

Miller Residential Development Services Limited

Directors' report and financial statements

For the year ended 31 December 2014

Registered number SC207758

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Directors' report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2014.

Principal activity

The principal activity of the company is that of property development.

Results and Dividends

The result for the year is set out in the profit and loss account on page 4. No dividend was paid during the year (2013: £nil).

Directors

The directors of the company during the year and to the date of this report were as follows:

Julie M Jackson
Ian Murdoch
Donald Borland
Richard Hodsden (resigned 4 December 2014)

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

On behalf of the Board


Julie Jackson
Director
30 April 2015

Miller House
2 Lochside View
Edinburgh
EH12 9DH

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.

Independent auditor's report to the members of Miller Residential Development Services Limited

We have audited the financial statements of Miller Residential Development Services Limited for the year ended 31 December 2014 set out on pages 4 to 11. 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 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 Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its profit 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 Directors' 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a Strategic report.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

30 April 2015

Profit and loss account

For the year ended 31 December 2014

	Note	2014 £000	2013 £000
Cost of sales		-	4
Gross profit		-	4
Administrative credit/(expenses)		218	(20)
Profit/(loss) on ordinary activities before taxation	2	218	(16)
Tax on profit/(loss) on ordinary activities	3	-	-
Profit/(loss) for the financial year	8	218	(16)

There are no recognised gains or losses other than those disclosed above.

The results for the financial year have been derived from continuing activities.

The notes on pages 6 to 11 form part of these financial statements.


Balance sheet

As at 31 December 2014

	Note	2014 £000	2013 £000
Fixed assets			
Investments	4	1	1
Current assets			
Debtors	5	1,124	682
Cash at bank and in hand		29	29
		<hr/>	<hr/>
		1,153	711
Creditors: amounts falling due within one year	6	(463)	(239)
		<hr/>	<hr/>
Net current assets		690	472
		<hr/>	<hr/>
Net assets		691	473
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	691	473
		<hr/>	<hr/>
Shareholders' funds	9	691	473
		<hr/>	<hr/>

The notes on pages 6 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 30 April 2015 and were signed on its behalf by:


 Ian Murdoch
 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 accounting

The financial statements have been prepared under the historical cost basis of accounting and in accordance with applicable accounting standards.

After making appropriate enquiries, the directors have assessed that the company has limited remaining working capital requirements and have a reasonable expectation that it has adequate resources to enable it to meet these liabilities as they fall due for payment for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company's results are consolidated within its ultimate parent company, The Miller Group (UK) Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of The Miller Group (UK) Limited, within which this company is included, can be obtained from the address in note 11.

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirements to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Full provision without discounting is made for all timing differences which have arisen but not reversed at the balance sheet date except as otherwise provided by Financial Reporting Standard 19.

Investments

Investments are held at cost less any provision for impairment.

Notes (continued)

1. Accounting policies (continued)

Dividend on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Profit/(loss) on ordinary activities before taxation

	2014 £000	2013 £000
<i>This is stated after charging/(crediting):</i>		
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2	2
<i>Amounts receivable by auditors and their associates in respect of:</i>		
Other services relating to taxation	1	1
<i>Exceptional (credit)/charges:</i>		
Write (back)/down of amounts owed by subsidiary companies	(222)	17
	<u> </u>	<u> </u>

The company has no employees (2013: nil). The directors did not receive any remuneration from the company during the year (2013: £nil).

3. Taxation

	2014 £000	2013 £000
UK corporation tax		
Current tax on the profit/(loss) for the year	-	-
	<u> </u>	<u> </u>

Factors affecting the tax charge/(credit)

The current tax charge/(credit) for the year is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.50% (2013: 23.25%). The difference is explained below:

Current tax reconciliation

	2014 £000	2013 £000
Profit/(loss) on ordinary activities	218	(16)
	<u> </u>	<u> </u>
Current tax at 21.50% (2013: 23.25%)	47	(4)
<i>Effect of:</i>		
Group relief surrendered for nil consideration	1	4
Non-taxable income	(48)	-
	<u> </u>	<u> </u>
Total current tax for the year	-	-
	<u> </u>	<u> </u>

Notes (continued)

3. Taxation (continued)

The corporate tax rate from 1 April 2013 of 23% reduced to 21% from 1 April 2014 and will reduce to 20% from 1 April 2015.

4. Investments

	2014 £000	2013 £000
Share capital in subsidiaries and joint ventures	1	1

The principal investments of the company as at 31 December 2014 were:

	Share type	Principal activities	Share Holding
Land & City Properties (Bollington) Limited	Ordinary	Residential Property Development	100%
Iliad Miller Limited	Ordinary	Residential Property Development	50%
Iliad Miller (No. 2) Limited	Ordinary	Residential Property Development	50%

5. Debtors

	2014 £000	2013 £000
Amounts owed by parent undertakings	1,035	-
Amounts owed by joint venture companies	89	88
Amounts owed by subsidiary companies	-	594
	<u>1,124</u>	<u>682</u>

Notes (continued)

6. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Amounts owed to joint venture companies	44	44
Amounts owed to subsidiary companies	326	-
Amounts owed to fellow subsidiary companies	-	105
Accruals and deferred income	93	90
	<u>463</u>	<u>239</u>

7. Called up share capital

	2014 £	2013 £
<i>Allotted and fully paid:</i>		
1 ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

8. Profit and loss account

	£000
At beginning of year	473
Profit for the financial year	218
	<u>691</u>
At end of year	<u>691</u>

9. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Profit/(loss) for the financial year	218	(16)
Shareholders' funds at start of year	473	489
	<u>691</u>	<u>473</u>
Shareholders' funds at end of year	<u>691</u>	<u>473</u>

Notes (continued)

10. Contingent liabilities

The company, along with certain fellow subsidiaries, is a joint guarantor of the group's bank facilities.

The group's bank has security by way of a debenture over the whole assets and undertakings of the company.

11. Immediate and ultimate parent company

The company's immediate parent company is Miller Homes Holdings Limited and its ultimate parent company is The Miller Group (UK) Limited. Both companies are registered in Scotland and incorporated in Great Britain.

The largest group in which the results of the company are consolidated is that headed by The Miller Group (UK) Limited. The smallest group in which they are consolidated into is that headed by Miller Homes Holdings Limited. The consolidated financial statements of these groups are available to the public and may be obtained from The Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

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

12. Related parties

The company has related party relationships with companies in which, as indicated in note 4, it holds an investment. As mentioned in the accounting policies, Financial Reporting Standard 8 provides for exemption of disclosing transactions or balances with entities which form part of the group but this does not include joint ventures.

Transactions, including the payment of administrative costs that have occurred during the year between the joint venture companies were:

	2014 £000	2013 £000
Land & City Properties (Bollington) Limited	-	14

Land & City Properties (Bollington) Limited was a joint venture until 21 June 2013, at which point it became a wholly owned subsidiary of Miller Residential Development Services Limited. Transactions disclosed above relate only to those transactions which occurred whilst the entity was a joint venture.

Notes (continued)

12. Related parties (continued)

The balances outstanding from/(to) the joint venture companies at 31 December were:

	2014	2013
	£000	£000
Iliad Miller Limited	45	45
Iliad Miller (No 2) Limited	43	43
College Street Residential Developments Limited	(44)	(44)
	<hr/>	<hr/>
	44	44
	<hr/>	<hr/>