Miller Lochside View Limited

Registered number: SC275002

Directors' report and financial statements

For the year ended 31 December 2016

MILLER LOCHSIDE VIEW LIMITED

COMPANY INFORMATION

Directors	Andrew Sutherland Euan J E Haggerty David T Milloy
Registered number	SC275002
Registered office	Miller House 2 Lochside View Edinburgh Park Edinburgh Midlothian EH12 9DH

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Principal activity

The principal activity of the Company was the ownership of Miller House, an office which was held for use as a fixed asset by associated group companies of Miller Lochside View Limited. The property was sold during the year. The Company will continue to trade and meet the contractual obligations of this sale and the Directors continue to look for new opportunities.

Results and dividends

The profit for the year, after taxation, amounted to £509,568 (2015 - £221,759).

A dividend of £3,427,190 was paid during the year (2015 - £nil).

Directors

The directors who served during the year and up to the date of this report were:

Andrew Sutherland
Euan J E Haggerty
David T Milloy

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor.

This report was approved by the board and signed on its behalf by:

Euan J E Haggerty
Director

Date: 20 June 2017

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER LOCHSIDE VIEW LIMITED

We have audited the financial statements of Miller Lochside View Limited for the year ended 31 December 2016 set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 1, 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 Financial Reporting Council's website 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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 from the requirement to prepare 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
21 June 2017

MILLER LOCHSIDE VIEW LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		512,859	916,251
Cost of sales		(156,881)	(230,567)
Gross profit		355,978	685,684
Administrative expenses		337	(553)
Operating profit		356,315	685,131
Profit on disposal of fixed assets		728,868	-
Interest payable and expenses	4	(650,713)	(285,071)
Profit before tax		434,470	400,060
Tax on profit	5	75,098	(178,301)
Profit for the year		509,568	221,759

There was no other comprehensive income for 2016 (2015: £NIL).

The notes on pages 8 to 17 form part of these financial statements.

MILLER LOCHSIDE VIEW LIMITED
REGISTERED NUMBER: SC275002

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note		2016 £		2015 £
Fixed assets					
Tangible assets			-		8,989,139
Current assets					
Debtors: amounts falling due within one year	7	24,119		434,351	
Cash at bank and in hand		267,361		439,985	
		291,480		874,336	
Creditors: amounts falling due within one year	8	(131,908)		(1,295,280)	
Net current assets/(liabilities)			159,572		(420,944)
Total assets less current liabilities			159,572		8,568,195
Creditors: amounts falling due after more than one year	9		-		(5,491,001)
Net assets			159,572		3,077,194
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account	13		159,571		3,077,193
			159,572		3,077,194

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Euan J E Haggerty
Director

Date: 20 June 2017

Andrew Sutherland
Director

Date: 20 June 2017

The notes on pages 8 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1	2,855,434	2,855,435
Comprehensive income for the year			
Profit for the year	-	221,759	221,759
At 1 January 2016	1	3,077,193	3,077,194
Comprehensive income for the year			
Profit for the year	-	509,568	509,568
Dividends	-	(3,427,190)	(3,427,190)
At 31 December 2016	1	159,571	159,572

The notes on pages 8 to 17 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropritate for the following reasons:

The Company finances its working capital requirements through a combination of rental income received, subordinated intercompany loan from its parent company, Miller Developments Holdings Limited and project specific bank term loan facilities .

The bank loan was repaid in August 2016 following the sale of the Company's freehold property. The directors have prepared cashflows following the sale that indicate that the Company should continue to have sufficient resources to enable it to continue in operational existence, by meeting its liabilities as they fall due for payment, for a period of at least twelve months from the date of approval of these financial statements.

The directors continue to seek new opportunities.

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents the value of the sales of property developments, rents receivable, management fees and other property income.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1. Accounting policies (continued)

1.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold properties	-	2%
Fixtures & equipment	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1. *Accounting policies (continued)*

1.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1. Accounting policies (continued)

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.11 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Auditor's remuneration

Auditor remuneration is paid by the company's parent, Miller Developments Holdings Limited and is disclosed in the accounts of that company.

3. Employees

The average monthly number of employees during the year was 0 (2015 - 0).

4. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	97,042	285,071
Intercompany loan discount unwinding	553,671	-
	650,713	285,071

5. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(187,217)	154,984
Deferred tax		
Origination and reversal of timing differences	112,119	23,317
Taxation on (loss)/profit on ordinary activities	(75,098)	178,301

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	434,470	400,060
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	86,894	81,012
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	73,972
Adjustments to tax charge in respect of prior periods	(187,217)	-
Gain on sale not taxable	(145,774)	-
Deferred tax	112,119	23,317
Group relief surrendered / (received) for a nil consideration	58,880	-
Total tax charge for the year	(75,098)	178,301

6. Tangible fixed assets

	Freehold properties £	Fixtures & equipment £	Office equipment £	Total £
Cost				
At 1 January 2016	11,524,542	2,578,272	540,395	14,643,209
Disposals	(11,524,542)	-	-	(11,524,542)
At 31 December 2016	-	2,578,272	540,395	3,118,667
Depreciation				
At 1 January 2016	2,535,403	2,578,272	540,395	5,654,070
Charge for the period on owned assets	140,820	-	-	140,820
Disposals	(2,676,223)	-	-	(2,676,223)
At 31 December 2016	-	2,578,272	540,395	3,118,667
Net book value				
At 31 December 2016	-	-	-	-
At 31 December 2015	8,989,139	-	-	8,989,139

7. Debtors

	2016 £	2015 £
Trade debtors	81	175,859
Amounts owed by group undertakings (note 14)	-	143,995
Other debtors	24,038	2,378
Deferred tax (note 11)	-	112,119
	24,119	434,351

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	-	500,000
Trade creditors	-	12,648
Amounts owed to group undertakings (note 14)	-	95,748
Corporation tax	56,084	155,000
Other taxation and social security	-	54,413
Other creditors	-	2,438
Accruals and deferred income	75,824	475,033
	131,908	1,295,280

9. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loan	-	3,840,562
Amounts owed to group undertakings (note 14)	-	1,650,439
	-	5,491,001

Secured loans

In December 2014, the Company borrowed £2,204,111 from Miller Developments Holdings Limited under a subordinated intercompany loan agreement. The loan was repaid in the year following the sale of the property.

The bank loan was secured over Miller House, a property owned by Miller Lochside View Limited. The loan was repaid in the year following the sale of the property.

10. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	-	500,000
Amounts falling due more than one year		
Bank loans	-	3,840,562
	-	4,340,562

In December 2014, the Company borrowed £2,204,111 from Miller Developments Holdings Limited under a subordinated intercompany loan agreement. The loan was repaid in the year following the sale of the property.

The bank loan was secured over Miller House, a property owned by Miller Lochside View Limited. The loan was repaid in the year following the sale of the property.

11. Deferred taxation

	2016 £	2015 £
At beginning of year	112,119	135,436
Released to profit and loss	(112,119)	(23,317)
At end of year	-	112,119

The deferred tax asset is made up as follows:

	2016 £	2015 £
Fair value adjustment to interest free loan from parent	-	112,119

12. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

13. Reserves

Profit & loss account

Profit and loss includes all current and prior period retained profits and losses.

14. Related party transactions

As at the 31 December 2016 the Company was ultimately a wholly owned subsidiary of MDL Holdings Limited and so it is exempt from the requirements of FRS102.33 to disclose transactions with other subsidiries headed by MDL Holdings Limited.

15. Controlling party and parent undertaking

The Company is a subsidiary undertaking of Miller Developments Holdings Limited, a Company incorporated and domiciled in the United Kingdom.

At 31 December 2015 the Company's ultimate parent Company was MDL Holdings Limited, a Company incorporated and domiciled and the United Kingdom. The Company is ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

The largest Company in which the results for the year ended 31 December 2016 of the Company is consolidated is that of MDL Holdings Limited. The consolidated financial statements of this group will be 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.