

# **M2 Omega Limited (formerly Miller Developments Four Limited)**

Registered number: 07521873

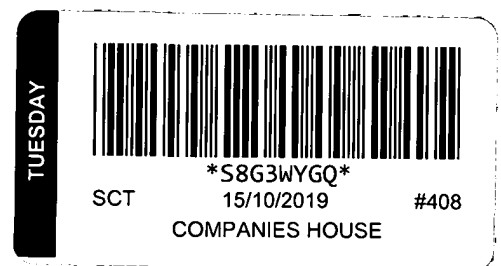
## **Annual Report**

**For the year ended 31 December 2018**

**COMPANIES HOUSE  
EDINBURGH**

**15 OCT 2019**

**FRONT DESK**



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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**COMPANY INFORMATION**

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<b>Directors</b>	David T Milloy Allan A King Allan D King Eric M Young
<b>Company secretary</b>	Katherine M Park
<b>Registered number</b>	07521873
<b>Registered office</b>	Condor House St Paul's Churchyard London EC4M 8AL

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**CONTENTS**

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	Page
<b>Group Strategic Report</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditor's Report</b>	<b>4 - 6</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>7</b>
<b>Consolidated Statement of Financial Position</b>	<b>8</b>
<b>Company Statement of Financial Position</b>	<b>9</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>10</b>
<b>Company Statement of Changes in Equity</b>	<b>11</b>
<b>Consolidated Statement of Cash Flows</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13 - 25</b>

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## M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Introduction

During the year M2 Omega Limited (formerly Miller Developments Four Limited) acquired the shares in Omega Warrington Limited and Miller Group Holdings (UK) Limited on 22 January 2018 from the Company's parent. As such, the consolidated statements for the Group have been prepared for the year ended 31 December 2018 and no prior year comparatives are available as the Group was not in existence at this time.

#### Principal activity

The principal activities of the Group are those of property development at a 575-acre mixed-use development site located in Warrington, off J8 of the M62 motorway, known as Omega.

#### Business review

The site at Omega has continued to perform well and delivered further positive results in 2018 with a Group operating profit of £14,064,167.

For Phases 1 and 2 of the residential development on Omega South, which includes a proposal for up to 1,100 new homes plus retail, leisure and community uses, the final payments were received in December 2018 delivering 200 units and 247 units for Miller Homes and Redrow respectively.

Unit 1 of phase 1 of the 750,000 sq ft of logistics space over 4 buildings being developed by Omega Warrington Limited and forward funded by Mountpark, completed in December 2018 with the remaining three units on target to complete in 2019. Omega is perceived as the pre-eminent manufacturing and logistics site in the Northwest of England and is well-placed to benefit from the ongoing demand in what is a relatively buoyant property sector.

Further information on the Omega development site can be found on the website at [www.omegaopportunity.com](http://www.omegaopportunity.com)

The Board considers profits generated to be the key indicator of the Group. The profit before tax delivered in 2018 was £12,343,078 (2017: £nil). The nature of large scale property development means that year-on-year profits may vary significantly due to the timing and stage of deals as is demonstrated here.

#### Results

The Group made a profit before tax for the year of £12,343,078 (2017: £nil).

This report was approved by the board on 9 October 2019 and signed on its behalf.

David T Milloy  
Director



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## **M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Group Annual Report and the consolidated 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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Group and parent Company and of the profit or loss of the Group 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 accounting 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

#### **Results and dividends**

The profit for the year, after taxation, amounted to £11,052,772 (2017 - £NIL).

No dividends have been declared or paid in the current or prior year.

#### **Director**

The Directors who served during the year, and up to the date of signing this report, unless otherwise stated were:

David T Milloy  
Andrew Sutherland (resigned 30 April 2019)  
Allan A King (appointed 30 April 2019)  
Allan D King (appointed 30 April 2019)  
Eric M Young (appointed 30 April 2019)

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Change of name**

On 24 August 2018 the Company changed its name from Miller Developments Four Limited to M2 Omega Limited.

**Matters covered in the strategic report**

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors Report have been omitted as they are included in the Group Strategic Report on page 1. These matters include a fair review of the Group's business and a description of the Group's principal risks and uncertainties

**Disclosure of information to auditor**

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 and the Group's auditor is 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 and the Group's auditor is aware of that information.

**Post balance sheet events**


On 30 April 2019, the entire share capital of M2 Omega Limited was sold to M2 Ventures Limited. The registered office of M2 Ventures Limited is 201 West George Street, Glasgow, G2 2LW.

**Auditor**

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9th October 2019 and signed on its behalf.

David T Milloy  
Director





## **Independent auditor's report to the members of M2 Omega Limited (formerly Miller Developments Four Limited)**

### **Opinion**

We have audited the financial statements of M2 Omega Limited ("the company") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of Development WIP and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the



## **Independent auditor's report to the members of M2 Omega Limited (formerly Miller Developments Four Limited) (continued)**

date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.





## **Independent auditor's report to the members of M2 Omega Limited (formerly Miller Developments Four Limited) (continued)**

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

A handwritten signature in black ink, appearing to read 'Katie Morrison'.

**Katie Morrison (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
10 October 2019

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £	2017 £
Revenue	4	49,974,556	-
Cost of sales		(36,371,964)	-
<b>Gross profit</b>		<b>13,602,592</b>	<b>-</b>
Administrative expenses		1,101,575	-
Loan waivers		(640,000)	-
<b>Operating profit</b>		<b>14,064,167</b>	<b>-</b>
Interest receivable and similar income	7	20,887	-
Interest payable and expenses	8	(1,741,976)	-
<b>Profit before taxation</b>		<b>12,343,078</b>	<b>-</b>
Tax on profit	9	(1,290,306)	-
<b>Profit for the financial year</b>		<b>11,052,772</b>	<b>-</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		11,052,772	-
		<b>11,052,772</b>	<b>-</b>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 13 to 25 form part of these financial statements.

**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**  
**REGISTERED NUMBER: 07521873**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Negative goodwill	11	(8,279,892)	-
		<u>(8,279,892)</u>	<u>-</u>
<b>Current assets</b>			
Development WIP	13	15,922,139	-
Debtors: amounts falling due within one year	14	10,108,180	1
Cash and cash equivalents	15	19,648,286	-
		<u>45,678,605</u>	<u>1</u>
Creditors: amounts falling due within one year	16	(17,968,975)	-
<b>Net current assets</b>		<u>27,709,630</u>	<u>1</u>
<b>Total assets less current liabilities</b>		<u>19,429,738</u>	<u>1</u>
Creditors: amounts falling due after more than one year	17	(8,376,965)	-
<b>Net assets</b>		<u><u>11,052,773</u></u>	<u><u>1</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
Profit and loss account	20	11,052,772	-
		<u><u>11,052,773</u></u>	<u><u>1</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9th October 2019.

David T Milloy  
Director

Allan A King  
Director

The notes on pages 13 to 25 form part of these financial statements.

**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**  
**REGISTERED NUMBER: 07521873**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Investments	12	100	-
		<u>100</u>	<u>-</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	16	(100)	-
		<u>(99)</u>	<u>-</u>
<b>Net current (liabilities)/assets</b>			1
		<u>1</u>	<u>1</u>
<b>Total assets less current liabilities</b>			
		<u>1</u>	<u>1</u>
<b>Net assets</b>			
		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	19	1	1
		<u>1</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th October 2019.

David T Milloy  
 Director

Allan A King  
 Director

The notes on pages 13 to 25 form part of these financial statements.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2017</b>	1	-	1
<b>Total comprehensive income for the year</b>	-	-	-
<b>At 1 January 2018</b>	1	-	1
<b>Comprehensive income for the year</b>			
Profit for the year	-	11,052,772	11,052,772
<b>At 31 December 2018</b>	1	11,052,772	11,052,773

The notes on pages 13 to 25 form part of these financial statements.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2018**

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	<b>Called up share capital</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>
<b>At 1 January 2017</b>	1	1
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
<b>At 1 January 2018</b>	1	1
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
<b>At 31 December 2018</b>	1	1
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 13 to 25 form part of these financial statements.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	11,052,772	-
<b>Adjustments for:</b>		
Amortisation of intangible assets	(1,102,058)	-
Interest paid	1,741,976	-
Interest received	(20,887)	-
Increase in development work in progress	(6,427,230)	-
Decrease in debtors	14,940,008	-
Decrease in creditors	(6,983,735)	-
Loan waiver	640,000	-
<b>Net cash generated from operating activities</b>	<b>13,840,846</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Cash on acquisition of subsidiary	6,919,529	-
Interest received	20,887	-
<b>Net cash from investing activities</b>	<b>6,940,416</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
New secured loans	609,000	-
Interest paid	(1,741,976)	-
<b>Net cash used in financing activities</b>	<b>(1,132,976)</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,648,286</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year</b>	<b>19,648,286</b>	<b>-</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	19,648,286	-
	<b>19,648,286</b>	<b>-</b>

The notes on pages 13 to 25 form part of these financial statements.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. General information**

M2 Omega Limited (formerly Miller Developments Four Limited) is a private company limited by shares and incorporated in Scotland, SC280668. The registered office is Condor House, St Paul's Churchyard, London, EC4M 8AL.

The Company did not trade during the current or preceding financial year.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases. When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 January 2018.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.3 Going concern**

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 shareholders and cash balances.

The nature of the Company's trade is such that the working capital requirements of the Company are completely at the discretion of the Company's Directors and the Directors are confident that the Company will not incur any working capital liabilities unless the funding to meet those liabilities has already been obtained from the shareholders or an alternative source.

The Directors are satisfied the Company has sufficient resources available to it to be able to continue to fund the Company's operations and accordingly the financial statements continue to be prepared on a going concern basis.

**2.4 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.

Where revenue is derived from long term contracts, the value of work done during the year ascertained by reference to contract measurement in accordance with the stage of completion of the contract when the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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. The following criteria must also be met before revenue is recognised:

**2.5 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.6 Finance costs**

Finance costs are charged to the Consolidated 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.

**2.7 Borrowing costs**

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

**2.8 Taxation**

Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 reporting date.

**2.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Negative goodwill arising on business combinations in respect of acquisitions is included on the balance sheet immediately below any positive goodwill and released to the profit and loss account in the periods in which the non-monetary assets arising on the same acquisition are recovered. Any excess exceeding the fair value of non-monetary assets acquired shall be recognised in profit or loss in the periods expected to benefit.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Development work in progress**

Developments in progress are stated at the lower of cost and estimated selling price less costs to complete and sell.

Cost includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

**2.13 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.

**2.14 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. Accounting policies (continued)**

**2.15 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.

**2.16 Financial instruments**

The Group only enters into basic financial instrument 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 the 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated 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 of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Key sources of estimation uncertainty:

The Group believes that there are no areas of material estimation uncertainty which affect the financial statements.

Critical accounting judgements in applying the Group's accounting policies:

The Group believes that the most significant judgement applied is the valuation of property related assets included in the Balance Sheet. Development work in progress is stated at the lower of cost and net realisable value.

The Group reviews the carrying value of its development work in progress on a quarterly basis taking into consideration development progress and future anticipated market conditions to assess net realisable value. There is a degree of uncertainty in making such assessments.

**4. Revenue**

An analysis of revenue by class of business is as follows:

	2018 £	2017 £
Property development	49,974,556	-

All revenue arose within the United Kingdom.

**5. Auditor's remuneration**

	2018 £	2017 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	6,000	-

**6. Employees**

The Group and Company have no employees other than the Directors, who did not receive any remuneration (2017 - £NIL).

The Directors provided no material qualifying services to the Group during the year and were remunerated by Miller Developments Limited, a group entity.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. Interest receivable**

	2018 £	2017 £
Other interest receivable	20,887	-

**8. Interest payable and similar expenses**

	2018 £	2017 £
Other loan interest payable	1,741,976	-

**9. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,290,306	-
<b>Total current tax</b>	1,290,306	-
<b>Taxation on profit</b>	1,290,306	-

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before tax	12,343,078	-
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	2,345,165	-
<b>Effects of:</b>		
Non-taxable items	(209,391)	-
Group relief received for nil consideration	(845,468)	-
<b>Total tax charge for the year</b>	<b>1,290,306</b>	<b>-</b>

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**10. Parent company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company has not traded during the year or the preceding financial year. During these periods, the Company received no income and incurred no expenditure and therefore made neither profit or loss.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**11. Intangible assets**

**Group**

	<b>Goodwill £</b>
<b>Cost</b>	
Additions	(9,381,950)
At 31 December 2018	<u>(9,381,950)</u>
<b>Amortisation</b>	
Charge for the year	(1,102,058)
At 31 December 2018	<u>(1,102,058)</u>
<b>Net book value</b>	
At 31 December 2018	<u><u>(8,279,892)</u></u>
At 31 December 2017	<u><u>-</u></u>



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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**12. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
Additions	100
At 31 December 2018	<u>100</u>

100% of the share capital in Omega Warrington Limited was transferred on 22nd January 2018 for £100, from Miller Developments Holdings Limited, a group entity.

100% of the share capital in Miller Group (UK) Holdings Limited was transferred on 22nd January 2018 for £nil, from Miller Developments Holdings Limited, a group entity.

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Miller Group (UK) Holdings Limited	201 West George Street, C/O Miller Developments, Glasgow G2 2LW	Ordinary	100%
Omega Warrington Limited	Condor House, St Paul's Churchyard, London, United Kingdom, EC4M 8AL	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

<b>Name</b>	<b>Aggregate of share capital and reserves £'000</b>	<b>Profit/(Loss) £'000</b>
Miller Group (UK) Holdings Limited	-	-
Omega Warrington Limited	19,333	9,915

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. Development work in progress**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Development work in progress	15,922,139	-

The difference between purchase price or production cost of stocks and their replacement cost is not material.

**14. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade debtors	104,547	-	-	-
Other debtors	548,683	1	1	1
Prepayments and accrued income	9,454,950	-	-	-
	<u>10,108,180</u>	<u>1</u>	<u>1</u>	<u>1</u>

**15. Cash and cash equivalents**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Cash at bank and in hand	19,648,286	-

**16. Creditors: Amounts falling due within one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Amounts owed to group undertakings (note 21)	-	-	100	-
Other creditors	16,388,480	-	-	-
Accruals and deferred income	1,580,495	-	-	-
	<u>17,968,975</u>	<u>-</u>	<u>100</u>	<u>-</u>

Amounts due to group undertakings are repayable on demand and do not accrue interest.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**17. Creditors: Amounts falling due after more than one year**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
Infrastructure loans (note 18)	8,376,965	-

**18. Loans**

Analysis of the maturity of loans is given below:

	<b>Group 2018 £</b>	<b>Group 2017 £</b>
<b>Amounts falling due 1-2 years</b>		
Infrastructure loans	8,376,965	-

**Terms and debt repayment schedule**

	<b>Currency</b>	<b>Nominal interest rate</b>	<b>Year of maturity</b>	<b>Repyment schedule</b>	<b>2018 £</b>
Warrington Borough Council	GBP	7.5%	2021	Staged Development Completion	3,445,278
Warrington Borough Council	GBP	7.5%	2022	Staged Development Completion	4,931,687

**19. Share capital**

	<b>2018 £</b>	<b>2017 £</b>
<b>Allotted, called up and fully paid</b>		
1 (2017 - 1) Ordinary Shares share of £1	1	1

**20. Reserves****Profit & loss account**

Profit and loss includes all current retained profits and losses.

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**M2 OMEGA LIMITED (FORMERLY MILLER DEVELOPMENTS FOUR LIMITED)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**21. Related party transactions**

As at the 31 December 2018 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 subsidiaries headed by MDL Holdings Limited.

**22. Post balance sheet events**

On 30 April 2019, the entire share capital of M2 Omega Limited was sold to M2 Ventures Limited. The registered office of M2 Ventures Limited is 201 West George Street, Glasgow, G2 2LW.

**23. Controlling party**

At 31 December 2018 the Company was a subsidiary undertaking of MDL Investments Limited, a company incorporated and domiciled in the United Kingdom.

At 31 December 2018 the Company's ultimate parent company was MDL Holdings Limited, a company incorporated and domiciled in the United Kingdom. The Company is ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.