

Land & City Properties (Bollington) Limited

Directors' Report and Financial Statements

31 December 2016

Registered Number SC213825



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Directors' Report

The directors have pleasure in presenting their report and audited financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is that of residential property development. The company sold its final unit in September 2015.

Results and dividends

The profit for the year ended 31 December 2016 is set out in the profit and loss account on page 4. The directors are unable to recommend the payment of a dividend (2015: £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

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



Ian Murdoch
Director
05 September 2017

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; 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 & City Properties (Bollington) Limited

We have audited the financial statements of Land & City Properties (Bollington) Limited for the year ended 31 December 2016 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 2016 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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

05 September 2017

Profit and Loss Account and Other Comprehensive Income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	1	15,634	36,689
Cost of sales		-	-
Gross profit		15,634	36,689
Administrative expenses		(51)	(1,013)
Profit on ordinary activities before taxation	2	15,583	35,676
Tax on profit on ordinary activities	3	-	-
Profit for the financial year		15,583	35,676

There are no recognised items of Other Comprehensive Income other than those disclosed above.

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

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

Statement of Changes in Equity

For the year ended 31 December 2016

	Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2015	1,000	(1,252,108)	(1,251,108)
Profit for the year	-	35,676	35,676
Balance at 31 December 2015	1,000	(1,216,432)	(1,215,432)
Profit for the year	-	15,583	15,583
Balance at 31 December 2016	1,000	(1,200,849)	(1,199,849)

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

Balance Sheet

As at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Cash at bank		26,406	11,227
		<u>26,406</u>	<u>11,227</u>
Creditors: amounts falling due within one year	5	(1,226,255)	(1,226,659)
Net liabilities		<u>(1,199,849)</u>	<u>(1,215,432)</u>
Capital and reserves			
Called up share capital	6	1,000	1,000
Profit and loss account		(1,200,849)	(1,216,432)
Equity shareholders' deficit		<u>(1,199,849)</u>	<u>(1,215,432)</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 05 September 2017 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

Land & City Properties (Bollington) 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 amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

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.

Measurement convention

The financial statements are prepared on the historical cost basis.

Notes (continued)

1. Accounting policies (continued)

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the net liabilities of £1,199,849 (2015: £1,215,432) 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 Land & City Properties (Bollington) Limited. 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 in the going concern basis of preparation being inappropriate.

Basis of accounting

As the company's results are consolidated within its ultimate parent company, The Miller Homes Group (UK) Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 102 section 33 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

Basic financial instruments

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 instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

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)

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.

2. Expenses and auditor's remuneration

	2016 £	2015 £
<i>This is stated after charging:</i>		
<i>Auditor remuneration:</i>		
Audit of these financial statements	-	2,000
<i>Amounts receivable by the auditor and their associates in respect of:</i>		
Other services relating to taxation	-	400

Auditor's remuneration of £2,000 has been borne by Miller Homes Limited, a fellow subsidiary company, during the year.

Notes (continued)

3. Taxation

Analysis of charge for the year

	2016 £	2015 £
UK corporation tax		
Total current tax charge	-	-
Tax charge for the year	-	-

Factors affecting tax charge for the year

The current tax charge for the year is lower (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%).

	2016 £	2015 £
Tax reconciliation		
Profit for the year before taxation	15,583	35,676
Total tax charge	-	-
Profit excluding tax	15,583	35,676
Current tax at 20% (2015: 20.25%)	3,117	7,224
<i>Effect of:</i>		
Group relief claimed at nil consideration	(3,117)	(7,224)
Total tax charge	-	-

Current tax has been charged at 20% (2015: 20.25%) in the reconciliation above. The corporate tax rate reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. It will reduce to 19% from 1 April 2017 and to 17% from 1 April 2020.

The future corporate tax rate of 19% (2015: 19%) is applied to deferred tax, except for temporary differences expected to reverse before this rate becomes effective.

4. Director and staff costs

The company has no employees (2015: nil). The directors did not receive any remuneration from the company during the year (2015: £nil).

5. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to parent undertakings	922,847	898,492
Accruals and deferred income	303,348	327,958
Other taxes	60	209
	1,226,255	1,226,659

Notes (continued)

6. Called up share capital

	2016 £	2015 £
<i>Allotted and fully paid</i>		
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.

7. 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.

8. Immediate and ultimate parent company

The company's immediate parent company is Miller Residential Development Services 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.