

# Manifesto Foods Ltd

Registered number: 09820142

## Annual report

For the period ended 25 November 2017

COMPANIES HOUSE  
EDINBURGH

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# MANIFESTO FOODS LTD

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## COMPANY INFORMATION

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<b>Directors</b>	J Carr G Moir C Wright A Christiaanse J Fancourt
<b>Registered number</b>	09820142
<b>Registered office</b>	Number One Pride Place Pride Park Derby DE24 8QR
<b>Independent auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
<b>Bankers</b>	Natwest Drummond House PO Box 1727 1 Redheughs Avenue Edinburgh EH12 9JN  Close Brothers 80 Mosley Street Manchester M2 3FX
<b>Solicitors</b>	Geldards LLP Number One Pride Place Pride Park Derby England DE24 8QR

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# **MANIFESTO FOODS LTD**

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## MANIFESTO FOODS LTD

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### GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 25 NOVEMBER 2017

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The Directors present their strategic report for the period ended 25 November 2017.

#### Principal activities

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

The principal activity of the group is the production and sale of food products.

#### Principal risks and review of the business

Manifesto Foods Ltd is the parent company of A. K. Stoddart Limited and Manifesto Foods (Properties) Limited, ('the Group'). The principal activity of A. K. Stoddart Limited is meat processing. The principal activity of Manifesto Foods (Properties) Limited is acting as landlord to A. K. Stoddart Limited in respect of properties occupied by the business.

The Directors have assessed that the main risks facing the Group continue to be animal disease, which they consider to be out with their control, and continuing pressure on margins due to the highly competitive nature of the sector. The directors believe that the latter risk is mitigated by continuing to maintain the strong relationships which exist with both customers and suppliers and to continue diversifying into new markets.

#### Financial key performance indicators

The Directors of Manifesto Foods Ltd monitor and assess on a regular basis the key performance indicators of the business. The following KPI's are monitored closely:

- The company monitors cash flow related performance indicators including cash headroom and interest cover, in line with the funding requirements of the business.
- The company monitors operational performance and efficiency through a number of specific indicators and measures, which are regularly assessed.
- Raw material costs and pricing to customers is regularly reviewed to ensure gross margins are understood and controlled.
- The company continuously reviews and monitors technical performance to ensure all factories operate at the highest level of competence and operational integrity at all times.
- The company places great emphasis on the importance of Health & Safety within the business and regularly reviews KPI's to ensure the best possible environment for its employees and all legal requirements and processes are adhered to.
- The company monitors its Commercial KPI's as part of its continued commitment to ensure all customers are provided with the best possible level of service and account management.

This report was approved by the board on

and signed on its behalf.



G Moir  
Director

30/8/18

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# **MANIFESTO FOODS LTD**

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## **DIRECTORS' REPORT FOR THE PERIOD ENDED 25 NOVEMBER 2017**

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The directors present their report and the financial statements for the period ended 25 November 2017.

### **Directors' responsibilities statement**

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 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Results and dividends**

The loss for the period, after taxation, amounted to £7,854 (2016 - loss 174,970).

The directors do not recommend a dividend.

### **Directors**

The directors who served during the period were:

J Carr  
G Moir  
C Wright  
A Christiaanse  
J Fancourt

### **Future developments**

The board remains focused on the continued integration of Stoddarts to the group and the ongoing development of its people processes and best practice, ensuring the highest levels of corporate governance are established and the adoption of the company's core values and good operating practice are implemented, as determined by its Board of Directors.

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## MANIFESTO FOODS LTD

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### DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 25 NOVEMBER 2017

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#### Matters covered in the strategic report

The business review, principal risks and financial key performance indicators are included within the Strategic Report on page 1.

#### 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.

#### Post balance sheet events

There have been no significant events affecting the Group since the period end.

#### Auditors

The auditors, Mazars LLP, who were appointed subsequent to the period end, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

and signed on its behalf.

  
G Moir  
Director

30/8/18

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# **MANIFESTO FOODS LTD**

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANIFESTO FOODS LTD**

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### **Opinion**

We have audited the financial statements of Manifesto Foods Ltd (the 'Company') for the period ended 25 November 2017 which comprise the Group Profit and loss account, the Group and Company Balance sheets, the Group and Company Statement of changes in equity, the Group Consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 November 2017 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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## **MANIFESTO FOODS LTD**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANIFESTO FOODS LTD**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters 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; and
- 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 not identified material misstatements in the Strategic Report or the directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.



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# MANIFESTO FOODS LTD

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MANIFESTO FOODS LTD

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### Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

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.



Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD

Date: 31/8/18

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## MANIFESTO FOODS LTD

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 25 NOVEMBER 2017

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	Note	2017 £	2016 £
Turnover	3	62,751,723	58,007,447
Cost of sales		(52,466,644)	(48,540,370)
<b>Gross profit</b>		<b>10,285,079</b>	<b>9,467,077</b>
Administrative expenses		(10,181,886)	(9,667,128)
Other operating income	4	77,207	69,909
Fair value movements		-	170,000
<b>Operating profit</b>	5	<b>180,400</b>	<b>39,858</b>
Interest payable and expenses	9	(223,254)	(214,828)
<b>Loss before taxation</b>		<b>(42,854)</b>	<b>(174,970)</b>
Tax on loss	10	35,000	-
<b>Loss for the period</b>		<b>(7,854)</b>	<b>(174,970)</b>
<b>Total comprehensive income for the period</b>		<b>(7,854)</b>	<b>(174,970)</b>

The notes on pages 14 to 33 form part of these financial statements.

**MANIFESTO FOODS LTD**  
**REGISTERED NUMBER: 09820142**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 25 NOVEMBER 2017**

	Note	25 November 2017 £	26 November 2016 £
<b>Fixed assets</b>			
Intangible assets	11	1,587,655	1,675,858
Tangible assets	13	2,227,557	2,359,753
		<u>3,815,212</u>	<u>4,035,611</u>
<b>Current assets</b>			
Stocks	16	2,034,394	1,906,326
Debtors: amounts falling due within one year	17	5,005,657	5,372,749
Cash at bank and in hand	18	406,098	441,729
		<u>7,446,149</u>	<u>7,720,804</u>
Creditors: amounts falling due within one year	19	(8,701,607)	(9,298,991)
<b>Net current liabilities</b>		<u>(1,255,458)</u>	<u>(1,578,187)</u>
<b>Total assets less current liabilities</b>		<u>2,559,754</u>	<u>2,457,424</u>
Creditors: amounts falling due after more than one year	20	(2,546,606)	(2,436,422)
<b>Net (liabilities)/assets</b>		<u><u>13,148</u></u>	<u><u>21,002</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	1,500	1,500
Share premium account	27	148,500	148,500
Revaluation reserve	27	170,000	170,000
Profit and loss account	27	(306,852)	(298,998)
<b>Equity attributable to owners of the parent Company</b>		<u><u>13,148</u></u>	<u><u>21,002</u></u>

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

G Moir  
Director

30/8/18.

The notes on pages 14 to 33 form part of these financial statements.

**MANIFESTO FOODS LTD**  
**REGISTERED NUMBER: 09820142**

**COMPANY BALANCE SHEET**  
**AS AT 25 NOVEMBER 2017**

	Note	25 November 2017 £	26 November 2016 £
<b>Fixed assets</b>			
Investments	14	6,855,018	6,855,018
<b>Current assets</b>			
Debtors: amounts falling due within one year	17	39,587	3,503
Cash at bank and in hand	18	364,448	426,290
		<u>404,035</u>	<u>429,793</u>
Creditors: amounts falling due within one year	19	(6,071,807)	(6,001,287)
<b>Net current liabilities</b>		<u>(5,667,772)</u>	<u>(5,571,494)</u>
<b>Total assets less current liabilities</b>		<u>1,187,246</u>	<u>1,283,524</u>
Creditors: amounts falling due after more than one year	20	(1,238,549)	(1,332,650)
<b>Net assets</b>		<u><u>(51,303)</u></u>	<u><u>(49,126)</u></u>
<b>Capital and reserves</b>			
Called up share capital	26	1,500	1,500
Share premium account	27	148,500	148,500
Profit and loss account	27	(201,303)	(199,126)
		<u><u>(51,303)</u></u>	<u><u>(49,126)</u></u>

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

  
**G Moir**  
 Director

30/8/18

The notes on pages 14 to 33 form part of these financial statements.

## MANIFESTO FOODS LTD

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 25 NOVEMBER 2017

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 27 November 2016	1,500	148,500	170,000	(298,998)	21,002
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(7,854)	(7,854)
<b>Total comprehensive income for the period</b>	-	-	-	(7,854)	(7,854)
<b>At 25 November 2017</b>	<b>1,500</b>	<b>148,500</b>	<b>170,000</b>	<b>(306,852)</b>	<b>13,148</b>

The notes on pages 14 to 33 form part of these financial statements.

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 26 NOVEMBER 2016

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 December 2015	1,500	148,500	-	45,972	195,972
<b>Comprehensive income for the period</b>					
Loss for the period	-	-	-	(174,970)	(174,970)
Transfer to revaluation reserve	-	-	-	(170,000)	(170,000)
<b>Total comprehensive income for the period</b>	-	-	-	(344,970)	(344,970)
Transfer from profit and loss account	-	-	170,000	-	170,000
<b>At 26 November 2016</b>	<b>1,500</b>	<b>148,500</b>	<b>170,000</b>	<b>(298,998)</b>	<b>21,002</b>

The notes on pages 14 to 33 form part of these financial statements.

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## MANIFESTO FOODS LTD

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### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 25 NOVEMBER 2017

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 27 November 2016	1,500	148,500	(199,126)	(49,126)
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(2,177)	(2,177)
	-	-	(2,177)	(2,177)
<b>Total comprehensive income for the period</b>				
At 25 November 2017	1,500	148,500	(201,303)	(51,303)

The notes on pages 14 to 33 form part of these financial statements.

### COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 26 NOVEMBER 2016

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2015	1,500	148,500	73	150,073
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(199,199)	(199,199)
	-	-	(199,199)	(199,199)
<b>Total comprehensive income for the period</b>				
<b>Total transactions with owners</b>	-	-	-	-
At 26 November 2016	1,500	148,500	(199,126)	(49,126)

The notes on pages 14 to 33 form part of these financial statements.

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## MANIFESTO FOODS LTD

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### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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The cash flow for the period ended 25 November 2017 is presented below:

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial period	(7,854)	(174,970)
<b>Adjustments for:</b>		
Amortisation of intangible assets	88,203	88,203
Depreciation of tangible assets	310,040	333,611
Gain on disposal of tangible assets	(2,400)	(7,714)
Government grants	(77,207)	(69,909)
Interest paid	223,254	214,828
Taxation charge	(35,000)	-
(Increase)/decrease in stocks	(128,068)	81,878
Decrease/(increase) in debtors	402,092	(623,899)
Increase/(decrease) in creditors	314,318	(392,207)
Net fair value gain recognised in P&L	-	(170,000)
Corporation tax (paid)/received	(150,469)	41,813
<b>Net cash generated from operating activities</b>	<b>936,909</b>	<b>(678,366)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(177,844)	(108,583)
Sale of tangible fixed assets	2,400	15,500
HP interest paid	(7,095)	(3,376)
<b>Net cash from investing activities</b>	<b>(182,539)</b>	<b>(96,459)</b>
<b>Cash flows from financing activities</b>		
New secured loans	1,751,000	343,010
Repayment of loans	(1,516,964)	(325,613)
Repayment of/new finance leases	19,347	(128,755)
Loans (repaid to)/due from directors	-	(16,847)
Movements on invoice discounting	(1,108,106)	488,111
Interest paid	(216,159)	(211,452)
<b>Net cash used in financing activities</b>	<b>(1,070,882)</b>	<b>148,454</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(316,512)</b>	<b>(626,371)</b>
Cash and cash equivalents at beginning of period	(787,152)	(160,781)
<b>Cash and cash equivalents at the end of period</b>	<b>(1,103,664)</b>	<b>(787,152)</b>

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**MANIFESTO FOODS LTD**

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**CONSOLIDATED ANALYSIS OF NET DEBT (CONTINUED)**  
**FOR THE PERIOD ENDED 25 NOVEMBER 2017**

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	25 November 2017 £	26 November 2016 £
<b>Cash and cash equivalents at the end of period comprise:</b>		
Cash at bank and in hand	406,098	441,729
Bank overdrafts	(1,509,762)	(1,228,881)
	<u>(1,103,664)</u>	<u>(787,152)</u>



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# **MANIFESTO FOODS LTD**

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## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017**

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### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 Group management to exercise judgment in applying the Group accounting policies (see note 2).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

Manifesto Foods Ltd is a limited company registered in England & Wales. The registered office is Number One Pride Place, Pride Park, Derby, Derbyshire, DE24 8QR.

The following principal accounting policies have been applied:

#### **1.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### **1.3 Going concern**

The company's business activities, together with the factors likely to affect its future prospects are discussed in the Strategic report and the Directors' report on pages 1, 2 and 3. The directors have a reasonable expectation that the company has adequate cash resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.5 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 and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life of 20 years.

#### 1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Consolidated statement of comprehensive income during the period in which they are incurred.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	- 10% to 25%
Motor vehicles	- 15% to 25%

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

#### 1.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

#### 1.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the period of the lease.

#### 1.9 Operating leases: the Group as lessor

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the period of the lease.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

#### 1.11 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 on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 1.12 Debtors

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

#### 1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.14 Financial instruments

The Group only enters into basic financial instrument 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 the 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated 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.

#### 1.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 1.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.17 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

#### 1.18 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.19 Pensions

##### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

The company operates two defined contribution pension schemes. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between the contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### 1.20 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the period in which they are incurred.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 1. Accounting policies (continued)

#### 1.21 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

### 2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 3. Turnover

The whole of the turnover is attributable to the group's principal activity.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	56,880,167	53,983,611
Rest of the world	5,871,556	4,023,836
	<u>62,751,723</u>	<u>58,007,447</u>

### 4. Other operating income

	2017 £	2016 £
Government grants receivable	<u>77,207</u>	<u>69,909</u>

### 5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	310,040	333,611
Amortisation of intangible assets, including goodwill	88,203	88,203
Exchange differences	<u>(13,020)</u>	<u>(18,550)</u>

### 6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	1,050	1,000
<b>Fees payable to the Group's auditor in respect of:</b>		
The auditing of accounts of subsidiaries	9,900	7,800
All other services	<u>975</u>	<u>2,750</u>
	<u>10,875</u>	<u>10,550</u>



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## MANIFESTO FOODS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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#### 7. Employees

	2017 £	2016 £
Wages and salaries	4,611,708	4,386,490
Social security costs	394,608	371,121
Cost of defined contribution scheme	65,671	72,812
	<u>5,071,987</u>	<u>4,830,423</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2017 No.	2016 No.
Production staff	192	186
Office and management staff	37	38
	<u>229</u>	<u>224</u>

#### 8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	156,653	154,269
Company contributions to defined contribution pension schemes	16,800	16,800
	<u>173,453</u>	<u>171,069</u>

During the period retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

#### 9. Interest payable and similar expenses

	2017 £	2016 £
Bank interest payable	211,485	210,455
Other loan interest payable	4,674	997
Finance leases and hire purchase contracts	7,095	3,376
	<u>223,254</u>	<u>214,828</u>

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 10. Taxation

	2017 £	2016 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Current year credit	(35,000)	-
<b>Taxation on loss on ordinary activities</b>	<u>(35,000)</u>	<u>-</u>

#### Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.67%. (2016 - 20%)The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>(42,854)</u>	<u>(174,970)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	(8,429)	(34,994)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	2,579
Non-taxable income	-	(23,922)
Unrelieved tax losses carried forward	8,429	41,631
Movement in deferred taxation	(35,000)	-
Other differences leading to an increase in the tax charge	-	14,706
<b>Total tax charge for the period</b>	<u>(35,000)</u>	<u>-</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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## MANIFESTO FOODS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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#### 11. Intangible assets

##### Group and Company

	<b>Goodwill £</b>
<b>Cost</b>	
At 27 November 2016	1,764,061
At 25 November 2017	<u>1,764,061</u>
<b>Amortisation</b>	
At 27 November 2016	88,203
Charge for the year	88,203
At 25 November 2017	<u>176,406</u>
<b>Net book value</b>	
At 25 November 2017	<u><u>1,587,655</u></u>
At 26 November 2016	<u><u>1,675,858</u></u>

#### 12. Parent company profit 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 Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the period was £2,177 (2016 - loss £199,199).

# MANIFESTO FOODS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

### 13. Tangible fixed assets

#### Group

	Heritable property £	Plant & machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 27 November 2016	1,685,000	4,790,014	475,158	6,950,172
Additions	-	177,844	-	177,844
Disposals	-	-	(15,965)	(15,965)
At 25 November 2017	1,685,000	4,967,858	459,193	7,112,051
<b>Depreciation</b>				
At 27 November 2016	-	4,207,062	383,357	4,590,419
Charge for the period	-	268,705	41,335	310,040
Disposals	-	-	(15,965)	(15,965)
At 25 November 2017	-	4,475,767	408,727	4,884,494
<b>Net book value</b>				
At 25 November 2017	1,685,000	492,091	50,466	2,227,557
At 26 November 2016	1,685,000	582,952	91,801	2,359,753

The properties were valued at £1,685,000 on 11 January 2017 by Lambert Smith Hampton, on an open market value for existing use basis, and the directors believe that the value as at 25 November 2017 approximates to this figure.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	22,415	34,443
Motor vehicles	33,505	77,437
	55,920	111,880

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## MANIFESTO FOODS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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#### 14. Fixed asset investments

##### Company

	Investments in subsidiary companies £
<b>Cost</b>	
At 27 November 2016	6,855,018
At 25 November 2017	6,855,018
<b>Net book value</b>	
At 25 November 2017	6,855,018
At 26 November 2016	6,855,018

#### 15. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
A K Stoddart Limited	Ordinary	100 %	Meat Processing
Manifesto Foods (Properties) Limited	Ordinary	100 %	Property Investment

# MANIFESTO FOODS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

### 16. Stocks

	Group 25 November 2017 £	Group 26 November 2016 £	Company 25 November 2017 £	Company 26 November 2016 £
Raw materials and consumables	154,750	135,344	-	-
Work in progress	553,800	525,413	-	-
Finished goods	1,325,844	1,245,569	-	-
	<u>2,034,394</u>	<u>1,906,326</u>	<u>-</u>	<u>-</u>

### 17. Debtors

	Group 25 November 2017 £	Group 26 November 2016 £	Company 25 November 2017 £	Company 26 November 2016 £
Trade debtors	4,743,565	5,159,351	-	-
Other debtors	64,252	55,129	4,587	3,503
Prepayments and accrued income	162,840	158,269	-	-
Deferred taxation	35,000	-	35,000	-
	<u>5,005,657</u>	<u>5,372,749</u>	<u>39,587</u>	<u>3,503</u>

### 18. Cash and cash equivalents

	Group 25 November 2017 £	Group 26 November 2016 £	Company 25 November 2017 £	Company 26 November 2016 £
Cash at bank and in hand	406,098	441,729	364,448	426,290
Less: bank overdrafts	(1,509,762)	(1,228,881)	-	-
	<u>(1,103,664)</u>	<u>(787,152)</u>	<u>364,448</u>	<u>426,290</u>

# MANIFESTO FOODS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

### 19. Creditors: Amounts falling due within one year

	Group 25 November 2017 £	Group 26 November 2016 £	Company 25 November 2017 £	Company 26 November 2016 £
Bank overdrafts	1,509,762	1,228,881	-	-
Bank loans (note 21)	426,100	445,417	-	-
Trade creditors	2,253,769	2,032,491	19,593	39,172
Amounts owed to group undertakings (note 29)	-	-	5,975,613	5,872,096
Corporation tax	2,467	152,936	-	19
Taxation and social security	106,280	90,269	-	-
Obligations under hire purchase contracts (note 22)	37,627	38,253	-	-
Invoice discounting and revolving stock facility	3,709,202	4,817,308	-	-
Other creditors	224,814	222,047	71,601	90,000
Accruals and deferred income	431,586	271,389	5,000	-
	<u>8,701,607</u>	<u>9,298,991</u>	<u>6,071,807</u>	<u>6,001,287</u>

The invoice discounting facility is secured over the trade debtors.

### 20. Creditors: Amounts falling due after more than one year

	Group 25 November 2017 £	Group 26 November 2016 £	Company 25 November 2017 £	Company 26 November 2016 £
Bank loans (note 21)	1,140,526	887,173	-	-
Net obligations under hire purchase contracts (note 22)	59,852	39,879	-	-
Other creditors	1,238,549	1,332,650	1,238,549	1,332,650
Government grants (note 24)	107,679	176,720	-	-
	<u>2,546,606</u>	<u>2,436,422</u>	<u>1,238,549</u>	<u>1,332,650</u>

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## MANIFESTO FOODS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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#### 21. Loans

	Group 25 November 2017 £	Group 26 November 2016 £
Amounts falling due within one year	426,100	445,417
Amounts falling due 1-2 years	314,982	197,673
Amounts falling due 2-5 years	386,491	295,500
Amounts falling due after more than 5 years	439,053	394,000

The bank borrowings are secured by a standard security over the heritable properties at: 9 Old Farm Road, Heathfield Industrial Estate, Ayr; 16 Dunnet Way, East Mains Industrial Estate, Broxburn and 37A Simpson Road, East Mains Industrial Estate, Broxburn. They are also secured by a bond and floating charge over the assets of the company. The bank loans bear interest at 2.5%, 3.3% and 4.5% above the bank base rate and are repayable by monthly instalments.

#### 22. Hire purchase & finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £
Within one year	37,627	38,254
Between 1-2 years	22,986	23,226
Between 2-5 years	36,866	16,653
	97,479	78,133

Hire purchase liabilities are secured on the assets to which they relate.



# MANIFESTO FOODS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

### 23. Financial instruments

	25 November Group 2017 £	26 November Group 2016 £	25 November Company 2017 £	26 November Company 2016 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	5,238,521	5,698,022	393,641	471,606
	25 November Group 2017 £	26 November Group 2016 £	25 November Company 2017 £	26 November Company 2016 £
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(7,402,585)	(7,008,190)	(7,390,356)	(7,333,918)

Financial assets measured at amortised cost comprise trade and other debtors and cash.

Financial liabilities comprise trade and other creditors, bank loans and overdrafts, hire purchase creditors and accruals and deferred income.

### 24. Government grants

	25 November Group 2017 £	26 November Group 2016 £	25 November Company 2017 £	26 November Company 2016 £
At 1 December 2016	176,720	246,629	-	-
Released in period	(69,041)	(69,909)	-	-
<b>At 30 November 2017</b>	<b>107,679</b>	<b>176,720</b>	<b>-</b>	<b>-</b>

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 25. Deferred taxation

#### Group

	<b>2017</b> <b>£</b>
At beginning of year	-
Movement in year	35,000
<b>At end of year</b>	<u><u>35,000</u></u>

#### Company

	<b>2017</b> <b>£</b>
At beginning of year	-
Movement in year	35,000
<b>At end of year</b>	<u><u>35,000</u></u>

	<b>Group</b> <b>25</b> <b>November</b> <b>2017</b> <b>£</b>
Tax losses carried forward	<u><u>35,000</u></u>

### 26. Share capital

	<b>25</b> <b>November</b> <b>2017</b> <b>£</b>	<b>26</b> <b>November</b> <b>2016</b> <b>£</b>
<b>Allotted, called up and fully paid</b>		
150,000 Ordinary shares of £0.01 each	<u><u>1,500</u></u>	<u><u>1,500</u></u>

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# MANIFESTO FOODS LTD

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017

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### 27. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Revaluation reserve

This reserve records the surplus on revaluation of the group's property.

#### Profit & loss account

This reserve includes all retained profits and losses.

### 28. Commitments under operating leases

At 25 November 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 25 November 2017 £	Group 26 November 2016 £
<b>Land and buildings</b>		
Not later than 1 year	121,200	121,200
Later than 1 year and not later than 5 years	-	111,367
<b>Total</b>	<u>121,200</u>	<u>232,567</u>

	25 November Group 2017 £	26 November Group 2016 £
<b>Other operating leases</b>		
Not later than 1 year	59,596	32,900
Later than 1 year and not later than 5 years	74,319	17,867
<b>Total</b>	<u>133,915</u>	<u>50,767</u>

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## **MANIFESTO FOODS LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 25 NOVEMBER 2017**

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#### **29. Related party transactions**

The company has taken advantage of the exemption provided by FRS 102 s33.1A whereby disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

#### **30. Controlling party**

In the opinion of the directors, there is no ultimate controlling party.