

**Miller Fairclough UK Limited**

**Annual Report and Financial Statements  
for the year ended 31 December 2010**

Registered number 3720262

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## **Directors' Report**

The directors present their annual together with the financial statements for the year ended 31 December 2010

### **Principal activities and business review**

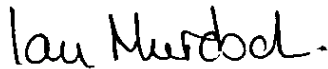
The principal activity of the company during the period under review was that of a holding company. The company did not trade during the year and consequently made neither a profit nor a loss.

### **Directors**

The directors who served during the year were as follows

Keith M Miller	
Timothy Hough	(resigned 29 March 2011)
John S Richards	
Ewan T Anderson	(resigned 29 March 2011)
Julie M Jackson	
Ian Murdoch	(appointed 29 March 2011)

On behalf of the Board



**Ian Murdoch**  
Director

**27 September 2011**

## Balance Sheet

31 December 2010

	Notes	2010 £000	2009 £000
<b>Fixed assets</b>			
Investments	3	138,235	138,235
<b>Creditors: Amounts falling due within one year</b>	4	(602)	(602)
<b>Net current liabilities</b>		(602)	(602)
<b>Creditors. Amounts falling due after more than one year</b>	5	(138,185)	(138,185)
<b>Net liabilities</b>		(552)	(552)
<b>Capital and reserves</b>			
Called-up share capital	6	1	1
Profit and loss account		(553)	(553)
<b>Shareholders' deficit</b>		(552)	(552)

For the year ended 31 December 2010 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

### Directors' responsibilities

(a) The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and

(b) The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts were approved by the Board of Directors on 27 September 2011 and were signed on its behalf by



**Ian Murdoch**  
 Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year, and the preceding year.

#### *Basis of accounting*

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

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because the results of its subsidiaries are consolidated within the financial statements of Miller Homes Holdings Limited which are publicly available.

The company is exempt from the requirement of Financial Reporting Standard 1, to prepare a cash flow statement, as it is wholly owned subsidiary of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

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 7.

#### *Classification of financial instruments issued by the company*

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities have been waived.

#### *Going concern*

These financial statements have been prepared under the going concern basis as Miller Homes Holdings Limited, a fellow subsidiary undertaking, has agreed not to demand payment of amounts owed to it for a period of at least 12 months after the date of approval by the directors of these financial statements.

## Notes

(forming part of the financial statements)

### 2 Staff costs and directors remuneration

The company has no employees. The directors are remunerated by another group undertaking and accordingly those emoluments are set out in the financial statements of that company. There are no other persons employed by the company.

### 3 Fixed asset investments

£000

#### Cost and net book value

At beginning and end of year 138,235

The company's investments at the balance sheet date in the share capital of unlisted companies are shown below:

<i>Subsidiary undertaking</i>	<i>Country of incorporation</i>	<i>Principal activity</i>	<i>Holding</i>
CDC2020 plc	United Kingdom	Dormant	100% of issued £1 ordinary shares
Miller Fairclough Management Services Limited	United Kingdom	Management services	100% of issued £1 ordinary shares
MF Strategic Land Limited	United Kingdom	Housebuilding	100% of issued £1 ordinary shares
Fairclough Homes Group Limited	United Kingdom	Housebuilding	100% of issued £1 ordinary shares
Fairclough Homes Limited *	United Kingdom	Housebuilding	100% of issued £1 ordinary shares
Viewton Properties Limited *	United Kingdom	Dormant	100% of issued £1 ordinary shares

\* indirect shareholding

### 4 Creditors: Amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to fellow subsidiary undertaking	<u>602</u>	<u>602</u>

## Notes

(forming part of the financial statements)

### 5 Creditors: Amounts falling due after more than one year

	2010 £000	2009 £000
Redeemable preference shares of £1 each	<u>138,185</u>	<u>138,185</u>

Non-equity shareholders' funds relate entirely to the 10% redeemable preference shares. Holders are entitled to be paid a fixed cumulative preferential dividend at an annual rate of 10% on the nominal amount of £1.00 on each redeemable preference shares, however the entitlement to this dividend for the period up to 31 December 2006 has been waived.

Redemption of any outstanding redeemable preference shares may be effected at any time by a redemption notice (not less than 4 weeks) stating the date fixed for redemption and the number of shares to be redeemed.

### 6 Called-up share capital

	2010 £000	2009 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
149,999,000 10% redeemable preference shares of £1 each	<u>149,999</u>	<u>149,999</u>
	<u>150,000</u>	<u>150,000</u>
<i>Allotted, issued and fully-paid</i>		
1,000 ordinary shares of £1 each	1	1
138,185,000 10% redeemable preference shares of £1 each	<u>138,185</u>	<u>138,185</u>
	<u>138,186</u>	<u>138,186</u>
Shares classified as liabilities	138,185	138,185
Shares classified in shareholders' funds	<u>1</u>	<u>1</u>
	<u>138,186</u>	<u>138,186</u>

As more fully explained in note 1, classifications within shareholders' funds are determined on different bases in the current and prior period due to the transitional provisions of FRS 25.

### 7 Immediate and ultimate parent company

The company is a subsidiary undertaking of MF Development Funding Company UK Limited. The largest group in which the results of the company are consolidated is that headed by The Miller Group Limited. The smallest group in which they are consolidated 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, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

## **8 Post balance sheet event**

On 31 August 2011, The company received a dividend in specie from its subsidiary undertaking, Fairclough Homes Group Limited of £175,543,999 consisting of an inter-company debt due from another group undertaking of £175,517,999 and ground rents of £26,000. This resulted in the investment in the subsidiary being reduced to £1 and increasing the profit and loss reserve by £37,309,000. The company also undertook a share capital reduction exercise which reduced its allotted ordinary share capital to £1, its redeemable preferences share to £nil and transferred £138,185,999 to the profit and loss reserve. Immediately following both of these transactions, a dividend in specie was approved and transferred to the company's immediate parent company, MF Development Funding Company UK Limited of £174,941,999 consisting of an inter-company debt due from another group undertaking of £174,915,999 and ground rents of £26,000. As a result of the transactions noted, the company's net asset position has been reduced to £1.