

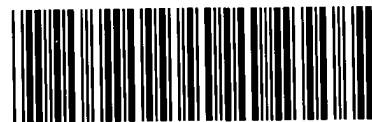
Miller Holdings (International) Limited

Registered number: SC115235

Directors' report and financial statements

For the year ended 31 December 2017.

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MILLER HOLDINGS (INTERNATIONAL) LIMITED

COMPANY INFORMATION

Directors Andrew Sutherland
 David T Milloy

Registered number SC115235

Registered office Miller House
 2 Lochside View
 Edinburgh Park
 Edinburgh
 Midlothian
 EH12 9DH

MILLER HOLDINGS (INTERNATIONAL) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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 judgments 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 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.

Results and dividends

The profit for the year, after taxation, amounted to £92,000 (2016 - £1,197,000).

No dividend was paid during the year (2016 - £NIL).

Directors

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

Andrew Sutherland
Euan J E Haggerty (resigned 30 June 2017)
David T Milloy

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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'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's auditor is aware of that information.

Post balance sheet events

Miller Centre SRL, a wholly-owned subsidiary of Miller Investitii which is a wholly owned subsidiary of Miller Holdings (International Limited), was sold on 14 February 2018.

Auditor

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

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

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


David T Milloy (Jun 21, 2018)

David T Milloy
Director

Date: Jun 21, 2018



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER HOLDING INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Miller Holding International Limited ("the company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet 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 company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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 company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILLER HOLDING INTERNATIONAL 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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.

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.


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

Saltire Court
20 Castle Terrace
EDINBURGH
EH1 2EG

26 JUNE 2018

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Cost of sales	4	(18)	-
Gross (loss)		(18)	-
Administrative expenses		110	629
Gain on sale of investment		-	568
Profit before tax		92	1,197
Tax on profit	6	-	-
Profit for the financial year		92	1,197

There was no other comprehensive income for 2017 (2016: £NIL).

The activities relate to continuing operations.

The notes on pages 7 to 13 form part of these financial statements.

MILLER HOLDINGS (INTERNATIONAL) LIMITED
REGISTERED NUMBER: SC115235

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	7	-	-
Current assets			
Debtors: amounts falling due within one year	8	3,530	3,418
Cash at bank and in hand		14	73
		<u>3,544</u>	<u>3,491</u>
Creditors: amounts falling due within one year	9	(1,894)	(1,932)
Net current assets		<u>1,650</u>	<u>1,559</u>
Total assets less current liabilities		<u>1,650</u>	<u>1,559</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	1,649	1,558
		<u>1,650</u>	<u>1,559</u>

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

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


David T Milloy (Jun 21, 2018)


Andrew Sutherland (Jun 21, 2018)

David T Milloy
Director

Andrew Sutherland
Director

Date: Jun 21, 2018

Date: Jun 21, 2018

The notes on pages 7 to 13 form part of these financial statements.

MILLER HOLDINGS (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Miller Holdings (International) Limited is a private company limited by shares and incorporated in Scotland, SC115235. The registered office is Miller House, 2 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH.

The principal activity of the Company is to act as a holding company for investments in overseas subsidiaries and joint venture companies which are involved in property development and investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The financial arrangements applicable to the Company form part of a wider arrangement involving all the operations of a fellow group company, Miller Developments Holdings Limited. The directors of Miller Developments Holdings Limited have prepared detailed cash flow forecasts for all its operations (the "Miller Developments" business) and are satisfied that the group has adequate resources to continue in operational existence and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 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.

2.5 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.

MILLER HOLDINGS (INTERNATIONAL) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.6 Financial instruments

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

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

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

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

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

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

2.7 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.10 Taxation

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

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

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

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

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

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Auditor's remuneration

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

4. Administrative expenses

Included within administrative expenses was (£30,824) in relation to an adjustment to intercompany balances (2016: £261,687).

5. Employees

The average monthly number of employees, excluding directors, during the year was nil (2016 - nil).

6. Taxation

	2017 £000	2016 £000
Current tax on profits for the year	-	-

Factors affecting tax charge for the year

The tax charge assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	92	1,197
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	18	239
Effects of:		
Non-tax deductible impairment	6	-
Non-taxable income	-	(168)
Group relief received for nil consideration	(24)	(71)
Total tax charge for the year	-	-

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Fixed asset investments

	Investments in subsidiary undertakings £000
Cost	
At 1 January 2017 and 31 December 2017	5
Impairment	
At 1 January 2017 and 31 December 2017	5
Net book value	
At 31 December 2017 and 31 December 2016	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
SC Miller Investitii SRL	Romania	Ordinary	100 %	Intermediary Holding Company
Miller Central SRL	Romania	Ordinary	100 %	Property Development
Miller Romania One Limited	UK	Ordinary	100 %	Intermediary Holding Company
Miller Developments Spain SL	Spain	Ordinary	100 %	Dormant

8. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings (note 12)	3,524	3,413
Other debtors	6	5
	3,530	3,418

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	3	3
Amounts owed to group undertakings (note 12)	1,882	1,920
Other creditors	9	9
	<u>1,894</u>	<u>1,932</u>

10. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

11. Reserves**Profit & loss account**

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

12. Contingent liabilities

The Company, along with certain fellow group undertakings is a joint guarantor of a revolving credit facility provided by Santander plc to Miller Developments Holdings Limited (another fellow group undertaking and fellow subsidiary of MDL Investments Limited, the immediate parent). At the year end and the date of signing these accounts the amounts drawn under these facilities were £2,170,000. The bank has security by way of a floating charge over the whole assets and undertakings of the Company, Miller Developments Holdings Limited and the same certain fellow group undertakings.

13. Related party transactions

As at the 31 December 2017 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.

14. Post balance sheet events

Miller Centre SRL, a wholly-owned subsidiary of Miller Investitii which is a wholly owned subsidiary of Miller Holdings (International) Limited, was sold on 14 February 2018

MILLER HOLDINGS (INTERNATIONAL) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Controlling party

The Company is a subsidiary undertaking of MDL Investments Limited, a Company incorporated and domiciled in the United Kingdom.

At 31 December 2017 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.

The largest Company in which the results for the year ended 31 December 2017 of the Company is consolidated is that of MDL Holdings Limited. The consolidated financial statements of this group will be available to the public and may be obtained from the Registrar of Companies, Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.