# MILLER CROMDALE LTD

## Directors' report and financial statements

For the year ended 31 December 2007

Registration number SC166102

## Contents

## Directors' Report

The directors present their annual report and audited financial statements for year ended 31 December 2007

### Business review

The principal activity of the company is the development of office space and associated car park

### Results and dividends

The loss for the financial year after taxation amounted to £16,495 (*2006 profit of £18,093*)

### Dividend

The directors do not recommend payment of a dividend for the year (2006 £Nil)

### Directors

The directors of the company during the year were

Mr M J Callan
Mr M S Grigor
Mr P H Miller
Mr A Sutherland
Mrs J M Jackson (Alternate Director)
Mrs M Wood (Alternate Director) (resigned 20 August 2007)
Mrs S E Ritchie (Alternate Director)
Mr D W Borland (Alternate Director) (appointed 20 August 2007)
Mrs P Grant

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

### 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

By order of the board

**Mrs P J Smyth**
Secretary
20 June 2008

Edinburgh

## Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The financial statements are required by law to 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 year

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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

KPMG

KPMG LLP

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United Kingdom

# Independent auditors' report to the members of Miller Cromdale Limited

We have audited the financial statements of Miller Cromdale Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes These financial statements have been prepared under the accounting policies set out therein

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**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (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 In addition we report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements We also report to you if, in our opinion, 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 other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements 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 judgments 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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG LLP

**KPMG LLP**
*Chartered Accountants*
*Registered Auditor*

Date
8 July 2008

## Profit and loss account
***for year ended 31 December 2007***

| | *Note* | **2007** **£** | 2006 £ |
|---|---|---|---|
| Turnover | | **10,329** | 1,250 |
| Cost of sales | | **(28,641)** | 10,116 |
| **Gross (loss)/profit** | | **(18,312)** | 11,366 |
| Administrative expenses | | **(4,557)** | (4,935) |
| **Operating (loss)/profit** | | **(22,869)** | 6,431 |
| Interest payable | *4* | **(14)** | |
| Interest receivable | *5* | **5,092** | 12,966 |
| **(Loss)/profit on ordinary activities before taxation** | *3* | **(17,791)** | 19,397 |
| Tax on (loss)/profit on ordinary activities | *6* | **1,296** | (1,304) |
| **(Loss)/profit on ordinary activities after taxation** | *11* | **(16,495)** | 18,093 |

The company has no recognised gains or losses other than the loss/profit for the above financial years

The loss for the financial year has been derived from continuing activities

## Balance sheet
***as at 31 December 2006***

| | Note | 2007 | 2006 |
|---|---|---|---|
| | | **£** | £ |
| **Current assets** | | | |
| Work in progress | 7 | **653,164** | 415,078 |
| Debtors | 8 | **469,439** | 144,527 |
| Cash at bank and in hand | | **31,765** | 288,967 |
| | | **1,154,368** | 848,572 |
| **Creditors** amounts falling due within one year | 9 | **(365,688)** | (43,397) |
| **Net assets** | | **788,680** | 805,175 |
| **Capital and reserves** | | | |
| Called up share capital | 16 | **2,000** | 2,000 |
| Profit and loss account | 11 | **786,680** | 803,175 |
| **Shareholders' funds** | 12 | **788,680** | 805,175 |

These financial statements were approved by the board of directors on 20 June 2008 and were signed on its behalf by

**~~P H~~ Miller**
*Director*

**M J Callan**
*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 basis of accounting

***Cash flow statement***

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

***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 yet reversed by the balance sheet date, except as otherwise required by FRS 19 Deferred tax assets are recognised to the extent that these accounts are recoverable

## 2 Turnover

Turnover represents development sales and rental income Turnover is stated net of Value Added Tax

## 3 (Loss)/profit on ordinary activities before taxation

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| *This is stated after charging* | | |
| Auditors' remuneration audit of these financial statements | **1,500** | 1,500 |
| Other services pursuant to taxation | **1,250** | 1,000 |

## 4 Interest payable

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| Bank Interest | **14** | |

## 5 Interest receivable

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| Bank Interest | **5,092** | 12,966 |

## Notes (cont'd)

### 6 Tax on loss on ordinary activities

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| *UK Corporation tax* | | |
| Current tax on income for the year | - | 6,500 |
| Adjustments in respect of prior periods | (1,296) | (5,196) |
| Tax in profit on ordinary activities | (1,296) | 1,304 |

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

The current tax charge for the year is lower than *(2006 lower than)* the standard rate of corporation tax in the UK 30% *(2006 30%)* The differences are explained below

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| *Current tax reconciliation* | | |
| (Loss)/profit on ordinary activities before tax | (17,791) | 19,397 |
| Current tax at 30% *(2006 30%)* | 5,337 | 5,819 |
| *Effects of* | | |
| Permanently disallowable expenditure | | 681 |
| Adjustment in respect of prior periods | (1,296) | (5,196) |
| Group relief received for nil consideration | (5,337) | |
| Total current tax charge (see above) | (1,296) | 1,304 |

### 7 Stocks

| | 2007 | 2006 |
|---|---|---|
| | £ | £ |
| Development work in progress | 653,164 | 415,078 |
| | 653,164 | 415,078 |

## Notes (cont'd)

### 8 Debtors

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| Prepayments | **9,372** | 5,757 |
| Amounts due from associated companies | **452,011** | 138,770 |
| Other debtors | **8,056** | |
| | **469,439** | 144,527 |

### 9 Creditors: amounts falling due within one year

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| Trade creditors | **9,538** | |
| Other creditors | **6,150** | 36,897 |
| Corporation tax | **-** | 6,500 |
| Amounts due to shareholders | **350,000** | |
| | **365,688** | 43,397 |

### 10 Called up share capital

| | **2007** | 2006 |
|---|---|---|
| | **£** | £ |
| *Authorised, allotted, called up and fully paid* | | |
| 1,000 ordinary A shares of £1 each | **1,000** | 1,000 |
| 1,000 ordinary B shares of £1 each | **1,000** | 1,000 |
| | **2,000** | 2,000 |

The A and B shares have equal voting rights and rank pari passu as set out in the articles of the company

### 11 Profit and loss account

| | **Profit and loss** |
|---|---|
| | **£** |
| At beginning of year | **803,175** |
| Loss for the year | **(16,495)** |
| **At end of year** | **786,680** |

## Notes (cont'd)

### 12 Reconciliation of movements in shareholders' funds

| | 2007 £ | 2006 £ |
|---|---|---|
| (Loss)/profit for the year | **(16,495)** | 18,093 |
| Net (reduction)/addition to shareholders' funds | **(16,495)** | 18,093 |
| Opening shareholders' funds | **805,175** | 787,082 |
| **Closing shareholders' funds** | **788,680** | 805,175 |

### 13. Related party disclosure

The company is a joint venture between The Miller Group Limited and Cromdale Limited During the year The Miller Group Limited and Cromdale Limited both advanced a loan of £175,000 each to the company This remains outstanding at 31 December 2007 During the year a loan was made to Cromdale Enterprises Limited, another joint venture between The Miller Group Limited and Cromdale Limited of £452,011