

# MILLER CROMDALE (OLD FORD ROAD) LIMITED

## Directors' report and financial statements

For the year ended 31 December 2009

Registered number SC192082



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## Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2009.

### Principal activities

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

### Business review

The loss after providing for taxation amounted to £118,564 (2008: loss of £122,648).

### Proposed dividend

The directors do not recommend the payment of a dividend.

### Directors

The directors of the company during the period were:

M J Callan  
M S Grigor  
A Sutherland  
P 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

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

On behalf of the board



P Grant  
Director

17 June 2010

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.

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

## **Independent auditors' 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 2009 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

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

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

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



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

21 June 2010 Date

# **Profit and loss account**

For the year ended 31 December 2009

	Note	Year to 31 December 2009 £	Year to 31 December 2008 £
<b>Turnover</b>	2	<b>230,140</b>	8,485
Cost of sales		(307,385)	(152,631)
<b>Gross loss</b>		<b>(77,245)</b>	(144,146)
Administrative expenses		(5,547)	(5,120)
<b>Operating loss</b>		<b>(82,792)</b>	(149,266)
Interest receivable	5	134	15,572
Interest payable	6	(82,979)	(5,316)
<b>Loss on ordinary activities before taxation</b>		<b>(165,637)</b>	(139,010)
Tax on loss on ordinary activities	7	47,073	16,362
<b>Loss for the financial year</b>	14	<b>(118,564)</b>	(122,648)

There are no recognised gains or losses other than the losses for the above year.

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

**Balance sheet**  
 as at 31 December 2009

	Note	2009 £	2008 £
<b>Current assets</b>			
Stocks	8	6,881,012	3,315,806
Debtors	9	167,747	240,398
Cash at bank and in hand		253,107	23,035
		<u>7,301,866</u>	<u>3,579,239</u>
<b>Creditors:</b> amounts falling due within one year	10	<u>(409,331)</u>	<u>(1,286,478)</u>
<b>Net current assets</b>		<b>6,892,535</b>	<b>2,292,761</b>
<b>Creditors:</b> amounts falling due more than one year	11	<u>(7,279,171)</u>	<u>(2,560,833)</u>
<b>Net liabilities</b>		<u>(386,636)</u>	<u>(268,072)</u>
<b>Capital and reserves</b>			
Share capital	12	6	6
Share premium account	13	87,799	87,799
Profit and loss account	14	(474,441)	(355,877)
<b>Shareholders' deficit</b>	15	<u>(386,636)</u>	<u>(268,072)</u>

These financial statements were approved by the board of directors on 17 June 2010 and were signed on its behalf by:



Director  
 M Callan



Director  
 P Grant

## **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 preparation***

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost basis of accounting.

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 16 and project specific bank term 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.

The funds provided by the shareholders, which at 31 December 2009 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 subsequent to the year end 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 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 is carried at cost plus attributable overheads or net realisable value if lower.



**Notes (cont'd)****Taxation**

The charge for taxation is based on the loss 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.

**2 Turnover**

Turnover represents development sales and rental income. Turnover is stated net of Value Added Tax.

**3 Remuneration of directors**

There were no emoluments paid to directors during the period.

**4 Loss on ordinary activities before taxation**

**Year to 31  
December 2009**

**Year to  
31 December  
2008**

£

£

*Loss on ordinary activities before taxation is stated after charging*

Auditors' remuneration: Audit of these financial statements

**4,000**

3,000

Other services pursuant to tax legislation

**1,130**

1,250

**5 Interest receivable**

**Year to 31 December  
2009**

**Year to 31  
December 2008**

£

£

Bank interest received

**134**

15,572

**Notes (cont'd)****6 Interest payable**

	Year to 31 December 2009 £	Year to 31 December 2008 £
Interest on bank loans and overdrafts	82,979	5,316
	<hr/>	<hr/>

**7 Taxation**

	Year to 31 December 2009 £	Year to 31 December 2008 £
Analysis of credit in year		
<b>UK corporation tax</b>		
Current tax on income in the year	-	25
Adjustments in respect of prior year	(11,817)	-
Total current tax	<hr/> (11,817) <hr/>	<hr/> 25 <hr/>
<b>Deferred tax (refer note 9)</b>		
Credit to profit and loss	(46,378)	-
Origination / reversal of timing differences	11,122	(16,387)
Total deferred tax	<hr/> (35,256) <hr/>	<hr/> (16,387) <hr/>
Tax on loss on ordinary activities	<hr/> (47,073) <hr/>	<hr/> (16,362) <hr/>

*Factors affecting the tax charge for the current period*

Current tax credit for the year is higher than (2008: lower than) the standard rate of corporation tax in the UK 28% (2008: 28.5%) The differences are explained on next page:

	Year to 31 December 2009 £	Year to 31 December 2008 £
<b>Current tax reconciliation</b>		
Loss on ordinary activities before tax	(165,637)	(139,010)
	<hr/>	<hr/>
Current tax 28% (2008: 28.5%)	(46,378)	(39,618)
<b>Effects of:</b>		
Losses carried forward	46,378	16,387
Losses not provided for	-	23,256
Adjustments relating to prior periods	(11,817)	-
Total current tax credit (see above)	<hr/> (11,817) <hr/>	<hr/> 25 <hr/>

**Notes (cont'd)**

**8 Stocks**

	2009 £	2008 £
Development work in progress	<u>6,881,012</u>	<u>3,315,806</u>

**9 Debtors**

	2009 £	2008 £
Other debtors	50,326	158,233
Deferred tax (see below)	117,421	82,165
	<u>167,747</u>	<u>240,398</u>

<b>Deferred Tax</b>	2009 £	2008 £
At start of year	82,165	65,778
Credit to profit and loss	46,378	-
Adjustment in respect of prior period	(11,122)	16,387
	<u>117,421</u>	<u>82,165</u>

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

## Notes (cont'd)

### 10 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loan (Secured)	190,000	1,144,541
Trade Creditors	23,365	43,025
Other creditors	2,400	19,834
Amounts due to related parties	63,849	79,078
Accruals and deferred income	129,717	-
	<u>409,331</u>	<u>1,286,478</u>

### 11 Creditors: amounts falling due greater than one year

	2009 £	2008 £
Shareholders' loans	3,065,325	2,560,833
Bank loan (secured)	4,213,846	-
	<u>7,279,171</u>	<u>2,560,833</u>

#### Analysis of debt:

	2009 £	2008 £
Debt can be analysed as falling due:		
In less than one year	190,000	1,144,541
In one to two years	270,000	-
In two years or more	3,943,845	-
Total	<u>4,403,845</u>	<u>1,144,541</u>

Bank loan is secured by a standing charge against all WIP, and floating charge against all assets of the company. The repayment profile disclosed above represents the minimum repayments as required under the bank facility agreement.

### 12 Share capital

	2009 £	2008 £
Authorised, allotted, called up and fully paid:		
6 Ordinary shares of £1 each	<u>6</u>	<u>6</u>

**Notes (cont'd)****13 Share Premium**

	2009 £	2008 £
Share Premium Account	87,799	87,799

**14 Profit and loss account**

	Year to 31 December 2009 £
At beginning of year	(355,877)
Loss for the year	(118,564)
<b>At end of year</b>	<b>(474,441)</b>

**15 Reconciliation of movement in shareholders' deficit**

	Year to 31 December 2009 £	Year to 31 December 2008 £
Loss after taxation for the year	(118,564)	(122,648)
Net reduction to shareholders' deficit	(118,564)	(122,648)
Opening shareholders' deficit	(268,072)	(145,424)
<b>Closing deficit in shareholders' funds</b>	<b>(386,636)</b>	<b>(268,072)</b>

**16 Related party disclosures**

The company is a joint venture between The Miller Group Ltd and Cromdale Limited. At the year end the amounts owed to Miller Group Limited totalled £1,532,663 (2008: £1,280,418) and amounts owed to Cromdale Limited totalled £1,532,663 (2008: £1,280,418).

Included in creditors are amounts of £63,849 owed to Cromdale Enterprises Ltd, a related party by virtue of being a joint venture under common control (2008: £79,078)