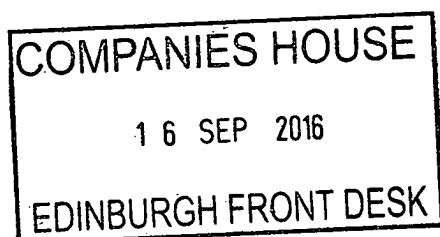


Miller Residential Development Services Limited

Directors' report and financial statements

For the year ended 31 December 2015

Registered number SC207758



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Directors' report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2015.

Principal activity

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

Results and Dividends

The profit for the year is set out in the profit and loss account on page 4. No dividend was paid during the year (2014: £nil).

Directors

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

Julie M Jackson
Ian Murdoch
Donald Borland (resigned 31 March 2016)

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.

The directors have taken advantage of the small company exemptions provided by section 414B of the companies act 2006 and have not prepared a Strategic report.

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



Julie Jackson
Director
14 September 2016

Miller House
2 Lochside View
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), 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 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; 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 Residential Development Services Limited

We have audited the financial statements of Miller Residential Development Services Limited for the year ended 31 December 2015 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 auditor

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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 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 Directors' 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report.

Hugh Harvie (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**
Chartered Accountants
Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2EG

15 September 2016

Profit and loss account and Other comprehensive income

For the year ended 31 December 2015

	Note	2015 £000	2014 £000
Administrative credit		32	218
Profit on ordinary activities before taxation	2	32	218
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		32	218

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 7 to 11 form part of these financial statements.

Statement of changes in equity
 For the year ended 31 December 2015

	Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	-	473	473
Profit for the year	-	218	218
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014	-	691	691
Profit for the year	-	32	32
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	-	723	723
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 7 to 11 form part of these financial statements.

Balance sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	4	1	1
Current assets			
Debtors	5	1,152	1,124
Cash at bank and in hand		29	29
		<u>1,181</u>	<u>1,153</u>
Creditors: amounts falling due within one year	6	<u>(459)</u>	<u>(463)</u>
Net current assets		<u>722</u>	<u>690</u>
Net assets		<u>723</u>	<u>691</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account		723	691
Equity shareholders' funds		<u>723</u>	<u>691</u>

The notes on pages 7 to 11 form part of these financial statements.

These financial statements were approved by the board of directors on 14 September 2016 and were signed on its behalf by:



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 Residential Development Services Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments.

The company's results are consolidated within the results of its intermediary parent company Miller Homes Holdings Limited. The consolidated financial statements of Miller Homes Holdings Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 8. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes *(continued)*

1. Accounting policies *(continued)*

Going concern

After making appropriate enquiries, the directors have assessed that the company has limited remaining working capital requirements and have a reasonable expectation that it has adequate resources to enable it to meet these liabilities as they fall due for payment for a period of at least 12 months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

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 years.

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.

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.

Notes (continued)

2. Expenses and auditor's remuneration

	2015 £000	2014 £000
<i>This is stated after charging/(crediting):</i>		
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2	2
<i>Amounts receivable by auditors and their associates in respect of:</i>		
Other services relating to taxation	1	1
<i>Exceptional credit:</i>		
Write back of amounts owed by subsidiary companies	(35)	(222)

The company has no employees (2014: nil). The directors did not receive any remuneration from the company during the year (2014: £nil).

3. Taxation

	2015 £000	2014 £000
Analysis of charge for the year		
UK corporation tax		
Total current tax charge	-	-
Tax charge for the year	-	-

Factors affecting the tax charge

The current tax charge for the year is lower (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.50%). The difference is explained below:

Tax reconciliation

	2015 £000	2014 £000
Profit for the year before taxation	32	218
Total tax charge	-	-
Profit excluding taxation	32	218
Current tax at 20.25% (2014: 21.50%)	6	47
<i>Effect of:</i>		
Group relief surrendered for nil consideration	1	1
Non-taxable income	(7)	(48)
Total tax charge	-	-

A reduction in the UK corporation tax rate to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. The Chancellor has announced additional planned reductions to 17% by 2020. This will reduce the company's future current tax charge accordingly.

Notes (continued)

4. Investments

	2015 £000	2014 £000
Share capital in subsidiaries and joint ventures	1	1

The principal investments of the company as at 31 December 2015 were:

	Share type	Principal activities	Share Holding
Land & City Properties (Bollington) Limited	Ordinary	Residential Property Development	100%
Iliad Miller Limited	Ordinary	Residential Property Development	50%
Iliad Miller (No. 2) Limited	Ordinary	Residential Property Development	50%

5. Debtors

	2015 £000	2014 £000
Amounts owed by parent undertakings	1,063	1,035
Amounts owed by joint venture companies	89	89
	<u>1,152</u>	<u>1,124</u>

6. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to joint venture companies	44	44
Amounts owed to subsidiary companies	327	326
Accruals and deferred income	88	93
	<u>459</u>	<u>463</u>

7. Called up shared capital

	2015 £	2014 £
<i>Allotted and fully paid:</i>		
1 ordinary share of £1	1	1

Notes (continued)**8. Immediate and ultimate parent company**

The company's immediate parent company is Miller Homes Holdings Limited and its ultimate parent company is The Miller Homes Group (UK) Limited. Both companies are registered in Scotland and incorporated in Great Britain.

The largest group in which the results of the company are consolidated is that headed by The Miller Homes Group (UK) Limited. The smallest group in which they are consolidated into is that headed by Miller Homes Holdings Limited. The consolidated financial statements of these groups are 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.

At the date of approval of these financial statements, the company was ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

9. 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.

Critical accounting judgements in applying the company's accounting policies

The company believes that the major judgement applied is the use of the going concern principle which supports the valuation of assets included in the Balance sheet.

10. Related parties

The company has related party relationships with companies in which, as indicated in note 4, it holds an investment. As mentioned in the accounting policies, FRS 102 provides for exemption of disclosing transactions or balances with entities which form part of the group but this does not include joint ventures.

The balances outstanding from/(to) the joint venture companies at 31 December were:

	2015 £000	2014 £000
Iliad Miller Limited	45	45
Iliad Miller (No 2) Limited	43	43
Scotmid Miller (Great Junction Street) Limited	1	1
College Street Residential Developments Limited	(44)	(44)
	<hr/>	<hr/>
	45	45
	<hr/>	<hr/>