
MANDERLEY PROPERTIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 25, 2016

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MANDERLEY PROPERTIES LIMITED

COMPANY INFORMATION

Directors	RL Hutchinson STA Hutchinson AA Hutchinson-Kane P Allen
Company secretary	STA Hutchinson
Registered number	NI069742
Registered office	Castle Factory The Square Tandragee Armagh BT62 2AB
Independent auditors	Ernst & Young LLP Bedford House 16 Bedford Street Belfast BT2 7DT
Bankers	Ulster Bank Limited 11-16 Donegall Square East Belfast BT1 5UB

MANDERLEY PROPERTIES LIMITED

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MANDERLEY PROPERTIES LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED JUNE 25, 2016

Business review

Manderley Properties Limited ("The Company") and its subsidiaries (together the "Group") are part of the Manderley Food Group Limited's group of companies ("MFG Group").


The principal activities of the Group are property development and investment. The Group is involved in the development of land and property. The Group has sought to develop the land with the intention of making a future sale at a profit.

The environment is expected to remain highly competitive in the forthcoming period. The Directors remain confident that the Group will generate growth in value from the development stock in the years ahead. The Group and Company will continue to seek every opportunity to increase turnover.

Principal risks and uncertainties

The principal risks and uncertainties of the Group arise from fluctuations in the market value of land.

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


.....
R L Hutchinson
Director

Date: March 27, 2017

MANDERLEY PROPERTIES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED JUNE 25, 2016**

The Directors present their report and the financial statements for the year ended June 25, 2016.

Principal activity

The principal activities of the Company are property development and investment.

Results

The loss for the year, after taxation, amounted to £172,881 (2015 - loss £2,311,998).

Directors

The Directors who served during the year were:

RL Hutchinson
STA Hutchinson
AA Hutchinson-Kane
P Allen

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 and the Group's auditors are 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 and the Group's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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.

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


.....
RL Hutchinson
Director

Date: March 27, 2017

MANDERLEY PROPERTIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED JUNE 25, 2016

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MANDERLEY PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MANDERLEY PROPERTIES LIMITED

We have audited the financial statements of Manderley Properties Limited for the year ended June 25, 2016, which comprise Group Profit and Loss Account, Group and Company Balance Sheet, Group and Company Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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

As explained more fully in the Directors' Responsibilities Statement on page 3, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at June 25, 2016 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including 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.

MANDERLEY PROPERTIES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MANDERLEY PROPERTIES LIMITED
(CONTINUED)**

Opinion on other matter 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 in preparing the Directors' Report.



Michael Kidd (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP

Belfast

March 28, 2017

MANDERLEY PROPERTIES LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 25, 2016**

	Note	2016 £	2015 £
Turnover	4	400,945	409,812
Gross profit		400,945	409,812
Administrative expenses		(622,621)	(465,756)
Exceptional administrative expenses		-	(2,945,000)
Operating loss	5	(221,676)	(3,000,944)
Tax on loss on ordinary activities	7	48,795	688,946
Loss for the year		(172,881)	(2,311,998)
Loss for the year attributable to:			
Owners of the parent		(172,881)	(2,311,998)
		(172,881)	(2,311,998)

The results are derived from continuing activities. There are no items of other comprehensive income and accordingly a statement of other comprehensive income has not been prepared.

The notes on pages 12 to 29 form part of these financial statements.

MANDERLEY PROPERTIES LIMITED
REGISTERED NUMBER: NI069742

CONSOLIDATED BALANCE SHEET
AS AT JUNE 25, 2016


	Note	25 June 2016 £	27 June 2015 £
Fixed assets			
Intangible assets	9	254,351	273,917
Tangible assets	10	2,562,261	2,338,356
Investment property	12	1,900,001	1,900,001
		<u>4,716,613</u>	<u>4,512,274</u>
Current assets			
Stocks	13	5,895,000	5,895,000
Debtors	14	8,435,520	8,017,082
Cash at bank and in hand	15	7,921	7,464
		<u>14,338,441</u>	<u>13,919,546</u>
Creditors: amounts falling due within one year	16	<u>(101,857)</u>	<u>(65,698)</u>
Net current assets		<u>14,236,584</u>	<u>13,853,848</u>
Total assets less current liabilities		<u>18,953,197</u>	<u>18,366,122</u>
Creditors: amounts falling due after more than one year	17	(37,642,342)	(36,824,480)
Provisions for liabilities			
Deferred taxation	18	(523,552)	(581,458)
		<u>(523,552)</u>	<u>(581,458)</u>
Net liabilities		<u>(19,212,697)</u>	<u>(19,039,816)</u>
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account	20	(19,212,698)	(19,039,817)
Equity attributable to owners of the parent Company		<u>(19,212,697)</u>	<u>(19,039,816)</u>
		<u>(19,212,697)</u>	<u>(19,039,816)</u>

MANDERLEY PROPERTIES LIMITED
REGISTERED NUMBER: NI069742

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT JUNE 25, 2016

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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


.....
RL Hutchinson
Director

Date: March 27, 2017

The notes on pages 12 to 29 form part of these financial statements.

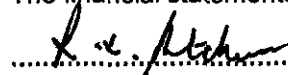
MANDERLEY PROPERTIES LIMITED
REGISTERED NUMBER: NI069742

COMPANY BALANCE SHEET
AS AT JUNE 25, 2016

	Note	25 June 2016 £	27 June 2015 £
Fixed assets			
Tangible assets	10	1,970,102	1,806,428
Investments	11	2	2
		<u>1,970,104</u>	<u>1,806,430</u>
Current assets			
Debtors	14	21,990	-
Cash at bank and in hand	15	7,760	3,240
		<u>29,750</u>	<u>3,240</u>
Creditors: amounts falling due within one year	16	-	(4,001)
Net current assets/(liabilities)		<u>29,750</u>	<u>(761)</u>
Total assets less current liabilities		<u>1,999,854</u>	<u>1,805,669</u>
Creditors: amounts falling due after more than one year	17	(2,264,130)	(1,966,568)
Net assets excluding pension asset		<u>(264,276)</u>	<u>(160,899)</u>
Net liabilities		<u>(264,276)</u>	<u>(160,899)</u>
Capital and reserves			
Called up share capital	19	1	1
Profit and loss account	20	(264,277)	(160,900)
		<u>(264,276)</u>	<u>(160,899)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



RL Hutchinson
 Director

Date: March 27, 2017

The notes on pages 12 to 29 form part of these financial statements.

MANDERLEY PROPERTIES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 25, 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At June 28, 2015	1	(19,039,817)	(19,039,816)
Comprehensive income for the year			
Loss for the year	-	(172,881)	(172,881)
Total comprehensive income for the year	-	(172,881)	(172,881)
At June 25, 2016	1	(19,212,698)	(19,212,697)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 27, 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At June 29, 2014	1	(16,727,819)	(16,727,818)
Comprehensive income for the period			
Loss for the period	-	(2,311,998)	(2,311,998)
Total comprehensive income for the period	-	(2,311,998)	(2,311,998)
At June 27, 2015	1	(19,039,817)	(19,039,816)

MANDERLEY PROPERTIES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 25, 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At June 28, 2015	1	(160,900)	(160,899)
Comprehensive income for the year			
Loss for the year	-	(103,377)	(103,377)
	-	(103,377)	(103,377)
Total comprehensive income for the year			
	1	(264,277)	(264,276)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 27, 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At June 29, 2014	1	(81,922)	(81,921)
Comprehensive income for the year			
Loss for the period	-	(78,978)	(78,978)
	-	(78,978)	(78,978)
Total comprehensive income for the year			
	1	(160,900)	(160,899)

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

1. Statement of compliance

Manderley Properties Limited is a limited liability company incorporated in Northern Ireland. The registered office is Castle Factory, Tandragee, County Armagh, BT62 2AB.

The Group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Group for the year ended 25 June 2016.

The Group transitioned from previously extant UK GAAP to FRS 102 as at 29 June 2014. An explanation of how transition to FRS 102 has affected the Group and Company is given in note 23.

2. Accounting policies

2.1 Basis of preparation

The financial statements of Manderley Properties Limited were authorised for issue by the Board of Directors on 27 March 2017. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £.

The financial statements have been prepared on the going concern basis which assumes that the Group and the Company will continue in operational existence for the foreseeable future. The use of the going concern basis is considered appropriate for the reasons set out below.

Manderley Properties Limited ("The Company") is part of the Manderley Food Group Limited's group of companies ("The Group"). All the companies within the Group are party to the Group bank debt facilities agreement.

The Group facilities are subject to periodic reviews and certain covenant testing. All creditors are being paid as they fall due and in line with normal, historic trading terms. No material bad debts or net changes to business levels are expected or have occurred. The Group's financial forecasts and projections show that they are cash generative and, taking account of reasonable changes in trading performance, the Group will operate within its facilities and meet its obligations as they fall due.

The directors of the Company are confident that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The group financial statements consolidate the financial statements of Manderley Properties Limited and all its subsidiary undertakings. The consolidated financial statements incorporate the results of business combinations, from the acquisition date, using the purchase method.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 29 June 2014.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

2. Accounting policies (continued)

2.3 Reduced disclosure framework

The Company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- (b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- (c) The requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26
- (d) The requirements of Section 33 Related Party Disclosures paragraph 33.7.

The shareholders of the company have been notified, and do not object to the use of these exemptions.

2.4 Going concern

The company's ultimate parent, Manderley Food Group Limited, has indicated its willingness to continue to support the company to meet its liabilities for the foreseeable future. Accordingly the directors believe it is appropriate to prepare the financial statements on the going concern basis.

2.5 Revenue

Revenue is recognised to the extent that the Group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight line basis to the Profit and Loss account over its useful economic life. The company has decided not to amortise the Goodwill retrospectively. The useful economic life has been assessed to be 14 years on the basis that it arose 6 years ago and to amortise over 20 years would bring it in line with Group policy.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Freehold property	-	2.0%	Straight line
Plant & machinery	-	12.5%	Straight line
Motor vehicles	-	33.3%	Straight line
Fixtures & fittings	-	12.5%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investment income is included in the Profit & Loss Account on an accruals basis.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase.

2.10 Cash

Cash and cash equivalents in the Balance Sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

2.11 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

2. Accounting policies (continued)

2.12 Basic financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has not been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payable are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payable are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year.

Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

2. Accounting policies (continued)

2.13 Investment properties

Investment properties are revalued annually in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of leased fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

2.14 Provisions for liabilities

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised as the best estimate of the amount required to settle the obligation at the reporting date.

2.15 Current and deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements except that:

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are 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.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Stock

Stock is valued at the lower of cost or net realisable value. Net realisable value includes provisions for slow moving and obsolete stock. When calculating the stock provision, management consider the remaining shelf life and will provide for impairment where remaining shelf life is less than a value accepted by customers and future usage of materials.

Useful economic lives

The useful economic lives and residual values of fixed assets are reassessed annually. They are amended when necessary to reflect the current estimates based upon technological advancement, future investment, economic utilisation and physical condition of the assets.

Intangible assets

Determining whether intangible assets are impaired requires an estimation of their value in use to the Group. The value in use requires an estimate of future cash flows expected to arise from the intangible asset. If the net present values of future cash flows is less than the carrying value an impairment is made.

Goodwill

Goodwill arising on acquisitions and purchased goodwill are capitalised and amortised on a straight line basis over their useful economic lives up to a maximum of 20 years. The directors review the carrying value on an annual basis for changes in circumstances and consider that the carrying value is fair and recoverable.

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

4. Turnover

All turnover arose within the United Kingdom.

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

5. Operating loss

The operating loss is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	15,769	10,164
Amortisation of intangible assets, including goodwill	19,566	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	3,000	4,250
Impairment of development stock and investment property	-	3,445,000
Credit on forgiveness of intercompany debt	-	(500,000)
	<u> </u>	<u> </u>

During the year, no Director received any emoluments (2015 - *£NIL*).

6. Employees

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	231,776	175,197
Social security costs	13,526	8,311
Cost of defined contribution scheme	352	343
	<u> </u>	<u> </u>
	<u>245,654</u>	<u>183,851</u>

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

7. Taxation

	2016 £	2015 £
Corporation tax		
Adjustments in respect of previous periods	9,111	-
	<u>9,111</u>	<u>-</u>
Total current tax	<u>9,111</u>	<u>-</u>
Deferred tax		
Movement in deferred tax provision	(560)	(688,946)
Adjustments in respect of previous periods	889	-
Impact of rate change	(58,235)	-
Total deferred tax	<u>(57,906)</u>	<u>(688,946)</u>
Taxation on loss on ordinary activities	<u>(48,795)</u>	<u>(688,946)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(221,676)</u>	<u>(3,000,944)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(44,335)	(622,696)
Effects of:		
Disallowed expenses and non-taxable income	(111,618)	(65,693)
Losses (received)/surrendered for nil payment	155,330	99,445
Adjustments in respect of previous periods - CT	10,000	-
Difference in rate in CT & DT	62	(2)
Release intercompany loan	-	(100,000)
Impact of rate change	(58,234)	-
Total tax charge for the year	<u>(48,795)</u>	<u>(688,946)</u>

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

7. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate reduced from 21% to 20% from 1 April 2015 and it was to be further reduced to 18% on 1 April 2020. The 18% statutory rate of corporation tax was enacted in full on 29 October 2015 and this is the rate at which deferred tax has been provided. The March 2016 UK budget announced a further reduction in the corporation tax rate to 17% applicable from 1 April 2020. This rate, however, was not enacted at the balance sheet date.

8. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements. The loss after tax of the parent Company for the year was £103,377 (2015 - loss £78,978).

9. Intangible assets

Group

	Goodwill £
Cost	
At 28 June 2015	273,917
At June 25, 2016	273,917
Amortisation	
Charge for the year	19,566
At June 25, 2016	19,566
Net book value	
At June 25, 2016	254,351
At June 27, 2015	273,917

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

10. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Other fixed assets £	Total £
Cost or valuation					
At 28 June 2015	2,109,647	39,435	56,583	195,799	2,401,464
Additions	-	1,000	163,674	75,000	239,674
At June 25, 2016	<u>2,109,647</u>	<u>40,435</u>	<u>220,257</u>	<u>270,799</u>	<u>2,641,138</u>
Depreciation					
At 28 June 2015	58,196	3,412	1,500	-	63,108
Charge for the period on owned assets	7,164	8,605	-	-	15,769
At June 25, 2016	<u>65,360</u>	<u>12,017</u>	<u>1,500</u>	<u>-</u>	<u>78,877</u>
Net book value					
At June 25, 2016	<u>2,044,287</u>	<u>28,418</u>	<u>218,757</u>	<u>270,799</u>	<u>2,562,261</u>
At June 27, 2015	<u>2,051,451</u>	<u>36,023</u>	<u>55,083</u>	<u>195,799</u>	<u>2,338,356</u>

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

10. Tangible fixed assets (continued)

Company

	Freehold property £	Fixtures & fittings £	Total £
Cost or valuation			
At 28 June 2015	1,751,345	56,583	1,807,928
Additions	-	163,674	163,674
At June 25, 2016	<u>1,751,345</u>	<u>220,257</u>	<u>1,971,602</u>
Depreciation			
At 28 June 2015	-	1,500	1,500
At June 25, 2016	<u>-</u>	<u>1,500</u>	<u>1,500</u>
Net book value			
At June 25, 2016	<u>1,751,345</u>	<u>218,757</u>	<u>1,970,102</u>
At June 27, 2015	<u>1,751,345</u>	<u>55,083</u>	<u>1,806,428</u>

11. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered number	Class of shares	Holding
Derryhale Developments Limited	NI069746	Ordinary	100 %
Lenaderg Limited	NI069745	Ordinary	100 %
Manderley Properties (Sponsorship) Limited	NI069744	Ordinary	100 %
Manderley Properties (Developments) Limited	NI069753	Ordinary	100 %
Manderley Properties (Investments) Limited	NI069743	Ordinary	100 %
Mullavilly Developments Limited	NI069748	Ordinary	100 %
Tandragee Developments (Castle Demesne) Limited	NI069751	Ordinary	100 %
Tandragee Developments (Castle) Limited	NI069749	Ordinary	100 %

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

11. Fixed asset investments (continued)

Tandragee Developments (Gatelodge) Limited	NI069750	Ordinary	100 %
Tandragee Developments (Romanov) Limited	NI006844	Ordinary	100 %
Tandragee Developments (Yard) Limited	NI069752	Ordinary	100 %
Tandragee Developments Limited	NI003596	Ordinary	100 %
Cornmarket Developments Limited	NI069747	Ordinary	100 %

Company

	Investments in subsidiary companies £
Cost or valuation	
At 28 June 2015	2
	<hr/>
At June 25, 2016	2
	<hr/>
Net book value	
At June 25, 2016	2
	<hr/> <hr/>
At June 27, 2015	2
	<hr/> <hr/>

All of the subsidiary undertakings of the Company are exempt from audit under s479A of Companies Act 2006.

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

12. Investment property

Group

	Freehold investment property £
Valuation	
At 28 June 2015	1,900,001
At June 25, 2016	1,900,001

Investment property was professionally revalued in June 2013 and the Directors believe this value still represents a fair value.

13. Stocks

	Group 25 June 2016 £	Group 27 June 2015 £	Company 25 June 2016 £	Company 27 June 2015 £
Work in progress (goods to be sold)	5,895,000	5,895,000	-	-
	5,895,000	5,895,000	-	-

14. Debtors

	Group 25 June 2016 £	Group 27 June 2015 £	Company 25 June 2016 £	Company 27 June 2015 £
Due after more than one year				
Amounts owed by group undertakings	8,341,484	7,937,434	-	-
Due within one year				
Other debtors	70,539	79,648	-	-
Prepayments and accrued income	23,497	-	21,990	-
	8,435,520	8,017,082	21,990	-

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

15. Cash and cash equivalents

	Group 25 June 2016 £	Group 27 June 2015 £	Company 25 June 2016 £	Company 27 June 2015 £
Cash at bank and in hand	7,921	7,464	7,760	3,240
	<u>7,921</u>	<u>7,464</u>	<u>7,760</u>	<u>3,240</u>

16. Creditors: Amounts falling due within one year

	Group 25 June 2016 £	Group 27 June 2015 £	Company 25 June 2016 £	Company 27 June 2015 £
Other creditors	68,107	17,213	-	1
Accruals and deferred income	33,750	48,485	-	4,000
	<u>101,857</u>	<u>65,698</u>	<u>-</u>	<u>4,001</u>

17. Creditors: Amounts falling due after more than one year

	Group 25 June 2016 £	Group 27 June 2015 £	Company 25 June 2016 £	Company 27 June 2015 £
Amounts owed to group undertakings	37,642,342	36,824,480	2,264,130	1,966,568
	<u>37,642,342</u>	<u>36,824,480</u>	<u>2,264,130</u>	<u>1,966,568</u>

18. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	(581,458)	(1,270,404)
Charged to profit or loss	57,906	688,946
At end of year	<u>(523,552)</u>	<u>(581,458)</u>

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

18. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 25 June 2016 £	<i>Group 27 June 2015 £</i>
Accelerated capital allowances	(286)	(286)
Other timing differences	(523,266)	(581,172)
	<u>(523,552)</u>	<u>(581,458)</u>

19. Share capital

	25 June 2016 £	<i>27 June 2015 £</i>
Shares classified as equity		
Authorised		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

20. Reserves

Profit & loss account

This reserve includes all current and prior periods retained profits and losses.

21. Related party transactions

The Company has taken the exemption under Section 33 of FRS 102 from disclosing transactions with related parties that are part of the Manderley Food Group Limited.

22. Ultimate parent undertaking and controlling party

The smallest and largest undertaking of which the company is a member, and for which group financial statements are prepared, is Manderley Food Group Limited ("the Group"), a company incorporated in Great Britain. Group financial statements for this company are prepared and are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The ultimate controlling parties of Manderley Food Group Limited are the shareholders.

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

23. Security for group borrowings

The company has granted a fixed and floating charge over its assets to Ulster Bank Limited as security for group borrowings.

MANDERLEY PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 25, 2016

24. First time adoption of FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 29 June 2014. The impact of the transition to FRS 102 is as follows:

Group

	Note	As previously stated 29 June 2014 £	Effect of transition 29 June 2014 £	FRS 102 (as restated) 29 June 2014 £	As previously stated 27 June 2015 £	Effect of transition 27 June 2015 £	FRS 102 (as restated) 27 June 2015 £
Fixed assets		4,533,492	-	4,533,492	4,512,274	-	4,512,274
Current assets		19,809,020	-	19,809,020	13,919,546	-	13,919,546
Creditors: amounts falling due within one year		(365,329)	-	(365,329)	(65,698)	-	(65,698)
Net current assets		19,443,691	-	19,443,691	13,853,848	-	13,853,848
Total assets less current liabilities		23,977,183	-	23,977,183	18,366,122	-	18,366,122
Creditors: amounts falling due after more than one year		(39,434,597)	-	(39,434,597)	(36,824,480)	-	(36,824,480)
Provisions for liabilities		(232)	(1,270,172)	(1,270,404)	(286)	(581,172)	(581,458)
Net liabilities		(15,457,646)	(1,270,172)	(16,727,818)	(18,458,644)	(581,172)	(19,039,816)
Capital and reserves		(15,457,647)	(1,270,171)	(16,727,818)	(18,458,644)	(581,172)	(19,039,816)

MANDERLEY PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 25, 2016**

24. First time adoption of FRS 102 (continued)

	<i>As previously stated 27 June 2015 £</i>	<i>Effect of transition 27 June 2015 £</i>	FRS 102 (as restated) 27 June 2015 £
Note			
Turnover	409,812	-	409,812
Administrative expenses	409,812 (3,410,756)	- -	409,812 (3,410,756)
Operating profit	(3,000,944)	-	(3,000,944)
Taxation	(54)	689,000	688,946
Loss on ordinary activities after taxation and for the financial period	(3,000,998)	689,000	(2,311,998)

Explanation of changes to previously reported profit and equity:

- 1 The changes to previously reported profit and equity are attributable to FRS 102 transitional adjustments regarding deferred tax on investment properties.

Company

The policies applied under the Company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.