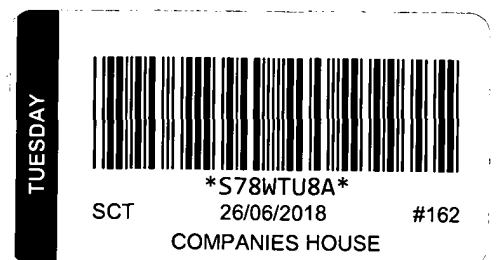
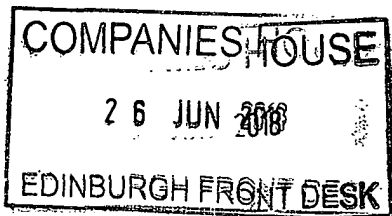


Miller Wates (Bracklesham) Limited

Annual report and financial statements

For the period ended 31 December 2017

Registered number 10430047



Contents

Directors' report	1
Statement of directors' responsibilities	2
Independent auditor's report to the members of Miller Wates (Bracklesham) Limited	3
Profit and loss account and other comprehensive income	5
Statement of changes in equity	6
Balance sheet	7
Notes	8

Directors' report

The directors have pleasure in presenting their annual report and audited financial statements for the 63 week period ended 31 December 2017. The company was incorporated on 17 October 2016.

Business review

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

Results and dividends

The loss for the period ended 31 December 2017 is set out in the profit and loss account on page 5. The directors are unable to recommend the payment of a dividend.

Directors

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

David Brocklebank	(appointed 17 October 2016)
Martin Leach	(appointed 17 October 2016)
Ian Murdoch	(appointed 2 December 2016)
Julie Jackson	(appointed 2 December 2016)
Darren Jones	(appointed 2 December 2016)
David Bowen	(appointed 17 October 2016)
Michael Brayshaw	(appointed 2 December 2016)
Natalie Flint	(appointed 17 October 2016)
Tracey Forbes-Taylor	(appointed 2 December 2016)
Andrew Modle	(appointed 21 March 2017)

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.

The directors have taken advantage of the Small Company exemptions provided by Section 414B of the Companies Act 2006 and have not prepared a Strategic report.

Auditor

KPMG LLP was appointed as first auditors on 16 January 2018. 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



Julie Jackson
Director
15 June 2018

2 Centro Place
Pride Park
Derby
DE24 8RF

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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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 Wates (Bracklesham) Limited

Opinion

We have audited the financial statements of Miller Wates (Bracklesham) Limited ("the company") for the sixty three week period ended 31 December 2017, 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 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has 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; or

Independent auditor's report to the members of Miller Wates (Bracklesham) Limited *(continued)*

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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.

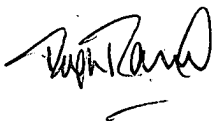
Auditor's responsibilities

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.

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.



25 June 2018

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

Profit and loss account and other comprehensive income

For the period ended 31 December 2017

		Period to 31 December 2017 £
Administrative expenses		(141,688)
		<hr/>
Operating loss		(141,688)
Interest payable and similar charges	3	(259,664)
		<hr/>
Loss on ordinary activities before taxation	2	(401,352)
Tax on loss on ordinary activities	4	-
		<hr/>
Loss for the financial period		(401,352)
		<hr/> <hr/>

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 8 to 14 form part of these financial statements.

Statement of changes in equity

For the period ended 31 December 2017

	Share capital £	Profit and loss account £	Total equity £
As at 17 October 2016 (date of incorporation)	-	-	-
Loss for the period	-	(401,352)	(401,352)
Transactions with others, recorded directly in equity			
Share capital issue	1,000	-	1,000
Balance at 31 December 2017	1,000	(401,352)	(400,352)

The notes on pages 8 to 14 form part of these financial statements.

Balance sheet

As at 31 December 2017

	Note	2017 £
Current assets		
Stocks	5	7,531,686
Debtors – due within one year	6	14,612
		<u>7,546,298</u>
Creditors: amounts falling due within one year	7	(365,102)
Total assets less current liabilities		<u>7,181,196</u>
Creditors: amounts falling due in more than one year	8	(7,581,548)
Net liabilities		<u>(400,352)</u>
Capital and reserves		
Called up share capital	9	1,000
Profit and loss account		(401,352)
Equity shareholders' deficit		<u>(400,352)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The notes on pages 8 to 14 form part of these financial statements.

These financial statements were approved by the board of directors on 25 June 2018 and were signed on its behalf by:



Ian Murdoch
Director



David Bowen
Director

Notes

(Forming part of the financial statements)

1. Accounting policies

Miller Homes (Bracklesham) Limited (the “company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Section 1A Small entities of Financial Reporting Standard 102, *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (FRS 102) as issued in August 2014. The presentation currency of these financial statements is Sterling.

The accounting policies for the 63 week period ended 31 December 2017 set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Under Section 1A Small entities of FRS 102, the company is not required to prepare a cash flow statement.

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 £401,352 incurred in the period and net liabilities of £400,352 at the financial period end, which the directors believe to be appropriate for the following reasons.

Miller Homes Holdings Limited and Wates Developments 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 trade and 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.

Basic financial instruments

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)

Interest-bearing borrowings classified as basic financial instruments

All financial assets and liabilities are initially measured at transaction price. Non-current debt instruments, which meet the conditions set out in paragraph 11.9 of FRS 102, are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Stocks and development work in progress

Stocks are stated at the lower of cost and net realisable value. Net realisable value in relation to land and work in progress is assessed by taking account of estimated selling price less all estimated costs of completion.

Land purchased on deferred payment terms is recorded at fair value. Any difference between fair value and the amount which will ultimately be paid is charged as interest payable in the income statement over the deferral period.

The purchase and subsequent sale of part exchange properties is an activity undertaken in order to achieve the sale of a new property. As such, the activity is regarded as a mechanism for selling. Accordingly, impairments and gains and losses on the sale of part exchange properties are classified as a cost of sale, with the sales proceeds of part exchange properties not being included in turnover.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of new houses and is based on the selling price for the unit, net of any cash incentives, and is recognised on legal completion and receipt of cash. Where cash incentives are given the full cash amount is deducted from turnover.

Interest receivable and Interest payable

Interest payable and similar charges includes interest payable on bank and shareholder loans.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes (continued)

1. Accounting policies (continued)

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.

2. Expenses and auditor's remuneration

<i>Included in the loss for the period are the following:</i>	2017
	£
<i>Auditor's remuneration:</i>	
Audit of these financial statements	2,500
<i>Amounts receivable by the company's auditors and their associates in respect of:</i>	
Other tax advisory services	1,000
	<hr/> <hr/>

The company has no employees. The directors did not receive any remuneration from the company during the period.

3. Interest payable and similar charges

	2017
	£
Interest payable on shareholder loans	259,664
	<hr/> <hr/>

Notes (continued)

4. Taxation

Analysis of credit for the period	2017
	£
UK corporation tax	
Total current tax credit	-
Tax credit for the period	-

Factors affecting tax credit for period

The current tax credit on the loss on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 19.25%.

Tax reconciliation	2017
	£
Loss for the period after taxation	(401,352)
Total tax credit	-
Loss excluding taxation	(401,352)
Current tax at 19.25%	77,260
<i>Effect of:</i>	
Surrender of tax losses	(77,260)
Total tax credit	-

Current tax has been charged at 19.25% in the reconciliation above. The corporate tax rate was reduced to 19% from 1 April 2017 and will reduce to 17% from 1 April 2020.

The future corporate tax rate of 19% is applied to deferred tax, except for temporary differences expected to reverse after the 17% rate becomes effective.

5. Stocks

	2017
	£
Land	5,369,500
Work in progress	2,162,186
	7,531,686

Notes (continued)

6. Debtors: due within one year	2017
	£
Other debtors	14,612
	<u>14,612</u>

7. Creditors: amounts falling due within one year	2017
	£
Amounts owed to related parties (see note 10)	361,602
Accruals	3,500
	<u>365,102</u>

8. Creditors: amounts falling due in more than one year	2017
	£
Shareholder loans (see note 10)	7,581,548
	<u>7,581,548</u>

The shareholder loans are subject to interest at 4% and are repayable on completion of the last unit of the development site.

9. Called up share capital	2017
	£
<i>Allotted, called up, but not fully paid:</i>	
500 ordinary A shares of £1 each	500
500 ordinary B shares of £1 each	500
	<u>1,000</u>

The A&B shares have equal voting rights. All shares rank pari-passu as set out in the articles of the company. All other rights are set out in the articles of the company. The holders of ordinary shares are entitled to receive dividends as declared from time to time.

Notes (continued)

10. Related party disclosures

The company is jointly controlled by Miller Homes Holdings Limited ("MHHL") and Wates Developments Limited. The ultimate parent company of MHHL is Miller Homes Group Limited. The ultimate parent company of Wates Developments Limited is Wates Group Limited.

	2017 £
Amounts owed to MHHL in respect of outstanding loans	3,790,774
Amounts owed to Wates Developments Limited in respect of outstanding loans	3,790,774
Amounts owed to Miller Homes Limited in respect of development services provided	361,602
Transactions between the company and MHHL in respect of interest charges on loans	120,196
Transactions between the company and Wates Developments Limited in respect of interest charges on loans	120,196
Transactions between the company and Miller Homes Limited in respect of development services provided	1,784,451
Transactions between the company and Miller Homes Limited in respect of management fees	138,188

Miller Homes Limited is a wholly owned subsidiary of Miller Homes Holdings Limited.

11. Accounting estimates and judgements

Key sources of estimation uncertainty

Carrying value of stocks

Stocks of land and development work in progress are stated at the lower of cost and net realisable value. Due to the nature of development activity and in particular, the length of the development cycle, the company has to allocate site wide development costs such as infrastructure between units being built and/or completed in the current year and those for future years. These estimates are reflected in the margin recognised on developments where unsold plots remain, and in the carrying value of land and work in progress. There is a degree of uncertainty in making such estimates.

The company has established internal controls that are designed to ensure an effective assessment is made of inventory carrying values and the costs to complete developments. The company reviews the carrying value of its inventories on a quarterly basis with these reviews performed on a site by site basis using forecast sales prices and anticipated costs to complete based on a combination of the specific trading conditions of each site in addition to future anticipated general market conditions.

Critical accounting judgements in applying the company's accounting policy

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.

12. Post balance sheet event

With effect from 1 April 2018 Wates Developments Limited transferred its shareholding in the company to Wates Group Limited.