

MDL Development Company Number 2 Limited

Annual Report and Financial Statements

For the year ended 31 March 2018

Registered Number: 05607366

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COMPANIES HOUSE

Company information

Directors

R A Broadribb (appointed 19 December 2017)

R D G Grant (appointed 19 December 2017)

The Hon E R Iliffe

J L Robinson (resigned 19 January 2018)

Secretary

C E Fleming

Registered office

Outlook House

School Lane

Hamble Point

Hamble

Southampton

SO31 4NB

Strategic report

For the year ended 31 March 2018

The directors present their strategic report on the Company for the year ended 31 March 2018.

Principal activity and business review

The Company's principal activity during the year was that of property and marina development and financing.

Principal risks and uncertainties

The management of the Company's business and the execution of the Company's strategy are subject to a number of risks and uncertainties. The Company believes that the key business risks relates to competition from other organisations, which it manages by monitoring competitor activity.

Results and dividends

The results are set out in the profit and loss account on page 5. During the year the Company achieved a profit on ordinary activities before taxation of £2,680k (2017: £1,579k) and profit for the year of £1,780k (2017: £3,328k). No interim or final dividends have been proposed or paid during the year (2017: Nil).

Key performance indicators

Given the size and nature of the operations, the directors do not believe that there are any KPIs which would assist with the running of the business.

Future developments

The Company expects to continue to generate revenue from the principal activities for the foreseeable future.

By order of the board



C E Fleming
Company Secretary
27 July 2018

Directors' report

For the year ended 31 March 2018

The directors present their report and financial statements of the Company for the year ended 31 March 2018.

Incorporation by reference

Certain Laws & Regulations require that specific information should be included in the Directors' report; the following is incorporated into this Directors' report by reference.

- Principal activity and business review (page 2)
- Principal risks and uncertainties (page 2)
- Results and dividends (page 2)
- Future developments (page 2)

Financial risk management

The Company actively manages its financial risks through intercompany funding arrangements with its parent company, MDL Marinas Group Limited, which believes its key financial risk relates to interest rate movements. The interest rate management policy is disclosed in the parent company's financial statements.

Credit and liquidity risk

Credit and liquidity risk is controlled by monitoring agreements to ensure timely collection of amounts due.

Environment

The Company recognises the importance of its environmental responsibilities across its principal activity and there are various initiatives in place designed to minimise the Company's impact on the environment.

Directors

The directors of the Company who served during the year and up to the date of signing the financial statements are disclosed on page 1.

Employees

The Company has no employees.

Political Contributions

The Company has made no political contributions during the current year or prior year.

Directors' and officers' indemnity insurance

The Company has indemnified one or more directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and at the date of approval of the financial statements.

Directors' report (continued)

For the year ended 31 March 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

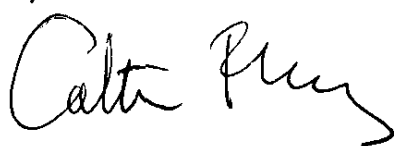
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

By order of the board



C E Fleming
Company Secretary
27 July 2018

Profit and loss account

For the year ended 31 March 2018

		<i>Year ended 31 March 2018 £000</i>	<i>Year ended 31 March 2017 £000</i>
	<i>Note</i>		
Turnover		-	-
Operating costs		-	-
Operating result		-	-
Interest receivable and similar income	7	2,682	2,792
Interest payable and similar charges	8	(2)	(1,213)
Profit on ordinary activities before taxation		<u>2,680</u>	<u>1,579</u>
Tax on profit on ordinary activities	9	(900)	1,749
Profit for the financial year		<u><u>1,780</u></u>	<u><u>3,328</u></u>

Statement of comprehensive income

For the year ended 31 March 2018

		<i>Year ended 31 March 2018 £000</i>	<i>Year ended 31 March 2017 £000</i>
	<i>Note</i>		
Profit for the financial year		<u>1,780</u>	<u>3,328</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>1,780</u></u>	<u><u>3,328</u></u>

Balance sheet

As at 31 March 2018

	Note	31 March 2018 £000	31 March 2017 £000
Fixed assets			
Investments	10	-	-
Current assets			
Stocks	11	521	521
Debtors	12	130,705	129,238
		<u>131,226</u>	<u>129,759</u>
Creditors – amounts falling due within one year	13	(901)	(1,214)
Net current assets		<u>130,325</u>	<u>128,545</u>
Net assets		<u>130,325</u>	<u>128,545</u>
Capital and reserves			
Called up share capital	14	500	500
Share premium account	15	109,001	109,001
Retained earnings		20,824	19,044
Total equity		<u>130,325</u>	<u>128,545</u>

The notes on pages 8 to 13 are an integral part of these financial statements.

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 March 2018.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 March 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements on pages 5 to 13 were authorised for issue by the board of directors and were signed on their behalf by:



The Hon E R Iliffe
Director
27 July 2018

Statement of changes in equity

For the year ended 31 March 2018

	Called-up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance as at 1 April 2016	500	109,001	15,716	125,217
Profit for the financial year	-	-	3,328	3,328
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	3,328	3,328
Balance as at 31 March 2017	500	109,001	19,044	128,545
Balance at 1 April 2017	500	109,001	19,044	128,545
Profit for the financial year	-	-	1,780	1,780
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,780	1,780
Balance as at 31 March 2018	500	109,001	20,824	130,325

Notes to the financial statements

For the year ended 31 March 2018

1 General Information

MDL Development Company Number 2 Limited received income from its principal activities during the year.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Outlook House, School Lane, Hamble Point, Hamble, Southampton, SO31 4NB.

2 Statement of compliance

The individual financial statements of MDL Development Company Number 2 Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Exemptions

Under FRS 102 (section 1), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent company (MDL Marinas Group Limited) includes the new Company's cash flows in its own published consolidated financial statements.

The entity is a qualifying entity and has also taken advantage of the financial instrument disclosures exemption under FRS 102 (section 1.12).

The Company has taken advantage of the exemption in FRS 102 (section 33) "Related party disclosure" not to disclose transactions with other members of the Group.

Notes to the financial statements

For the year ended 31 March 2018

3 Summary of significant accounting policies (continued)

(c) Group financial statements

The Company is exempt, under s400 of the Companies Act 2006, from the obligation to prepare consolidated financial statements as the Company is a wholly owned subsidiary undertaking of a parent Company incorporated in the EU, which prepares consolidated financial statements. As such, these financial statements present information about the Company as an individual undertaking and not about its group.

(d) Investments

Investments are held at cost less accumulated impairment losses.

(e) Stocks

Raw materials, consumables and goods for resale are valued at the lower of cost and net realisable value.

(f) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred Tax

Deferred tax arises from timing differences that are differences between taxable profit and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements

For the year ended 31 March 2018

4 Critical accounting judgements and estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in future could differ from those estimates.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There were no critical accounting adjustments or estimates which impacted the Financial Statements.

5 Directors' emoluments

No emoluments were paid to the directors through MDL Development Company Number 2 Limited (2017: Nil). Emoluments of the directors of the Company are shown in the financial statements of the parent company, MDL Marinas Group Limited. It is not possible to determine an allocation for services rendered to this Company.

6 Staff

No staff were employed by the Company during the year (2017: Nil) and no remuneration paid (2017: Nil).

7 Interest receivable and similar income	Year ended	Year ended
	31 March 2018	31 March 2017
	£000	£000
Loans to group undertakings	2,682	2,792

8 Interest payable and similar charges	Year ended	Year ended
	31 March 2018	31 March 2017
	£000	£000
Interest on UK taxation	2	1,213

Notes to the financial statements

For the year ended 31 March 2018

9 Tax on profit on ordinary activities

a) Tax charge/(credit) for the year	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Current tax		
Charge/(credit) for the year	509	(242)
Adjustments in respect of prior years	391	(1,507)
	<u>900</u>	<u>(1,749)</u>
Deferred tax		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total tax charge/(credit) for the year	<u>900</u>	<u>(1,749)</u>

b) Reconciliation of current tax charge

The tax assessed for the year is higher (2017: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 March 2018 of 19% (2017: 20%).

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Profit on ordinary activities before taxation	2,680	1,579
UK corporation tax rate of 19% (2017: 20%)	509	316
Effects of:		
Income not chargeable for tax purposes	-	(558)
Adjustments in respect of prior years	391	(1,507)
Total tax charge/(credit) for the year (note 9a)	<u>900</u>	<u>(1,749)</u>

c) Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements

For the year ended 31 March 2018

10 Investments

Interest in joint venture

The value of shares at 31 March 2018 and 31 March 2017 is £nil.

<i>Name of Company</i>	<i>Country of registration and operation</i>	<i>Class of shares held</i>	<i>Proportion of voting rights & shares held</i>	<i>Nature of business</i>
Port Penlee Waterside Developments Limited	England and Wales	Ordinary	50%	Dormant

The Company's share of the net assets and liabilities of the joint venture totals £50 (2017: £50).

The Registered Office of this Company is The Mill, One High Street, Henley-in-Arden, Warwickshire B95 5AA

11 Stocks	<i>31 March 2018 £000</i>	<i>31 March 2017 £000</i>
Long term developments	<u>521</u>	<u>521</u>

12 Debtors	<i>31 March 2018 £000</i>	<i>31 March 2017 £000</i>
Amounts owed by group undertakings	130,705	128,996
Group relief receivable	<u>-</u>	<u>242</u>
	<u>130,705</u>	<u>129,238</u>

Amounts owed by group undertakings represent loans to various companies in the corporate structure. These loans are unsecured, accruing interest at 2.06% (2017: 2.11%) and repayable upon demand.

13 Creditors: amounts falling due within one year	<i>31 March 2018 £000</i>	<i>31 March 2017 £000</i>
Group relief payable	900	-
Accruals	<u>1</u>	<u>1,214</u>
	<u>901</u>	<u>1,214</u>

Notes to the financial statements

For the year ended 31 March 2018

14 Share capital	31 March 2018	31 March 2017
	£000	£000
Allotted and fully paid		
500,000 (2017: 500,000) ordinary shares of £1 each	<u>500</u>	<u>500</u>

15 Other reserves

The share premium reserve arose on the issue of shares in the year to 31 December 2006. The balance at 31 March 2018 was £109,001k (2017: £109,001k).

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 and financing of the parent company, MDL Marinas Group Limited, up to a value of £65,000k at 31 March 2018 (2017: £53,600k).

17 Related party transactions

The Company has taken advantage of the exemption in FRS 102 (section 33) "Related party disclosure" not to disclose transactions with other members of the Group. There were no other related party transactions during the year (2017: Nil) with non-group members.

18 Ultimate parent company and controlling party

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 Limited 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 parent company and controlling party.

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