

Company Registration No. 7623351

Meldene Limited

Report and Financial Statements

30 June 2017

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Meldene Limited

Report and financial statements 2017

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Meldene Limited

Report and financial statements 2017

Officers and professional advisers

Directors

D P Levy
M J Collecott
D Cullen
R Caplehorn

Secretary

M J Collecott

Registered Office

Lilywhite House
782 High Road
Tottenham
London
N17 0BX

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

Solicitors

Olswang LLP
90 High Holborn
London
WC1V 6XX

Auditor

Deloitte LLP
Statutory Auditor
London

Meldene Limited

Directors' report

The directors present their report and the financial statements of Meldene Limited ('the Company') for the year ended 30 June 2017.

The Directors' report has been prepared in accordance with the special provisions relating to small companies under section 444(5) of the Companies Act 2006 and the company is therefore exempt from preparing a Strategic Report.

Principal activities

The principal activity of the company is that of owning and developing land associated with the construction of the new stadium on behalf of the Tottenham Hotspur group.

Risks and uncertainties

The risks and uncertainties of the company are aligned to those of Tottenham Hotspur Limited and discussed in page 3 of the consolidated Group accounts.

Directors

The directors who served throughout the year were as follows:

D P Levy
M J Collecott
D Cullen
R Caplehorn

Dividends and results

The directors do not recommend the payment of a dividend in the current period (2016: £nil). The company made a loss after tax for the year of £36,011,385 (2016: £2,246,634 profit), and the net liabilities as at 30 June 2017 were £33,791,241 (2016: net assets £2,220,144).

The directors consider the future prospects of the company to be satisfactory.

Going concern

The company is a property company with net current liabilities at 30 June 2017 and was loss-making during the financial period. The financial statements have been prepared on the going concern basis because the parent company, Tottenham Hotspur Limited, stated that it will provide the necessary financial support to the company for at least twelve months from the date these accounts are signed. The parent company directors prepare budgets and forecasts and have produced detailed and realistic cash flow projections which are reviewed on an ongoing basis. These demonstrate that the parent company has the financial capability to satisfy this obligation.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is not aware; and
- the director has taken all steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Meldene Limited

Directors' report

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M J Collecott', written over a horizontal line.

M J Collecott
Secretary

11 October 2017

Meldene Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 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 auditor's report to the members of Meldene Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Meldene Limited (the 'company') which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Meldene Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Kevin Thompson

Kevin Thompson, (Senior statutory auditor)
for and on behalf of Deloitte LLP

Statutory Auditor
London, United Kingdom

20 October 2017

Meldene Limited

Income statement Year ended 30 June 2017

	Notes	2017 £	2016 £
Revenue	1	20,000,000	5,370,000
Operating expenses		<u>(48,888,423)</u>	<u>(586,145)</u>
Operating (loss)/profit	2	(28,888,423)	4,783,855
Interest payable	3	<u>(4,042,371)</u>	<u>(1,889,416)</u>
(Loss)/profit on ordinary activities before taxation		(32,930,794)	2,894,439
Tax (charge) on loss on ordinary activities	4	<u>(3,080,591)</u>	<u>(647,805)</u>
Retained (loss)/profit for the financial period		<u><u>(36,011,385)</u></u>	<u><u>2,246,634</u></u>

The above results all derive from continuing operations.

There is no other comprehensive income in either period other than the profit as stated above and therefore no statement of comprehensive income is presented.

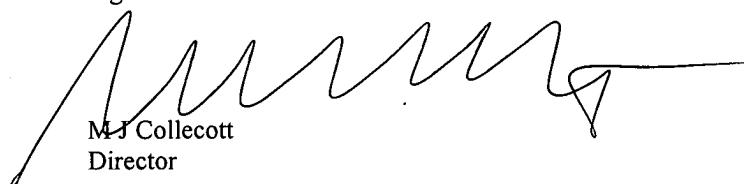
Meldene Limited

Balance sheet 30 June 2017

	Notes	2017 £	2016 £
Non-current assets			
Property, plant and equipment	5	<u>13,194,502</u>	<u>81,717,307</u>
Current assets			
Trade and other receivables	6	595,530	1,864,805
Cash and cash equivalents		<u>766,726</u>	<u>105,103,528</u>
		1,362,256	106,968,333
Current liabilities	7	(48,347,999)	(186,465,496)
Net current liabilities		<u>(46,985,743)</u>	<u>(79,497,163)</u>
Net (liabilities)/assets		<u>(33,791,241)</u>	<u>2,220,144</u>
Equity			
Share capital	8	1	1
Retained earnings		<u>(33,791,242)</u>	<u>2,220,143</u>
Net (liabilities)/assets		<u>(33,791,241)</u>	<u>2,220,144</u>

The financial statements of Meldene Limited, registered number 7623351, were approved by the Board of Directors and authorised on 11 October 2017.

Signed on behalf of the Board of Directors



M J Collecott
Director

Meldene Limited

Statement of changes in equity 30 June 2017

	Share capital £	Retained earnings £	Total £
Balance at 1 July 2015	1	(26,491)	(26,490)
Profit for the year	-	2,246,634	2,246,634
Balance at 30 June 2016	1	2,220,143	2,220,144
Loss for the year	-	(36,011,385)	(36,011,385)
Balance at 30 June 2017	1	(33,791,242)	(33,791,241)

Meldene Limited

Notes to the accounts Year ended 30 June 2017

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and prior period, are described below.

General information

Meldene Limited is a limited company incorporated and domiciled in the United Kingdom. The company is registered in England and Wales and the address of its registered office is disclosed in the company information. The principal activity of the company is described in the Directors' report.

Basis of preparation

The company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Where relevant equivalent disclosures have been given in the consolidated financial statements of Tottenham Hotspur Limited. The consolidated financial statements of Tottenham Hotspur Limited are available to the public and can be obtained from Lilywhite House, 782 High Road, Tottenham, London N17 0BX.

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

The presentation and functional currency of the company is pounds sterling.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 Financial instruments: Disclosures
- The following paragraphs of IAS 1 Presentation of financial statements:
 - 10(d) statement of cash flows
 - 16 statement of compliance with all IFRS
 - 134-136 capital management disclosures,
- Paragraph 30 and 31 of IAS 8, disclosure and impact of new IFRSs that has been issued but not yet effective, and
- The requirements in IAS 24 of Related party disclosures, to disclose related party transactions entered between two or more members of a group.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement. Where required, equivalent disclosures are given in the consolidated accounts of Tottenham Hotspur Limited. The consolidated accounts of Tottenham Hotspur Limited are publicly available.

Meldene Limited

Notes to the accounts Year ended 30 June 2017

1. Accounting policies (continued)

Going concern

The company is a property company with net current liabilities and net at 30 June 2017 and was loss-making during the financial period. The financial statements have been prepared on the going concern basis because the parent company, Tottenham Hotspur Limited, stated that it will provide the necessary financial support to the company for at least twelve months from the date these accounts are signed. The parent company directors prepare budgets and forecasts and have produced detailed and realistic cash flow projections which are reviewed on an ongoing basis. These demonstrate that the parent company has the financial capability to satisfy this obligation.

Revenue

Revenue represents the contribution received from other Group companies in accordance with a lease agreement for the Stadium site. Revenue is recognised as per the contractual terms of the rental agreement. All revenue arises in the United Kingdom.

Tax

The tax expense represents the tax currently payable.

The tax currently payable is based on taxable profit for the period. Taxable profits differ from net profit as reported in the income statement because they exclude items of income or expense that are taxable or deductible in other periods and they further exclude items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been substantively enacted by the balance sheet date.

Property, plant and equipment

Property, plant and equipment is stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land and buildings	2% straight-line
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Assets under the course of construction are carried at cost. Depreciation commences when the assets are ready for their intended use.

Critical accounting judgements and sources of estimation uncertainty

In the application of the company's accounting policies, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Property, plant and equipment

All freehold land and buildings are reviewed for potential impairment using estimates of the future economic benefits attributable to them. Any estimates of future economic benefits made in relation to non-current assets may differ from the benefits that ultimately arise, and materially affect, the recoverable value of the asset.

Meldene Limited

Notes to the accounts Year ended 30 June 2017

1. Accounting policies (continued)

Assets under construction

The assets classified under 'in the course of construction' relate to the Company's main ongoing capital project: the proposed Northumberland Development Project (NDP). IAS 16 requires that for an asset to be capitalised it must result in a probable economic benefit. Therefore, once this project begins its useful economic life, depreciation will begin.

The Directors have produced detailed cash flow projections and have performed sensitivity analysis on these and are confident that the NDP will proceed. The NDP will be closely monitored and any amounts capitalised, which would not be recoverable in the event that the NDP does not proceed such as a significant proportion of professional fees capitalised that are specific to the proposed stadium site and properties whose market value is below cost, would need to be written-off at that time.

Current taxation

The complex nature of tax legislation under which the Company operates necessitates the use of many estimates and assumptions, where the outcome may differ from that assumed.

2. Operating profit

	2017 £	2016 £
Operating profit is stated after charging:		
Depreciation	24,549,220	289,788
Amounts paid under operating lease – land and buildings	183,000	87,500

There were no employees during the current or preceding period and none of the directors received any remuneration in respect of their services to the company in either period.

The audit fee of £2,000 (2016: £2,000) is borne by another group company in the current and prior period. No fees were paid to the company's auditor or affiliated entities, relating to other services, during the current or prior period. Refer to the Tottenham Hotspur Limited financial statements for full disclosure of fees payable to the auditor.

3. Interest payable and similar charges

	2017 £	2016 £
Interest payable on loans from group companies	4,042,371	1,889,416
	<u>4,042,371</u>	<u>1,889,416</u>

Meldene Limited

Notes to the accounts Year ended 30 June 2017

4. Tax (charge)/credit on profit/(loss) on ordinary activities

	Year ended 30 June 2017 £	13 month period ended 30 June 2016 £
Reconciliation of current tax		
(Loss)/Profit on ordinary activities before taxation	(32,930,794)	2,894,439
Tax credit/(charge) on (loss)/profit on ordinary activities before taxation at 19.75% (2016: 20%)	6,504,058	(578,888)
Effect of:		
Expenses not deductible	(4,740,792)	(10,959)
Non-qualifying depreciation	(4,848,639)	(57,958)
Capital Allowance in excess of depreciation	4,782	-
Total tax (charge)/credit	<u>(3,080,591)</u>	<u>(647,805)</u>

There is no provided or unprovided deferred tax.

As per current UK corporate tax law, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017. The Finance (No. 2) Act 2016, which was substantively enacted on 6 September 2016 further reduces UK corporation tax rate to 17%, effective from 1 April 2020. The reduction in tax rate included in the Finance (No. 2) Act 2016 was enacted at the balance sheet date and the effect thereof is reflected in these financial statements. This will reduce the future current tax charges accordingly.

Meldene Limited

Notes to the accounts Year ended 30 June 2017

5. Property, plant and equipment

	Assets under construction £	Freehold land and buildings £	Total £
Cost			
At 1 July 2016	18,810,997	63,196,098	82,007,095
Additions	122,358,365	14,634,502	137,127,367
Disposals	-	(30,169,009)	(30,169,009)
Transfer of assets to Group company	(141,169,362)	(34,467,089)	(175,636,451)
At 30 June 2017	-	13,194,502	13,194,502
Accumulated depreciation			
At 1 July 2016	-	289,788	289,788
Charge for the period	-	24,549,220	24,549,220
Disposal	-	(24,839,008)	(24,839,008)
At 30 June 2017	-	-	-
Net book value			
At 30 June 2017	-	13,194,502	13,194,502
At 30 June 2016	18,810,997	62,906,310	81,717,307

In the year, assets valued at £175,636,451 were transferred to Tottenham Hotspur Stadium Limited, a fellow group company, in accordance with an Asset Transfer Agreement associated with the granting of a lease of the stadium site to Tottenham Hotspur Stadium Limited.

Meldene Limited

Notes to the accounts Year ended 30 June 2017

5. Trade and other receivables

	2017 £	2016 £
Prepayments and accrued income	416,677	567,828
Amounts owed by group undertakings	-	74,254
Taxation and social security	178,853	1,222,723
	<u>595,530</u>	<u>1,864,805</u>

6. Current liabilities

	2017 £	2016 £
Trade payables	232,885	6,005,908
Amounts owed to group undertakings	48,115,114	179,241,261
Accruals and deferred income	-	570,522
Corporation tax	-	647,805
	<u>48,347,999</u>	<u>186,465,496</u>

7. Share capital

	30 June 2017 £	30 June 2016 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

Meldene Limited

Notes to the accounts Year ended 30 June 2017

8. Commitments

Capital and other commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2016: £17,731,529).

Operating lease arrangements

At the balance sheet date, the company had outstanding commitments to external parties for future minimum lease payments under non-cancellable operating leases over long and short leasehold land and buildings, which fall due as follows:

	2016 £	2015 £
Within one year	150,000	150,000
Between one and five years	212,000	350,000
	<u>362,500</u>	<u>500,000</u>

The above does not include any internal operating lease arrangements.

9. Ultimate parent company

The ultimate controlling party is ENIC International Limited, a company incorporated and registered in the Bahamas. The parent undertaking of the largest and smallest group, which includes the company, and for which group financial statements are prepared is Tottenham Hotspur Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the annual report and accounts of Tottenham Hotspur Limited can be obtained from Lilywhite House, 782 High Road, Tottenham, London N17 0BX.

10. Related party transactions

The company has applied the exemption granted by FRS 101 'Reduced Disclosure Framework' not to disclose intercompany transactions with Tottenham Hotspur group companies.