

Miller Residential Development Services Limited

Directors' report and financial statements

For the year ended 31 December 2019

Registered number SC207758



*Miller Residential Development Services Limited
Directors' report and financial statements
Registered number SC207758
Year ended 31 December 2019*

Contents

| | |
|--|---|
| Directors' report | 1 |
| Statement of directors' responsibilities | 2 |
| Independent auditor's report to the members of Miller Residential Development Services Limited | 3 |
| Profit and loss account and Other comprehensive income | 5 |
| Statement of changes in equity | 6 |
| Balance sheet | 7 |
| Notes | 8 |

Directors' report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2019.

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 5. No dividend was paid during the year (2018: £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

Covid-19

The company is closely monitoring the ongoing Covid-19 pandemic. The company's priorities in dealing with the exceptional circumstances posed by Covid-19 are to ensure the safety of all our stakeholders. The company is keeping abreast of guidance as it evolves.

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
22 September 2020

**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;
- 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 Residential Development Services Limited

Opinion

We have audited the financial statements of Miller Residential Development Services Limited ("the company") for the year ended 31 December 2019, 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including 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. 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").

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

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the Directors' report. Our opinion on the financial statements does not cover this 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 those reports 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 Residential Development Services 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 2 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.



Bruce Marks (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street, Glasgow, G2 5AS
23 September 2020

Profit and loss account and Other comprehensive income

For the year ended 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|--------------------------------------|------|--------------|--------------|
| Administrative credit | | 15 | 12 |
| Profit before taxation | 2 | 15 | 12 |
| Tax on profit | 3 | - | - |
| Profit for the financial year | | 15 | 12 |

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 8 to 13 form part of these financial statements.

Miller Residential Development Services Limited
Directors' report and financial statements
Registered number SC207758
Year ended 31 December 2019

Statement of changes in equity

For the year ended 31 December 2019

| | Share capital £000 | Profit and loss account £000 | Total equity £000 |
|------------------------------------|-------------------------------------|---|------------------------------------|
| Balance at 1 January 2018 | - | 758 | 758 |
| Profit for the year | - | 12 | 12 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2018 | - | 770 | 770 |
| Profit for the year | | 15 | 15 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2019 | - | 785 | 785 |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 8 to 13 form part of these financial statements.

Balance sheet

As at 31 December 2019

| | Note | 2019 £000 | 2018 £000 |
|---|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 4 | 1 | 1 |
| Current assets | | | |
| Debtors | 5 | 1,125 | 1,125 |
| Cash at bank and in hand | | 29 | 29 |
| | | <u>1,154</u> | <u>1,154</u> |
| Creditors: amounts falling due within one year | 6 | (370) | (385) |
| | | <u>784</u> | <u>769</u> |
| Net current assets | | 784 | 769 |
| | | <u>785</u> | <u>770</u> |
| Net assets | | 785 | 770 |
| Capital and reserves | | | |
| Called up share capital | 7 | - | - |
| Profit and loss account | | 785 | 770 |
| | | <u>785</u> | <u>770</u> |
| Equity shareholders' funds | | 785 | 770 |
| | | <u>785</u> | <u>770</u> |

The notes on pages 8 to 13 form part of these financial statements.

These financial statements were approved by the board of directors on 22 September 2020 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 Residential Development Services Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK. The registered address is Miller House, 2 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH.

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.

The company's results are consolidated within the results of its ultimate parent company Miller Homes Group Limited. The consolidated financial statements of Miller Homes Group 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 company is exempt by virtue of s401 subject to the small companies regime 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.

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

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate, notwithstanding the significant challenges posed by the current global Covid-19 crisis, for the following reasons.

At the year end, the company had net assets of £785,000 and net current assets of £784,000. It manages its day to day and medium term funding requirements through cash balances and intercompany loans from its fellow subsidiary undertaking. These balances are forecast to provide sufficient liquidity to finance seasonal cash flows in the ordinary course of business.

Notes (continued)

1. Accounting policies (continued)

Going concern (continued)

The global Covid-19 coronavirus pandemic is impacting all businesses. As a result of the pandemic, the nature of the company's business is such that in the next twelve months, there is expected to be increased unpredictability in cash flows. The directors have considered the cashflow requirements of the business for the twelve months from the date of approval of these financial statements. In addition, the Group has negotiated additional facilities with its banks and considers that no further facilities will be required to enable the company to continue to meet its financial obligations as they fall due during the next 12 months.

Based on the above, the directors believe that it remains appropriate to prepare 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 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.

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 the instrument or of a similar debt instrument.

Notes (continued)

1. Accounting policies (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

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| <i>Administrative credit:</i> | | |
| Write back of amounts owed by subsidiary companies | 15 | 12 |
| | <u>15</u> | <u>12</u> |

Auditors remuneration was borne by Miller Homes Limited.

The company has no employees (2018: nil). The directors did not receive any remuneration from the company during the year (2018: £nil).

3. Taxation

| | | |
|---------------------------------|--------------|--------------|
| Analysis of charge for the year | 2019 £000 | 2018 £000 |
| UK corporation tax | | |
| Total current tax charge | - | - |
| | <u>-</u> | <u>-</u> |
| Tax charge for the year | - | - |
| | <u>-</u> | <u>-</u> |

Factors affecting the tax charge

The current tax charge for the year is lower (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The difference is explained below:

Tax reconciliation

| | 2019 £000 | 2018 £000 |
|-------------------------------------|--------------|--------------|
| Profit for the year before taxation | 15 | 12 |
| Total tax charge | - | - |
| | <u>15</u> | <u>12</u> |
| Profit excluding taxation | 15 | 12 |
| Current tax at 19% (2018: 19%) | 3 | 2 |
| <i>Effect of:</i> | | |
| Non-taxable income | (3) | (2) |
| | <u>-</u> | <u>-</u> |
| Total tax charge | - | - |
| | <u>-</u> | <u>-</u> |

Notes (continued)

3. Taxation (continued)

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

4. Investments

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Share capital in subsidiaries and joint ventures | 1 | 1 |

The principal investments of the company as at 31 December 2019 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% |

The registered address for each of the above companies is Miller House, 2 Lochside View, Edinburgh Park, Edinburgh, EH12 9DH.

5. Debtors

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Amounts owed by parent undertakings | 1,036 | 1,036 |
| Amounts owed by joint venture companies | 89 | 89 |
| | <u>1,125</u> | <u>1,125</u> |

6. Creditors: amounts falling due within one year

| | 2019 £000 | 2018 £000 |
|---|--------------|--------------|
| Amounts owed to joint venture companies | 44 | 44 |
| Amounts owed to subsidiary companies | 241 | 256 |
| Accruals and deferred income | 85 | 85 |
| | <u>370</u> | <u>385</u> |

Notes (continued)

7. Called up shared capital

| | 2019 £ | 2018 £ |
|---------------------------------|-----------|-----------|
| <i>Allotted and fully paid:</i> | | |
| 1 ordinary share of £1 | 1 | 1 |
| | <hr/> | <hr/> |

8. Immediate and ultimate parent company

The company's immediate parent company is Miller Homes Holdings Limited and its ultimate parent company is Miller Homes Group Limited. Both 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 Bridgepoint, through BEV Nominees Limited as nominee for funds managed by Bridgepoint Advisers Limited, whose address is 95 Wigmore Street, London, W1U 1FB

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:

| | 2019 £000 | 2018 £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/> |

Notes *(continued)*

11. Post balance sheet events

In response to the ongoing Covid-19 pandemic, with the safety of all our stakeholders at the forefront of our minds and following revised government guidelines of 23 March 2020, we tailored our operations to ensure adherence to government guidance. The company is continuing to monitor the situation closely for further developments and any potential impact on operations.