Miller BOS Limited

Directors' report and financial statements

For the year ending 31 December 2011

Registered number SC209180

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ending 31 December 2011.

Principal activities and business review

The principal activity of the company is that of property development. During the year a subsidiary company, Miller Developments Regeneration Limited, undertook an exercise to reduce its share capital by £12.6m. This created distributable reserves in that company which were distributed by way of dividend to this company. There was a subsequent write off of the investment in the Miller Developments Regeneration Limited of £12.5m.

As explained more fully in the post balance sheet note (note 13), in 2012, Miller BOS Limited waived amounts due from group companies of £12.5m and amounts owed by Miller BOS Limited to its parent company of £13.6m were also waived.

Results and dividends

The profit for the financial year amounted to £41,213 (2010: £nil). The directors do not recommend the payment of a final dividend (2010: £nil)

Directors

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

Phil Miller
Andrew Sutherland
Donald Borland
Euan Haggerty (appointed 1 July 2011)

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 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

Euan Haggerty
Director
20 June 2012

2 Lochside View
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 BOS Limited

We have audited the financial statements of Miller BOS Limited for the year ended 31 December 2011 set out on pages 4 to 10. 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 APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 2011 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

Hugh Harvie

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

22.6.2012

Profit and loss account
for the year ended 31 December 2011

	Note	**2011** **£**	2010 £
Cost of sales		**1,872**	-
Operating profit		**1,872**	-
Income from shares in group investments		**12,558,175**	-
Amounts written off investments		**(12,518,834)**	-
Profit on activities before taxation	*2*	**41,213**	-
Tax on profit on ordinary activities	*4*	**-**	-
Profit for the financial year	*10*	**41,213**	-

The company has no recognised gains or losses other than the results for the above financial years.

The profit for the financial year has been derived from continuing activities.

The notes on pages 6 to 10 form part of these financial statements.

Balance sheet
As at 31 December 2011

	Note	**2011** **£**	2010 £
Fixed assets			
Investments	*5*	**100**	12,518,934
Current assets			
Debtors	*6*	**12,467,108**	-
Creditors: amounts falling due within one year	*7*	**(13,559,908)**	(1,875)
Net current liabilities		**(1,092,800)**	(1,875)
Total assets less current liabilities		**(1,092,700)**	12,517,059
Creditors: amounts falling due after more than one year	*8*	**-**	(13,650,972)
Net liabilities		**(1,092,700)**	(1,133,913)
Capital and reserves			
Called up share capital	*9*	**100**	100
Profit and loss account	*10*	**(1,092,800)**	(1,134,013)
Shareholders' deficit	*11*	**(1,092,700)**	(1,133,913)

The notes on pages 6 to 10 form part of these financial statements.

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

Euan Haggerty

Director

20 June 2012

Notes
(forming part of the financial statements)

1 Accounting policies

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

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

In February 2012, The Miller Group Limited (Miller BOS Limited's ultimate parent company) completed a restructuring of its existing banking facilities and secured significant new third party investment. This restructuring has also transformed Miller BOS Limited's financial position from that shown in the balance sheet as at 31 December 2011 (see note 13). After the restructuring process the company's net asset position as at February 2012 is £100.

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 12.

Investments
Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

Cash flow statement
The company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of The Miller Group Limited and its cash flows are included within the consolidated cash flow statement of that company.

Taxation
The charge for taxation is based on the loss for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain terms 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.

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2011 £	2010 £
Impairment of subsidiary loans (note 5)	**12,518,834**	-

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 (2010: nil). There were no employee or staff costs during the year (2010: nil)

Notes *(continued)*

4 Taxation

Analysis of charge in year

	2011 £	2010 £
UK corporation tax		
Current tax on income for the year	-	-
Tax on profit on ordinary activities	-	-

Factors affecting the tax charge for the current year
Current tax is lower than (2010: the same as) the standard rate of corporation tax in the UK 26.5%, (2010: 28%). The differences are explained below:

	2011 £	2010 £
Current tax reconciliation		
Profit on ordinary activities before tax	41,213	-
Current tax at 26.5% (2010: 28%)	10,921	-
Effects of:		
Net impact of inter-company adjustments	(10,425)	-
Group relief received for nil consideration	(496)	-
Total current tax (see above)	-	-

Any future liability to corporation tax will be covered by way of group relief or met by The Miller Group Limited, for which no payment will be made.

The Emergency Budget on 22 June 2010 announced that the UK corporation tax rate will reduce from 28% to 24% over a period of four years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% was substantively enacted on 29 March 2011, effective from 1 April 2011 and a further reduction to 25% was substantively enacted on 5 July 2011 and will be effective from 1 April 2012. It has not yet been possible to quantify the full anticipated effect of the announced further 1% rate reduction, although this will further reduce the company's future current tax charge.

Notes *(continued)*

5 Investments

Cost	Shares in Subsidiary £	Loans to Subsidiary £	Total £
At beginning of year	**100**	**13,646,866**	13,646,966
Cancellation of subsidiary shares	**-**	**(13,646,866)**	(13,646,866)
	100	**-**	100
Provisions			
At beginning of year	**-**	**(1,128,032)**	(1,128,032)
Utilised in year		**1,128,032**	1,128,032
	-	-	-
Net book value			
At 31 December 2011	**100**	**-**	**100**
At 31 December 2010	100	12,518,834	12,518,934

6 Debtors

	2011 £	2010 £
Amounts due from group companies	**12,467,108**	-

7 Creditors: amounts falling due within one year

	2011 £	2010 £
Other creditors	**-**	1,875
Amounts due to group companies	**(13,559,908)**	-
	(13,559,508	1,875

In February 2012 amounts due to group companies of £13,559,908 were waived (see note 13)

8 Creditors: amounts falling due after one year

	2011 £	2010 £
Loan due to shareholders	**-**	13,650,972

Notes *(continued)*

9 Called up share capital

	2011 £	2010 £
Authorised		
50 "A" Ordinary shares of £1 each	**50**	50
50 "B" Ordinary shares of £1 each	**50**	50
	100	100

	2011 £	2010 £
Allocated, called up and fully paid		
50 "A" Ordinary shares of £1 each	**50**	50
50 "B" Ordinary shares of £1 each	**50**	50
	100	100

Only the A shares carry voting and distribution rights.

10 Profit and loss account

	Profit and loss account £
At beginning of year	**(1,134,013)**
Profit for the year	**41,213**
At end of year	**(1,092,800)**

11 Reconciliation of movements in shareholders' deficit

	2011	2010
Profit for the financial year	**41,213**	-
Opening shareholders' deficit	**(1,133,913)**	(1,133,913)
Closing shareholders' deficit	**(1,092,700)**	(1,133,913)

Notes *(continued)*

12 Ultimate parent company

At 31 December 2011, the company's ultimate parent company is The Miller Group Limited. The Miller Group Limited 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 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 controlled by GSO Capital Partners LLP, a division of the Blackstone Group LP.

13 Post balance sheet events

In February 2012 The Miller Group Limited (Miller BOS Limited's ultimate parent company) completed a restructuring of its existing banking facilities and secured significant new third party investment. As part of this process The Miller Group has undertaken an exercise to restructure the company's financial position from that shown in the balance sheet as at 31 December 2011.

As part of the refinancing of this company, the following intercompany loans were waived:

- Amounts due from Miller Developments Limited to Miller BOS Limited of £700,248.
- Amounts due from Miller Developments Holdings Limited to Miller BOS Limited of £11,766,760.
- Amounts due to The Miller Group Limited from Miller BOS Limited of £13,559,908.

A further transaction arose as a result of the restructuring exercise:

- Transfer of investment share capital in Miller Developments Regeneration Limited of £100 to Miller Developments Holdings Limited.

Set out below is a pro-forma Balance Sheet as at 31 December 2011 of Miller BOS Limited, taking account of these transactions as if they had occurred at that date:

	Proforma 2011 £	Reported 2011 £
Investments	-	100
Debtors	100	12,467,108
Creditors: amounts due in more than one year	-	(13,559,908)
Net assets/(liabilities)	100	(1,092,700)