Registered No. 1556329

MDL Developments Limited

Report and Financial Statements

31 December 2008

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COMPANIES HOUSE

DIRECTORS

Lord Iliffe (Chairman)
A J Keeler
B M Bettesworth
A M Chater
J Eads
S T Gray
CC Holmes
Hon E R Iliffe
S L Richards

SECRETARY

CC Holmes

AUDITORS

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

BANKERS

Barclays Bank Plc
Floor 27
1 Churchill Place
LONDON
E14 5HP

REGISTERED OFFICE

Outlook House
School Lane
Hamble Point
Southampton
SO31 4NB

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY
The principal activity of the Company is that of property development.

RESULTS FOR THE PERIOD
The trading results are shown on page 6. The Directors do not recommend payment of a dividend.

During the year, the company purchased the share capital of Port Penlee Limited. Further details of this acquisition are supplied in Note 9 to the accounts.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS
The Directors consider the results for the year and prospects to be satisfactory.

DIRECTORS
The names of the current directors and others who served during the year ended 31 December 2008 are listed on page 1.

DIRECTORS LIABILITY INSURANCE
During the year the company purchased and maintained liability insurance as permitted by section 233 of the Companies Act 2006.

AUDITORS
A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

DISCLOSURE OF INFORMATION TO THE AUDITORS
The directors confirm that, as at the date this report was approved, as far as each director is aware, there is no relevant information of which the auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of that information.

By order of the Board

C C Holmes
Secretary

Date: 2nd June 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 MDL DEVELOPMENTS LIMITED

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Registered auditor

Birmingham

Date 2 June 2009

PROFIT AND LOSS ACCOUNT
For The Year Ended 31 December 2008

	Notes	2008 £000	2007 £000
TURNOVER		3,248	1,244
Operating costs		(2,369)	(1,217)
Exceptional items		56	-
OPERATING PROFIT	2	935	27
Interest payable and similar charges	5	-	(236)
Interest receivable and similar income	6	1,314	1,573
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,249	1,364
Taxation	7	12	(553)
PROFIT FOR THE YEAR	16	2,261	811

The profit for the year arises from continuing business operations.

There are no recognised gains and losses other than the profit of £2,261,000 attributable to the shareholders for the year ended 31 December 2008 (2007:£811,000).

BALANCE SHEET
at 31 December 2008

	Notes	2008 £000	2007 £000
FIXED ASSETS			
Tangible assets	8	26	30
Investments in Subsidiary	9	2,018	-
		2,044	30
CURRENT ASSETS			
Stocks	10	4,887	6,751
Debtors	11	23,432	22,651
Cash at Bank		99	68
		28,418	29,470
CREDITORS: amounts falling due within one year	12	(8,873)	(10,672)
NET CURRENT ASSETS		19,545	18,798
TOTAL ASSETS LESS CURRENT LIABILITIES		21,589	18,828
CREDITORS: amounts falling due after more than one year	13	(13,571)	(13,071)
		8,018	5,757
CAPITAL AND RESERVES			
Called up share capital	15	15	15
Share premium	16	958	958
Special reserve	16	379	379
Capital redemption reserve fund	16	1,000	1,000
Profit and loss account	16	5,666	3,405
TOTAL SHAREHOLDERS' FUNDS		8,018	5,757

Approved by the Board:

Lord Iliffe
Chairman

A J Keeler
Managing Director

Date 2nd JUNE 2009.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

1 ACCOUNTING POLICIES

Basis of accounting
The financial statements are prepared under the historical cost convention. The financial statements are prepared in accordance with applicable accounting standards.

Group Accounts
Group Financial Statements have not been prepared as the Company is itself a subsidiary of MDL Marinas Group PLC, which prepares group financial statements, the company has therefore claimed the exemption conferred by Section 228 of the Companies Act 1985.

Cash flow statement
The Company has not prepared a cash flow statement as permitted by paragraph 5 of Financial Reporting Standard No. 1. (Revised 1996).

Turnover
Turnover represents the amounts derived from rents and the provision of goods and services and from the sale of properties and developments which fall within the Company's ordinary activities, stated net of value added tax. Turnover all arises from continuing business operations in the United Kingdom.

Tangible fixed assets and depreciation
All fixed assets are initially recorded at cost.

Depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life. The estimated lives are as follows:

Plant and machinery	over 5-10 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

1 ACCOUNTING POLICIES (CONTINUED)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date, that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Stocks
Stocks are valued at the lower of cost and net realisable value. Cost is defined as being purchase price on a first in, first out basis. Net realisable value is defined as estimated selling price less all further costs to completion and estimated selling expenses.

Long term developments are stated at cost plus attributable overheads incurred, less foreseeable losses.

Investments
Investments are recorded at cost less provision for permanent diminutions in value.

2 OPERATING PROFIT

	2008	*2007*
	£000	*£000*
The operating profit for the year was arrived at after charging:		
Auditors' remuneration – audit of the financial statements	5	5
Depreciation of tangible fixed assets – owned	8	4
and after crediting:		
Rents receivable (included in turnover)	114	113

The Company's individual accounts do not disclose fees for other services required by Regulation 4 (1) (b) of the Companies (Disclosure of Auditor Remuneration) Regulations 2005 because the Yattendon Investment Trust PLC statements comply with and include the disclosures required by regulation 4 (1) (b).

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

3 DIRECTORS' EMOLUMENTS

	2008 *£000*	*2007* *£000*
Emoluments	-	-
Members of group defined benefit pension scheme	-	-

4 STAFF COSTS AND NUMBERS

The company has no employees and paid no remuneration during the year (31 December 2007: £nil).

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2008 *£000*	*2007* *£000*
Loans from group undertakings	-	236
	-	236

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 *£000*	2007 *£000*
Loans to group undertakings	1,314	1,573

7 TAXATION

a) Taxation on profit on ordinary activities

	2008 *£000*	2007 *£000*
UK Corporation tax on profits for the year	144	-
Group relief payable	-	546
Current Tax Charge	144	546
Deferred taxation - originating and reversal of timing differences	-	7
Adjustments in respect of previous years	(156)	-
	(12)	553

b) Factors affecting the tax charge for the year

	2008 *£'000*	2007 *£'000*
Profit on ordinary activities before tax	2,249	1,364
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 28.5% (*2007*: 30%)	641	410
Effect of:		
Disallowed expenses and non-taxable income	2	1
Movement in short-term timing differences	-	135
Adjustments in respect of previous years	(156)	-
Utilisation of brought forward tax losses	(499)	-
	(12)	546

There are losses carried forward amounting to £4,050,000 (2007: £5,800,000) available for relief against suitable taxable profits in future accounting periods.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

8 TANGIBLE FIXED ASSETS

	Land & Buildings £000	*Plant & machinery £000*	*Total £000*
Cost :			
At 1 January 2008	2	39	41
Additions	-	4	4
At 31 December 2008	2	43	45
Depreciation:			
At 1 January 2008	-	11	11
Provided during the year	-	8	8
At 31 December 2008	-	19	19
Net book value: At 31 December 2008	2	24	26
Net book value: At 1 January 2008	2	28	30

9 INVESTMENTS

Company

	2008 *£000*	2007 *£000*
Investment in Subsidiary Undertakings	2,018	-

The principal subsidiary undertakings are wholly owned and are detailed as follows.

Name of company	*Dates Acquired/incorporated*	*Country of Incorporation*	*Principal activity*
Ocean Village Resorts Limited	21 December 2004	Great Britain	Property Construction & Operation
Port Penlee Limited	26 September 2008	Great Britain	Property Construction & Operation

Group financial statements have not been prepared as the company is itself a subsidiary of MDL Marinas Group plc. which prepares group financial statements. The company has therefore claimed the exemption conferred by section 228 of the Companies Act 1985.

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2008

10 STOCKS

	2008 £000	2007 £000
Long term developments	4,887	6,751

11 DEBTORS

	2008 £000	2007 £000
Trade debtors	9	-
Amounts owed by group undertakings	22,541	22,630
Other Debtors	-	21
Prepayments and accrued income	882	-
	23,432	22,651

12 CREDITORS: amounts falling due within one year

	2008 £000	2007 £000
Bank Overdraft	42	43
Trade creditors	148	77
Corporation tax	144	-
Corporation tax – group relief	-	546
Amounts owed to group undertakings	7,852	9,779
Other creditors	573	65
Accruals and deferred income	114	162
	8,873	10,672

13 CREDITORS: amounts falling due after more than one year

	2008 £000	2007 £000
Accruals and deferred income	500	-
Amounts owed to group undertakings	13,071	13,071
	13,571	13,071

14 PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the amounts not provided are as follows

	Provided 2008 *£000*	*Provided* 2007 *£000*	*Not Provided* 2008 *£000*	*Not provided* 2007 *£000*
Capital allowances in advance of depreciation	-	-	-	-
Other timing differences	-	-	-	-
Tax losses carried forward	-	-	(1,143)	(1,634)
	-	-	(1,143)	(1,634)

15 CALLED UP SHARE CAPITAL

	2008 *£000*	2007 *£000*
Authorised:		
15,000 Ordinary shares of £1 each	15	15
9,000 Ordinary "A" shares of £1 each	9	9
	24	24
Allotted, called up and fully paid:		
15,000 Ordinary shares of £1 each	15	15
9,000 Ordinary "A" shares of £1 each, issued partly paid	-	-
	15	15

16 RECONCILIATION OF MOVEMENT ON RESERVES AND SHAREHOLDERS' FUNDS

	Share Capital *£000*	*Share premium* *£000*	*Special reserve* *£000*	*Capital Redemption Reserve Fund* *£000*	*Profit and loss Account* *£000*	*Total Share-holders funds* *£000*
At 31 December 2006	15	958	379	1,000	2,594	4,946
Profit for year	-	-	-	-	811	811
At 31 December 2007	15	958	379	1,000	3,405	5,757
Profit for year	-	-	-	-	2,261	2,261
At 31 December 2008	15	958	379	1,000	5,666	8,018

The special reserve shall not be treated as representing realised profits of the company until all creditors which were outstanding at 25 June 2003 have been settled.

17 CONTINGENT LIABILITIES

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 of the parent company, Yattendon Investment Trust PLC, of up to £130,000,000 (2007:£191,000,000).

18 RELATED PARTIES

The Company has utilised the exemption under Financial Reporting Standard No 8 as a subsidiary undertaking not to disclose transactions with other entities that are part of, or investors in, the Yattendon Investment Trust PLC Group.

19 ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is MDL Marinas Group Plc registered in England and Wales.

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is Yattendon Investment Trust PLC registered in England and Wales. This company is also regarded as the ultimate holding company.

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