

Miller Cromdale (Old Ford Road) Limited

Directors' report and financial statements

For the year ended 31 December 2010

Registered number SC192082



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010.

Results and dividends

The company made a profit for the year of £290,706 (2009: loss of £118,564).

The directors do not recommend the payment of a dividend (2009: nil)

Principal activity and business review

The principal activity of the company is that of property development and investment.

Directors

The directors who held office during the year were as follows:

Martin Callan

Malcolm Grigor

Andrew Sutherland

Pamela Grant

Disclosure of information to auditors

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

Auditors

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006, and KPMG LLP will therefore continue in office.

On behalf of the Board



Pamela Grant
Director

1 June 2011

Miller House
2 Lochside View
Edinburgh Park
Edinburgh
EH12 9DH

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Miller Cromdale (Old Ford Road Limited

We have audited the financial statements of Miller Cromdale (Old Ford Road) Limited for the year ended 31 December 2010 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Hugh Harvie

(Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EG

United Kingdom

10 June 2011

**Profit and loss account
 for the year ended 31 December 2010**

	Note	2010 £	2009 £
Turnover	1	644,396	230,140
Cost of sales		(91,325)	(307,385)
Gross profit/(loss)		553,071	(77,245)
Administrative expenses		(2,966)	(5,547)
Operating profit/(loss)		550,105	(82,792)
Interest receivable	4	306	134
Interest payable	5	(146,652)	(82,979)
Profit/(loss) on ordinary activities before taxation	3	403,759	(165,637)
Tax on profit/(loss) on ordinary activities	6	(113,053)	47,073
Profit/(loss) for the financial year	13	290,706	(118,564)

The company has no recognised gains or losses other than the results for the above financial years.

The profit for the financial year has been derived from continuing activities.

The notes on pages 6 to 11 form part of these financial statements.

Balance sheet
As at 31 December 2010

	Note	2010 £	2009 £
Current assets			
Stock	7	6,934,566	6,881,012
Debtors	8	147,005	167,747
Cash at bank and in hand		393,015	253,107
		<u>7,474,586</u>	<u>7,301,866</u>
Creditors: amounts falling due within one year	9	<u>(594,459)</u>	<u>(409,331)</u>
Net current assets		<u>6,880,127</u>	<u>6,892,535</u>
Creditors: amounts falling due in more than one year	10	<u>(6,976,057)</u>	<u>(7,279,171)</u>
Net liabilities		<u>(95,930)</u>	<u>(386,636)</u>
Capital and reserves			
Called up share capital	11	6	6
Share premium account	12	87,799	87,799
Profit and loss account	13	(183,735)	(474,441)
Shareholders' deficit	14	<u>(95,930)</u>	<u>(386,636)</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 6 to 11 form part of these financial statements.

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



Pamela Grant

Director

1 June 2011



Martin Callan

Director

Notes
(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

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, as detailed in note 10 and project specific bank term facilities.

The funds provided by the shareholders, which at 31 December 2010 amounted to £3,065,325, are not repayable until such time as the bank term loan facilities have been repaid and, only then, on the basis that the company has sufficient funds remaining, following repayment of the bank indebtedness, to settle the shareholder indebtedness. In addition, the bank term loan facilities, which were initially repayable by December 2009, were extended and are now not repayable until December 2012.

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

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

In light of the foregoing, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Cash flow statement

Under Financial Reporting Standard 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Development work in progress

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

Notes (continued)

Taxation and deferred Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

Turnover represents development sales and rental income. Turnover is stated net of Value Added Tax. Turnover arises entirely in the United Kingdom.

2 Directors and employees

There were no emoluments paid to directors during the year (2009: nil). There were no employee or staff costs during the year (2009: nil)

3 Profit/(loss) on ordinary activities before taxation	2010	2009
	£	£
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Auditors remuneration	1,500	4,000
Other services pursuant to tax legislation	1,250	1,130
	<hr/>	<hr/>

4 Interest receivable

	2010	2009
	£	£
Bank interest received	306	134
	<hr/>	<hr/>

5 Interest payable

	2010	2009
	£	£
Interest on bank loans and overdrafts	146,652	82,979
	<hr/>	<hr/>

Notes (continued)

6 Taxation

Analysis of charge in year

	2010 £	2009 £
UK corporation tax		
Current tax on income for the year	113,053	-
Adjustment in respect of prior years	-	(11,817)
	<hr/>	<hr/>
Total current tax	113,053	(11,817)
Deferred tax (refer note 9)		
Credit to profit and loss	-	(46,378)
Origination/reversal of timing differences	-	11,122
	<hr/>	<hr/>
Total deferred tax	-	(35,256)
	<hr/>	<hr/>
Tax on loss on ordinary activities	113,053	(47,073)
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

Current tax is equal to (2009: lower than) the standard rate of corporation tax in the UK 28%, (2009: 28%). The differences are explained below:

	2010 £	2009 £
Current tax reconciliation		
Profit/(loss) on ordinary activities before tax	403,759	(165,637)
	<hr/>	<hr/>
Current tax at 28% (2009: 28%)	113,053	(46,378)
Effects of:		
Losses carried forward	-	46,378
Adjustment in respect of prior years	-	(11,817)
	<hr/>	<hr/>
Total current tax (see above)	113,053	(11,817)
	<hr/>	<hr/>

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 20 July 2010 and will be effective from 1 April 2011. The Budget on 25 March 2011 announced an incremental rate reduction from 27% to 26% to apply from 1 April 2011. This will reduce the company's future tax charge accordingly. The reduction to 27% has been reflected in the deferred taxation asset. The impact of the reduction to 26% will be approximately £2,742. It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and decrease the company's deferred tax liabilities accordingly.

Notes (continued)

7 Stocks

	2010 £	2009 £
Development work in progress	6,934,566	6,881,012

8 Debtors

	2010 £	2009 £
Other debtors	29,584	50,326
Deferred tax asset (see below)	117,421	117,421
	<u>147,005</u>	<u>167,747</u>

Deferred Tax

	2010 £	2009 £
At start of year	117,421	82,165
Credit to profit and loss	-	46,378
Adjustment in respect of prior period	-	(11,122)
At end of year	<u>117,421</u>	<u>117,421</u>

The deferred tax asset relates to tax losses and will be relieved against future taxable profits.

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loan (secured)	270,000	190,000
Trade creditors	14,215	23,365
Other creditors	4,450	2,400
Amounts due to related parties	63,849	63,849
Accruals and deferred income	127,797	129,717
Social security and other taxes	114,148	-
	<u>594,459</u>	<u>409,331</u>

Notes (continued)

10 Creditors: amounts falling due after one year

	2010	2009
	£	£
Shareholders' loans	3,065,325	3,065,325
Bank loan (secured)	3,910,732	4,213,846
	<u>6,976,057</u>	<u>7,279,171</u>
	<u><u>6,976,057</u></u>	<u><u>7,279,171</u></u>
	2010	2009
	£	£
Analysis of debt:		
Debt can be analysed as falling due:		
In less than one year	270,000	190,000
In one to two years	280,000	270,000
In two years or more	3,630,732	3,943,846
	<u>4,180,732</u>	<u>4,403,846</u>
	<u><u>4,180,732</u></u>	<u><u>4,403,846</u></u>

The loan facility is repayable by December 2012. The term loan is secured by a standard security over the site and a floating charge over Miller Cromdale (Old Ford Road) Limited.

11 Called up share capital

	2010	2009
	£	£
Authorised, allocated, called up and fully paid		
6 Ordinary shares of £1 each	6	6
	<u>6</u>	<u>6</u>

12 Share Premium

	2010	2009
	£	£
Share Premium Account	87,799	87,799
	<u>87,799</u>	<u>87,799</u>

13 Profit and loss account

	2010
	£
At beginning of year	(474,441)
Profit for the year	290,706
	<u>(183,735)</u>
At end of year	<u><u>(183,735)</u></u>

Notes (continued)

14 Reconciliation of movements in shareholders' deficit

	2010 £	2009 £
Profit/(loss) for the financial year	290,706	(118,564)
Net increase/(decrease) to shareholders deficit	290,706	(118,564)
Opening shareholders' deficit	(386,636)	(268,072)
Closing deficit in shareholders' funds	(95,930)	(386,636)

15 Related party disclosures

The company is a joint venture between The Miller Group Limited and Cromdale Limited. At the year end the amounts owed to The Miller Group Limited totalled £1,532,663 (2009: £1,532,663) and amounts owed to Cromdale Limited totalled £1,532,663 (2009: £1,532,663).

Included in creditors are amounts of £63,849 owed to Cromdale Enterprises Limited, a related party by virtue of being a joint venture under common control (2009: £63,849).