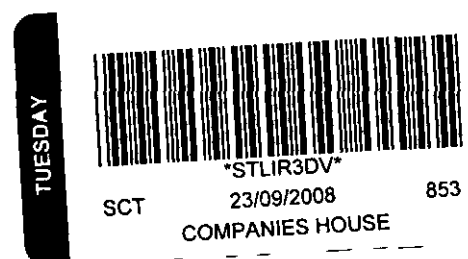


## **MILLER ALBA LIMITED**

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

For the 13 month period ended 31 December 2007

Registered number SC312841



## **Contents**

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## Directors' report

The directors present their annual report and the audited financial statements for the 13 month period ended 31 December 2007

### Business review and future developments

The principal activity of the company is that of property development

### Results and dividends

The company made a loss for the period after providing for taxation of £101,011

### Incorporation

The company was incorporated on 30 November 2006

### Directors

The directors of the company during the period were

|              |                              |
|--------------|------------------------------|
| PH Miller    | (appointed 30 November 2006) |
| D Milloy     | (appointed 30 November 2006) |
| A Sutherland | (appointed 30 November 2006) |
| JM Jackson   | (appointed 30 November 2006) |
| M Wood       | (appointed 30 November 2006) |
| DW Borland   | (appointed 20 August 2007)   |

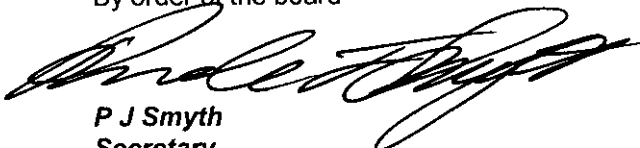
### Disclosure of information to auditors

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

### Auditors

KPMG LLP were appointed first auditors by the directors, in accordance with Section 384 of the Companies Act 1985, a resolution for the re appointment of KPMG LLP as auditors of the company will be proposed at the forthcoming annual meeting

By order of the board



P J Smyth  
Secretary

19 March 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 period. 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 period.

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 LLP**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

## **Independent auditors' report to the members of Miller Alba Limited**

We have audited the financial statements of Miller Alba Limited for the period 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**

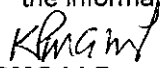
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 period from 30 November 2006 (date of incorporation) to 31 December 2007 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**  
Chartered Accountants  
Registered Auditor

31 March 2008

**Profit and loss account**  
**for the 13 month period ended 31 December 2007**

|  | <i>Note</i> | 13 months to 31 December<br>2007<br>£ |
|--|-------------|---------------------------------------|
| <b>Turnover</b>                                    | 2           | 1,993,385                             |
| Cost of sales                                      |             | (1,212,182)                           |
|  |             | <hr/>                                 |
| <b>Gross profit</b>                                |             | 781,203                               |
| Administrative expenses                            |             | (40,443)                              |
|  |             | <hr/>                                 |
| <b>Operating profit</b>                            |             | 740,760                               |
| Interest receivable                                | 5           | 32,016                                |
| Interest payable                                   | 6           | (873,787)                             |
|  |             | <hr/>                                 |
| <b>Loss on ordinary activities before taxation</b> | 3           | (101,011)                             |
| Tax on loss on ordinary activities                 | 7           | -                                     |
|  |             | <hr/>                                 |
| <b>Loss for the financial period</b>               |             | (101,011)                             |
|  |             | <hr/> <hr/>                           |

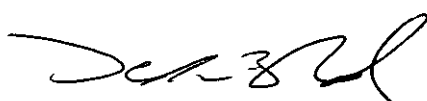
The company has no recognised gains or losses other than the loss for the above financial period

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

**Balance sheet**  
 at 31 December 2007

|   | Note | 2007<br>£    |
|---|------|--------------|
| <b>Current assets</b>                                       |      |              |
| Development work in progress                                | 8    | 16,173,024   |
| Debtors   | 9    | 121,776      |
| Cash at bank and in hand                                    |      | 940,913      |
|   |      | <hr/>        |
|   |      | 17,235,713   |
| <b>Creditors* amounts falling due within one year</b>       | 10   | (3,752,724)  |
|   |      | <hr/>        |
| <b>Net current assets</b>                                   |      | 13,482,989   |
| <b>Creditors: amounts falling due in more than one year</b> | 11   | (13,583,999) |
|   |      | <hr/>        |
| <b>Net liabilities</b>                                      |      | (101,010)    |
|   |      | <hr/>        |
| <b>Capital and reserves</b>                                 |      |              |
| Called up share capital                                     | 12   | 1            |
| Profit and Loss account                                     | 13   | (101,011)    |
|   |      | <hr/>        |
| <b>Shareholders' deficit</b>                                | 14   | (101,010)    |
|   |      | <hr/>        |

These financial statements were approved by the board of directors on 19 March 2008 and were signed on its behalf by



**D Borland**  
 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. The financial statements have been prepared on the going concern basis as the shareholders have indicated that they will continue to support the 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 the company is included, can be obtained from the address given in note 15.

#### ***Cash flow statement***

The company is exempt from the requirement of Financial Reporting Standard 1 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.

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

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

#### ***Taxation***

The charge for taxation is based on the profit for the period 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 of commercial property and development sales and excludes value added tax. Turnover arises entirely in the United Kingdom.

### **3 Auditors' remuneration**

Auditors' remuneration is paid by a fellow subsidiary, Miller Developments Limited and is disclosed in the accounts of that company.



**Notes (cont'd)**

**4 Remuneration of directors**

There were no emoluments paid to the directors during the period There were no employee or staff costs during the period

**5. Interest receivable**

**13 months to  
31 December 2007  
£**

|               |                   |
|---------------|-------------------|
| Bank interest | 32,016            |
|               | <u>          </u> |

**6. Interest payable**

**13 months to  
31 December 2007  
£**

|                           |                   |
|---------------------------|-------------------|
| Bank loans and overdrafts | 873,787           |
|                           | <u>          </u> |

**7. Taxation**

**13 months to  
31 December 2007  
£**

*Analysis of charge in period*

*UK Corporation tax*

Current tax on loss for the period

Total current tax

**Notes (cont'd)**

**7. Taxation (continued)**

*Factors affecting the tax charge for the current period*

The current tax charge for the period is lower than the standard rate of corporation tax in the UK 30%. The differences are explained below

|  | 13 months to<br>31 December<br>2007<br>£ |
|--|--|
| <b>Current tax reconciliation</b>              |  |
| Loss on ordinary activities before tax         | (101,011)                                |
|  | <hr/>                                    |
| Current tax at 30%                             | (30,303)                                 |
| Effects of                                     |  |
| Group relief surrendered for nil consideration | 30,303                                   |
|  | <hr/>                                    |
| Total current tax charge (see above)           | <hr/> <hr/>                              |

|  |             |
|--|-------------|
| <b>8. Development work in progress</b> | 2007<br>£   |
| Development site                       | 16,173,024  |
|  | <hr/> <hr/> |

|  |             |
|--|-------------|
| <b>9. Debtors</b>                      | 2007<br>£   |
| Trade debtors                          | 17,689      |
| Prepayments                            | 18,150      |
| Amount due from fellow group companies | 1           |
| Other debtors                          | 85,936      |
|  | <hr/>       |
|  | 121,776     |
|  | <hr/> <hr/> |

|   |             |
|---|-------------|
| <b>10. Creditors' amounts falling due within one year</b> | 2007<br>£   |
| Amount owed to fellow group companies                     | 3,410,630   |
| Accruals and deferred income                              | 249,333     |
| Trade creditors   | 36,676      |
| VAT   | 156         |
| Other creditors   | 55,929      |
|   | <hr/>       |
|   | 3,752,724   |
|   | <hr/> <hr/> |

**Notes (cont'd)**

|            |   |                   |
|------------|---|-------------------|
| <b>11</b>  | <b>Creditors: amounts falling due after more than one year</b>  | <b>2007<br/>£</b> |
|            | Bank loan (secured)   | <b>13,583,999</b> |
|            | <i>Analysis of debt</i>   |                   |
|            | Debt can be analysed as falling due<br>Between two and five years   | <b>13,583,999</b> |
|            | The bank loan is secured by a standard security and floating<br>charge over the development site at Alba Campus, Livingston   |                   |
| <b>12.</b> | <b>Share capital</b>  | <b>2007<br/>£</b> |
|            | <i>Authorised</i>   |                   |
|            | 100 Ordinary shares of £1 each  | <b>100</b>        |
|            | <i>Allotted, called up and unpaid</i>   |                   |
|            | 1 Ordinary share of £1 each   | <b>1</b>          |
| <b>13.</b> | <b>Profit and loss account</b>  | <b>2007<br/>£</b> |
|            | Loss for the period   | <b>(101,011)</b>  |
|            | <b>At end of period</b>   | <b>(101,011)</b>  |
| <b>14.</b> | <b>Reconciliation of movements in shareholders' deficit</b>   | <b>2007<br/>£</b> |
|            | Loss for the period   | <b>(101,011)</b>  |
|            | New Share capital issued  | <b>1</b>          |
|            | <b>Closing shareholders' deficit</b>  | <b>(101,010)</b>  |
| <b>15</b>  | <b>Ultimate parent company</b>  |                   |
|            | 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 |                   |