

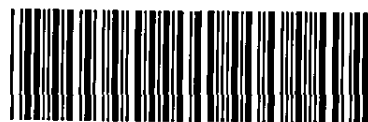
## **Miller BOS Limited**

### **Directors' report and financial statements**

For the year ending 31 December 2010

Registered number SC209180

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## **Directors' report**

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

## **Principal activities and business review**

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

## **Results and dividends**

The loss for the financial year amounted to £nil (2009: loss of £81,166).

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

## **Directors**

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

Phil Miller

Andrew Sutherland

Donald Borland

Euan Haggerty (appointed 1 July 2011)

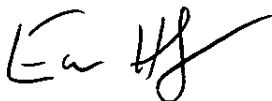
## **Disclosure of information to auditors**

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.

## **Auditor**

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



**Euan Haggerty**

Director

15 March 2012

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.



Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

## **Independent auditor's report to the members of Miller BOS Limited**

We have audited the financial statements of Miller BOS Limited for the year ended 31 December 2010 set out on pages 4 to 10. 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 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 (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](http://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 result 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

15 March 2012

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

	<i>Note</i>	<b>2010 £</b>	<b>2009 £</b>
Impairment of investments		-	(81,166)
<b>Loss on ordinary activities before taxation</b>	<b>2</b>	<b>-</b>	<b>(81,166)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss for the financial year</b>	<b>9</b>	<b>-</b>	<b>(81,166)</b>

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

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

The notes on pages 6 to 10 form part of these financial statements.

**Balance sheet**  
**As at 31 December 2010**

	Note	2010 £	2009 £
<b>Fixed assets</b>			
Investments	5	12,518,934	12,518,934
<b>Creditors: amounts falling due within one year</b>	6	(1,875)	(1,875)
<b>Net current liabilities</b>		(1,875)	(1,875)
<b>Total assets less current liabilities</b>		12,517,059	12,517,059
<b>Creditors: amounts falling due after more than one year</b>	7	(13,650,972)	(13,650,972)
<b>Net liabilities</b>		(1,133,913)	(1,133,913)
<b>Capital and reserves</b>			
Called up share capital	8	100	100
Profit and loss account	9	(1,134,013)	(1,134,013)
<b>Deficit in shareholders' funds</b>	10	(1,133,913)	(1,133,913)

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 10 form part of these financial statements.

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



Euan Haggerty

Director

15 March 2012

**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.

***Going Concern***

In February 2012 The Miller Group Limited (Miller BOS Limited's ultimate parent company) completed a restructuring of its existing banking facilities and secured significant new third party investment. This restructuring has also transformed Miller BOS Limited's financial position from that shown in the balance sheet as at 31 December 2010 (see note 12).

After the restructuring process, the company's net asset position as at February 2012 is £100.

***Investments***

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

***Cash flow statement***

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

***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 Loss on ordinary activities before taxation**

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

**3 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)

**Notes (continued)**

**4 Taxation**

Analysis of credit in year

	2010 £	2009 £
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	-	-
	<hr/>	<hr/>

*Factors affecting the tax credit for the current year*

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

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	-	(81,166)
	<hr/>	<hr/>
Current tax at 28% (2009: 28%)	-	(22,726)
Effects of:		
Group relief surrendered for nil consideration	-	22,726
	<hr/>	<hr/>
Total current tax (see above)	-	-
	<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. 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.

**Notes (continued)**

**5 Investments**

	Shares in Subsidiary £	Loans to Subsidiary £	Total £
<b>Cost</b>			
At beginning and end of year	100	13,646,866	13,646,966
<b>Provisions</b>			
At beginning and end of year	-	1,128,032	1,128,032
<b>Net book value</b>			
At 31 December 2009	100	12,518,834	12,518,934
At 31 December 2010	100	12,518,834	12,518,934

The company in which the company's interest is more than 20% is:

Name	Country of Incorporation	Principal Activity	Percentage of Ordinary Shares held	Profit for the Year	Net Liabilities
Miller Developments Regeneration UK Ltd	UK	Property Development	100%	£39,441	£2,041,725

**6 Creditors: amounts falling due within one year**

	2010 £	2009 £
Other creditors	1,875	1,875

**7 Creditors: amounts falling due after one year**

	2010 £	2009 £
Loan due to shareholders	13,650,972	13,650,972

Although amounts due to the parent undertaking are technically repayable on demand, the company has received confirmation from the directors of the relevant parties that no repayment will be sought for at least 12 months from the date of approval of these financial statements.

**Notes (continued)**

**8 Called up share capital**

	2010 £	2009 £
<b>Authorised</b>		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>
	2010 £	2009 £
<b>Allocated, called up and unpaid</b>		
50 "A" Ordinary shares of £1 each	50	50
50 "B" Ordinary shares of £1 each	50	50
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

Only the A shares carry voting and distribution rights.

**9 Profit and loss account**

	Profit and loss account £
At beginning of year	(1,134,013)
Result for the year	-
	<u>(1,134,013)</u>
At end of year	<u><u>(1,134,013)</u></u>

**10 Reconciliation of movements in shareholders' deficit**

	2010	2009
Loss for the financial year	-	(81,166)
	<u>-</u>	<u>(81,166)</u>
Net decrease to shareholders deficit	-	(81,166)
Opening shareholders' deficit	(1,133,913)	(1,052,747)
	<u>(1,133,913)</u>	<u>(1,052,747)</u>
<b>Closing shareholders' deficit</b>	<u><u>(1,133,913)</u></u>	<u><u>(1,133,913)</u></u>

**Notes (continued)**

**11 Ultimate parent company.**

At 31 December 2010, the company's ultimate parent company is The Miller Group Limited. The Miller Group Limited is registered in Scotland and incorporated in the United Kingdom.

The largest group in which the results of the company are consolidated is that headed by The Miller Group Limited. The consolidated financial statements of The Miller Group Limited and the financial statements of Miller Developments Holdings Limited are available to the public and may be obtained from the Registrar of Companies, Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

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

**12 Post balance sheet events**

In February 2012 The Miller Group Limited (Miller BOS Limited's ultimate parent company) completed a restructuring of its existing banking facilities and secured significant new third party investment. As part of this process The Miller Group has undertaken an exercise to restructure the company's financial position from that shown in the balance sheet as at 31 December 2010.

As part of the refinancing of this company, the following intercompany loans were waived:

- Amounts due from Miller Developments Limited to Miller BOS Limited of £700,248.
- Amounts due from Miller Developments Holdings Limited to Miller BOS Limited of £11,766,760.
- Amounts due to The Miller Group Limited from Miller BOS Limited of £13,559,908.

Further transactions arose on the cancellation of share capital of a subsidiary company, Miller Developments Regeneration Limited.

- A dividend in specie from Miller Developments Regeneration Limited of £12,558,175 to Miller BOS Limited.
- A write down of investments in Miller Developments Regeneration Limited of £12,518,834.
- Transfer of investment share capital in Miller Developments Regeneration Limited of £100 to Miller Developments Holdings Limited

Set out below is a proforma Balance Sheet at 31 December 2010 of Miller BOS Limited, taking account of these transactions as if they had occurred at that date:

	<b>Proforma 2010 £</b>	<b>Reported 2010 £</b>
Investments	-	12,518,934
Debtors	100	-
<b>Creditors: amounts due in less than one year</b>	-	(1,875)
<b>Creditors: amounts due in more than one year</b>	-	(13,650,972)
<b>Net assets/(liabilities)</b>	<b>100</b>	<b>(1,133,913)</b>