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 Gadsby (Castle Marina) Limited**

We have audited the financial statements on pages 5 to 10.

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 2003 and of its loss 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

30 June 2004

**Profit and Loss Account**  
 For the year ended 31 December 2003

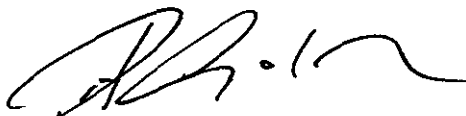
	Note	2003 (12 months) £	2002 (9 months) £
Administrative expenses		-	-
<b>Operating Loss</b>		-	-
Interest payable and similar charges	3	(73,367)	-
<b>Loss on ordinary activities before taxation</b>		(73,367)	-
Tax on loss on ordinary activities	4	22,010	-
<b>Retained loss for the year</b>		(51,357)	-

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

**Balance sheet**  
**As at 31 December 2003**

	Note	2003 £	2002 £
<b>Current assets</b>			
Work in progress	5	3,819,928	228,864
Debtors	6	68,727	11,034
Cash at bank and in hand		-	997
		<u>3,888,655</u>	<u>240,895</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(212,811)</u>	-
<b>Total assets less current liabilities</b>		<b>3,675,844</b>	<b>240,895</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(3,726,201)</b>	<b>(239,895)</b>
		<u></u>	<u></u>
<b>Net (liabilities)/assets</b>		<b>(50,357)</b>	<b>1,000</b>
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Profit and loss account	11	(51,357)	-
		<u></u>	<u></u>
<b>Equity Shareholders' (Deficit)/Funds</b>	12	<b>(50,357)</b>	<b>1,000</b>
		<u></u>	<u></u>

These financial statements were approved by the Board of Directors on 30 June 2004 and were signed on its behalf by:



**P J Gadsby**  
Director



**C J Endsor**  
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 accounts are prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

#### **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 2003. The development being undertaken is progressing well and the company expects to make an overall profit when it is completed.

#### **Taxation**

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date.

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

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

### 2. Remuneration of directors

The directors did not receive any remuneration from the company during the period.

### 3. Interest payable and similar charges

	2003 (12 months) £	2002 (9 months)
Interest on Bank Loan	73,367	-



**Notes** (continued)

**4. Tax credit on loss on ordinary activities**

	2003	2002
	£	
Deferred Tax – current year	22,010	-
	<u>          </u>	<u>          </u>

**5. Work in progress**

	2003	2002
	£	£
Land work-in-progress	3,200,090	160,000
Development work-in-progress	619,838	68,864
	<u>          </u>	<u>          </u>
	3,819,928	228,864
	<u>          </u>	<u>          </u>

**6. Debtors**

	2003	2002
	£	£
Deferred tax asset (see note 7)	22,010	-
VAT	46,717	11,034
	<u>          </u>	<u>          </u>
	68,727	11,034
	<u>          </u>	<u>          </u>

**7. Deferred Tax Asset**

	<i>Tax losses</i>
	£
At 1 January 2003	-
Transferred to profit and loss account	22,010
	<u>          </u>
At 31 December 2003	22,010
	<u>          </u>

**Notes (continued)**

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

	2003	2002
	£	£
Trade Creditors	212,811	-

**9. Creditors: amounts falling due after more than one year**

	2003	2002
	£	£
Bank Loan	2,783,680	-
Shareholder Loans	942,521	239,895
	<u>3,726,201</u>	<u>239,895</u>

The bank loan is secured by a fixed and floating charge over the company's assets and is subject to interest at the LIBOR rate plus scaled interest (1.5% - 1.1%). The bank loan is due to be repaid by 3 July 2006.

**10. Called up share capital**

	2003	2002
	£	£
<i>Authorised, allotted, called up &amp; fully paid:</i>		
500 A ordinary shares of £1 each	500	500
500 B ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

**11. Reserves**

	<i>Profit and Loss Account</i>
	£
At 31 December 2002	-
Retained loss for the year	(51,357)
	<u>(51,357)</u>
At 31 December 2003	(51,357)

## Notes (continued)

### 12. Reconciliation of Shareholders' Funds

	2003 £	2002 £
Loss for the period	(51,357)	-
Other movements:-		
New shares issued	-	1,000
	<hr/>	<hr/>
Total movements during the year	(51,357)	1,000
Shareholders' funds at 1 January 2003	1,000	-
	<hr/>	<hr/>
Shareholders' funds at 31 December 2003	(50,357)	1,000
	<hr/>	<hr/>

### 13. Related party disclosures

The company is controlled jointly by The Miller Group Limited and P J Gadsby.

During the year the company paid construction and development costs of £474,129 (2002:£0) to The Miller Group Limited. At the year end £175,640(2002:£0) was owed to The Miller Group Limited.

In addition at 31 December 2003, the following loan amounts were due to the above parties:

	2003 £	2002 £
P J Gadsby	471,260	119,948
The Miller Group Limited	471,260	119,947
	<hr/>	<hr/>
	942,520	239,895
	<hr/>	<hr/>