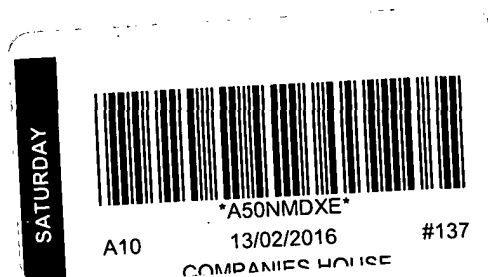


Markland(Supermarkets)Limited 04884126

Directors' Report and Financial Statements

For the year ended 31 December 2014



Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Markland(Supermarkets)Limited

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Markland(Supermarkets)Limited

Directors and other information

Director	Frank Walker
Secretary	Taylor Wessing Secretaries Limited
Company number	04884126
Registered office	5 New Street Square London EC4A 3TW United Kingdom
Auditors	BDO Statutory Auditor Beaux Lane House Mercer Street Lower Dublin 2
Bankers	Bank of Ireland Bow Bells House 1 Bread Street London EC4M 9BE United Kingdom
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW United Kingdom

Markland(Supermarkets)Limited

Directors' Report

The directors present their annual report and audited financial statements for the year ended 31 December 2014.

Principal activity, business review, future developments and going concern

The principal activity of the company is that of a holding company.

The company received notification from the bank that the loans and related security of its subsidiary were transferred to the National Asset Management Agency ("NAMA") during 2010. A detailed business plan was submitted to NAMA in April 2011 which assumes that the loan facilities will remain in place. As a result of the above matters, the company will be dependent on the financial support of NAMA, to enable the company to meet its obligations for at least twelve months from the date of the approval of these financial statements.

The company's future operating performance will continue to be affected by the economic, financial and business conditions, many of which are beyond the company's control.

The directors have concluded that the above factors represent a material uncertainty. Failure of the company's subsidiary's bankers to provide financial support may cast significant doubt on the ability of the company to continue as a going concern and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, having discussed the basis of preparation, the directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future.

It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

Results and dividends

The profit and loss account and balance sheet for the year ended 31 December 2014 are set out on pages 7 and 8 respectively.

The directors do not recommend payment of a dividend.

Principal risks and uncertainties

The company is a holding company and is funded with loans from other group companies. The principal risk it faces is the ongoing willingness and ability of other group companies to provide funding as necessary.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Political contributions

There were no political contributions during the year.

Markland(Supermarkets)Limited

Directors' Report

Directors and secretary and their interests

Beneficial interest of the directors in the called up share capital of the company during the year was as follows:

	Ordinary shares 2014	Ordinary shares 2013
Frank Walker	-	-

No director had an interest, otherwise than through the company, in the share capital of the company during or at the end of the year.

No director had at any time during the year a material interest in any contract of significance, subsisting during or at the end of the year, in relation to the business of the company.

There were no changes in shareholding between 31 December 2014 and the date of approval of the financial statements.

Auditors

BDO are deemed to be reappointed under Section 487(2) of the Companies Act, 2006.

Small Companies exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Registered office

The registered office is 5 New Street Square, London, EC4A 3TW, United Kingdom.

On behalf of the Board



Frank Walker
Director

Date: 17 December 2015

Markland(Supermarkets) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 the affairs of the company and of the profit or loss for that year. In preparing these financial statements the directors are required to:

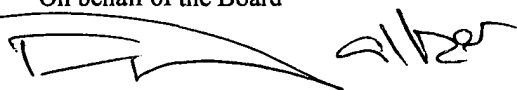
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



Frank Walker
Director

Date: 17 December 2015

Independent auditors' report to the members of Markland(Supermarkets)Limited

We have audited the financial statements of Markland(Supermarkets)Limited for the year ended 31 December 2014 on pages 7 to 13 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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'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 Statement of Directors Responsibilities on page 4, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 judgements 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.

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 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.

Opinion

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the company as at 31 December 2014, and of the results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

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Other Offices:
Four Michael Street
Limerick

Michael Costello (Managing Partner)
Katharine Byrne
Maurice Carr
Kevin Doyle
John Gilmor Gavin
Jim Hamilton

Sinead Heaney
Diarmuid Hendrick
Derek Henry
Liam Hession
Gerard Holliday
Brian Hughes

Ken Kilmartin
Teresa Morahan
Paul Nestor
John O'Callaghan
Con Quigley

Peter Carroll
Eddie Doyle
Stewart Dunne
Ivor Feerick
Brian Gartlan
David Giles
Derry Gray

Denis Herlihy
David McCormick
Brian McEnery
Ciarán Medlar
David O'Connor
Peter O'Neill
Patrick Sheehan
Noel Taylor

Chartered Accountants



Independent auditors' report to the members of Markland(Supermarkets)Limited (continued)

Emphasis of matter - Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in notes 1.1 and 4 to the financial statements concerning the valuation of the company's subsidiary undertaking and going concern.

At 31 December 2014, the carrying value of the company's subsidiary undertaking was £8,932,000.

As set out in note 1.1 there is a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern. This matter includes the continued availability of loan facilities which have been transferred to NAMA. While the ultimate outcome of this matter cannot be assessed with certainty, the directors, having regard to the current status of communications with NAMA are of the opinion that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Stewart Dunne (Senior Statutory Auditor)
for and on behalf of BDO, Statutory Auditor
Dublin, Ireland.
AI223876

Date: 17 December 2015

Markland(Supermarkets)Limited

Profit and loss account for the year ended 31 December 2014

	Notes	2014 £	2013 £
Administrative expenses		(9,148)	(3,857)
Operating loss	2	<u>(9,148)</u>	<u>(3,857)</u>
Loss on ordinary activities before taxation		(9,148)	(3,857)
Tax on loss on ordinary activities	3	-	-
Retained loss for the year		<u>(9,148)</u>	<u>(3,857)</u>

The results arise from continuing operations.

There are no recognised gains or losses other than the results shown above.

The notes on pages 9 - 13 form part of these financial statements.

The financial statements were authorised and approved for issue by the board on 17 December 2015.



Frank Walker
Director

Markland(Supermarkets)Limited

Balance sheet as at 31 December 2014

	Notes	2014 £	2013 £
Fixed assets			
Investments	4	<u>8,932,000</u>	<u>8,932,000</u>
Current assets			
Debtors	5	<u>1,821</u>	<u>692</u>
		<u>1,821</u>	<u>692</u>
Creditors: amounts falling due within one year	6	<u>(8,937,749)</u>	<u>(8,927,472)</u>
Net current liabilities		<u>(8,935,928)</u>	<u>(8,926,780)</u>
Total assets less current liabilities		<u>(3,928)</u>	<u>5,220</u>
Net (liabilities)/ assets		<u>(3,928)</u>	<u>5,220</u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>(3,930)</u>	<u>5,218</u>
Shareholders' (deficit)/funds	9	<u>(3,928)</u>	<u>5,220</u>

The financial statements are prepared in accordance with the special provisions relating to small companies under Part 15 of the Companies Act 2006.

The notes on pages 9 - 13 form part of these financial statements.

The financial statements were authorised and approved for issue by the board on 17 December 2015.



Frank Walker
Director

Markland(Supermarkets)Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1. Basis of preparation and Going Concern

The financial statements are prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable United Kingdom Accounting Standards and the Companies Act, 2006. Accounting Standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in the United Kingdom and issued by the Accounting Standards Board.

There is a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern. This matter includes the continued availability of loan facilities to the company which have been transferred to NAMA during 2010. While the ultimate outcome of this matter cannot be assessed with certainty, the directors, having regard to the current status of communications with NAMA are of the opinion that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

1.2. Cash flow statement

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.3. Taxation

Current tax, including UK Corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.4. Foreign currencies

The financial statements are expressed in Pounds Sterling (£), the functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date and revenues, costs and non monetary assets at the exchange rates ruling at the transaction date.

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account.

Where there are related forward contracts in respect of assets and liabilities denominated in other currencies, the rates specified in those contracts have been used at the balance sheet date to translate those items to Pounds Sterling.

1.5. Investments

Investments are stated at cost, less any provisions for diminution in value.

Markland(Supermarkets)Limited

Notes to the financial statements for the year ended 31 December 2014

2. Operating loss	2014	2013
	£	£
<i>Operating loss is stated after charging:</i>		
Loss on foreign currencies	-	146
Auditors' remuneration	-	1,000
	<u>-</u>	<u>1,000</u>

Auditor's remuneration is borne by the entity's ultimate parent company.

3. Taxation	2014	2013
	£	£
Current year taxation		
Corporation tax	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is higher than the standard rate of corporation tax. The differences are explained below.

Loss on ordinary activities before tax	<u>(9,148)</u>	<u>(3,857)</u>
Tax on loss on ordinary activities at the average rate of corporation tax for the year 21.5% (2013 : 23.25%)	(1,967)	(897)

Effects of :

Expenses not deductible for tax purposes		444
Group relief surrendered	1,967	453
	<u>-</u>	<u>-</u>

Markland(Supermarkets)Limited

Notes to the financial statements for the year ended 31 December 2014

4. Investments	Subsidiary undertaking
	£
Cost	
At 31 December 2014 and 31 December 2013	8,932,000

Name and registered office	Country of incorporation	Details of investment	Proportion held	Principal activity
Markland Hersham Properties Limited	United Kingdom	8,624,002 ordinary £1 shares	100%	Property rental

In the opinion, of the directors the shares in the company's subsidiary are worth at least the amount at which they are stated in the balance sheet. As at 31 December 2014, the net assets of Markland Hersham Properties Limited were £14.8m (2013 : £14.47m).

5. Debtors	2014	2013
	£	£
Other debtors	1,821	692

6. Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	3,575	829
Amounts owed to group undertaking (note 10)	8,934,108	8,926,577
Accruals and deferred income	66	66
	8,937,749	8,927,472

7. Share capital	2014	2013
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

Markland(Supermarkets)Limited

Notes to the financial statements for the year ended 31 December 2014

8. Reserves	Profit and loss account	Total
	£	£
At 1 January 2014	5,218	5,218
Loss for the year	(9,148)	(9,148)
At 31 December 2014	(3,930)	(3,930)

9. Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Loss for the year	(9,148)	(3,857)
Opening shareholders' funds	5,220	9,077
Closing shareholders (deficit)/ funds	(3,928)	5,220

10. Related party transactions

As a wholly owned subsidiary of the group headed by Markland Holdings Limited, the company is exempt from the requirements of FRS 8 "Related Party Transactions" to disclose transactions with other members of the group headed by Markland Holdings Limited on the grounds that the accounts are publicly available from the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1, Republic of Ireland.

11. Ultimate parent undertaking

Markland(Supermarkets)Limited is a wholly owned subsidiary of Markland Holdings (UK) Limited, registered at 5 New Street Square, London, EC4A 3TW, United Kingdom.

The ultimate controlling party is Markland Holdings Limited, a company registered in the Republic of Ireland.

The largest and smallest group of undertaking for which group accounts have been drawn up is headed by Markland Holdings Limited, a company registered in the Republic of Ireland.

Copies of the consolidated financial statements of Markland Holdings Limited are available from Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1, Republic of Ireland.

Markland Supermarkets Limited

Notes to the financial statements for the year ended 31 December 2014

12. Contingent liabilities

The company, together with other group companies, has provided a number of unlimited guarantees in order to secure the borrowing of group companies. Some of the fellow group companies' outstanding loans have been transferred to the National Asset Management Agency (NAMA) Treasury Buildings, Grand Canal Street, Dublin 2, Ireland through the "associated loans" rule. This may increase the risk of the guarantees the company has provided being called upon.

13. Approval of financial statements

The financial statements were authorised and approved for issue by the board on 17 December 2015.

Appendices

*These appendices are for the directors only
and do not form part of the Audited Statutory Financial Statements.*

Markland(Supermarkets)Limited

Appendix I: Overhead expenses

Administrative expenses	2014	2013
	£	£
Professional fees	9,148	2,011
loss on foreign currencies	-	146
General expenses	-	1,700
	<u>9,148</u>	<u>3,857</u>