

Lebreh Limited
Filleted Financial Statements
4 December 2016



MANEELY Mc CANN
Chartered Accountants & statutory auditor
Aisling House
50 Stranmillis Embankment
Belfast
BT9 5FL

Lebreh Limited

Financial Statements

Period from 30 November 2015 to 4 December 2016

Contents	Pages
Officers and professional advisers	1
Director's responsibilities statement	2
Statement of financial position	3 to 4
Notes to the financial statements	5 to 11

Lebreh Limited

Officers and Professional Advisers

Director	Mr M A Herbert
Company secretary	Mr M A Herbert
Registered office	Aisling House 50 Stranmillis Embankment Belfast BT9 5FL
Auditor	Maneely Mc Cann Chartered Accountants & statutory auditor Aisling House 50 Stranmillis Embankment Belfast BT9 5FL
Bankers	First Trust Bank 322 Antrim Road Glengormley Newtownabbey BT36 5EQ Bank of Ireland 1 Donegall Square South Belfast BT1 5LR Ulster Bank 11-16 Donegall Square East Belfast BT1 5UB Aviva Commercial Finance Sentinel House Surrey Street Norwich NR1 3NJ Danske Bank Donegall Square West Belfast BT1 6JS
Solicitors	Mills Selig 21 Arthur Street Belfast BT1 4GA Memery Crystal LLP 44 Southampton Buildings London WC2A 1AP

Lebreh Limited

Director's Responsibilities Statement

Period from 30 November 2015 to 4 December 2016

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Lebreh Limited
Statement of Financial Position
4 December 2016

	Note	4 Dec 16 £	29 Nov 15 £
Fixed assets			
Tangible assets	4	3,046,000	7,358,072
Investments	5	104	105
		<u>3,046,104</u>	<u>7,358,177</u>
Current assets			
Stocks		7,650,000	8,430,000
Debtors	6	268,918	962,305
Cash at bank and in hand		499,944	273,711
		<u>8,418,862</u>	<u>9,666,016</u>
Creditors: amounts falling due within one year	7	<u>22,358,209</u>	<u>41,953,731</u>
Net current liabilities		<u>13,939,347</u>	<u>32,287,715</u>
Total assets less current liabilities		<u>(10,893,243)</u>	<u>(24,929,538)</u>
Creditors: amounts falling due after more than one year	8	6,879,807	–
Provisions			
Taxation including deferred tax		266,513	262,001
Net liabilities		<u>(18,039,563)</u>	<u>(25,191,539)</u>
Capital and reserves			
Called up share capital		13,950	13,950
Capital redemption reserve		1,550	1,550
Profit and loss account		(18,055,063)	(25,207,039)
Members deficit		<u>(18,039,563)</u>	<u>(25,191,539)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

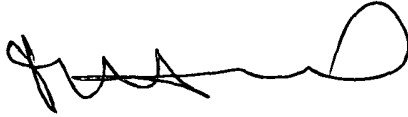
The statement of financial position
continues on the following page.
The notes on pages 5 to 11 form part of these financial statements.

Lebreh Limited

Statement of Financial Position *(continued)*

4 December 2016

These financial statements were approved by the board of directors and authorised for issue on 17 August 2017, and are signed on behalf of the board by:



MR M A HERBERT
Director

Company registration number: NI024432

The notes on pages 5 to 11 form part of these financial statements.

Lebreh Limited

Notes to the Financial Statements

Period from 30 November 2015 to 4 December 2016

1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is Aisling House, 50 Stranmillis Embankment, Belfast, BT9 5FL.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The July 2015 amendments to the standard have been early adopted.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The director is involved in negotiations with the bank in relation to the bank facilities and the bank has continued to support the company, however, to date there has been no binding agreement with the bank involved.

However, the ability of the company to continue as a going concern depends on the successful conclusion of the financing offers under discussion and the negotiation of appropriate financing as required thereafter.

The director has considered future financial projections and future cashflow requirements and is of the opinion that at the time of approving the financial statements, the company will continue in operational existence for the foreseeable future. Accordingly the director considers it appropriate that the financial statements for Lebreh Limited for the period ended 04 December 2016 be prepared on the going concern basis.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

3. Accounting policies *(continued)*

Revenue recognition

Turnover represents the total amounts, net of VAT, derived from rentals receivable on lettings to tenants and proceeds from the sale of trading properties. Proceeds arising on the sale of fixed assets are reflected in the gains and losses included within other operating income.

Lease premiums

Income received in respect of lease premiums is recognised in the Profit and Loss Account over the shorter of the lease term or the period ending on the date of the tenant-only break option.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

Corporation tax is calculated on the results for the period.

Tax deferred as a result of timing differences between accounting and taxation profits is provided for in full in respect of deferred tax liabilities. Such provision or recognition is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

Tax losses are surrendered between group companies for no consideration.

Tax arising on the sale of revalued assets is allocated on a pro rata basis between the gain reported in the Profit and Loss Account and the revaluation gain reported previously in the Statement of Total Recognised Gains and Losses.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measured on an ongoing basis.

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

3. Accounting policies *(continued)*

Tangible assets

All fixed assets are initially recorded at cost, together with any incidental costs of acquisition.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Trading Property Stock

Trading property stock is stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each property or site to its present location and condition. Net realisable value is based on estimated selling prices less any further costs expected to be incurred to completion and disposal.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

4. Tangible assets

	Investment Property £	Total £
Cost or valuation		
At 30 November 2015	7,358,072	7,358,072
Disposals	(3,185,000)	(3,185,000)
Revaluations	(1,127,072)	(1,127,072)
At 4 December 2016	3,046,000	3,046,000
Depreciation		
At 30 Nov 2015 and 4 Dec 2016	—	—
Carrying amount		
At 4 December 2016	3,046,000	3,046,000
At 29 November 2015	7,358,072	7,358,072

Revaluation of fixed assets

Investment property is valued by the director on an open market value for existing use basis, having regard to any recent professional valuations and marketing material provided by external agents in respect of the sale of the properties. The director is of the opinion that the market valuations of the investment property is not materially different from those shown in the financial statements.

The historical cost of investment properties at 4 December was £3,415,289 (November 2015: £5,829,321)

Finance costs

The aggregate amount of finance costs included in the cost of tangible fixed assets is £106,629 (November 2015 - £106,629) and the amount of finance costs capitalised during the period was £Nil (November 2015 - £Nil).

5. Investments

	Shares in group undertakings £	Shares in participating interests £	Other investments other than loans £	Total £
Cost				
At 30 November 2015	103	1	1	105
Disposals	—	(1)	—	(1)
At 4 December 2016	103	—	1	104
Impairment				
At 30 Nov 2015 and 4 Dec 2016	—	—	—	—
Carrying amount				
At 4 December 2016	103	—	1	104
At 29 November 2015	103	1	1	105

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

5. Investments *(continued)*

Subsidiaries, associates and other investments

	Trade	Class of share	Percentage of shares held
Subsidiary undertakings			
Herbel Estates (Ireland) Limited	Property investment	Ordinary	100
Lesley Estates Limited	Dormant	Ordinary	100

6. Debtors

	4 Dec 16 £	29 Nov 15 £
Amounts owed by group undertakings	–	559,725
Other debtors	268,918	402,580
	<u>268,918</u>	<u>962,305</u>

7. Creditors: amounts falling due within one year

	4 Dec 16 £	29 Nov 15 £
Bank loans and overdrafts	17,973,999	37,430,284
Amounts owed to group undertakings and undertakings in which the company has a participating interest	185	223,862
Corporation tax	492,908	86,285
Social security and other taxes	301,633	324,771
Other creditors	3,589,484	3,888,529
	<u>22,358,209</u>	<u>41,953,731</u>

The bank loans and overdrafts are secured by a fixed charge over properties owned by the company; a fixed and floating charge over all company assets; an assignment over the rental income of properties owned by the company.

8. Creditors: amounts falling due after more than one year

	4 Dec 16 £	29 Nov 15 £
Amounts owed to group undertakings	6,879,807	–

Security for the long term bank loans is as disclosed in note 10 to the financial statements.

Included within creditors falling due after more than one year is an amount of £nil (March 2015: £1,000,000) in respect of liabilities which fall due for payment by instalment after more than five years from the balance sheet date.

Lebreh Limited

Notes to the Financial Statements *(continued)*

Period from 30 November 2015 to 4 December 2016

9. Summary audit opinion

The auditor's report for the period dated 17 August 2017 was qualified on the following basis:

With respect to the company's development stock and work in progress having a carrying value of £7.65 million, the evidence available to us was limited because, although the director has valued the stock to the best of his ability, there is no active market from which we could make an assessment of its net realisable value. Owing to the unstable nature of the current property environment, we were unable to obtain sufficient appropriate audit evidence regarding the valuation of development stock and work in progress by using other audit procedures.

The auditors report contained the following emphasis of matter paragraph:

In forming our opinion we have considered the adequacy of the disclosures of Note 3 to the financial statements in relation to the renewal of bank facilities and which details that the financial statements have been prepared on a going concern basis, the validity of which depends on the continued support of the company's bankers, and the ability of the company to deal with the market and commercial uncertainties outside of its control. The financial statements do not include any adjustments which would result if this continued support was not secured. In view of the uncertainty on the validity of the going concern basis, we consider that it should be brought to your attention but our report is not qualified in this respect.

The senior statutory auditor was Mr Cathal Maneely, for and on behalf of Maneely Mc Cann.

10. Related party transactions

Control

The company is a wholly owned subsidiary of Banner Dell Limited, a company incorporated in England and Wales. Mrs L E Herbert is the shareholder of Banner Dell Limited and as such is considered to be the company's ultimate controlling party.

Transactions

The company has taken advantage of the exemption from disclosing related party transactions with group companies, in accordance with Financial Reporting Standard No 102 Section 1A Appendix C, Related Party Disclosures.

The Herbel Pension Scheme, a related party

Mr M A Herbert and Mrs L E Herbert are Trustees of The Herbel Pension Scheme, a small self administered money purchase scheme.

At the balance sheet date, an amount of £4,903 (November 2015: £4,903) was owed to Lebreh Limited by The Herbel Pension Scheme. This balance has arisen as a result of payments made on behalf of The Herbel Pension Scheme.

12. Controlling party

Banner Dell Limited is the company's ultimate parent company. Copies of the consolidated financial statements for Banner Dell Limited may be obtained from Marina Buildings, Harleyford Estate, Henley Road, Marlow, Buckinghamshire, SL7 2DX.