

MILLERBOS LIMITED

Directors' report and financial statements

For the year ended 31 December 2008

Registered number SC209180



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Directors' report and financial statements

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Directors' report

The directors present their report and audited financial statements for the year ended 31st December 2008.

Principal activities

The principal activity of the company is property development.

Business review

The profit for the financial year amounted to £953,144 (2007: loss of £2,000,016). The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

DW Borland
P H Miller
J M Jackson
A Sutherland

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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



P Miller
Director

10th April 2009

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 LLP

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditors' report to the members of Millerbos Limited

We have audited the financial statements of Millerbos Limited for the year ended 31 December 2008 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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 2008 and of its profit 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
Chartered Accountants
Registered Auditor

Date
30.4.2009

Profit and loss account
 for the year ended 31st December 2008

	Note	2008 £	2007 £
Impairment of investments		-	(2,000,000)
Reversal of impairment of investments		953,134	-
Administrative expenses		3	(18)
		<hr/>	<hr/>
Operating profit/(loss)		953,137	(2,000,018)
Interest receivable	5	7	2
		<hr/>	<hr/>
Profit/(loss) on activities before taxation	4	953,144	(2,000,016)
Tax on profit/(loss) on ordinary activities	6	-	-
		<hr/>	<hr/>
Profit/(loss) for the financial year		953,144	(2,000,016)
		<hr/> <hr/>	<hr/> <hr/>

There are no recognised gains or losses for the year other than the profit/(loss) for the above financial years.

The profit for the year has been derived from continuing activities.

Balance sheet
 at 31 December 2008

	Note	2008 £	2007 £
Fixed assets			
Investments	7	12,600,100	11,646,966
Current assets			
Cash at bank and in hand		380	370
		<u>380</u>	<u>370</u>
Creditors: amounts falling due within one year	8	(1,875)	(1,875)
		<u>(1,875)</u>	<u>(1,875)</u>
Net current liabilities		(1,495)	(1,505)
Total assets less current liabilities		12,598,605	11,645,461
Creditors: amounts falling due after more than one year	9	(13,651,352)	(13,651,352)
		<u>(13,651,352)</u>	<u>(13,651,352)</u>
Net liabilities		(1,052,747)	(2,005,891)
		<u>(1,052,747)</u>	<u>(2,005,891)</u>
Capital and reserves			
Share capital	10	100	100
Profit and loss account	11	(1,052,847)	(2,005,991)
		<u>(1,052,847)</u>	<u>(2,005,991)</u>
Deficit in shareholders' funds	12	(1,052,747)	(2,005,891)
		<u>(1,052,747)</u>	<u>(2,005,891)</u>

These financial statements were approved by the board of directors on ~~10th~~ April 2009 and were signed on its behalf by:


P 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 basis of accounting.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The working capital requirements of the company have been provided by its parent undertaking, The Miller Group Limited.

Having reviewed the company's cash flow forecasts, the directors are satisfied the company has sufficient resources available to it to be able to continue to fund the company's operations and accordingly, the financial statements continue to be prepared on a going concern basis. The Miller Group Limited has indicated to the directors of this company it will not seek repayment of the amounts currently made available.

Based upon the undertaking outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 (revised), 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.

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 this company is included, can be obtained from the address given in note 13.

2 Turnover

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

3 Remuneration of directors

There were no emoluments paid to directors during the year.

Notes (cont'd)

4 Auditors' remuneration

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

5	Interest receivable	2008	2007
		£	£
	Interest on bank loans and overdrafts	7	2
		<u> </u>	<u> </u>

6 Taxation

		2008	2007
		£	£
	Analysis of charge in year		
	UK Corporation tax		
	Current tax on income for the year	-	-
		<u> </u>	<u> </u>
	Tax on profit/(loss) on ordinary activities	-	-
		<u> </u>	<u> </u>

Factors affecting the tax charge for the current year

The current tax charge for the year is equal to (2007: lower than) the standard rate of corporation tax in the UK 28.5% (2007: 30%). The differences are explained below.

		2008	2007
		£	£
	Current tax reconciliation		
	Profit/(loss) on ordinary activities before tax	953,144	(2,000,016)
		<u> </u>	<u> </u>
	Current tax at 28.5% (2007: 30%)	271,646	(600,005)
	Effects of:		
	Group relief surrendered	(271,646)	600,005
		<u> </u>	<u> </u>
	Total current tax charge (see above)	-	-
		<u> </u>	<u> </u>

Notes (cont'd)

7	Investments			
		Shares in Subsidiary £	Loans to Subsidiary £	Total £
	Cost			
	At beginning of year	100	13,646,866	13,646,966
	At end of year	<u>100</u>	<u>13,646,866</u>	<u>13,646,966</u>
	Provisions			
	At beginning of year	-	2,000,000	2,000,000
	Reversal of past impairments	-	(953,134)	(953,134)
	At end of year	<u>-</u>	<u>1,046,866</u>	<u>1,046,866</u>
	Net book value			
	At 31 December 2007	100	11,646,866	11,646,966
	At 31 December 2008	<u>100</u>	<u>12,600,000</u>	<u>12,600,100</u>

The company in which the company's interest is more than 20% is:

Name	Country of Incorporation	Principal Activity	Percentage of Ordinary Shares held	Loss for the Year	Net Liabilities
Miller Developments Regeneration UK Ltd	UK	Property Development	100%	£(96,016)	£(2,115,754)

8	Creditors: amounts falling due within one year		
		2008 £	2007 £
	Other creditors	<u>1,875</u>	<u>1,875</u>

9	Creditors: amounts falling due after more than one year		
		2008 £	2007 £
	Loan due to shareholders	<u>13,651,352</u>	<u>13,651,352</u>

Notes (cont'd)

10 Called up share capital

	2008	2007
	£	£
<i>Authorised, allotted, called up and fully paid:</i>		
A Ordinary shares of £1 each	50	50
B Ordinary shares of £1 each	50	50
	100	100
	100	100

Only the A shares carry voting and distribution rights.

11 Profit and loss account

**Profit and loss
account
£**

At beginning of year		(2,005,991)
Profit for the year		953,144
		(1,052,847)
At end of year		(1,052,847)

12 Reconciliation of movement in shareholders' deficit

	2008	2007
	£	£
Opening deficit in shareholders funds	(2,005,891)	(5,875)
Profit/(loss) for the year	953,144	(2,000,016)
	(1,052,747)	(2,005,891)
Closing deficit in shareholders' funds	(1,052,747)	(2,005,891)

13 Ultimate parent company

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