Land and City Properties (Bollington) Limited

Directors' Report and Financial Statements

31 December 2012
Registered Number SC213825

Contents

Directors' Report

The directors have pleasure in presenting their report together with audited financial statements and independent auditor's report for the year ended 31 December 2012.

Principal activity

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

On 21 June 2013 the 'B' shares of the company were transferred from Clarence Mill Limited to Miller Residential Development Services Limited at par value of £500. As a result the company is now a 100% subsidiary of Miller Residential Developments Limited.

Results and dividends

The profit for the year ended 31 December 2012 is set out in the profit and loss account. The directors are unable to recommend the payment of a dividend (2011: £nil).

Directors

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

Ian Murdoch	
Julie Jackson	
Steve Birch	(appointed 3 May 2013)
Rupert A Beckwith-Moore	(resigned 3 May 2013)

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.

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
25 **September 2013**

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).

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 Land and City Properties (Bollington) Limited

We have audited the financial statements of Land and City Properties (Bollington) Limited for the year ended 31 December 2012 set out on pages 4 to 9. 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 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 web-site at www.frc.org.uk/apbauditscopeukprivate.

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 2012 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

26 **September 2013**

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

Profit and Loss Account
For the year ended 31 December 2012

		Note	**2012** **£**	2011 £
Turnover		*1*	**-**	-
Cost of sales	- recurring		**138,392**	(1,027,088)
	- exceptional		**1,025,000**	-
Gross profit / (loss)			**1,163,392**	(1,027,088)
Administrative expenses			**(2,395)**	(245)
Profit / (loss) on ordinary activities before taxation		*2*	**1,160,997**	(1,027,333)
Tax on profit / (loss) on ordinary activities		*3*	**-**	-
Profit / (loss) for the financial year		*8*	**1,160,997**	(1,027,333)

The notes on pages 6 to 9 form part of these financial statements.

There are no recognised gains or losses other than those disclosed above.

The results for the financial year have been derived from continuing activities.

Balance Sheet
As at 31 December 2012

	Note	**2012**	2011
		£	£
Current assets			
Stocks and work in progress	*4*	**1,086,132**	1,386,132
Debtors	*5*	**690,508**	3,500
Cash at bank		**2,078**	2,078
		1,778,718	1,391,710
Creditors: amounts falling due within one year	*6*	**(3,426,525)**	(4,200,514)
Net liabilities		**(1,647,807)**	(2,808,804)
Capital and reserves			
Called up share capital	*7*	**1,000**	1,000
Profit and loss account	*8*	**(1,648,807)**	(2,809,804)
Shareholders' deficit	*9*	**(1,647,807)**	(2,808,804)

The notes on pages 6 to 9 form part of these financial statements.

These financial statements were approved by the board of directors on 25 September 2013 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

The financial statements are prepared under the historical cost basis and in accordance with applicable Accounting Standards.

The financial statements have been prepared on the going concern basis, notwithstanding the net liabilities of £1,647,807 at the financial year end, which the directors believe to be appropriate for the following reasons.

The day to day working capital requirements of the company are funded via a loan from Miller Homes Limited, a fellow subsidiary of Miller Residential Development Services Limited. 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 company's fellow subsidiary undertaking, Miller Homes Limited, has indicated to the directors of the company that it will continue to make available to the company such funds as are necessary to enable it to continue to trade and to meet its liabilities as they fall due. This support will continue for at least the next twelve months from the date of approval of these financial statements.

Based upon the undertaking of financial support outlined above, 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. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement on the grounds that it qualifies as a small company.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation 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 the invoiced value of sales and other services provided to third parties during the period, exclusive of value added tax.

Notes *(continued)*

1. Accounting policies *(continued)*

Development work in progress

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

2. Profit on ordinary activities before taxation

	2012	2011
	£	£
This is stated after charging / (crediting):		
Auditor remuneration:		
Audit of these financial statements	**500**	500
Amounts receivable by the auditor and their associates in respect of:		
Other services relating to taxation	**380**	370
Exceptional items:		
Write down of land and housing stock	**300,000**	-
Proceeds from settlement agreement	**(1,325,000)**	-

The settlement agreement was reached with a contractor following certain construction issues that were identified and that required extensive remedial work to rectify.

The company has no employees (2011: nil). The directors did not receive any remuneration from the company during the year (2011: £nil).

3. Taxation

Analysis of credit for the year

	2012	2011
	£	£
UK corporation tax		
Total current tax credit	-	-

Factors affecting tax credit for the year
The current tax credit for the year is lower (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.25%).

	2012	2011
	£	£
Current tax reconciliation		
Profit / (loss) on ordinary activities before tax	**1,160,997**	(1,027,333)
Current tax at 24.5% (2011: 26.25%)	**284,444**	(269,675)
Effect of:		
Current year losses for which no deferred tax is recognised	-	269,675
Utilisation of tax losses brought forward	**(284,444)**	-
Total current tax credit	-	-

Notes *(continued)*

3. Taxation *(continued)*

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge accordingly.

There are tax losses carried forward of £1,418,000 (2011: £2,579,000) in respect of which no deferred tax asset has been recognised because it is not possible to confirm with reasonable assurance that sufficient future taxable profit will be available against which the company can utilise its tax losses.

4. Stocks and work in progress

	2012	2011
	£	£
Work in progress	**1,086,132**	1,386,132

5. Debtors

	2012	2011
	£	£
Amounts owed by parent undertakings	**1,500**	3,500
Taxation and social security	**17,782**	-
Prepayments	**8,726**	-
Other debtors	**662,500**	-
	690,508	3,500

6. Creditors: amounts falling due within one year

	2012	2011
	£	£
Amounts owed to parent undertakings	**2,269,090**	1,991,316
Amounts owed to related undertakings	**753,243**	1,417,743
Accruals and deferred income	**404,192**	791,455
	3,426,525	4,200,514

Notes *(continued)*

7. Called up share capital

	2012	2011
	£	£
Authorised, allotted and fully paid		
500 Ordinary 'A' shares of £1 each	**500**	500
500 Ordinary 'B shares of £1 each	**500**	500
	1,000	1,000

Both "A" and "B" shares have the same voting rights and rank pari passu as set out in the Memorandum and Articles of Association of the company.

8. Profit and loss account

	2012	2011
	£	£
At beginning of year	**(2,809,804)**	(1,782,471)
Profit/(loss) for the year	**1,160,997**	(1,027,333)
At end of year	**(1,648,807)**	(2,809,804)

9. Reconciliation of movements in shareholders' deficit

	2012	2011
	£	£
Shareholders' deficit at beginning of year	**(2,808,804)**	(1,781,471)
Profit/(loss) for the year	**1,160,997**	(1,027,333)
Shareholders' deficit at end of year	**(1,647,807)**	(2,808,804)

10. Related party disclosures

The company was controlled jointly during the year by Miller Residential Development Services Limited and Clarence Mill Limited - refer to note 11 on Post Balance Sheet events.

Where amounts payable to shareholders are not at market value, the shareholders reimburse/ receive payment from the company for an amount equivalent to the corporation tax payable/ receivable in respect of the difference.

During the year, £277,773 (2011: £984,040) of expenses were paid by Miller Residential Development Services Limited on behalf of the company. At the year end £2,269,090 (2011: £1,991,316) and £753,243 (2011: £1,417,743) were owed to Miller Residential Development Services Limited and Miller Homes Limited respectively. At the year end £1,500 (2011: £3,500) was owed by Clarence Mill Limited.

11. Post Balance Sheet event

On 21 June 2013 the 'B' shares of the company were transferred from Clarence Mill Limited to Miller Residential Development Services Limited at par value of £500. As a result the company is now a 100% subsidiary of Miller Residential Development Services Limited.