

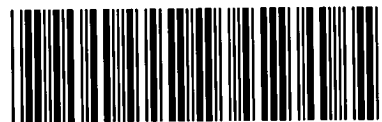
MDL Investments Limited

Registered number: 09859350

Directors' report and financial statements

For the period ended 31 December 2016

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MDL INVESTMENTS LIMITED

COMPANY INFORMATION

Directors Andrew Sutherland (appointed 5 November 2015)
Euan J E Haggerty (appointed 5 November 2015)
David T Milloy (appointed 5 November 2015)

Registered number 09859350

Registered office Condor House
St Paul's Churchyard
London
EC4M 8AL

MDL INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the 13 month period ended 31 December 2016, the company was incorporated on 5 November 2015.

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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:

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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.

Principal activity

The principal activity of the Company is that of a holding company. The Company's investments are in subsidiaries and joint ventures which are involved in property development. The Company was incorporated on 5 November 2015.

MDL INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2016

Restructure

During the year, the Group, of which MDL Investments Limited is a member, undertook a corporate restructure which involved the existing shareholders of The Miller Group (UK) Limited forming the new holding company, MDL Holdings Limited, and demerging MDL Investments Limited, and its subsidiaries Miller Developments Holdings Limited, Miller Holdings (International) Limited and Miller Group Holdings UK Limited, into MDL Holdings Limited (all of whom formed the largely autonomous Miller Developments division of The Miller Group (UK) Limited) effective 10 February 2016.

The ultimate controlling ownership of all the companies is unchanged following the restructure. At the balance sheet date, the date of demerger and at the date of approval of these financial statements the Company and its new ultimate parent company MDL Holdings Limited, is ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

This transaction relates only to the ownership of the Company and has no impact on the day to day operations.

Results and dividends

The profit for the period, after taxation, amounted to £NIL.

No dividend was paid during the year.

Directors

The directors who served during the period were:

Andrew Sutherland (appointed 5 November 2015)
Euan J E Haggerty (appointed 5 November 2015)
David T Milloy (appointed 5 November 2015)

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

MDL INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

This report was approved by the board and signed on its behalf by:



David T Milloy
Director

Date: 29 June 2017



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MDL INVESTMENTS LIMITED

We have audited the financial statements of MDL Investments Limited for the year ended 31 December 2016 set out on pages **6** to **12**. The financial reporting framework that has been applied in their preparation is applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 1, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG

30 June 2017

MDL INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016**

There was no profit, loss or other comprehensive income for 2016.

The notes on pages 9 to 12 form part of these financial statements.

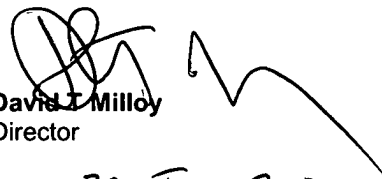
MDL INVESTMENTS LIMITED
REGISTERED NUMBER: 09859350

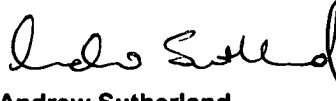
BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £
Fixed assets		
Investments	4	10,274,000
Current assets		
Debtors: amounts falling due within one year	5	3,170
Total assets less current liabilities		<u>10,277,170</u>
Net assets		<u>10,277,170</u>
Capital and reserves		
Called up share capital	6	10,101
Share premium account	7	10,267,069
		<u>10,277,170</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


David J Milloy
Director
Date: 29 June 2017


Andrew Sutherland
Director
Date: 29 June 2017

The notes on pages 9 to 12 form part of these financial statements.

MDL INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Total equity
	£	£	£
At 5 November 2015	-	-	-
Shares issued during the period	10,101	10,267,069	10,277,170
At 31 December 2016	<u>10,101</u>	<u>10,267,069</u>	<u>10,277,170</u>

MDL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1. Accounting policies**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

As the Company's results are included in the financial statements of the ultimate parent undertaking, MDL Holdings Limited, the company has, in accordance with s401 of The Companies Act 2006, taken the exemption to prepare group financial statements. These financial statements present information about the Company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate.

In relation to the Company's short term working capital requirements, the directors have prepared cash flow forecasts which indicate that the Company should continue to have sufficient resources available to it to enable it to continue in operational existence by meeting its day to day liabilities as they fall due for payment for a period of at least twelve months from the date of approval of these financial statements.

In light of the foregoing, the directors continue to believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

MDL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1. Accounting policies (continued)**1.5 Financial instruments (continued)**

rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.6 Share based payments

The Company participates in a long term incentive scheme which permits certain employees to be rewarded in the form of cash or shares in MDL Investments Limited, an intermediary holding company within the Miller Developments Group of companies. This arrangement is accounted for as an equity settled share based payment transaction. The fair value is initially measured at grant date and spread over the period in which the employees are expected to benefit

2. Auditors' remuneration

Auditor remuneration is paid by a subsidiary company, Miller Developments Holdings Limited and is disclosed in the accounts of that company.

3. Employees

The average monthly number of employees during the period was 0.

MDL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost	
Additions	10,274,000
At 31 December 2016	<u>10,274,000</u>
Net book value	
At 31 December 2016	<u><u>10,274,000</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Miller Developments Holdings Limited	UK	Ordinary	100 %	Property Development
Miller Group Holdings (UK) Limited	UK	Ordinary	100 %	Property Development
Miller Holdings (International) Limited	UK	Ordinary	100 %	Property Development

5. Debtors

	2016 £
Other debtors	<u><u>3,170</u></u>

MDL INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

6. Share capital

	2016 £
Shares classified as equity	
Allotted, called up and fully paid	
10,001 Ordinary A shares of £1 each	10,001
5,000 Ordinary B shares of £0.01 each	50
5,000 Ordinary C shares of £0.01 each	50
	<hr/> 10,101 <hr/>

Ordinary A shares carry voting rights and rights to dividends and capital distributions. Ordinary B and Ordinary C shares carry no voting rights and no dividend rights, but have capital distribution rights.

7. Reserves**Share premium account**

Share premium includes amounts paid above the nominal value for allotted shares.

Profit & loss account

Profit and loss includes all current and prior period retained profits and losses.

8. Related party transactions

As at the 31 December 2016 the Company was ultimately a wholly owned subsidiary of MDL Holdings Limited and so it is exempt from the requirements of FRS102.33 to disclose transactions with other subsidiaries headed by MDL Holdings Limited.

9. Controlling party

The Company is a subsidiary undertaking of MDL Holdings Limited, a Company incorporated and domiciled in the United Kingdom. The Company is ultimately controlled by GSO Capital Partners LP, a division of the Blackstone Group LP.

The largest Company in which the results for the year ended 31 December 2016 of the Company is consolidated is that of MDL Holdings Limited. The consolidated financial statements of this group will be 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.