

**REGISTERED NUMBER: 03059688 (England and Wales)**

**Financial Statements**  
**for the Year Ended 31 March 2019**  
**for**  
**Mandale Investments Limited**

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**for the Year Ended 31 March 2019**

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**Mandale Investments Limited**  
**Company**  
**Information**  
**for the Year Ended 31 March 2019**

**DIRECTORS:** D I Harriman  
R T Harriman

**SECRETARIES:** P Davidson  
J Darragh

**REGISTERED OFFICE:** Mandale House  
5 Neville Road  
North Tees Industrial Estate  
Stockton on Tees  
TS18 2RD

**REGISTERED NUMBER:** 03059688 (England and Wales)

**AUDITORS:** Anderson Barrowcliff LLP  
Statutory Auditor  
Chartered Accountants  
3 Kingfisher Court  
Bowesfield Park  
Stockton on Tees  
TS18 3EX

**Balance Sheet**  
**31 March**  
**2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	4		<b>8,924,324</b>		6,911,826
<b>CURRENT ASSETS</b>					
Debtors	5	<b>3,550,184</b>		5,116,780	
Cash at bank		<b><u>104,019</u></b>		<u>360,377</u>	
		<b>3,654,203</b>		5,477,157	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<b><u>1,368,213</u></b>		<u>1,647,394</u>	
<b>NET CURRENT ASSETS</b>			<b><u>2,285,990</u></b>		<u>3,829,763</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b><u>11,210,314</u></b>		<u>10,741,589</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		<b>139</b>		139
Share premium			<b>2,430,459</b>		2,430,459
Non distributable reserve	8		<b>492,045</b>		60,045
Retained earnings			<b><u>8,287,671</u></b>		<u>8,250,946</u>
<b>SHAREHOLDERS' FUNDS</b>			<b><u>11,210,314</u></b>		<u>10,741,589</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 2 December 2019 and were signed on its behalf  
by:

D I Harriman - Director

**Notes to the Financial Statements  
for the Year Ended 31 March 2019**

**1. STATUTORY INFORMATION**

Mandale Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**Turnover**

Turnover represents rents and service charges receivable, excluding value added tax. Turnover also includes sales of properties which are recognised on legal completion.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Investment property	- not provided
Fixtures and fittings	- 10% on cost

**Investment property**

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Following a review by the Directors at the year end, a gain of £432,000 has been adjusted for in the financial statements to reflect the fair value at 31 March 2019. The Directors assessed the properties using their overall knowledge of each property and the property condition combined with the appropriate industry rental yield multiples.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2019**

**2. ACCOUNTING POLICIES - continued**

**Finance costs**

Finance costs which are directly attributable to freehold land and buildings during their development phase are capitalised as part of the cost of those developments. Capitalisation ceases when those developments are ready for use.

All other interest is charged to the profit and loss as incurred.

**Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss.

**Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was NIL (2018 - NIL).

**4. TANGIBLE FIXED ASSETS**

	<b>Investment property £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
<b>COST OR VALUATION</b>			
At 1 April 2018	<b>6,899,850</b>	<b>14,970</b>	<b>6,914,820</b>
Additions	<b>1,580,498</b>	<b>-</b>	<b>1,580,498</b>
Revaluations	<b>432,000</b>	<b>-</b>	<b>432,000</b>
At 31 March 2019	<b><u>8,912,348</u></b>	<b><u>14,970</u></b>	<b><u>8,927,318</u></b>
<b>DEPRECIATION</b>			
At 1 April 2018 and 31 March 2019	<b>-</b>	<b><u>2,994</u></b>	<b><u>2,994</u></b>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<b><u>8,912,348</u></b>	<b><u>11,976</u></b>	<b><u>8,924,324</u></b>
At 31 March 2018	<b><u>6,899,850</u></b>	<b><u>11,976</u></b>	<b><u>6,911,826</u></b>

Cumulative finance costs capitalised included in the cost of tangible fixed assets amount to £284,241 (2018 : £284,241) for the company. Finance costs capitalised during the year amounted to £Nil (2018 : £Nil).

Investment properties were reviewed at 31 March 2019 by D I Harriman (director). A gain of £432,000 has been adjusted for in the financial statements to reflect the fair value of the investment properties at the year end. The valuations were reviewed by the director based on any professional valuations undertaken during the year, his knowledge of the local property market, the property condition and market comparable information being rent and market rental yields.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2019**

4. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2019 is represented by:

	<b>Investment property £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
Valuation in 2019	<b>432,000</b>	-	<b>432,000</b>
Cost	<b><u>8,480,348</u></b>	<b><u>14,970</u></b>	<b><u>8,495,318</u></b>
	<b><u>8,912,348</u></b>	<b><u>14,970</u></b>	<b><u>8,927,318</u></b>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019 £</b>	<b>2018 £</b>
Trade debtors	<b>120,324</b>	132,075
Other debtors	<b>35,500</b>	35,500
Owing from group undertakings	<b>3,172,772</b>	3,045,659
Owing from associated undertakings	<b>177,075</b>	1,675,392
Taxation	-	52,144
VAT	-	128,665
Prepayments	<b>44,513</b>	47,345
	<b><u>3,550,184</u></b>	<b><u>5,116,780</u></b>

As shown above, debtors include £3,349,847 (2018: £4,721,051) owing from associated and group undertakings.

Due to liquidity concerns within the property sector generally, and therefore within the associated and group debtor undertakings, the timescale for recovery of these debtor balances is unknown, but considered by the directors to be greater than one year for a significant proportion of this amount. There are no formal terms of repayment for these balances.

There are a number of significant associated and group undertaking creditor balances (as disclosed in note 7), the timing of the payment of which is dependent upon the timing of the receipt of amounts due from associated and group debtor undertakings.

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2019 £</b>	<b>2018 £</b>
Trade creditors	<b>34,600</b>	22,331
VAT	<b>6,319</b>	-
Other creditors	-	27,484
Owing to associated undertakings	<b>285,495</b>	2,001
Owing to group undertakings	<b>894,645</b>	1,496,995
Accrued expenses	<b>147,154</b>	98,583
	<b><u>1,368,213</u></b>	<b><u>1,647,394</u></b>

As shown above, creditors include £1,180,140 (2018: £1,498,996) owing to associated and group undertakings.

The company is dependent upon the support of its group and associated companies with regard to the timing of the payment of these group and associated company creditors. Given the liquidity concerns within the property sector generally, and therefore within the associated and group companies, the timescale for payment of these balances is unknown. There are no formal terms of payment for these associated and group company balances.



**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2019**

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
139	Ordinary Shares	£1	<u>139</u>	<u>139</u>

8. **RESERVES**

	Non distributable reserve £
At 1 April 2018	60,045
Transfer of unrealised gains on investment properties	<u>432,000</u>
At 31 March 2019	<u>492,045</u>

9. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

David Shawcross FCA (Senior Statutory Auditor)  
for and on behalf of Anderson Barrowcliff LLP

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2019**

**10. RELATED PARTY DISCLOSURES**

During the year the company traded with the following related parties, and/or provided or received funds to assist or to be assisted with working capital requirements as necessary.

**Other related parties - group**

		<b>2019</b>	2018
	£		
Development work (purchases)		<b>(1,162,000)</b>	(1,973,000)
Management charges		<b>(48,000)</b>	(39,199)
Wages/salaries recharged		<b>(129,898)</b>	(117,857)
Long leasehold acquired		<b>(70,518)</b>	-
Net provision of finance		<b>2,139,879</b>	2,338,119
Balance at year end - debtor		<b>3,172,772</b>	3,045,659
Balance at year end - creditor		<b>(894,645)</b>	(1,496,995)

The above debtor balance at the year end is net of a bad debt provision of £7,219 (2018 : £7,219).

**Other related parties - common control**

		<b>2019</b>	2018
	£		
Transfer of development costs		<b>(285,000)</b>	-
Net (receipt)/provision of finance		<b>(1,498,543)</b>	1,286,640
Balance at year end - debtor		<b>177,075</b>	1,675,392
Balance at year end - creditor		<b>(285,495)</b>	(2,001)

The above debtor balance at the year end is net of a bad debt provision of £39,191 (2018 : £40,923).

A credit of £1,732 (2018 : £29,608) was recognised during the year in the profit and loss in respect of a bad debt recovered (2018: the release of an associated company creditor no longer payable).

**11. PARENT UNDERTAKING**

The immediate and ultimate parent company is Arkgrove Limited. These financial statements are included in the consolidated financial statements of Arkgrove Limited. The parent's registered office address is the same as Mandale Investments Limited as detailed on the Company Information page.