

## **Miller (Standishgate) Limited**

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

For the year ending 31 December 2009

Registered number 05605481

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## **Directors' report**

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

## **Principal activities**

The principal activities of the company are those of property development and management

## **Business review**

The loss after providing for taxation amounted to £1,016,542 (2008 loss of £959,339)

## **Proposed dividend**

The directors do not recommend the payment of a dividend

## **Directors**

The directors who held office during the year were as follows

DW Borland  
J M Jackson (resigned 18 Sept 2009)  
D Milloy  
P H Miller  
M Wood (resigned 29 May 2009)  
A Sutherland

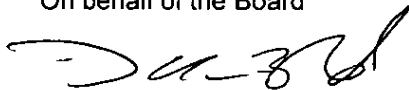
## **Disclosure of information to auditors**

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 a 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 LLP will therefore continue in office

On behalf of the Board



**D Borland**  
**Director**  
**30<sup>th</sup> June 2010**

**28 Dover Street**  
**London**  
**W1S 4NA**

## **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 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

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

### **Independent auditors' report to the directors of Miller (Standishgate) Limited**

We have audited the financial statements of Miller (Standishgate) Limited for the year ended 31 December 2009 set out on pages 4 to 10. 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



**M Ross (Senior Statutory Auditor)**  
**For and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

30 June 2010 Date

**Profit and loss account  
 for the year ending 31 December 2009**

	<i>Note</i>	<b>2009 £</b>	<b>2008 £</b>
<b>Turnover</b>	2	<b>356,569</b>	353,103
Cost of sales - exceptional	3	<b>(1,200,000)</b>	(1,000,000)
- normal		<b>(27,258)</b>	-
<b>Gross loss</b>		<b>(870,689)</b>	(646,897)
Administrative expenses		<b>(17)</b>	(5)
<b>Operating loss</b>		<b>(870,706)</b>	(646,902)
Other interest receivable and similar income	5	<b>2,585</b>	10,532
Interest payable and similar charges	6	<b>(148,421)</b>	(322,969)
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,016,542)</b>	(959,339)
Tax on loss on ordinary activities	7	-	-
<b>Loss for the financial year</b>	13	<b>(1,016,542)</b>	(959,339)

The company has no recognised gains or losses other than the loss for the above financial year

The loss for the financial year has been derived from continuing activities

The notes on pages 6 to 10 form part of these financial statements

**Balance sheet  
 at 31 December 2009**

	Note	2009 £	2008 £
<b>Current assets</b>			
Stocks	8	4,768,700	5,968,700
Debtors	9	112,843	101,776
Cash at bank and in hand		487,981	255,955
		<u>5,369,524</u>	<u>6,326,431</u>
<b>Creditors:</b> amounts falling due within one year	10	(2,071,380)	(2,011,745)
		<u>3,298,144</u>	<u>4,314,686</u>
<b>Net current assets</b>			
<b>Creditors:</b> amounts falling due after one year	11	(5,360,000)	(5,360,000)
		<u>(2,061,856)</u>	<u>(1,045,314)</u>
<b>Net liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	(2,061,857)	(1,045,315)
		<u>(2,061,856)</u>	<u>(1,045,314)</u>
<b>Deficit in shareholders' funds</b>	14		
		<u>(2,061,856)</u>	<u>(1,045,314)</u>

These financial statements were approved by the board of directors on 30<sup>th</sup> June 2010 and were signed on its behalf by



**D Borland**  
 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 except as noted below

***Basis of preparation***

The accounts are prepared under the historical cost basis and in accordance with applicable Accounting Standards

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company finances its day to day working capital requirements through a combination of funds advanced to the company by its parent undertaking and project specific bank term loan facilities

The funds provided by the parent undertaking, which at 31 December 2009 amounted to £1,958,763 are not repayable until such time as the bank term loan facilities have been repaid and, only then, on the basis that the company has sufficient funds remaining, following repayment of the bank indebtedness, to settle the inter company indebtedness

The company's term loan facility is due for renewal within the next 12 months from the date of signing and the directors will enter into renewal negotiations with the bank in due course. The company is regularly in discussion about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms

The company's term loan facility is subject to compliance with certain standard financial covenants including maximum loan to property valuation. The directors recognise the sensitivity of these covenants caused by the unusual circumstances prevailing in the property market at the current time and the current difficult economic climate. However the directors acknowledge the support of their bankers and remain in regular communication with them regarding the terms of the loan facilities

In relation to the company's short term working capital requirements, the directors have prepared cash flow forecasts which indicate that the company should continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements

In light of the foregoing, the directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis

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 16

***Stocks***

Development work in progress has been valued at cost plus attributable overheads or net realisable value if lower

***Taxation***

The charge for taxation is based on the profit for the year end 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



### Cash flow statement

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

## 2 Turnover

Turnover represents income received from the rental and sale of commercial property and excludes value added for tax. Turnover arises entirely in the United Kingdom

3	Loss on ordinary activities before taxation	2009 £	2008 £
	Loss on ordinary activities before taxation is stated after charging		
	Write down of property value	1,200,000	1,000,000

Auditors' remuneration is paid by a fellow subsidiary company, Miller Developments Limited and is disclosed in the accounts of that company

## 4 Remuneration of directors

There were no emoluments paid to directors during the year. There were no employee costs during the year

## 5 Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	2,585	10,532

## 6 Interest payable and similar charges

	2009 £	2008 £
On bank loans and overdrafts	148,421	322,969

## 7 Taxation

### Analysis of charge in year

	2009 £	2008 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

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

The current tax charge for the year is lower than (2008 lower than) the standard rate of corporation tax in the UK 28% (2008 28.5%) The differences are explained below

	2009 £	2008 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(1,016,542)	(959,339)
	<hr/>	<hr/>
Current tax at 28% (2008 28.5%)	(284,632)	(273,411)
Group relief surrendered for nil consideration	284,632	273,411
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

**8 Stocks**

	2009 £	2008 £
Development work in progress	4,768,700	5,968,700

**9 Debtors**

	2009 £	2008 £
Trade debtors	112,842	101,775
Amounts owed by group undertakings	1	1
	112,843	101,776

**10 Creditors. amounts falling due within one year**

	2009 £	2008 £
Amounts due to group undertakings	1,958,763	1,908,904
Trade creditors	5,605	-
Taxation and social security	14,187	13,275
Accruals and deferred income	92,825	89,566
	2,071,380	2,011,745

**11 Creditors amounts falling due after one year**

	2009 £	2008 £
Bank loan (secured)	5,360,000	5,360,000
<b>Analysis of debt.</b>		
Debt can be analysed as falling due		
Within one year	-	-
Between one and two years	5,360,000	-
Between two and five years	-	5,360,000

The bank loan is fully repayable by January 2011. The bank loan is secured by a debenture from the company and a legal charge over the development work in progress.

Although the bank term loan technically does not fall due for repayment during 2010, the loan was reduced by £400,000 in April 2010 with a further reduction planned to take place prior to 31 December 2010.

**12 Called up share capital**

	2009 £	2008 £
<b>Authorised, allocated, called up &amp; unpaid</b>		
1 Ordinary share of £1 each	1	1
	<u>          </u>	<u>          </u>

**Notes (continued)**

**13 Profit and loss account**

	£
At beginning of year	(1,045,315)
Loss for the year	(1,016,542)
	<u>          </u>
At end of year	(2,061,857)
	<u>          </u>

**14 Reconciliation of movements in shareholders' deficit**

	2009 £	2008 £
<b>Loss for the financial year</b>	(1,016,542)	(959,339)
	<u>          </u>	<u>          </u>
<b>Net reduction in shareholders' deficit</b>	(1,016,542)	(959,339)
Opening shareholders' deficit	(1,045,314)	(85,975)
	<u>          </u>	<u>          </u>
<b>Closing shareholders' deficit</b>	(2,061,856)	(1,045,314)
	<u>          </u>	<u>          </u>

**15 Contingent liabilities.**

The company has, with certain other Group companies, jointly provided guarantees in support of property specific term loan facilities made available by The Lloyds Banking Group to certain other Group companies

**16 Ultimate parent company**

The company is a subsidiary undertaking of The Miller Group, a company registered in Scotland. The Accounts of The Miller Group can be obtained from the Registrar of Companies, Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF