

# **Miller Homes Holdings Limited**

## **Annual report and financial statements**

For the year ended 31 December 2018  
Registered number SC255430

**COMPANIES HOUSE  
EDINBURGH**

**04 SEP 2019**

**FRONT DESK**



## **Contents**

Strategic report	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditor's report to the members of Miller Homes Holdings Limited	4
Profit and loss account and Other comprehensive income	7
Statement of changes in equity	8
Balance sheet	9
Notes	10

## **Strategic report**

The directors have pleasure in presenting their annual report and audited financial statements for the period ended 31 December 2018.

### **Business review**

The principal activity of the company is that of an intermediary holding company.

### **Principal risks and uncertainties**

Miller Homes Holdings Limited ("the company") is part of the Miller Homes Group Limited ("MHGL") group. The directors are of the opinion that there is no difference between the principal risks and uncertainties between the company and MHGL. The principal risks and uncertainties of MHGL have been reported in the financial statements of MHGL, which can be obtained from the address as detailed in note 9.

### **Key performance indicators**

The directors do not believe that an analysis using key performance indicators would enhance the understanding of the users of these financial statements, given the simplicity of the financial statements.

By order of the Board



**Julie M Jackson**  
**Company Secretary**  
**29 August 2019**

Miller House  
2 Lochside View  
Edinburgh  
EH12 9DH

## **Directors' report**

### **Principal activity**

The principal activity of the company is that of an intermediary holding company.

### **Results and dividends**

The loss for the year ended 31 December 2018 is set out in the profit and loss account on page 7. The directors do not recommend the payment of a dividend (2017: £nil).

### **Directors**

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

Christopher Endsor  
Julie M Jackson  
Ian Murdoch  
Darren Jones  
Stewart Lynes  
Scott Chamberlin (appointed 31 July 2018)


### **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.

By order of the Board



Julie Jackson  
Company Secretary  
29 August 2019

Miller House  
2 Lochside View  
Edinburgh  
EH12 9DH

## **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic report, 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 101 *Reduced Disclosure Framework*.

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 Homes Holdings Limited**

### **Opinion**

We have audited the financial statements of Miller Homes Holdings Limited ("the company") for the year ended 31 December 2018 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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.

### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the valuation of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **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, including the impact of Brexit, 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.

## **Independent auditor's report to the members of Miller Homes Holdings Limited (continued)**

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.

### **Strategic report and Directors' report**

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and 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 Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

### **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 3, 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](http://www.frc.org.uk/auditorsresponsibilities).

## **Independent auditor's report to the members of Miller Homes Holdings Limited (continued)**

### **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.



**Hugh Harvie (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
20 Castle Terrace, Edinburgh, EH1 2EG  
3 September 2019



## Profit and loss account and Other comprehensive income

For the year ended 31 December 2018

	<i>Note</i>	<b>2018 £m</b>	<b>2017 £m</b>
Administrative expenses		-	0.1
<b>Operating profit</b>		-	0.1
Finance costs	3	(7.7)	(7.7)
Finance income	4	0.8	0.8
<b>Loss before taxation</b>	2	(6.9)	(6.8)
Taxation	5	-	-
<b>Loss for the financial period</b>		<b>(6.9)</b>	<b>(6.8)</b>

There are no items of other comprehensive income other than those disclosed above.

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

The notes on pages 10 to 14 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2018

	Share capital £m	Retained earnings £m	Total £m
Balance at 31 December 2016	125.0	20.1	145.1
Loss for the year	-	(6.8)	(6.8)
Share based payments	-	2.8	2.8
Balance at 31 December 2017	125.0	16.1	141.1
Loss for the year	-	(6.9)	(6.9)
<b>Balance at 31 December 2018</b>	<b>125.0</b>	<b>9.2</b>	<b>134.2</b>

The notes on pages 10 to 14 form part of these financial statements.

## Balance sheet

As at 31 December 2018

	<i>Note</i>	<b>2018 £m</b>	<b>2017 £m</b>
<b>Fixed assets</b>			
Investments	6	361.6	367.0
<b>Current liabilities</b>			
Creditors – amounts falling due in less than one year	7	(227.4)	(225.9)
<b>Net assets</b>		<b>134.2</b>	<b>141.1</b>
<b>Capital and reserves</b>			
Called up share capital	8	125.0	125.0
Profit and loss account		9.2	16.1
<b>Equity shareholders' funds</b>		<b>134.2</b>	<b>141.1</b>

The notes on pages 10 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 29 August 2019 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***

Miller Homes Holdings Limited is a private company incorporated and domiciled in the UK. The registered number is SC255430 and the registered address is, Miller House, 2 Lochside View, Edinburgh, EH12 9DH.

These financial statements were prepared in accordance with FRS 101 *Reduced Disclosure Framework*.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards (IFRSs) as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- disclosures in respect of related party transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and

As the consolidated financial statements of Miller Homes Group Limited include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures*:

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

The company is exempt by virtue of section 400 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.

#### ***Measurement convention***

The financial statements are prepared on the historical cost basis.

#### ***Going concern***

The financial statements have been prepared under the going concern basis, notwithstanding the loss of £6.9m incurred end, which the directors believe to be appropriate for the following reasons.

## Notes (continued)

### 1. Accounting policies (continued)

#### **Going concern**

Miller Homes Limited have indicated to the directors of the company that they will continue to make available to the company such funds as are necessary to enable it to continue to meet its liabilities as they fall due. As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

#### **Taxation**

Tax on the profit or loss for the period 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 period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

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 instrument for 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

Auditor's remuneration of £2,500 was borne by Miller Homes Limited.

The company has no employees (2017: nil). The directors did not receive any remuneration from the company during the period (2017: £nil).

### 3. Finance costs

	2018 £m	2017 £m
Interest payable on intercompany loan	7.7	7.7

### 4. Finance income

	2018 £m	2017 £m
Interest receivable on loans to joint ventures	0.8	0.8

### 5. Taxation

	2018 £m	2017 £m
Analysis of credit for the year		

#### **UK corporation tax**

Total current tax credit	-	-
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Tax credit for the year	-	-
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	2018 £m	2017 £m
Reconciliation of effective tax rate:		

Loss before tax	6.9	6.8
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Tax using the UK Corporate tax rate of 19%	1.3	1.3
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Effects of:

Group relief surrendered for nil consideration	(1.3)	(1.3)
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Total credit for the year	-	-
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The corporate tax rate will reduce to 17% from 1 April 2020.

## Notes (continued)

### 6. Investments

	2018 £m	2017 £m
Investments in joint ventures	11.5	16.9
Investments in subsidiaries	350.1	350.1
	<b>361.6</b>	<b>367.0</b>
Joint ventures:	2018 £m	2017 £m
At beginning of year	16.9	19.5
Movement in shareholder loans	(5.4)	(2.6)
At end of year	<b>11.5</b>	<b>16.9</b>

The principal investments of the company as at 31 December 2018 were:

	Share type	Principal activities	Share Holding
Miller Homes Limited	Ordinary	Residential housebuilding	100%
Miller Wates (Didcot) Limited	Ordinary	Residential housebuilding	50%
Miller Wates (Southwater) Limited	Ordinary	Residential housebuilding	50%
Miller Wates (Wallingford) Limited	Ordinary	Residential housebuilding	50%
Miller Wates (Bracklesham) Limited	Ordinary	Residential housebuilding	50%
Miller Wates (Chalgrove) Limited	Ordinary	Residential housebuilding	50%

The registered address of Miller Homes Limited is Miller House, 2 Lochside View, Edinburgh, EH12 9DH. The registered address for all other companies listed above is 2 Centro Place, Pride Park, Derby, DE24 8 RF.

### 7. Creditors: amounts falling due in less than one year

	2018 £m	2017 £m
Amounts owed to subsidiary company	<b>227.4</b>	<b>225.9</b>

### 8. Called up shared capital

	2018 £m	2017 £m
Allotted and fully paid:		
125,000,000 ordinary shares of £1	<b>125.0</b>	<b>125.0</b>

## Notes (continued)

### 9. Immediate and ultimate parent company

The company's immediate parent company is Miller Homes Group Holdings plc. The company's ultimate parent company is Miller Homes Group Limited. Both companies are registered and incorporated in the United Kingdom.

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 both companies 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.

### 10. 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.

### 11. Related party transactions

	2018 £m	2017 £m
Amounts owed to Miller Homes Holdings Limited from joint ventures in respect of outstanding loans	11.5	16.9
Transactions between the company and joint ventures in respect of interest receivable on loans	0.8	0.8