Miller Developments Holdings Limited

Directors' report and consolidated financial statements

For the year ended 31 December 2014

Registered number 849553

Contents

Strategic Report

Key Highlights

- Operating profit of £7.3 million (2014: £9.5 million)
- Increase in Turnover to £64.5 million (2014: £52.2 million)
- 11 million sq ft development pipeline
- 2.2 million sq ft of occupier deal concluded in 2014
- First three occupier deals at D2, Business Park, Aberdeen concluded in year having purchased the site in 2013
- Further pre-let developments under construction at Omega Warrington and in the North Dee Business Quarter, Aberdeen
- Three additional change of use sites with potential for planning enhancement and residential use were acquired
- Two remaining European assets delivering stable performance

The profile of projects in 2013 benefited from a higher proportion of land sale transactions where the profits were realised during that year whereas 2014 profits include a number of development projects where profits will be realised over 2014 and 2015.

Business review

Miller Developments Holdings Limited is the UK holding company of Miller Developments, the commercial property Division of The Miller Group (UK) Limited. The principal activity of the company is that of a holding company. The company's investments are in subsidiaries and joint ventures which are involved in property development.

Market

Against a backdrop of solid economic growth in the UK, 2014 was an outstanding year for commercial property. Total investment activity and all property returns returned to levels just short of the 2006 high.

Improving economic sentiment beyond London saw investment into the regions increase by over 40% on 2013. All of the UK regions saw stronger investment in 2014 than 2013, most notably in the North West of England. As a regional developer, with key projects in Aberdeen, Birmingham and Warrington, this market development is positive for our business. We expect this momentum to continue in 2015 as occupational markets pick up.

We have limited our exposure to the UK retail sector which continues to struggle in spite of improved consumer confidence. The sector remains high risk and difficult to forecast due to structural change. We are therefore concentrating on regional office and industrial markets with clear occupational demand.

Our strategy remains focused on the UK, and on expanding both our development activities (with a strong preference for pre-letting) and our acquisitions of land with future development potential.

Performance

Miller Developments Holdings produced an operating profit of £7.3 million (2013: £9.5 million) on turnover of £64.5 million (2013: £52.2 million).

Another year of strong performance was dominated by pre-let and funded developments at our key long-term development sites at D2 Business Park and the North Dee Business Quarter in Aberdeen and at Omega in Warrington.

Further land sales were completed at Linwood in Glasgow where a second phase of residential land was sold to a national house builder and at Pacific Quay in Glasgow.

Strategic Report *(continued)*

Development portfolio

Our strategy is to maintain a cross-sector commercial property business with a focus on both high margin activities such as the purchase of land with potential for planning enhancement as well as large scale pre-let developments with lower margins but strong return on capital. We adopt a highly entrepreneurial approach to generate value across all sectors.

The Miller Developments division portfolio, incorporating Miller Developments Holdings Limited and, including joint ventures, comprises 25 active projects capable of delivering over 11 million sq ft of accommodation. We have a mixed portfolio comprising long term, major development projects and shorter term cash generative opportunities.

We have made significant progress on all our major development projects during the 2014.

Following a successful year in 2013, Omega, Warrington, delivered further positive results in 2014. A logistics unit for Travis Perkins at Omega North (700,000 sq ft) was handed over in quarter 4 taking the total accommodation developed on Omega North to over 1 million sq ft.

Omega South continues to make good progress and following the land sale to Asda in 2013, this 618,000 sq ft distribution unit achieved practical completion in 2014 and should be operational in 2015. Two further deals at Omega South were signed in 2014 and began on site before the end of the year. These developments are a 685,000 sq ft distribution unit for the Hut Group, a major UK internet retailer and Omega's first manufacturing unit being a 240,000 sq ft state-of-the-art facility for a major European manufacturer. This progress at Omega South has taken development on this part of the site beyond 1.5 million sq ft.

With the North West logistics market demonstrating increased buoyancy, we expect this site to continue to deliver strongly for the business in the coming years. The project continues to be supported by Warrington Borough Council who provided an additional £7.5m loan facility during the year to advance infrastructure works on Omega South.

For the majority of 2014, the Aberdeen commercial property market performed strongly.

Our sites in the North Dee Business Quarter (within the Miller Developments division through our Miller Cromdale joint venture) saw the completion of a bespoke 40,000 sq ft Grade A office building for GDF Suez. The building was forward sold and funded by Tritax. In April, the building won the BCO Scotland corporate workplace of the year award. Pilgrim House, a 27,000 sq ft Grade A Office building was also completed during the year and sold to clients of CBRE Investors, having been 50% pre-let to the Food Standards Agency. Ardent West, the first phase of Miller Cromdale's 170,000 sq ft Deeside waterfront office development began on site in the second half of the year with a 46,000 sq ft pre-let for PD&MS Energy, an Aberdeen based oil services and engineering company. This initial phase has been forward sold and funded by La Salle Investment Management.

Following its launch last year, significant development activity has been undertaken at the D2 Business Park at Dyce, near Aberdeen.

Three deals with multinational occupiers were completed during the year with a serviced-land sale of 9 acres to ASCO Group Limited; a 130,000 sq ft warehouse pre-let to BP (forward funded by Henderson Global Investors); and a 60,000 sq ft turn-key development comprising office and warehouse space for Emerson Process Management.

The significant fall in the price of oil during the latter part of 2014 will have an impact on the immediate progress of our Aberdeen developments at D2 Business Park and the North Dee Business Quarter. However, the business is well set for the first half of 2015 with secured deals at both D2 and NDBQ where construction is on site and the developments have been forward sold to investment funds. Whilst we expect to see limited new activity in 2015 until the oil price recovers our land holdings are in prime locations with good medium term potential.

Strategic Report *(continued)*

In Birmingham, an improved development agreement was agreed with Birmingham City Council and planning permission obtained for the development of the first commercial building at Arena Central. This speculative office development will provide 135,000 sq ft of Grade A accommodation across eight floors. Funding for initial infrastructure works was also secured by way of a loan from Birmingham City Council to allow the opening up of the site during 2015.

At Linwood, near Glasgow, we completed further residential land sales to a national house builder and have received interest in other areas of the site for industrial use.

The business continues to focus resource and investment on land with potential for planning enhancement. At present this is driven by a strong residential market and demand from the national house builders for oven ready residential sites where planning has been obtained and core site infrastructure provided. This provides an opportunity for the business to acquire sites with potential for residential development and work them through the planning process providing core infrastructure where required. A further three sites have been acquired in joint venture during 2014 giving the business a pipeline of land with the potential for up to 1,200 residential units. In addition, planning permission was achieved for a 350 unit student accommodation project in Chester.

Both of our remaining interests in Europe (retail centres in Brasov, Romania and Copenhagen, Denmark) have strengthened during 2014. Tenancy levels and rental values have improved on the back of strengthening economies and improved consumer confidence.

Risk management

A strong risk management culture and strategy is firmly embedded in our approach to business. Prior to committing to any new development, we look to agree a significant proportion of pre-lets/pre-sales. Where the development contains an obligation to undertake significant construction works we will either forward fund or obtain bank finance. A significant amount of our business is undertaken in joint venture with established and trusted partners along with new partners who share similar values. We provide development management, project management and accounting services for joint ventures.

We have a core team of experienced property professionals with broad experience and contacts across all sectors to enable the business to maximise the opportunities that exist within the current market.

Outlook

With the geographic focus of our portfolio, the short term outlook is regionally dependent. The low oil price has caused oil companies and related service providers to review costs and spending plans in the short term. This is likely to have an impact of the speed of further development on our Aberdeen sites in 2015 but they remain well located key strategic development sites in Aberdeen that will continue to deliver development activity over the medium term.

In contrast, and indeed in part due to the low oil price, the overall picture is one of rising domestic demand, consumer confidence and business investment which is positive for the business as a whole.

The North West logistics market remains very strong and coupled with the success to date of our site at Omega, we would expect the project to continue to deliver a strong performance and contribute significant profits to the business.

Outside London, construction of new office space is expected to pick up in 2015. Developer confidence in the regions is re-emerging, and speculative office schemes are back on the agenda as levels of available space continues to fall.

In summary, while our developments in Aberdeen will be affected by the low oil price in the short term, the market indicators are positive for the balance of the business. With a strong pipeline of development opportunities through our key strategic developments sites in Birmingham and at Omega, Warrington; our other development sites in Glasgow and the Central Belt of Scotland; and growing change of use business driven by residential demand, we are well placed to deliver strong performance in the coming years.

On behalf of the Board

P H Miller

Director

30 April 2015

Directors' Report

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2014.

Directors

The directors of the company during the year and at the date of signing were:

P H Miller
N W Johnston
D T Milloy
A Sutherland
D W Borland
J Wallis
P Grant
E J E Haggerty
K F MacGregor
R D Hodsden (resigned 4 December 2014)

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487(2) 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

P H Miller

Director

30 April 2015

33 Bruton Street
London
W1J 6QU

Statement of directors' responsibilities in respect of the Strategic Report and the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report and 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 Group and the company 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 parent company and Group and of their profit or loss for that period. In preparing each of the Group and parent 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 Group and parent 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 Group 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 Developments Holdings Limited

We have audited the consolidated financial statements of Miller Developments Holdings Limited for the year ended 31 December 2014 set out on pages 8 to 19. 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 6, 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 FRC'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 group's and of the parent company's affairs as at 31 December 2014 and of the group's 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 Strategic Report and 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, by the parent company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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
Hugh Harvie 30 April 2015
(Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Consolidated Profit and loss account
for the year ended 31 December 2014

	Note	Group 2014 £000s	Group 2013 £000s
Turnover: Group and share of joint ventures	1	**64,469**	52,225
Less share of joint ventures		**(30,444)**	(32,723)
Group turnover	1	**34,025**	19,502
Cost of sales		**(25,234)**	(10,435)
Gross profit		**8,791**	9,067
Administrative expenses		**(6,018)**	(4,840)
Operating profit		**2,773**	4,227
Share of operating profit in joint ventures and associates		**4,421**	4,972
Gain on disposal of fixed asset investments		**-**	304
Income from fixed asset investments		**147**	-
Profit on ordinary activities before interest and taxation		**7,341**	9,503
Net interest receivable/(payable)	5	**446**	(798)
Profit on ordinary activities before taxation	4	**7,787**	8,705
Tax on profit on ordinary activities	6	**(1,591)**	(552)
Profit on ordinary activities after taxation		**6,196**	8,153

The company has no recognised gains or losses other than the profits above, all of which is derived from continuing activities.

The notes on pages 8 to 19 form part of these financial statements.

Consolidated Balance sheet
As at 31st December 2014

	Note	Group 2014 £000s	Group 2013 £000s	Company 2014 £000s	Company 2013 £000s
Fixed assets					
Tangible fixed assets	7	**11,556**	11,590	**-**	-
Investments in joint ventures	8	**21,113**	18,399	**50**	2,666
Current assets					
Stock and work in progress		**9,020**	16,346	**-**	-
Debtors	9	**14,867**	6,235	**25,614**	28,715
Cash at bank and in hand		**8,791**	1,537	**3,883**	146
		32,678	24,118	**29,497**	28,861
Creditors: amounts falling due within one year	10	**(24,925)**	(23,728)	**(8,879)**	(11,454)
Net current assets		**7,753**	390	**20,618**	17,407
Total assets less current liabilities		**40,422**	30,379	**20,668**	20,073
Creditors: amounts falling due in more than one year	11	**(4,522)**	(375)	**(282)**	(2,730)
Net assets		**35,900**	30,004	**20,386**	17,343
Capital and reserves					
Called up share capital	12	**-**	-	**-**	-
Profit and loss account	13	**35,900**	30,004	**20,386**	17,343
Shareholders' funds	14	**35,900**	30,004	**20,386**	17,343

The notes on pages 8 to 19 form part of these financial statements.

These financial statements were approved by the board of directors on 30 April 2015, and were signed on its behalf by:

P H Miller
Director

E J E Haggerty
Director

Notes
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

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

As the company is a wholly owned subsidiary of The Miller Group (UK) 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 (UK) Limited, within which the company is included, can be obtained from the address shown in note 16.

Basis of consolidation

The consolidated accounts include the financial statements of the parent entity and its subsidiary undertakings made up to 31 December 2014. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. As permitted by Section 408 of the Companies Act 2006 the profit and loss account of the parent company is not present.

Going Concern

Miller Developments Holdings Limited and its subsidiaries, along with Miller Holdings (International) Limited, operate as a largely autonomous developments division of The Miller Group (UK) Limited. The day to day working capital requirements of the companies are provided through cash generated by the parent company and its subsidiary companies.

The financing arrangements applicable to the companies also form part of the wider financing arrangements of The Miller Group (UK) Limited. As explained in note 15, Miller Developments Holdings Limited is a guarantor to The Miller Group (UK) Limited consolidated bank arrangements.

In relation to the companies' working capital requirements, the directors have prepared cash flow forecasts which indicate that the company and the developments division will continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements.

Based upon the reasons outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the companies have 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.

Turnover

Turnover comprises invoiced sales of property developments, rents receivable and management fees.

Notes *(continued)*

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided on a straight line method over the estimated useful lives of the assets concerned. The rates are as follows:

Land and buildings	50 years
Furniture and equipment	10-20 per cent
Computer equipment	25 per cent

Joint ventures and associates

An associate is an undertaking in which the group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of associates and joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Stocks and work in progress

Stock comprises of development work in progress and is carried at the lower of cost or net realisable value.

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.

Pensions

The group participates in The Miller Group Limited Group Personal Pension Plan: a group wide defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Cash Flow Exemption

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

Notes *(continued)*

2 Staff numbers and costs

The average number of persons employed by the group, including directors, during the year was as follows:

	2014 Number	2013 Number
Operational	**11**	10
Administration	**18**	18
Other	**5**	7
	34	35

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	**4,596**	4,247
Social security costs	**587**	521
Other pension costs	**345**	304
	5,528	5,072

3 Remuneration of directors

	2014 £000	2013 £000
Emoluments	**3,390**	2,932
Company contributions to money purchase pension schemes	**139**	168
	3,529	3,100

The aggregate of emoluments, bonus and other related payments of the highest paid director was £750,259 *(2013: £654,259)*.

Notes *(continued)*

4 Profit on ordinary activities before taxation

This is stated after charging:	**2014 £000**	2013 £000
Auditor's remuneration : Audit of these financial statements	**10**	5
: Audit of related companies	**36**	34
: Taxation services	**29**	27
Depreciation of tangible fixed assets	**34**	29
Management fees earned	**(451)**	(2,895)

The movement in administrative expenses primarily reflects the movement in management fees, charged to subsidiaries and fellow group subsidiaries, in relation to projects owned by other companies within the developments division of The Miller Group (UK) Limited.

5 Interest payable

	2014 £000s	2013 £000s
Interest receivable from group companies	**980**	477
Bank interest receivable	**6**	9
Bank interest payable	**(182)**	(262)
Other interest receivable	**-**	5
Other interest payable	**(210)**	-
Joint venture interest receivable	**10**	8
Joint venture interest payable	**(158)**	(1,035)
	446	(798)

6 Taxation

	2014 £000's	2013 £000's
Analysis of tax charge for the year		
UK corporation tax		
Current year tax for wholly owned companies	**(796)**	-
Adjustment in respect of prior years	**120**	62
Share of Joint Ventures current tax	**(915)**	(614)
Total current tax	**(1,591)**	(552)

Notes *(continued)*

Factors affecting tax charge for the current year

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£000s	£000s
Current tax reconcilliation		
Profit on ordinary activities before tax	**7,787**	8,705
Current tax at 21.5% (2013: 23.25%)	**(1,674)**	(2,024)
Effects of:		
Group relief received for nil consideration	**-**	1,036
Tax losses carried forward	**(42)**	(113)
Tax losses utilised	**5**	415
Non-taxable income	**-**	72
Prior year adjustments	**120**	62
	(1,591)	(552)

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

7 Tangible fixed assets

Group	**Land and buildings 2014**	**Furniture and equipment 2014**	**Computer equipment 2014**	**Total 2014**
	£000's	**£000's**	**£000's**	**£000's**
Cost				
At beginning of year	11,525	2,743	795	15,063
Additions	-	-	1	1
At end of year	11,525	2,743	796	15,064
Depreciation				
Opening balance	-	2,710	763	3,473
Charge for year	-	17	18	35
Closing balance	-	2,727	781	3,508
Net Book Value				
As at 31st December 2014	**11,525**	**16**	**15**	**11,556**
As at 31st December 2013	11,525	33	32	11,590

Notes *(continued)*

8 Investments

Fixed asset investments

Group

	Shares in joint venture undertakings 2014 £000's	Loans to joint venture undertakings 2014 £000's	Results in joint venture undertakings 2014 £000's	Other Investments 2014 £000's	Total 2014 £000's
Cost					
At beginning of year	51	13,226	2,700	2,422	18,399
Result for year	-	-	1,462	147	1,609
Additions	-	4,171	-	444	4,615
Repayments / Disposals	-	(1,818)	-	(1,147)	(2,965)
Reallocation of loan	-	(545)	-	-	(545)
As at 31 December 2014	**51**	**15,034**	**4,162**	**1,866**	**21,113**

Fixed asset investments

Company

	Shares in group undertakings 2014 £000's	Shares in joint venture undertakings 2014 £000's	Loans to joint venture undertakings 2014 £000's	Other Investments 2014 £000's	Total 2014 £000's
Cost and net book value					
At beginning of year	4	1	1,661	1,000	2,666
Additions	-	-	204	147	351
Repayments / Disposals	(2)	-	(1,818)	(1,147)	(2,967)
At end of year	**2**	**1**	**47**	**-**	**50**

Notes ***(continued)***

	Group		Company	
	2014	2013	**2014**	2013
	£000's	£000's	**£000's**	£000's
Investments in joint ventures:				
Share of gross assets	**31,921**	25,633	**1**	1
Share of gross liabilities	**(27,708)**	(22,882)	**-**	-
Loans to joint ventures	**15,034**	13,226	**47**	1,661
	19,247	15,977	**48**	1,662
Other investments	**1,866**	2,422	**-**	1,004
Total investments	**21,113**	18,399	**48**	2,666

The principal companies (being those with activity in the year or value at year end deemed to be significant) in which the company's interest at the year end is more than 20% are as follows:

Subsidiary/joint venture undertakings	Country of incorporation	Principal activity	Percentage of ordinary shares held
Miller (Queen's Drive) Limited	UK	Property Development	100%
Miller St Neots Limited	UK	Property Development	100%
Miller Developments Limited	UK	Property Development	100%
Miller Developments Northern Limited	UK	Property Development	100%
Miller Lochside View Limited	UK	Property Development	100%
Miller (Arena Central) Limited	UK	Property Development	100%
Miller Developments Regeneration Limited	UK	Property Development	100%
Miller Developments (Warriston Road) Limited	UK	Property Development and Investment	100%
Miller Fort William Limited	UK	Property Development	100%
Miller Developments One Limited	UK	Property Development	100%
Miller (Ardent House) Limited	UK	Property Development	100%
Omega Warrington Limited	UK	Property Development	50%
Miller Cromdale Riverside Business Park Limited	UK	Property Development	50%
Miller Cromdale (Old Ford Road) Limited	UK	Property Development	50%
Miller Cromdale Limited	UK	Property Development	50%
Miller Northpoint (Pacific Quay) Limited	UK	Property Development	50%
Miller Cromdale (West Wing) LLP	UK	Property Development	50%
Miller Cromdale (Ardent House) LLP	UK	Property Development	50%
Arena Central Developments LLP	UK	Property Development	50%
Miller King Auchendinny LLP	UK	Property Development	50%
Miller King Kirkcaldy Limited	UK	Property Development	50%
Miller King Markinch Limited	UK	Property Development	50%
Miller King Cardenden Limited	UK	Property Development	50%

Notes *(continued)*

9 Debtors

	Group		Company	
	2014	2013	**2014**	2013
	£000's	£000's	**£000's**	£000's
Trade debtors	**729**	13	**-**	-
Other debtors	**2,377**	4,234	**5**	-
Prepayments and accrued income	**3,972**	1,028	**-**	-
Taxation and social security	**44**	-	**-**	-
Amounts owed by fellow subsidiary undertakings	**7,745**	960	**25,609**	28,715
	14,867	6,235	**25,614**	28,715

10 Creditors: amounts falling due within one year

	Group		Company	
	2014	2013	**2014**	2013
	£000's	£000's	**£000's**	£000's
Trade creditors	**1,655**	445	**-**	-
Accruals and deferred income	**11,427**	8,045	**-**	-
Provisions for liabilities	**504**	506	**-**	-
Other creditors	**924**	797	**44**	2
Bank loan (secured)	**500**	5,637	**-**	-
Corporation tax	**796**	54	**260**	-
Amount owed to related party	**14**	-	**-**	-
Amount owed to parent undertakings	**9,105**	8,244	**8,575**	11,452
	24,925	23,728	**8,879**	11,454

11 Creditors: amounts falling due after one year

	Group		Company	
	2014	2013	**2014**	2013
	£000's	£000's	**£000's**	£000's
Provisions for liabilities	**182**	375	**-**	-
Amount owed to related parties	**-**	-	**344**	2,730
Bank loan (secured)	**4,340**	-	**-**	-
	4,522	375	**344**	2,730

Notes *(continued)*

Analysis of bank loans	Group		Company	
	2014	2013	**2014**	2013
	£000's	£000's	**£000s**	£000's
Debt can be analysed as falling due:				
Amounts due in less than one year	**500**	5,637	**-**	-
Amounts due in 1 to 2 years	**500**	-	**-**	-
Amounts due in 2 to 5 years	**3,840**	-	**-**	-
	4,840	5,637	**-**	-

Onerous lease provision	Group	
	2014	2013
	£000	£000
Onerous lease provision		
At start of year	**546**	826
Reduction in provision	**(171)**	(280)
At end of year	**375**	546

12 Called up share capital

	Company	
	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

13 Profit and loss account

	Group	**Company**
	2014	**2014**
	£000's	**£000's**
At beginning of year	**30,004**	**17,343**
Loan waiver to fellow subsidiary	**(300)**	**(300)**
Profit for the year	**6,196**	**3,343**
At end of year	**35,900**	**20,386**

Notes *(continued)*

14 Reconciliation of movements in surplus in shareholders' funds

	Group	Company
	2014	**2014**
	£000's	**£000's**
Profit for the financial year	**6,196**	**3,343**
Loan waiver to fellow subsidiary	**(300)**	**(300)**
Opening shareholders' funds	**30,004**	**17,343**
Surplus in shareholders' funds	**35,900**	**20,386**

15 Contingent liabilities

The company, along with certain fellow subsidiaries is a joint guarantor of the facilities provided to the company's ultimate parent company and its subsidiaries.

The Group's banks have security by way of a debenture over the whole assets and undertakings of the company and certain subsidiaries and a first legal charge over the property assets of the certain subsidiaries.

16 Ultimate parent company

At 31 December 2014, the company's parent company is TMGL Holdings Limited. The ultimate parent company is The Miller Group (UK) Limited. Both companies are registered in Scotland and are incorporated in the United Kingdom.

The largest group in which the results of the companies 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 division was ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.