

Registered number 1556329

# **MDL Developments Limited**

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

## **MDL Developments Limited**

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Registered number. 1556329

### **Directors**

S T Gray / (Chairman)

E Feeney /

B M Bettesworth /

J Eads /

L Gordon /

C C Holmes /

Hon E R Iliffe /

S Ryan /

### **Secretary**

C C Holmes /

### **Auditors**

Ernst & Young LLP

Apex Plaza

Reading

RG1 1YE

### **Registered Office**

Outlook House

School Lane

Hamble

Southampton

SO31 4NB

# MDL Developments Limited

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## Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

### Principal activity

The principal activity of the Company is that of property development

### Results for the year

The results for the year are shown on page 7 The directors do not recommend payment of a dividend

### Review of the business and future developments

The Directors consider the results for the year and prospects to be satisfactory

### Principal risks and uncertainties

The management of the company business and the execution of the company's strategy are subject to a number of risks and uncertainties The company believes the key business risk relates to competition from other organisations

The company is part of a group which actively manages its financial risk and the group's key financial risk relates to interest rate movements The group reduces its exposure by converting a proportion of its debt from floating to pre-determined rates through the use of interest rate swap and cap financial instruments which are fully disclosed in the financial statements of the ultimate parent company

### Key performance indicators

Management uses a range of performance measures to manage and monitor the performance of the company Certain of these are particularly important and are listed below as key performance indicators

£'000	2011	2010	% change in year
<i>Financial</i>			
Turnover	329	3,962	-91.7%
Profit before tax	240	3,217	-92.5%
(Loss)/profit for the year	(5,431)	3,690	-247.2%
Gross assets	34,071	33,929	0.4%

### Going concern

The company continues to participate in the UK Group's centralised funding arrangements provided by the parent company, Yattendon Group PLC and expects to continue generating positive cashflows before taxation for the foreseeable future

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about its ability to continue as a going concern The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

# MDL Developments Limited

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## Directors' report - continued

### Directors

The names of the current directors are listed on page 1, director resignations and appointments during the year and between year end and the report date were as follows

L Gordon	(appointed 26 January 2011) ✓
A M Chater	(resigned 31 March 2011) ✓
E Feeney	(appointed 31 May 2011) ✓
A J Cornish	(resigned 5 August 2011) ✓
S Ryan	(appointed 26 January 2012) ✓

### Directors' liability insurance

During the year the company purchased and maintained liability insurance as permitted by section 233 of the Companies Act 2006

### Re-appointment of auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

  
On behalf of the board

C.C Holmes  
Secretary

Date

14/06/12

Registered number 1556329

# **MDL Developments Limited**

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## **Directors' responsibilities statement**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and loss for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 proper 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of MDL Developments Limited**

We have audited the financial statements of MDL Developments Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors' 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 auditors**

As explained more fully in the Directors Responsibilities Statement set out on page 4, 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). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all financial and non-financial information in the Directors Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

### **Opinion on other matters 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.

## **Independent auditors' report to the members of MDL Developments Limited**

### **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 company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company financial statements are not in agreement with the accounting records, 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

*Ernst & Young LLP*

*Debbie O'Hanlon (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading*

*15 June 2012*

## MDL Developments Limited

### Profit and loss account

For the year ended 31 December 2011

		2011 £000	2010 £000
<b>Turnover</b>		329	3,962
Operating costs		<u>(902)</u>	<u>(1,644)</u>
<b>Operating (loss)/profit</b>	2	(573)	2,318
Interest receivable and similar income	5	<u>813</u>	<u>899</u>
<b>Profit on ordinary activities before taxation</b>		240	3,217
Taxation	6	<u>(5,671)</u>	<u>473</u>
<b>(Loss)/profit for the year</b>	15	<u><u>(5,431)</u></u>	<u><u>3,690</u></u>

The loss for the year arises from continuing operations

There are no recognised gains or losses other than the (loss)/profit attributable to shareholders of the company of 2011 - loss £5,431,000 (2010 - profit £3,690,000)

There is no material difference between the result reported in the profit and loss account and the result on an unmodified historical cost basis

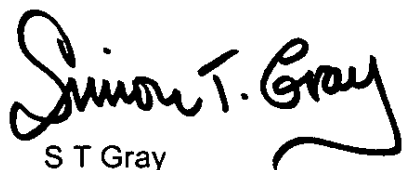


# MDL Developments Limited

## Balance sheet

At 31 December 2011

	Notes	2011 £000	2010 £000
<b>Fixed assets</b>			
Tangible assets	7	16	19
Investments in subsidiary	8	<u>2,018</u>	<u>2,018</u>
		2,034	2,037
<b>Current assets</b>			
Stocks	9	3,480	3,465
Debtors	10	28,453	28,259
Cash at bank and in hand		<u>104</u>	<u>168</u>
		32,037	31,892
<b>Creditors: amounts falling due within one year</b>	11	<u>(14,452)</u>	<u>(8,879)</u>
<b>Net current assets</b>		<u>17,585</u>	<u>23,013</u>
<b>Total assets less current liabilities</b>		<u>19,619</u>	<u>25,050</u>
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(13,571)</u>	<u>(13,571)</u>
		<u>6,048</u>	<u>11,479</u>
<b>Capital and reserves</b>			
Share capital	14	15	15
Share premium	15	958	958
Capital redemption reserve fund	15	1,000	1,000
Profit and loss account	15	<u>4,075</u>	<u>9,506</u>
<b>Shareholders funds</b>		<u>6,048</u>	<u>11,479</u>



S T Gray  
Chairman

E Feeney   
Managing Director

Dated

14/06/12

# **MDL Developments Limited**

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## **Notes to the financial statements 31 December 2011**

### **1 Accounting Policies**

#### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements of MDL Developments Limited were approved for issue by the Board of Directors on the date shown on the Balance Sheet

#### **Group accounts**

Group financial statements have not been prepared as the company is itself a subsidiary of MDL Marinas Group plc which prepares group financial statements. The company has therefore claimed the exemption conferred by section 400 of the Companies Act 2006

#### **Cash flow**

The company has not prepared a cashflow statement as permitted by paragraph 5 of Financial Reporting Standard No 1 (Revised 1996)

#### **Turnover**

Turnover represents the amounts derived from the provision of goods and services, properties held for resale, and rents received which fall within the Company's ordinary activities, stated net of value added tax and intra-group transactions. Credit is taken for rent earned and similar income on an accruals basis over the lease term. Turnover does not include the sale of investment properties, for which the profits or losses on sale are shown separately as profit on sale of investment properties

#### **Tangible fixed assets and depreciation**

All fixed assets are initially recorded at cost

With the exception of land and work under construction, which are not depreciated, depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life

Plant and machinery	over 5 - 10 years
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The carrying values of tangible fixed assets are reviewed for impairment in years if events or changes in circumstances indicate the carrying value may not be recoverable

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date, that will result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exceptions

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Capitalisation of finance costs**

Interest charges incurred on loans specifically attributable to assets in the course of development are capitalised gross of tax up to the date of practical completion. All other interest costs are charged to revenue

#### **Stocks**

Long term developments are stated at cost plus attributable overheads incurred, less foreseeable losses

#### **Investments**

Investments are recorded at cost less provision for permanent diminutions in value

# MDL Developments Limited

Notes to the financial statements  
31 December 2011

## 2 Operating (loss)/profit

This has been stated after charging	2011 £000	2010 £000
The operating (loss)/profit for the year was arrived at after charging		
Auditors' remuneration	5	5
Depreciation of tangible fixed assets - owned	3	2
and after crediting		
Rents receivable (included in turnover)	126	107

The Company's individual accounts do not disclose fees for other services required by Regulation 4 (1) (b) of the Companies (Disclosure of Auditor Remuneration) Regulations 2005 because the Yattendon Group PLC statements comply with and include the disclosures required by regulation 4 (1) (b)

## 3 Directors' emoluments

Emoluments of the directors of the company are shown in the accounts of the group company through which they were paid

## 4 Staff

No staff were employed by the company during the year and no remuneration paid (2010 £nil)

## 5 Interest receivable and similar income

	2011 £000	2010 £000
Loans to group undertakings	813	899

## 6 Taxation

### a) Taxation on profit on ordinary activities

	2011 £000	2010 £000
Group relief payable	64	282
Adjustments in respect of prior years	5,553	9
Current tax charge for the year	5,617	291
Deferred taxation - Origination and reversal of timing differences	54	651
Deferred taxation - Recognition of brought forward losses	-	(1,415)
	5,671	(473)

### b) Factors affecting tax charge for the year

	2011 £000	2010 £000
Profit on ordinary activities before tax	240	3,217
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 28%)	64	901
Effects of		
Disallowed expenses and non-taxable income	-	4
Adjustments to tax charge in respect of prior years	5,553	9
Utilisation of brought forward tax losses	-	(623)
	5,617	291

There are losses carried forward amounting to £2,813,000 (2010 £2,813,000) available for relief against suitable taxable profits in future accounting years

# MDL Developments Limited

Notes to the financial statements  
31 December 2011

## 6 Taxation (continued)

On 23 March 2011, the UK Chancellor of the Exchequer announced a number of corporate reforms effective from 1 April 2011. This included the reduction in mainstream rate of UK corporation tax from 28% to 26% and ultimately to 23% over a period of 4 years. In addition, a proposed reduction in the main and special rate of capital allowances to 18% and 8% respectively for the accounting period ending after 1 April 2012.

On the 19 July 2011, the rate of 25% was substantively enacted within F(No 3)A 2011. This reduction is reflected in the calculation of deferred tax balances.

Subsequently, the Chancellor has made an announcement on 21 March 2012, to further reduce the rate of corporation tax to 24% from 1 April 2012 and ultimately to 22% by April 2014.

The calculation of deferred tax balances does not therefore reflect the potential impact of the proposed rate reduction from 25% - 22% as they were not substantively enacted at the balance sheet date. The full impact of the rate change from 25% - 22% has yet to be ascertained but it is likely that the company will have a lower UK effective tax rate on the future taxable profits.

## 7 Tangible fixed assets

	<i>Plant and machinery £000</i>	<i>Total £000</i>
Cost		
1 January 2011	43	43
Additions	-	-
Disposals	-	-
31 December 2011	<u>43</u>	<u>43</u>
Depreciation		
1 January 2011	24	24
Provided in the year	3	3
Disposals	-	-
31 December 2011	<u>27</u>	<u>27</u>
Net Book Value at 31 December 2011	<u>16</u>	<u>16</u>
Net Book Value at 31 December 2010	<u>19</u>	<u>19</u>

## 8 Investments

	<i>2011 £000</i>	<i>2010 £000</i>
Investments in subsidiary undertakings	<u>2,018</u>	<u>2,018</u>

The principal subsidiary undertakings are wholly owned and are detailed as follows:

Name of company	Date acquired/ Incorporated	Country of Incorporation	Principal activity
Ocean Village Resorts Limited	21 December 2004	Great Britain	Property construction & operation
Port Penlee Limited	26 September 2008	Great Britain	Property construction & operation

Group financial statements have not been prepared as the company is itself a subsidiary of MDL Mannas Group plc which prepares group financial statements. The company has therefore claimed the exemption conferred by section 400 of the Companies Act 2006.

## 9 Stocks

	<i>2011 £000</i>	<i>2010 £000</i>
Long term developments	<u>3,480</u>	<u>3,465</u>

# MDL Developments Limited

Notes to the financial statements  
31 December 2011

## 10 Debtors

	2011 £000	2010 £000
Trade Debtors	-	9
Amounts owed by group undertakings	23,168	23,047
Amounts owed by ultimate parent undertakings	4,428	4,439
Deferred tax asset (note 13)	710	764
Other debtors	140	-
Prepayments and accrued income	7	-
	<u>28,453</u>	<u>28,259</u>

## 11 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank Overdraft	394	-
Trade creditors	58	49
Corporation tax	5,617	-
Group relief	-	280
Amounts owed to group undertakings	8,188	8,353
Other Creditors	101	100
Accruals and deferred income	94	97
	<u>14,452</u>	<u>8,879</u>

## 12 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Accruals and deferred income	500	500
Amounts owed to group undertakings	13,071	13,071
	<u>13,571</u>	<u>13,571</u>

## 13 Deferred taxation

Deferred taxation asset provided and not provided in the financial statements is as follows

	Provided		Not provided	
	2011 £000	2010 £000	2011 £000	2010 £000
Tax losses carried forward	<u>(710)</u>	<u>(764)</u>	<u>-</u>	<u>-</u>

The movement in the deferred tax provision during the year are as follows

	£000
1 January 2011	(764)
Deferred taxation credit in profit and loss account (note 6a)	<u>54</u>
31 December 2011	<u>(710)</u>

## MDL Developments Limited

Notes to the financial statements  
31 December 2011

### 14 Called up share capital

	2011 £000	2010 £000
Allotted, called up and partly paid	15	15
15,000 Ordinary shares of £1 each	-	-
9,000 Ordinary "A" shares of £1 each, issued partly paid	15	15

### 15 Reconciliation of shareholders funds and movement on reserves

	Share Capital £000	Share Premium £000	Capital Redemption Reserve £000	Profit and loss account £000	Total Shareholders Funds £000
At 1 January 2011	15	958	1,000	9,506	11,479
Loss for the year	-	-	-	(5,431)	(5,431)
At 31 December 2011	15	958	1,000	4,075	6,048

### 16 Contingent liability

The assets of the company, together with those of other subsidiary undertakings, are pledged as security under fixed and floating charges given in respect of bank loans of the parent company, Yattendon Group PLC of up to £111,000,000 (2010 £125,000,000)

### 17 Related party transactions

The company has taken advantage of the exemption in paragraph 3c of Financial Reporting Standard 8 from disclosing transactions with Yattendon Group PLC and wholly owned subsidiaries within the group headed by that company. There were no other material related party transactions during the period.

### 18 Ultimate parent undertaking

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is MDL Marinas Group Plc registered in England and Wales.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Yattendon Group PLC registered in England and Wales. This Company is also regarded as the ultimate holding company.

The financial statements of MDL Marinas Group Plc and Yattendon Group PLC can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.