

Miller Developments (Warriston Road) Limited

Directors' report and financial statements

For the year ended 31 December 2010

Registered number SC245711

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Directors' report

The directors have pleasure in submitting their annual report and audited financial statements for the year ended 31 December 2010.

Principal activities

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

Results

The profit for the year was £172,572 (2009: profit £148,018). 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

David Milloy

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

Miller House
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.



Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Miller Developments (Warriston Road) Limited

We have audited the financial statements of Miller Developments (Warriston Road) 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

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 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
(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**

	Note	2010 £	2009 £
Turnover	1	208,481	209,100
Cost of sales		-	-
Gross profit		208,481	209,100
Administrative expenses		19,961	(3)
Operating profit		228,442	209,097
Interest receivable	4	-	82
Interest payable	5	(55,870)	(61,161)
Profit on ordinary activities before taxation	2	172,572	148,018
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	12	172,572	148,018

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

The profit 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

	Notes	2010 £	2009 £
Current assets			
Stocks	7	2,456,250	2,456,250
Debtors	8	1	1
Cash at bank		59,281	133,843
		<u>2,515,532</u>	<u>2,590,094</u>
Creditors: amounts falling due within one year	9	<u>(2,590,326)</u>	<u>(180,610)</u>
Net current (liabilities)/assets		<u>(74,794)</u>	<u>2,409,484</u>
Creditors: amounts falling due after one year	10	-	(2,656,850)
Net liabilities		<u>(74,794)</u>	<u>(247,366)</u>
Capital and reserves			
Called up share capital	11	1	1
Profit and loss account	12	(74,795)	(247,367)
Shareholders' deficit	13	<u>(74,794)</u>	<u>(247,366)</u>

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.

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

The financial statements have been prepared on the going concern basis. The directors believe this to be appropriate as on 16th December 2011, the company sold its development work in progress which allowed the company to fully repay the bank loan and all amounts due to Group Companies (see note 15).

As the company is a wholly owned subsidiary of The Miller Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of The Miller Group Limited, within which the company is included, can be obtained from the address shown in note 14.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard number 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.

Stocks

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

Taxation

The charge for taxation is based on the profit 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.

Turnover

Turnover comprises income received from the rental of commercial property and excludes value added tax. Turnover arises entirely in the United Kingdom.

Notes (continued)

2 Profit on ordinary activities before taxation

Auditor's remuneration is paid by the immediate parent company, Miller Developments Limited, and are disclosed in the accounts of that company.

3 Remuneration of directors and employees

There were no emoluments paid to the directors during the year. (2009: nil) There were no employee costs during the year. (2009: nil)

4 Interest receivable

	2010 £	2009 £
Bank interest	-	82
	<u> </u>	<u> </u>

5 Interest payable

	2010 £	2009 £
Bank interest payable	55,870	61,161
	<u> </u>	<u> </u>

6 Taxation

Analysis of charge in year

	2010 £	2009 £
UK corporation tax		
Current tax on income for the year	-	-
	<u> </u>	<u> </u>
Total current tax	<u> </u>	<u> </u>

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower than (2009: lower than) the standard rate of corporation tax in the UK 28% (2009: 28%). The differences are explained below:

	2010 £	2009 £
Current tax reconciliation		
Profit on ordinary activities before tax	172,572	148,018
	<hr/>	<hr/>
Current tax at 28% (2009: 28%)	48,320	41,445
Effects of:		
Group relief received for nil consideration	(48,320)	(41,445)
	<hr/>	<hr/>
Total current tax charge	-	-
	<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.

7 Stocks

	2010 £	2009 £
Development work in progress	2,456,250	2,456,250
	<hr/>	<hr/>

The property was sold in December 2011 (note 15).

8 Debtors

	2010 £	2009 £
Other debtors	1	1
	<hr/>	<hr/>

Notes (continued)

9 Creditors: amounts falling due within one year

	2010 £	2009 £
Bank loan (secured)	1,675,000	100,000
Accruals and deferred income	48,828	72,770
Other taxes and social security costs	9,148	7,840
Amounts due to parent undertaking	857,350	-
	<u>2,590,326</u>	<u>180,610</u>

The bank loan and amounts due to parent undertaking were repaid in full in December 2011.

10 Creditors: amounts falling due after one year

	2010 £	2009 £
Bank loan (secured)	-	1,800,000
Amounts due to parent undertaking	-	856,850
	<u>-</u>	<u>2,656,850</u>

Analysis of Debt

Debt can be analysed as falling due:

	2010 £	2009 £
Less than one year	1,675,000	100,000
Between 1 and 2 years	-	1,800,000
Bank Loan (secured)	<u>1,675,000</u>	<u>1,900,000</u>

11 Share capital

	2010 £	2009 £
Authorised, allotted, called up and unpaid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

Notes (continued)

12 Profit and loss account

	2010 £
At beginning of year	(247,367)
Profit for the year	172,572
	<hr/>
At end of year	(74,795)
	<hr/>

13 Reconciliation of movements in shareholders' deficit

	2010	2009
Profit for the year	172,572	148,018
Opening shareholders' deficit	(247,366)	(395,384)
	<hr/>	<hr/>
Closing shareholders' deficit	(74,794)	(247,366)
	<hr/>	<hr/>

14 Immediate and ultimate parent company.

At 31 December 2010, the company's immediate parent company is Miller Developments Limited and its ultimate parent company is The Miller Group Limited. Both companies are 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 Limited 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 controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

15 Post Balance Sheet event

On 16th December 2011, the company sold its development work in progress, comprising one retail warehouse property in Warriston Road, Edinburgh. The sales proceeds allowed for repayment of the bank loan and amounts due to the company's parent undertaking in full.