

Miller (Gainsborough) Limited

Directors' report and financial statements

For the year ending 31 December 2012

Registered number SC392759

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Directors' report

The directors present their report and the audited financial statements for the year 31 December 2012

Principal activity and business review

The property previously held in work in progress was sold in 2011, and the company is continuing to complete contractual obligations in relation to that sale. The directors continue to look for new opportunities.

Results and dividends

The company made a profit for the year of £81 (2011: £601,783).

A dividend of £70,000 was paid in the year (2011: £514,850).

Directors

The directors who held office during the year and to the date of signing were as follows:

Phil Miller

David Milloy

Andrew Sutherland

Donald Borland

Euan Haggerty

John Richards (appointed 10 February 2012)

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 they ought to have taken as a director to make themselves 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



Phil Miller
Director

19 April 2013

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 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.

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
United Kingdom

Independent auditor's report to the members of Miller (Gainsborough) Limited

We have audited the financial statements of Miller (Gainsborough) 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 (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 Financial Reporting Council's web-site 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 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; or



Hugh Harvie
(Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

25.4.2013

**Profit and loss account
 for the year to 31 December 2012**

		2012 £	Period from 2 February 2011 To 31 December 2011 £
	<i>Note</i>		
Turnover	1	-	4,552,544
Cost of sales		-	(3,872,621)
Gross profit		-	679,923
Administrative expenses		(2)	(42)
Operating (loss)/profit		(2)	679,881
Interest receivable	4	83	2,008
Interest payable	5	-	(80,106)
Profit on ordinary activities before taxation	2	81	601,783
Tax on profit on ordinary activities	6	-	-
Profit for the financial year	11	81	601,783

The company has no recognised gains or losses other than those stated above for the financial year.

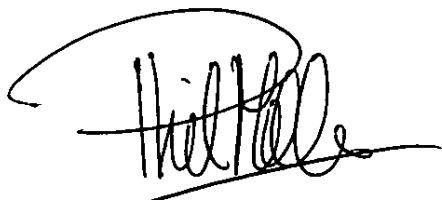
The notes on pages 6 to 9 form part of these financial statements.

Balance sheet
As at 31 December 2012

	Note	2012 £	2011 £
Current assets			
Debtors	7	40,131	101,915
Bank		21,101	32,287
		<u>61,232</u>	<u>134,202</u>
Creditors: amounts falling due within one year	8	<u>(44,217)</u>	<u>(47,268)</u>
Net assets		<u>17,015</u>	<u>86,934</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	17,014	86,933
Shareholders' funds	11	<u>17,015</u>	<u>86,934</u>

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

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



Phil Miller
 Director



Euan Haggerty
 Director

19 April 2013

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.

After making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to enable it to continue in operational existence for the foreseeable future and to continue to settle its debts as they fall due for payment. Accordingly, the directors continue to adopt the going concern basis in preparing the company's annual financial statements.

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

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 13

Turnover

Turnover represents development sales and excludes value added tax. Turnover arises entirely in the United Kingdom.

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. Deferred tax assets are recognised to the extent that these accounts are recoverable.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability as 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.

Notes (continued)

2 Profit 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 (2011: nil). There were no employees or staff costs during the year (2011: nil).

4 Interest receivable

		Period from 2 February 2011 To 31 December 2011 £
	2012 £	
Bank interest	81	725
Other	-	1,283
	<u>81</u>	<u>2,008</u>

5 Interest payable

		Period from 2 February 2011 To 31 December 2011 £
	2012 £	
Other	-	80,106
	<u>-</u>	<u>80,106</u>

6 Taxation

UK corporation tax

		Period from 2 February 2011 To 31 December 2011 £
	2012 £	
Current tax on profit for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Notes (continued)

Factors affecting the tax charge for the current year

Current tax is lower than (2011: lower than) the standard rate of corporation tax in the UK 24.5 % (2011: 26.5%). The differences are explained below:

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	81	601,783
	<hr/>	<hr/>
Current tax at 24.5 %	20	59,472
Effects of:		
Group relief received for nil consideration	(20)	(159,472)
	<hr/>	<hr/>
Total current tax (see above)	-	-
	<hr/>	<hr/>

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 reduced 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.

7 Debtors

	2012 £	2011 £
Other debtors	40,131	101,915
	<hr/>	<hr/>

8 Creditors: amounts falling due within one year

	2012 £	2011 £
Other creditors	44,217	47,268
	<hr/>	<hr/>

9 Called up share capital

	2012 £	2011 £
<i>Authorised, allotted, called up and fully paid</i>		
Ordinary share of £1 each	1	1
	<hr/>	<hr/>

Notes (continued)

10 Profit and loss account

	Profit and loss account £
At beginning of year	86,933
Profit for the year	81
Dividend paid	(70,000)
	<hr/>
At end of year	17,014
	<hr/>

11 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Share capital subscribed	-	1
Profit for year	81	601,783
Dividend paid	(70,000)	(514,850)
Opening shareholders' funds	86,934	-
	<hr/>	<hr/>
Closing shareholders' funds	17,015	86,934
	<hr/>	<hr/>

12 Contingent liabilities.

In February 2012, The Miller Group Limited completed a restructuring of its existing bank facilities and secured significant new third party investment. The company, along with certain fellow subsidiaries is a joint guarantor of the new bank facilities.

The Group's banks have security by way of a debenture over the whole assets and undertakings of the company.

13 Ultimate parent company

At 31 December 2012, the company's immediate parent company is Miller Developments Holdings Limited and its ultimate parent company is The Miller Group Limited. Miller Developments Holdings Limited is registered in England. The Miller Group Limited is registered in Scotland and both are 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, 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.