

# **MILLER INVESTMENTS NORTHERN LIMITED**

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

For the year ended 31 December 2003

Registered number SC60893



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

### **Contents**

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

## Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2003.

### Principal activity

The principal activity of the company is that of commercial property development.

### Results and dividend

The retained profit for the year was £122,004 (2002: £43,773). The directors do not recommend the payment of a dividend.

### Directors

The directors of the company during the year were:

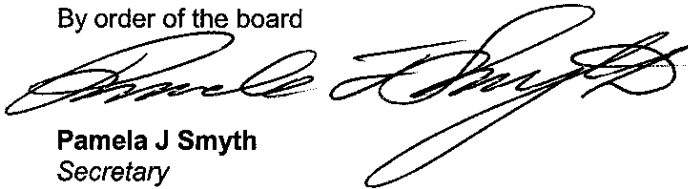
JS Richards  
PH Miller

The directors had no interests in the shares of the company during the year.

### 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  
25 June 2004

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 Northern Limited**

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

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 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 at 31 December 2003 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**

*Edinburgh*

*Chartered Accountants*

*Registered Auditors*

*22 July 2004*

**Profit and loss account**  
 For the year ended 31 December 2003

	Note	2003 £	2002 £
Turnover	2	112,358	319,228
Cost of sales		-	(271,829)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>112,358</b>	<b>47,399</b>
Administrative expenses		(8,917)	5,963
		<hr/>	<hr/>
<b>Operating profit</b>		<b>103,441</b>	<b>53,362</b>
Interest receivable	4	172,857	133,124
Interest payable	3	(154,294)	(155,510)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>122,004</b>	<b>30,976</b>
Tax on profit on ordinary activities	6	-	12,797
		<hr/>	<hr/>
<b>Retained profit for the year</b>		<b>122,004</b>	<b>43,773</b>
		<hr/>	<hr/>

There are no recognised gains or losses other than the profit for the year.

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

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Investments	7	6,374,703	2,579,463
<b>Current assets</b>			
Stocks and work in progress	8	-	1,299,585
Debtors	9	1,658,593	327,732
		<u>1,658,593</u>	<u>1,627,317</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,300,374)</u>	<u>(2,595,862)</u>
<b>Net current liabilities</b>		<u>(4,641,781)</u>	<u>(968,545)</u>
<b>Total assets less current liabilities</b>		<u>1,732,922</u>	<u>1,610,918</u>
<b>Net assets</b>		<u>1,732,922</u>	<u>1,610,918</u>
<b>Capital and Reserves</b>			
Share capital	11	100	100
Profit and loss account	12	<u>1,732,822</u>	<u>1,610,818</u>
<b>Equity shareholders' funds</b>	13	<u>1,732,922</u>	<u>1,610,918</u>

These financial statements were approved by the board of directors on 25 June 2004 and were signed on its behalf by:

  
**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 in relation 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.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in FRS 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 given in note 16.

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

Development work in progress is carried 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 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 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.

### 2 Turnover

Turnover represents income received from the rental and sale of property developments and arises entirely in the United Kingdom.

### 3 Interest payable

	2003 £	2002 £
To group companies	154,294	155,510

### 4 Interest receivable

	2003 £	2002 £
Income from fixed asset investment loans	172,857	133,124

**Notes (cont'd)**

**5 Remuneration of directors**

There were no emoluments paid to directors during the year or in the previous year.

**6 Taxation**

	2003 £	2002 £
Analysis of charge in period		
<b>UK Corporation tax</b>		
Current tax on income for the period	-	9,293
Adjustments in respect of prior periods	-	(22,090)
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	(12,797)
	<hr/>	<hr/>

The company's liability to corporation tax will be covered by way of group relief or met by The Miller Group Limited, for which no payment will be made.

**7 Investments**

	Joint ventures		
	Shares	Loans	Total
	£	£	£
<b>Cost</b>			
At beginning of year	101	2,579,362	2,579,463
Additions	-	3,795,240	3,795,240
	<hr/>	<hr/>	<hr/>
<b>At end of year</b>	<b>101</b>	<b>6,374,602</b>	<b>6,374,703</b>
	<hr/>	<hr/>	<hr/>

Details of joint ventures are as follows:

	Ordinary share capital owned	Principal activities
Edinburgh Quay Limited	50%	Property development
The Barnsley Miller Partnership Limited	50%	Property development

**8 Work in progress**

	2003 £	2002 £
Commercial developments	-	1,299,585
	<hr/>	<hr/>

Notes (cont'd)

9 Debtors

	2003 £	2002 £
Trade debtors	34,653	30,134
Corporation tax recoverable	-	12,797
Prepayments & accrued income	-	40,775
Other debtors	-	161,859
Owed by group undertakings	1,623,940	82,167
	<hr/>	<hr/>
	1,658,593	327,732
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank overdraft	2,888,021	2,565,935
Trade creditors	-	15,298
Amounts owed to group undertakings	3,405,788	12,763
Other creditors	6,565	1,866
	<hr/>	<hr/>
	6,300,374	2,595,862
	<hr/>	<hr/>

The overdraft is secured by an inter-company composite guarantee from The Miller Group Limited and certain subsidiaries also having access to the facility.

11 Share capital

	2003 £	2002 £
<b>Equity</b>		
<i>Authorised, allotted, called up and fully paid:</i>		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

12 Profit and loss account

	2003 £
At beginning of year	1,610,818
Retained profit for the year	122,004
	<hr/>
At year end	1,732,822
	<hr/>

**Notes (cont'd)**

**13 Reconciliation of movement in shareholders' funds**

	<b>2003</b>	2002
	<b>£</b>	£
Profit for the year	<b>122,004</b>	43,773
Opening shareholders' funds	<b>1,610,918</b>	1,567,145
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>1,732,922</b>	1,610,918
	<hr/>	<hr/>

**14 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.

**15 Related Party Transactions**

The Company has interests (details of which are set out in Note 7 to the Financial Statements) in Edinburgh Quay Limited and the Barnsley Miller Partnership Limited. During the year ended 31 December 2003 interest of £172,857 (2002: £133,124) was received from Edinburgh Quay Limited.

**16 Ultimate parent company**

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