

## **Miller Nottingham Limited**

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

For the year ended 31 December 2010

Registered number 05970667



## **Contents**

|   |   |
|---|---|
| Directors' report   | 1 |
| Statement of directors' responsibilities in respect of the Directors' Report and financial statements | 2 |
| Independent auditor's report to the members of Miller Nottingham Limited                              | 3 |
| Profit and loss account   | 4 |
| Balance sheet   | 5 |
| Notes to the financial statements   | 6 |

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

### Principal activities

The principal activity of the company is that of property development

### Business review

The loss for the year amounted to £443,411 (2009 Profit £325,848)

### Dividend

The directors do not propose the payment of a dividend (2009 nil)

### Directors

The directors who held office during the year were as follows

David Milloy

Phil Miller

Andrew Sutherland

Donald Borland

Euan Haggerty (appointed 1 July 2011)

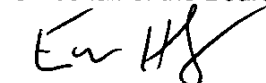
### Disclosure of information to auditors

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

### Auditor

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



Euan Haggerty

Director

15 March 2012

33 Bruton Street  
London  
W1J 6QU

**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)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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 auditor's report to the members of Miller Nottingham Limited**

We have audited the financial statements of Miller Nottingham Limited for the year ended 31 December 2010 set out on pages 4 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

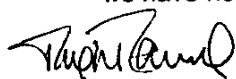
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



**Hugh Harvie**  
(Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

15 March 2012

**Profit and loss account  
 for the year ended 31 December 2010**

|  | Notes | 2010<br>£        | 2009<br>£ |
|--|-------|------------------|-----------|
| <b>Turnover</b>  | 1     | <b>648,340</b>   | 479,599   |
| Cost of sales - normal                                 |       | (2,448)          | (2,052)   |
| - exceptional  | 3     | (1,000,000)      | -         |
| <b>Gross (loss)/profit</b>                             |       | <b>(354,108)</b> | 477,547   |
| Administrative costs                                   |       | (93)             | (50)      |
| Interest receivable                                    | 4     | 55,878           | 3,013     |
| Interest payable                                       | 5     | (145,088)        | (154,662) |
| <b>(Loss)/Profit on ordinary activities before tax</b> |       | <b>(443,411)</b> | 325,848   |
| Tax on (loss)/profit on ordinary activities            | 6     | -                | -         |
| <b>(Loss)/Profit for the financial year</b>            | 11    | <b>(443,411)</b> | 325,848   |

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

The loss for the year has been derived from continuing activities

The notes on pages 6 to 10 form part of these financial statements

**Balance sheet**  
**As at 31 December 2010**

|   | Note | 2010<br>£          | 2009<br>£          |
|---|------|--------------------|--------------------|
| <b>Current assets</b>                                 |      |                    |                    |
| Work in progress                                      | 7    | 8,021,571          | 9,021,571          |
| Debtors   | 8    | 2,646              | 16,927             |
| Cash at bank and in hand                              |      | 348,385            | 260,077            |
|   |      | <b>8,372,602</b>   | <b>9,298,575</b>   |
| <b>Creditors: amounts falling due within one year</b> | 9    | <b>(8,237,899)</b> | <b>(8,720,461)</b> |
| <b>Net current assets</b>                             |      | <b>134,703</b>     | <b>578,114</b>     |
| <b>Net assets</b>                                     |      | <b>134,703</b>     | <b>578,114</b>     |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 10   | 1                  | 1                  |
| Profit and loss account                               | 11   | 134,702            | 578,113            |
| <b>Shareholders' funds</b>                            | 12   | <b>134,703</b>     | <b>578,114</b>     |

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The notes on pages 6 to 10 form part of these financial statements

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



**Euan Haggerty**

Director

15 March 2012

**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 accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards

The financial statements have been prepared on the going concern basis. The directors believe this to be appropriate as on 2nd December 2011, the company sold its development work in progress which allowed the company to fully repay the bank loan and all amounts due to Group Companies (see note 15)

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

***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

***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

***Stock***

Stock has been valued at cost or net realisable value if lower

***Turnover***

Turnover represents income received from the rental of commercial property and development sale and excludes value added tax. Turnover arises entirely in the United Kingdom

***Profit recognition***

Profits in respect of sales of commercial properties are taken at the time of legal completion



**Notes (continued)**

**2 Directors and employees**

There were no emoluments paid to directors during the year (2009 nil) There were no staff costs during the year (2009 nil)

**3 Loss on ordinary activities before taxation**

|  | 2010<br>£        | 2009<br>£ |
|--|------------------|-----------|
| Loss on ordinary activities before taxation is stated after charging |                  |           |
| Write down of development work in progress                           | 1,000,000        | -         |
|  | <u>1,000,000</u> | <u>-</u>  |

Auditor's remuneration is paid for by a fellow subsidiary company, Miller Developments Limited and are disclosed in the accounts of that company

**4 Interest receivable and similar income**

|                                   | 2010<br>£     | 2009<br>£    |
|-----------------------------------|---------------|--------------|
| Other interest                    | -             | 3,013        |
| Interest due from group companies | 55,878        | -            |
|                                   | <u>55,878</u> | <u>3,013</u> |

**5 Interest payable**

|                                 | 2010<br>£      | 2009<br>£      |
|---------------------------------|----------------|----------------|
| Bank interest                   | 145,088        | 150,560        |
| Interest due to group companies | -              | 4,102          |
|                                 | <u>145,088</u> | <u>154,662</u> |

**Notes (continued)**

**6 Taxation**

Analysis of credit in year

|   | 2010<br>£ | 2009<br>£ |
|---|-----------|-----------|
| <i>UK corporation tax</i>                   |           |           |
| Current tax on income for the year          | -         | -         |
| Adjustments in respect of prior years       | -         | -         |
| Tax on (loss)/profit on ordinary activities | -         | -         |

*Factors affecting the tax credit for the current year*

The current tax credit for the year is lower than (2009 lower than) to the standard rate of corporation tax in the UK 28% (2009 28%) The differences are explained below

|   | 2010<br>£ | 2009<br>£ |
|---|-----------|-----------|
| <i>Current tax reconciliation</i>                         |           |           |
| (Loss)/profit on ordinary activities before tax           | (443,411) | 325,848   |
| Current tax at 28% (2009 28%)                             | (124,155) | 91,237    |
| Group relief surrendered/(received) for nil consideration | 124,155   | (91,237)  |
| Adjustments in respect of prior years                     | -         | -         |
| Total current tax credit (see above)                      | -         | -         |

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. The Budget on 25 March 2011 announced an incremental rate reduction from 27% to 26% to apply from 1 April 2011. This will reduce the company's future tax charge accordingly. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge.

**7 Stocks**

|                              | 2010<br>£ | 2009<br>£ |
|------------------------------|-----------|-----------|
| Development work in progress | 8,021,571 | 9,021,571 |

The property, comprising a building used for offices in Nottingham and part of the NG2 business park, was sold on the 2<sup>nd</sup> December 2011.

**Notes (continued)**

**8 Debtors**

|                      | 2010<br>£    | 2009<br>£     |
|----------------------|--------------|---------------|
| Trade debtors        | 2,645        | 16,926        |
| Unpaid share capital | 1            | 1             |
|                      | <u>2,646</u> | <u>16,927</u> |

**9 Creditors** amounts falling due within one year

|                                  | 2010<br>£        | 2009<br>£        |
|----------------------------------|------------------|------------------|
| Bank loan (secured)              | 5,950,000        | 6,400,000        |
| Trade creditors                  | -                | 9,211            |
| Amounts due to group undertaking | 2,070,844        | 2,070,844        |
| Interest accrual                 | 8,980            | 7,891            |
| Accruals and deferred income     | 151,327          | 207,001          |
| Other taxes                      | 56,748           | 25,514           |
|                                  | <u>8,237,899</u> | <u>8,720,461</u> |

The bank loan and amounts due to group undertakings were fully repaid in December 2011, following the sale of the asset

**10 Called up share capital**

|                                       | 2010<br>£ | 2009<br>£ |
|---------------------------------------|-----------|-----------|
| <b>Authorised</b>                     |           |           |
| Equity 1 Ordinary share of £1 each    | 1         | 1         |
|                                       | <u>1</u>  | <u>1</u>  |
| <b>Allotted, called up and unpaid</b> |           |           |
| Equity 1 Ordinary share of £1 each    | 1         | 1         |
|                                       | <u>1</u>  | <u>1</u>  |

**11 Profit and loss account**

|                      | 2010<br>£      |
|----------------------|----------------|
| At beginning of year | 578,113        |
| Loss for the year    | (443,411)      |
|                      | <u>134,702</u> |
| At end of year       | <u>134,702</u> |

**Notes (continued)**

**12 Reconciliation of movements in shareholders' funds**

|                                      | 2010      | 2009    |
|--------------------------------------|-----------|---------|
| (Loss)/Profit for the financial year | (443,411) | 325,848 |
| Opening shareholders' funds          | 578,114   | 252,266 |
|                                      | <hr/>     | <hr/>   |
| Closing shareholders' funds          | 134,703   | 578,114 |
|                                      | <hr/>     | <hr/>   |

**13 Immediate and ultimate parent company**

At 31 December 2010, the company's immediate parent company is Miller Developments Holdings Limited and its ultimate parent company is The Miller Group Limited. Both companies are registered in Scotland and incorporated in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by The Miller Group Limited (incorporated in UK). The consolidated financial statements of these groups are available to the public and may be obtained from the Register of Companies, Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

At the date of approval of these financial statements the company was controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

**14 Post balance sheet event**

On 2nd December 2011, the company sold its development work in progress, comprising a building used for offices in Nottingham, part of the NG2 business park. The sale proceeds allowed for repayment of the bank loan and amounts due to group undertakings in full.