



# **MDL Investments Limited**

Registered number: 09859350

## **Directors' report and financial statements**

**For the year ended 31 December 2017**

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**MDL INVESTMENTS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Andrew Sutherland David T Milloy
<b>Registered number</b>	09859350
<b>Registered office</b>	Condor House St Paul's Churchyard London EC4M 8AL

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## **MDL INVESTMENTS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### **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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £15,000,000 (2016 - £NIL).

A dividend of £15,000,000 was paid during the year (2016 - £NIL).

#### **Directors**

The directors who served during the year were:

Andrew Sutherland  
Euan J E Haggerty (resigned 30 June 2017)  
David T Milloy

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**MDL INVESTMENTS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Disclosure of information to auditor**

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 have been deemed to have been reappointed as auditor.

**Small companies note**

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

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

**David T Milloy**  
Director

  
David T Milloy (Jun 19, 2018)

Date:

Jun 19, 2018



## **KPMG LLP**

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

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

#### **Opinion**

We have audited the financial statements of MDL Investments Limited ("the company") for the year ended 31 December 2017 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MDL INVESTMENTS LIMITED (continued)**

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

**Katie Morrison (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

Saltire Court  
20 Castle Terrace  
EDINBURGH  
EH1 2EG

22 JUNE 2018

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**MDL INVESTMENTS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Note	2017 £	2016 £
Income from fixed assets investments		15,000,000	-
<b>Profit before tax</b>		15,000,000	-
Tax on profit	5	-	-
<b>Profit for the financial year</b>		15,000,000	-

There was no other comprehensive income for 2017 (2016: £NIL).

The results in the current and prior period relate to continuing activities.

The notes on pages 8 to 13 form part of these financial statements.

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**MDL INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 09859350**

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**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

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	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	6	10,274,000	10,274,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	3,170	3,170
<b>Net assets</b>		<u>10,277,170</u>	<u>10,277,170</u>
<b>Capital and reserves</b>			
Called up share capital	8	10,101	10,101
Share premium account	9	10,267,069	10,267,069
		<u>10,277,170</u>	<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 T Milloy**  
Director   
David T Milloy (Jun 19, 2018)

Date: Jun 19, 2018

**Andrew Sutherland**  
Director   
Andrew Sutherland (Jun 19, 2018)

Date: Jun 19, 2018

The notes on pages 8 to 13 form part of these financial statements.



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**MDL INVESTMENTS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 5 November 2015</b>	-	-	-	-
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	-	-
Dividends	-	-	-	-
Shares issued during the period	10,101	10,267,069	-	10,277,170
<b>At 1 January 2017</b>	10,101	10,267,069	-	10,277,170
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	15,000,000	15,000,000
Dividends	-	-	(15,000,000)	(15,000,000)
<b>At 31 December 2017</b>	10,101	10,267,069	-	10,277,170

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

MDL Investments Limited is a private company limited by shares and incorporated in England and Wales, 09859350. The registered office is Condor House, St Paul's Churchyard, London, United Kingdom, EC4M 8AL.

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.

**2. Accounting policies****2.1 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.

The following principal accounting policies have been applied:

**2.2 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.

**2.3 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.4 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.

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)****2.5 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 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.

**2.6 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

**2.7 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**2. Accounting policies (continued)****2.8 Taxation**

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Auditor's remuneration**

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

**4. Employees**

The average monthly number of employees, excluding directors, during the year was nil (2016 - nil).

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**5. Taxation****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is lower than (2016 - the same as) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit before tax	15,000,000	-
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	2,887,500	-
<b>Effects of:</b>		
Dividends from UK companies	(2,887,500)	-
<b>Total tax charge for the year/period</b>	-	-

**6. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	10,274,000
<b>Net book value</b>	
At 31 December 2017	10,274,000

**Subsidiary undertakings**

The following are 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

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**7. Debtors**

	2017 £	2016 £
Other debtors	3,170	3,170

**8. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
10,001 Ordinary A shares of £1 each	10,001	10,001
5,000 Ordinary B shares of £0.01 each	50	50
5,000 Ordinary C shares of £0.01 each	50	50
	<u>10,101</u>	<u>10,101</u>

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.

**9. 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, losses and equity distributions.

**10. Related party transactions**

As at the 31 December 2017 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.

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**MDL INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11. Controlling party and parent undertaking**

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 2017 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.