

## **Miller Argent (Ffos-y-fran) Limited**

Directors' report and financial statements

Registered number 6353565

31 December 2009

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

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

## Principal activities

The company is a limited partner in the Ffos-y-fran Limited Partnership

## Directors

The directors of the company during the year were

J T Poyner  
A J S Prower  
P J Smyth  
S Tillman  
DW Borland - Appointed 5<sup>th</sup> June 2009  
RN Madelin – Appointed 19<sup>th</sup> May 2009  
GJ Taylor – Appointed 19<sup>th</sup> May 2009

## 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

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

By order of the board



P J Smyth  
Director

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)

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 judgements 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.

## KPMG LLP

### 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 year ended 31 December 2009 set out on pages 4 to 8. 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 auditors

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 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/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### 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 2009 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

29 June 2010

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

**Miller Argent (Ffos-y-fran) Limited**  
**For the year ended 31 December 2009**

<b>Profit and loss account</b>	<i>Note</i>	<b>Year ended 31 December 2009</b>	<b>17 months ended 31 December 2008</b>
		<b>£</b>	<b>£</b>
Write down of investment		<b>(737,927)</b>	<b>(500,550)</b>
Loss on ordinary activities before tax		<b>(737,927)</b>	<b>(500,550)</b>
Tax on loss on ordinary activities	3	<b>138,383</b>	-
Loss for the year	8	<b>(599,544)</b>	<b>(500,550)</b>

**Balance sheet**  
**at 31 December 2009**

	<i>Note</i>	<b>2009</b>	<b>2008</b>
		£	£
<b>Fixed assets</b>			
Investments	4	<b>14,011,523</b>	14,749,450
<b>Current assets</b>			
Debtors	5	<b>138,483</b>	100
Creditors amounts falling due within one year	6	<b>(15,250,000)</b>	(15,250,000)
<b>Net current liabilities</b>		<b>(15,111,517)</b>	(15,249,900)
<b>Net liabilities</b>		<b>(1,099,994)</b>	(500,450)
<b>Capital and reserves</b>			
Called up share capital	7	<b>100</b>	100
Profit and loss account	8	<b>(1,100,094)</b>	(500,550)
Shareholders' deficit		<b>(1,099,994)</b>	(500,450)

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

These financial statements were approved by the board of directors on 25<sup>th</sup> June 2010 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

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 £599,544 incurred for the year and net liabilities of £1,099,994 at the financial year 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 profit to support the carrying value of the investment balance at 31 December 2009. Miller Argent (Holdings) Limited, the shareholder of the company has also 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

##### **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

#### **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 year



## Notes (continued)

### 3. Taxation

#### Analysis of tax charge in the year

	Year ended 31 December 2009 £	17 months ended 31 December 2008 £
Current tax	138,383	-

#### Factors affecting the tax charge for the current year

The current tax charge for the year is higher than the standard rate of corporation tax in the UK (25%). The differences are explained below

	Year ended 31 December 2009 £	17 months ended 31 December 2008 £
Current tax reconciliation		
Loss on ordinary activities before tax	(737,927)	(500,550)
Current tax at 28% (2008 28.9%)	(206,620)	(144,659)
Effects of Non taxable items	206,620	144,659
Contaminated land relief	138,383	-
Total current tax	138,383	-

### 4. Investments

	Capital £	Loans £	Interest in Limited Partnership £	Total £
Opening	10	1,659,005	13,090,435	14,749,450
Amortisation	-	-	(737,927)	(737,927)
At end of year	10	1,659,005	12,352,508	14,011,523

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.

**Notes (continued)**

**5. Debtors**

	2009 £	2008 £
Other debtors	138,383	-
Unpaid share capital	100	100
	<u>138,483</u>	<u>100</u>

**6. Creditors: amounts falling due within one year**

	2009 £	2008 £
Due to parent company	<u>15,250,000</u>	<u>15,250,000</u>

**7. Called up share capital**

	2009 £	2008 £
Authorised and issued share capital 100 £1 ordinary shares	<u>100</u>	<u>100</u>

**8. Profit and Loss Account**

	2009 £
At start of year	(500,550)
Loss for the year	(599,544)
At end of year	<u>(1,100,094)</u>

**9. Reconciliation of movement in Shareholders' deficit**

	2009 £	2008 £
New share capital on incorporation	-	100
Loss for year	(599,544)	(500,550)
Opening Shareholders' deficit	(500,450)	-
Closing shareholders' deficit	<u>(1,099,994)</u>	<u>(500,450)</u>

**10 Parent undertaking**

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