

TMGL Holdings Limited

Annual report and financial statements

For the year ended 31 December 2015

Registered number SC412598



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2015.

Principal activity

The company is a holding company.

During the year the company transferred its shareholding in MDL Investments Limited along with its subsidiaries, which together comprise the Miller Developments business, to its parent The Miller Group (UK) Ltd, recording a gain on disposal of £34.7m.

Results and Dividends

The company made a profit of £25.1m (2014: £0.5m) in the year.

Directors

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

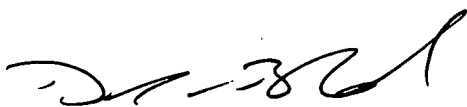
Keith M Miller (resigned 31 March 2015)
Donald Borland
Christopher Endsor (appointed 10 March 2015)

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



Donald Borland

Director
31 March 2016

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), 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;
- 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 TMGL Holdings Limited

We have audited the financial statements of TMGL Holdings for the year ended 31 December 2015 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is 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 2015 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 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
- 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
31 March 2016

Profit and loss account
for the year ended 31 December 2015

	Note	2015 £000	2014 £000
Administrative expenses - Normal		(1,508)	485
Administrative expenses – Exceptional	3	(9,828)	-
Operating (loss)/profit		<u>(11,336)</u>	<u>485</u>
Gain on sale of investments		<u>34,727</u>	<u>-</u>
		<u>23,391</u>	<u>485</u>
Interest	4	<u>67</u>	<u>-</u>
Profit on ordinary activities before taxation		<u>23,458</u>	<u>485</u>
Taxation	5	<u>1,678</u>	<u>-</u>
Profit for the financial year		<u><u>25,136</u></u>	<u><u>485</u></u>

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

The notes on pages 7 to 12 form part of these financial statements.


Balance sheet

As at 31 December 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible assets	6	-	26
Investments	7	<u>125,000</u>	<u>135,289</u>
		125,000	135,315
Current assets			
Debtors:			
Due within one year	8	6,464	25,709
Due after more than one year	8	21,445	-
Bank		<u>4,116</u>	<u>-</u>
		32,025	25,709
Creditors: amounts falling due within one year	9	<u>(57,892)</u>	<u>(108,580)</u>
Net current liabilities		(25,867)	(82,871)
Total assets less current liabilities		99,133	52,444
Creditors: amounts falling due after more than one year	10	<u>(21,553)</u>	<u>-</u>
Net assets		<u>77,580</u>	<u>52,444</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium		50,304	50,304
Profit and loss account		<u>27,276</u>	<u>2,140</u>
Shareholders' funds		<u>77,580</u>	<u>52,444</u>

The notes on pages 7 to 12 form part of these financial statements.

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



Donald Borland

Director

31 March 2016

Statement of Changes in Equity

	Called up Share capital	Share Premium account	Profit & loss account	Total shareholders' equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2014	-	40,004	124,655	164,659
Total comprehensive income for the period				
Profit for the year	-	-	485	485
Total comprehensive income for the period	-	-	485	485
Issue of shares	-	10,300	-	10,300
Dividends	-	-	(123,000)	(123,000)
Balance at 31 December 2014	-	50,304	2,140	52,444
Balance at 1 January 2015	-	50,304	2,140	52,444
Total comprehensive income for the period				
Profit for the year	-	-	25,136	25,136
Total comprehensive income for the period	-	-	25,136	25,136
Balance at 31 December 2015	-	50,304	27,276	77,580

Notes

(forming part of the financial statements)

1. Accounting policies

TMGL Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 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.

These 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 and effective immediately have been applied.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, TMGUK includes the Company in its consolidated financial statements. The Consolidated financial statements of TMGUK are available to the public and may be obtained from the address provided in Note 12. 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 disclosure:

- Cash flow Statement and related notes
- 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.

Basis of preparation

The financial statements have been prepared on the going concern basis, which the directors believe to be appropriate for the following reasons. The day to day working capital requirements of the company are provided through funds provided by its principal subsidiary company, Miller Homes Limited. The directors of Miller Homes Limited have indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company, and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities 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. Based on this support the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Taxation

The charge for taxation is based on the profit or loss 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 tax is recognised, without discounting, in respect of all timing differences (including past trading losses) which have arisen but not reversed by the balance sheet date.

Investments

Investments are stated at cost less provision for permanent impairment.

2. Expenses and auditor's remuneration

Auditor remuneration of £1,000 (2014: £1,000) was borne by the ultimate parent company, The Miller Group (UK) Limited, during the year.

No directors received remuneration from the company in respect of their services during the year. The directors are also directors of the ultimate parent company, The Miller Group (UK) Limited, and their remuneration for services to the group is disclosed in the Group accounts. It is impractical to allocate their remuneration to individual group companies.

3. Exceptional Items

	2015 £000	2014 £000
Waiver of loan to subsidiary undertaking	8,148	-
Restructuring costs	1,680	-
	<u>9,828</u>	<u>-</u>

4. Interest

	2015 £000	2014 £000
<u>Interest Payable</u>		
Shareholder loan interest	(1,553)	-
<u>Interest Receivable</u>		
Interest on loan to subsidiary undertaking	1,445	-
Other Interest receivable	175	-
Net interest expense	<u>67</u>	<u>-</u>

5. Taxation

	2015 £000	2014 £000
<i>Analysis of charge in the year</i>		
<i>UK corporation tax</i>		
Prior year credit	778	-
Deferred tax	900	-
	<u>1,678</u>	<u>-</u>

The current tax credit for the year is higher (2014: lower) than the standard rate of corporation tax in the UK of 20.25% (2014: 21.5 %). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u>23,458</u>	<u>485</u>
Current tax at 20.25% (2014: 21.5 %)	(4,750)	(104)
Non-taxable income	7,430	-
Non-deductible expenses	(1,721)	-
Group relief received for nil consideration	-	104
Prior year credit	778	-
Effect of change in rate	(59)	-
Total corporation tax credit	<u>1,678</u>	<u>-</u>

5. Taxation (continued)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016.

These reductions will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 December 2015.

6. Fixed assets

	Cost £000	Depreciation £000	Net book value £000
Fixtures and fittings			
At start of year	81	(55)	26
Depreciation provided in year	-	(12)	(12)
Disposals in year	(81)	67	(14)
At end of year	-	-	-

7. Investments

Shares in subsidiary undertakings

	Cost £000
At start of year	135,289
Disposals	(10,289)
At end of year	<u>125,000</u>

The principal undertakings in which the Company's interests at the year end are more than 20% are as follows:

	Principal activities	Country of registration	Share capital %
Miller Homes Holdings Limited	Residential development	Scotland	100
Miller Homes Limited	Residential development	Scotland	100

8. Debtors

Due within one year

	2015 £000	2014 £000
Other debtors	944	1,546
Deferred Taxation	900	-
Amounts due from Group companies	<u>4,620</u>	<u>24,163</u>
	<u>6,464</u>	<u>25,709</u>

Due after more than one year

	2015 £000	2014 £000
Amounts due from Group companies	<u>21,445</u>	<u>-</u>

8. Debtors (continued)

Deferred tax

	2015 £'000	2014 £'000
At beginning of year	-	-
Credit in year	900	-
At end of year	900	-

The elements of the deferred tax balance calculated at 19% (2014: 20%) are as follows:

	2015 £'000	2014 £'000
Tax losses	900	-
At end of year	900	-

9 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Amounts due to Group companies	54,829	100,182
Accruals	3,009	6,927
Corporation tax	-	780
Other taxes and social security	54	288
Other creditors	-	381
Bank overdraft	-	22
	<u>57,892</u>	<u>108,580</u>

10. Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Loan from shareholders	<u>21,553</u>	<u>-</u>

During the year the company received a loan of £20m from certain shareholders of the ultimate parent company, The Miller Group (UK) Limited. The loan is for a 5 year term and bears interest at 15% per annum, payable on redemption. Proceeds from the loan were lent on to the company's principal trading subsidiary, Miller Homes Limited, in equivalent terms.

11. Share capital

	2015	2014
Authorised and issued	£	£
Ordinary shares of £1 each	4	4

12. Immediate and ultimate parent company

At 31 December 2015, the company's ultimate parent company is The Miller Group (UK) Limited. The company is 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 (UK) Limited. The consolidated financial statements of The Miller Group (UK) 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.

13. Group Companies

In accordance with Section 409 of the Companies Act 2006 a full list of subsidiaries, associates and joint ventures and the effective percentage of equity owned as at 31 December 2015 are disclosed below. All companies are incorporated in the United Kingdom unless indicated below and engaged in housebuilding, commercial property and mining operations.

Directly held subsidiaries of the Company

Miller Homes Holdings Limited
Miller Homes UK plc
Grain Holdco Limited
L Williams & Co Limited
Construction Holdco 1 Limited
The Miller Group Limited
Miller Mining Limited
JH&L Coal Inc (Indiana, USA)
James Miller & Partners Inc (Delaware USA)
Miller Developments (South Wales) Limited

Indirectly held subsidiaries, associates and joint ventures

Miller Homes - Subsidiaries (all 100%)

Miller Homes Limited
Ballchart Limited
Belsco 1011 Limited
Belsco 1012 Limited
Birch Limited
Birch Commercial Limited
Arwinrise Limited
Cussins Homes (Yorks) Limited
Dinebrief Limited
Highfields Developments Limited
Emerald Shared Equity Limited
James Miller & Partners Limited
Lemington Estates Limited
Miller (Barrow) Limited

Miller Homes - Subsidiaries (all 100%)

Miller Homes (West Midlands) Limited
Miller Homes (Yorkshire) Limited
Miller Homes Cambridge Limited
Miller Homes Cambuslang Limited
Miller Homes City Quay Limited
Miller Homes Northern Limited
Miller Homes Special Projects Portfolio Limited
Miller (Eccles) Limited
Miller (Telford South) Limited
Miller Homes St Neots Limited
Miller Homes Two Limited
Miller Maidenhead Limited
Miller Residential (Northern) Limited
Miller Shared Equity Limited

Miller Homes - Subsidiaries (all 100%)

Miller (Cobblers Hall) Limited
Miller (Telford North) Limited
Miller Airdrie Limited
Miller City Centre Limited
Miller East Kilbride Limited
Miller Framwellgate Limited
Miller Fullwood Limited
Miller Gadsby (Burton Albion) Limited
Miller Homes (East Midlands) Limited
Miller Homes (Moor Allerton) Limited
Miller Homes (North East) Limited
Miller Homes (North West) Limited
Miller Homes (Scotland East) Limited
Miller Homes (Scotland West) Limited
Miller Homes (St Helens) Limited

Miller Homes - Joint ventures (all 50%)

St Andrews Brae Developments Limited
Miller Wates (Didcot) Limited
Miller Wates (Southwater) Limited
College Street Residential Developments Limited
Croftport Homes Limited
Iliad Miller (No 2) Limited
Iliad Miller Limited
Land & City Properties (Bollington) Limited

Miller Homes - Associates (45%)

New Laurieston (Glasgow) Limited

Miller Homes - Limited liability partnership (33.33%)

Telford NHT 2011 LLP

Miller Mining - Joint ventures (all 50%)

Miller Argent Holdings Limited
Miller Argent (Ffos-Y-Fran) Limited
Miller Argent (South Wales) Limited
Ffos-Y-Fran (Commoners) Limited
Miller Argent (Nominee No1 Limited)

Miller Homes - Subsidiaries (all 100%)

Miller Urban Redevelopments Limited
Fairclough Homes Limited
Viewton Properties Limited
MF Development Company UK Limited
MF Development Funding Company UK Limited
Miller Fairclough UK Limited
CDC2020 Limited
Fairclough Homes Group Limited
MF Homes Limited

Miller Homes - Subsidiaries (all 100%)

MF Homes UK Limited
MF Strategic Land Limited
Alderview Homes (Carrickstone) Limited
Miller Belmont Limited
Miller Residential Development Services Limited
Brown's Developments (Hetton) Limited

Miller Homes - Joint ventures (all 50%)

Mount Park Developments Limited
Perth Land and Estates Limited

Canniesburn Limited
Lancefield Quay Limited
Miller Applecross (Edinburgh Quay) Limited
Miller Gadsby (Castle Marina) Limited
Scotmid-Miller (Great Junction Street) Limited