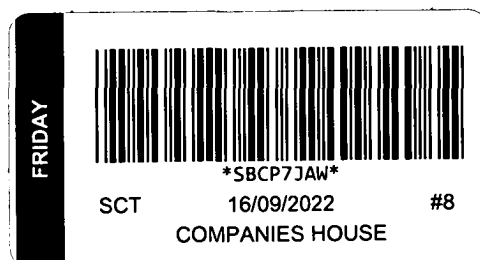


## **Miller Midco 2 Limited**

### **Annual report and financial statements**

For the year ended 31 December 2021

Registered number 10854229



*Miller Midco 2 Limited*  
*Directors' report and financial statements*  
*Registered number 10854229*  
*Year ended 31 December 2021*

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## Strategic report

The directors have pleasure in presenting their annual report and audited financial statements for the year ended 31 December 2021.

### Business review

The principal activity of the company is that of an intermediate holding company.

### Stakeholder engagement

Large private companies are required to report on how the directors have complied with their statutory duties under s172 of the Companies Act. Its aim is to promote the success of the group as a whole for the benefit of all stakeholders. We appreciate that stakeholder engagement for the wider group is important in establishing relationships with employees, shareholders, customers, suppliers, lenders and wider society which not only underpins the good governance of the business but fosters greater understanding of the needs and concerns of our stakeholders. If we listen to our stakeholders and encourage positive relationships this will impact on the way we conduct business, our policies processes and procedures. This company is an intermediate holding company therefore, other than the ultimate shareholders, has only the parent company ('Miller Midco 1 Limited') as a stakeholder, which in turn has bondholders as a stakeholder therefore they are considered below.

Parent company	What that means
<ul style="list-style-type: none"> <li>Quarterly results published on our website, provide all interested parties including bondholders and relationship banks, with access to regular financial information</li> <li>Quarterly result calls enabling dialogue with the CEO, CFO and bondholders</li> <li>Regular meetings with the main UK lending institutions</li> </ul>	<p>We are committed to reporting our results on a quarterly basis to enable the Group's bondholders to receive timely and transparent financial information to assist them in their decision making. This is further supported by regular meetings. We believe that this approach, allied to our business performance, has resulted in excellent lender relationships.</p>

### Principal risks and uncertainties

The principal risks and uncertainties for the company is its ability to pay amounts due under the terms of its intercompany debt, which is in turn dependent upon the ability of its subsidiary to pay the amounts due on the debt from it. Miller Midco 2 Limited ("the company") is part of the Miller Homes Group Limited Group ("MHGL"). The directors are of the opinion that there is no difference between the principal risks and uncertainties between the company and MHGL. The principal risks and uncertainties of MHGL have been reported in the financial statements of MHGL, which can be obtained from the address as detailed in note 10.

### Key performance indicators

The directors do not believe that an analysis using key performance indicators would enhance the understanding of the users of these financial statements, given the simplicity of the financial statements.

By order of the Board

*Ian Murdoch*

Ian Murdoch  
 Director  
 14 September 2022

2 Centro Place  
 Pride Park  
 Derby  
 DE24 8RF

## Directors' report

### Principal activity

The principal activity of the company is that of an intermediary holding company.

### Results and dividends

As set out in the profit and loss account on page 7 neither a profit nor a loss was made during the year. No dividend was paid during the year (2020: nil).

### Directors

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

Christopher Endsor  
Julie M Jackson  
Ian Murdoch

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

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

On behalf of the Board

*Ian Murdoch*  
Ian Murdoch  
Director  
14 September 2022

2, Centro Place  
Pride Park  
Derby  
DE24 8RF

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual 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), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the 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 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 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 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 Company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER MIDCO 2 LIMITED**

### **Opinion**

We have audited the financial statements of Miller Midco 2 Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and loss account and Other comprehensive income, Statement of changes in equity, Balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* 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 Company 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.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that 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 its 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Company will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the Miller Homes Group Limited's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER MIDCO 2 LIMITED (continued)**

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **Other information**

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER MIDCO 2 LIMITED (*continued*)

### 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, 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.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

### 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.

*B Marks*

**Bruce Marks (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Saltire Court, 20 Castle Terrace, Edinburgh, Eh1 2EG  
15 September 2022



## Profit and loss account and Other comprehensive income

For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Finance costs	3	(6,352)	(13,131)
Finance income	4	6,352	13,131
<b>Profit on ordinary activities before taxation</b>	2	-	-
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial year</b>		-	-

There are no items of Other comprehensive income other than those disclosed above.

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

The notes on pages 10 to 14 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2021

	Share capital £000	Profit and loss account £000	Total equity £000
As at 31 December 2019	151,000	-	151,000
Result for the period	-	-	-
<b>Balance at 31 December 2020</b>	<b>151,000</b>	<b>-</b>	<b>151,000</b>
Result for the year	-	-	-
<b>Balance at 31 December 2021</b>	<b>151,000</b>	<b>-</b>	<b>151,000</b>

The notes on pages 10 to 14 form part of these financial statements.

## Balance sheet

As at 31 December 2021.

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	6	151,000	151,000
<b>Current assets</b>			
Debtors			
- due after one year	7	-	144,539
			144,539
<b>Creditors: amounts falling due in more than one year</b>	8	-	(144,539)
<b>Net current assets</b>		-	-
<b>Net assets</b>		151,000	151,000
<b>Capital and reserves</b>			
Called up share capital	9	151,000	151,000
Profit and loss account		-	-
<b>Equity shareholders' funds</b>		151,000	151,000

The notes on pages 10 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 14 September 2022 and were signed on its behalf by:

*Ian Murdoch*

Ian Murdoch  
 Director

## Notes

(Forming part of the financial statements)

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### **Basis of accounting**

Miller Midco 2 Limited is a private company incorporated and domiciled in the UK. The registered number is 10854229 and the registered address is 2 Centro Place, Pride Park, Derby, DE24 8RF.

These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of related party transactions;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and

As the consolidated financial statements of Miller Homes Group Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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

#### **Application of new and revised standards**

There are no new standards and interpretations that are applicable for the first time that have had an impact on the company's financial statements for the year ended 31 December 2021.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### 1. Accounting policies (continued)

#### Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but reasonably possible downsides on the operations and its financial resources, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### Investments

Investments are held at cost less any provision for impairment.

#### Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

## Notes (continued)

### Dividend on shares presented within shareholders' funds

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

### 2. Expenses and auditor's remuneration

	2021 £000	2020 £000
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2	2

Auditor's remuneration was borne by Miller Homes Limited.

The company has no employees (2020: nil). The directors did not receive any remuneration from the company during the year (2020: nil).

### 3. Finance costs

	2021 £000	2020 £000
Interest payable on amounts due to immediate parent undertaking	6,352	13,131

### 4. Finance income

	2021 £000	2020 £000
Interest receivable on amounts owed by subsidiary undertaking	6,352	13,131

### 5. Taxation

Analysis of charge for the year	2021 £000	2020 £000
<b>UK corporation tax</b>		
Total current tax charge	-	-
Tax charge for the year	-	-

#### Factors affecting the tax charge

The current tax charge for the year equals the standard rate of corporation tax in the UK of 19%.

## Notes (continued)

### 6. Investments

	2021 £000	2020 £000
Share capital in subsidiaries	151,000	151,000

The principal investments of the company as at 31 December 2021 were:

	Share type	Principal activities	Share Holding
Miller Homes Group Holdings plc	Ordinary	Holding Company	100%

The registered address for the above company is 2 Centro Place, Pride Park, Derby, DE24 8RF.

### 7. Debtors: due after one year

	2021 £000	2020 £000
Amounts owed by subsidiary undertakings	-	144,539

The amounts owed by subsidiary undertakings was repaid during the year.

### 8. Creditors: amounts falling due in more than one year

	2021 £000	2020 £000
Amounts owed to immediate parent undertaking	-	144,539

The amounts owed to the immediate parent undertaking was repaid during the year.

### 9. Called up shared capital

	2021 £000	2020 £000
Allotted and fully paid: 151,000,000 ordinary shares of £1	151,000	151,000

## Notes (continued)

### 10. Immediate and ultimate parent company

The Company's immediate parent company is Miller Midco 1 Limited and, as at 31 December 2021, its ultimate parent company was Miller Homes Group Limited. On the 31st March 2022 Miller Homes Group Limited was acquired by Castle UK Bidco Limited and the ultimate parent company is now Castle-Builder Topco Limited. Castle-Builder Topco Limited is registered and incorporated in Jersey, all other companies are registered and incorporated in Great Britain.

The largest group in which the results of this Company are consolidated is that headed by Miller Homes Group Limited. The smallest group in which the results of this Company are consolidated is that headed by Miller Homes Group Holdings plc. The consolidated financial statements of these groups are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.

At the date of approval of these financial statements the Company was ultimately controlled by funds controlled by Apollo Global Management Inc, whose address is 25 St George Street, London, W1S 1FS.

### 11. Accounting estimates and judgements

#### *Key sources of estimation uncertainty*

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