

Miller Argent (Ffos-y-fran) Limited

Directors' report and financial statements

Registered number 6353565

31 December 2008

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Directors' report and financial statements

Contents

Directors' report	1
Statement of Directors' Responsibilities	2
Independent auditor's report for Miller Argent (Ffos-y-fran) Limited	3
Profit and loss	4
Balance sheet	5
Notes	6

Directors' report

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

Principal activities

The company was incorporated on 28 August 2007. During the period it acquired an interest in the Ffos y fran limited partnership.

Directors

The directors of the company during the period were:

J T Poyner	Appointed 27 th September 2007
A J S Prower	Appointed 27 th September 2007
P J Smyth	Appointed 27 th September 2007
S Tillman	Appointed 27 th September 2007
Loviting Limited	Appointed 28 August and resigned 27 September 2007
Sergeants' Inn Nominees Ltd	Appointed 28 August and resigned 27 September 2007
SISEC Limited	Appointed 28 August and resigned 27 September 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 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 auditors during the period in accordance with section 384 of the Companies Act 1985, a resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming AGM.

By order of the board



P J Smyth

Director

17 June 2009

Cwmbargoed Disposal Point
Fochriw Road
Merthyr Tydfil
GLAMORGAN CF48 4AE

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 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 Argent (Ffos-y-fran Limited)

We have audited the financial statements of Miller Argent (Ffos-y-fran Limited) for the period 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 Partners' Responsibilities on page 2.

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 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 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 partners 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 loss for the period from 28 August 2007 (date of incorporation) to 31 December 2008;
- 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

24 June 2009

Miller Argent (Ffos-y-fran) Limited
For the 17 month period ended 31 December 2008

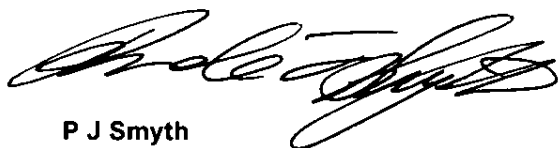
Profit and loss account	<i>Note</i>	17 months ended 31 December 2008 £
Write down of investment		(500,550)
Loss on ordinary activities before tax		(500,550)
Tax on loss on ordinary activities	3	-
Loss for the period	8	(500,550)

Balance sheet
at 31 December 2008

	<i>Note</i>	2008
		£
Fixed assets		
Investments	4	14,749,450
Current assets		
Debtors	5	100
Creditors: amounts falling due within one year	6	(15,250,000)
Net current liabilities		(15,249,900)
Net liabilities		(500,450)
Capital and reserves		
Called up share capital	7	100
Profit and loss account	8	(500,550)
Shareholders' deficit	8	(500,450)

The notes on pages 6-8 form part of these accounts.

These financial statements were approved by the board of directors on 17th June 2009 and were signed on its behalf by:



P J Smyth
 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 under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is entitled to the filing exemptions as a small company under sections 246 to 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

As the company is a wholly-owned subsidiary of Miller Argent Holdings 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. The financial statements of Miller Argent Holdings Limited can be obtained from the Registrar of Companies.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the loss of £500,550 incurred for the period and net liabilities of £500,450 at the financial period end, which the directors believe to be appropriate for the following reasons.

The principal activity of the company is to hold an interest in the Ffos-y-fran Limited Partnership. The company has no forecast cash outflows and the directors of the company are confident that the principal activity of the Ffos-y-fran Limited Partnership which is the reclamation of derelict land in East Merthyr, South Wales through the operation of an opencast coal mine will generate sufficient funds to enable repayment of amounts currently made available by Miller Argent (Holdings) Limited, the shareholder of the company. In addition Miller Argent (Holdings) Limited has indicated to the directors of the company that it will not seek repayment of the amounts currently made available. Accordingly, the directors of the company continue to adopt the going concern basis in preparing the annual financial statements.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2. Directors' emoluments and staff numbers

None of the directors received any emoluments from the company. The company did not employ any staff during the period.

Notes (continued)

3. Taxation

The charge for taxation is based on the loss 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.

Analysis of tax charge in the period

**17 months
ended 31
December
2008**

Current tax

-

Factors affecting the tax charge for the current period.

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

**17 months
ended 31
December
2008**

Current tax reconciliation

Loss on ordinary activities before tax

(500,550)

Current tax at 28.9%

(144,659)

Effects of :

Non taxable items

144,659

Total current tax

-

4. Investments

	Capital	Loans to Limited Partnership	Interest in Limited Partnership	Total £
<i>Cost</i>				
At beginning of period		-	-	-
Additions	10	1,659,005	13,590,985	15,280,000
At end of period	10	1,659,005	13,590,985	15,280,000

Notes (continued)

4. Investments (continued)

	Capital	Loans to Limited Partnership	Interest in Limited Partnership	Total £
<i>Provisions</i>				
At beginning of period		-	-	-
Provided in year	-	-	500,550	500,550
At end of year	-	-	500,550	500,550
<i>Net book value</i>				
At beginning of period	-	-	-	-
At end of period	10	1,659,005	13,090,435	14,749,450

The company is a limited partner in the Ffos-y-fran Limited Partnership. The cost of acquiring its interest is being amortised in line with coal extraction by the partnership.

5. Debtors

	2008 £
Unpaid share capital	100

6. Creditors: amounts falling due within one year

	2008 £
Due to parent company	15,250,000

7. Called up share capital

	2008 £
Authorised and issued share capital 100 £1 ordinary shares	100

8. Reconciliation of movement in Shareholders' deficit

	2008 £
New share capital on incorporation	100
Loss for the period	(500,550)
At end of period	(500,450)

Notes *(continued)*

9. Parent undertaking

The company is a wholly-owned subsidiary of Miller Argent (Holdings) Limited.