

Registered number 5607366

MDL Finance (2005) Limited

Report and Financial Statements

31 December 2010

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COMPANIES HOUSE

MDL Finance (2005) Limited

Registered number: 5607366

Directors

| | |
|--------------|-------------------------------|
| A M Chater | Retired 31st March 2011 |
| C C Holmes | |
| A J Keeler | Retired 9th July 2010 |
| S L Richards | Resigned 31st December 2010 |
| A J Cornish | Appointed 15th September 2010 |

Secretary

C C Holmes

Auditors

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

Registered Office

Outlook House
School Lane
Hamble Point
Southampton
SO31 4NB

MDL Finance (2005) Limited

Directors' Report

The directors present their report and financial statements for the year ended 31 December 2010.

Principal activity

The principal activity of the Company is that of marina financing, their development and operation.

Results for the year

The results for the year are shown on page 7 During the year the company paid a dividend of £3,000,000 (2009:£4,000,000)

Review of the business and future developments

The directors consider the results for the year 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 | 2010 | 2009 | % change in year |
|----------------------------|---------|---------|---------------------|
| <i>Financial</i> | | | |
| Interest received | 4,065 | 2,403 | 69% |
| Profit/(loss) for the year | 2,925 | 1,734 | -69% |
| Gross assets | 121,122 | 120,052 | 1% |

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 operating cashflows from its business activities 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 Finance (2005) Limited

Directors' Report

Directors

The names of the current directors are listed on page 1, no other director served during the year

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

19th May 2011

Registered number 5607366

MDL Finance (2005) Limited

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 Finance (2005) Limited

We have audited the financial statements of MDL Finance (2005) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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 2010 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 Finance (2005) 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



*Bruce Morton (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham, UK*

24 May 2011

MDL Finance (2005) Limited

Profit and loss account

For the year ended 31 December 2010

| | | <i>2010</i> <i>£000</i> | <i>2009</i> <i>£000</i> |
|--|---|----------------------------|----------------------------|
| Turnover | | - | - |
| Operating costs | | <u>-</u> | <u>-</u> |
| Operating profit | 2 | - | - |
| Interest receivable and similar income | 5 | <u>4,065</u> | <u>2,403</u> |
| Profit on ordinary activities before taxation | | 4,065 | 2,403 |
| Taxation | 6 | <u>(1,140)</u> | <u>(669)</u> |
| Profit for the year | | <u><u>2,925</u></u> | <u><u>1,734</u></u> |

The profit for the year arises from continuing operations

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £2,925,000 (2009 £1,734,000)

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 Finance (2005) Limited

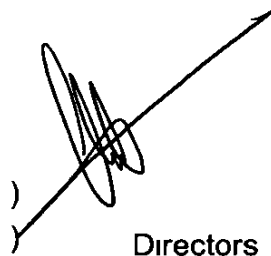
Balance sheet

At 31 December 2010

| | Notes | 2010 £000 | 2009 £000 |
|---|-------|-----------------------|-----------------------|
| Current assets | | | |
| Debtors | 7 | 121,122 | 120,004 |
| Cash at bank and in hand | | - | 48 |
| | | <u>121,122</u> | <u>120,052</u> |
| Creditors: amounts falling due within one year | 8 | <u>(3,796)</u> | <u>(2,651)</u> |
| Net current assets | | <u>117,326</u> | <u>117,401</u> |
| Total assets less current liabilities | | <u>117,326</u> | <u>117,401</u> |
| Net assets | | <u><u>117,326</u></u> | <u><u>117,401</u></u> |
| Capital and reserves | | | |
| Share capital | 9 | 500 | 500 |
| Share premium | 10 | 109,001 | 109,001 |
| Profit and loss account | 10 | <u>7,825</u> | <u>7,900</u> |
| Shareholders funds | | <u><u>117,326</u></u> | <u><u>117,401</u></u> |

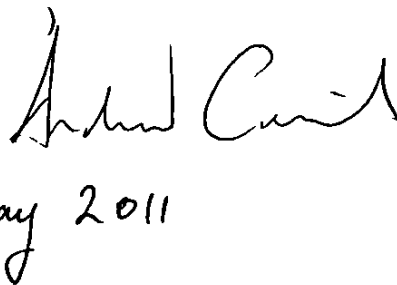
These financial statements were approved and signed by the board of directors on

Clive Holmes



Directors

Andrew Cornish



Dated

19th May 2011

MDL Finance (2005) Limited

Notes to the financial statements

31 December 2010

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 Finance (2005) Limited were approved for issue by the Board of Directors on the date shown on the Balance Sheet

Cash flow

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

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 periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2 Operating profit

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 (2009 £nil)

5 Interest receivable and similar income

| | 2010 £000 | 2009 £000 |
|-------------------------------|--------------|--------------|
| Loans from group undertakings | <u>4,065</u> | <u>2,403</u> |

MDL Finance (2005) Limited

Notes to the financial statements
31 December 2010

6 Taxation

a) Taxation on profit on ordinary activities

| | 2010 £000 | 2009 £000 |
|---------------------------------|--------------|--------------|
| Current tax charge for the year | <u>1,140</u> | <u>669</u> |

b) Factors affecting tax charge for the year

| | 2010 £000 | 2009 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax | <u>4,065</u> | <u>2,403</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%) | 1,138 | 673 |
| Effects of Adjustments to tax charge in respect of prior years | <u>2</u> | <u>(4)</u> |
| Current tax charge for the year | <u>1,140</u> | <u>669</u> |

7 Debtors

| | 2010 £000 | 2009 £000 |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | <u>121,122</u> | <u>120,004</u> |

8 Creditors: amounts falling due within one year

| | 2010 £000 | 2009 £000 |
|------------------------------------|--------------|--------------|
| Group relief payable | 1,303 | 1,570 |
| Corporation tax | - | 1,081 |
| Amounts owed to group undertakings | 2,488 | - |
| Accruals | <u>5</u> | <u>-</u> |
| | <u>3,796</u> | <u>2,651</u> |

MDL Finance (2005) Limited

Notes to the financial statements
31 December 2010

9 Called up share capital

| | 2010 £000 | 2009 £000 |
|--|--------------|--------------|
| Allotted, called up and fully paid 500,000 Ordinary shares of £1 each | <u>500</u> | <u>500</u> |

10 Reconciliation of shareholders funds and movement on reserves

| | Share capital £000 | Share premium account £000 | Profit and loss account £000 | Total Shareholders Funds £000 |
|---------------------|--------------------------|-------------------------------------|---------------------------------------|--|
| At 31 December 2009 | 500 | 109,001 | 7,900 | 117,401 |
| Profit for the year | - | - | 2,925 | 2,925 |
| Dividends paid | - | - | (3,000) | (3,000) |
| At 31 December 2010 | <u>500</u> | <u>109,001</u> | <u>7,825</u> | <u>117,326</u> |

11 Contingent liability

The assets of the Group, 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 £125,000,000 (2009 £123,000,000)

12 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.

13 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.