

**Marnan Holdings Limited**

**Directors' report and financial  
statements**

**Registered number 2551108**

**31 December 2016**

MONDAY



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COMPANIES HOUSE

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## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2016.

### Principal activities

The company's principal activity continued to be that of a property investment company.

### Business review

The directors consider the level of activity and the year end financial position to be satisfactory. The results for the year are set out in the profit and loss account on page 3.


### Directors

The directors who held office during the year were as follows:

A C Shupick  
M J Taylor  
N J Taylor

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

By order of the board

  
A C Shupick  
Director

Black Corner  
Balcombe Road  
Horley  
Surrey  
RH6 9SP

17 March 2017

## **Statement of directors' responsibilities**

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

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those accounts, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable the directors to ensure that the accounts comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Profit and loss account**  
*for the year ended 31 December 2016*

	<i>Note</i>	<b>2016</b> £	<b>2015</b> £
Turnover - Rental income	2	392,801	351,146
Administrative expenses		(63,794)	( 84,490)
<b>Operating profit</b>	3	<b>329,007</b>	<b>266,656</b>
Interest and similar receivables	6	-	40,570
Interest payable and similar charges	7	( 63,075)	( 14,949)
<b>Profit on ordinary activities before taxation</b>		<b>265,932</b>	<b>292,277</b>
Tax charge on profit on ordinary activities	8	( 68,977)	( 67,437)
<b>Retained profit on ordinary activities after taxation</b>	14 & 15	<b>196,955</b>	<b>224,840</b>

All results are derived from continuing operations.

**Statement of recognised gains and losses**

	<b>2016</b> £	<b>2015</b> £
<b>Total recognised gains and losses relating to the year</b>	<b>196,955</b>	<b>224,840</b>

**Note of historical cost profits and losses**

	<b>2016</b> £	<b>2015</b> £
<b>Reported profit on ordinary activities before taxation</b>	<b>265,932</b>	<b>292,277</b>
Difference in depreciation between historic amount and revalued amount	8,800	8,800
<b>Historic cost profit on ordinary activities before taxation</b>	<b>274,732</b>	<b>301,077</b>
<b>Historic cost profit on ordinary activities for the year after taxation</b>	<b>205,755</b>	<b>233,640</b>

**Balance sheet**  
*at 31 December 2016*

**Registered number: 02551108**

	<i>Note</i>	<b>2016</b>		<b>2015</b>	
		£	£	£	£
<b>Fixed assets</b>					
Investment property	9		4,423,078		3,809,000
<b>Current assets</b>					
Debtors	10	14,500		6,517	
Cash at bank		26,977		36,620	
		<u>41,477</u>		<u>43,137</u>	
<b>Creditors: amounts falling due within one year</b>	11	( 237,782)		( 482,397)	
		<u></u>		<u></u>	
<b>Net current liabilities</b>			( 196,305)		( 439,260)
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			4,226,773		3,369,740
<b>Provision : Deferred taxation</b>	8	( 60,000)		( 50,000)	
		<u></u>		<u></u>	
			4,166,773		3,319,740
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	12	300,000		300,000	
Revaluation reserve	13	1,848,640		1,207,362	
Profit and loss account	14	2,018,133		1,812,378	
		<u></u>		<u></u>	
<b>Total shareholders' funds</b>	15	4,166,773		3,319,740	
		<u></u>		<u></u>	

In approving these financial statements as directors of the company we hereby confirm:

- (a) that for the year ended 31 December 2016 the company was entitled to the exemption from audit under Section 477 (2) of the Companies Act 2006;
- (b) that the members have not required the company to obtain an audit in accordance with Section 476 of the Companies Act 2006
- (c) that we acknowledge our responsibilities for:
  - (i) ensuring the company keeps accounting records which comply with Section 386; and
  - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of Section 393 and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as they are applicable to the company.

These financial statements were approved by the board of directors on 17 March 2017 and signed on its behalf by:

**M J Taylor**  
Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, as modified to include the revaluation of land and buildings.

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a small company.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) receivable by the company for rent receivable.

#### *Fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation, less depreciation.

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets, except land, by equal instalments over their estimated useful economic lives, on the following basis:

Buildings	3% straight line
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#### *Investment property*

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to revaluation reserve. No depreciation is provided. The directors have adopted a true and fair override in relation to the non-depreciation of freehold land and buildings following the adoption of SSAP 19 "Investment properties", the adoption being made so as to present a true and fair view of the value of the freehold property. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

#### *Fixed assets investments*

Investments are included at cost or revaluation less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based upon current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### *Foreign currency transactions*

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

## Notes (continued)

### 2 Segmental analysis

The total turnover of the company for the year has been derived from its principal activity, wholly in the Rest of Europe.

Segmental analysis by geographical area:

The analysis by geographical area of the company's profit before tax is set out below:

	<u>2016</u>	<u>2015</u>
	£	£
United Kingdom	( 67,750)	28,346
Rest of Europe	333,682	263,931
	<u>265,932</u>	<u>292,277</u>

The analysis by geographical area of the company's net assets is set out below:

	2016	2015
	£	£
United Kingdom	( 189,205)	( 378,933)
Rest of Europe	4,355,978	3,698,673
	<u>4,166,773</u>	<u>3,319,740</u>

### 3 Operating profit

	2016	2015
	£	£
<i>The operating profit is stated after charging or crediting:</i>		
Directors remuneration	11,000	10,000
Depreciation of tangible fixed asset:		
Owned by the company	36,000	36,000
	<u>11,000</u>	<u>10,000</u>

### 4 Directors remuneration

	2016	2015
	£	£
Directors fees voted and payable	11,000	10,000
	<u>11,000</u>	<u>10,000</u>

### 5 Employees

The average number of employees during the year, including directors was 3 (2015: 3)

### 6 Interest and similar receivables

	2016	2015
	£	£
Foreign exchange gain	-	40,570
	<u>-</u>	<u>40,570</u>

### 7 Interest and similar payables

	2016	2015
	£	£
Loan interest	8,534	14,846
Other interest	-	103
Foreign exchange loss	54,541	-
	<u>63,075</u>	<u>14,949</u>



## Notes (continued)

### 8 Taxation

	2016 £	2015 £
Analysis of charge in year		
<i>UK corporation tax</i>		
Current tax on income for the period	-	19,283
Adjustment in respect of prior year	-	( 75)
<i>Overseas corporation tax</i>		
Current tax on income for the period	58,956	47,200
Adjustment in respect of prior years	21	29
	<u>58,977</u>	<u>66,437</u>
Deferred tax - Origination of timing differences	10,000	1,000
	<u>68,977</u>	<u>67,437</u>
<i>Factors affecting the tax charge for the current period</i>		
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	265,932	292,277
Current tax at 19.25% (2015: 20.25 %)	51,192	59,186
<i>Effects of:</i>		
Expenditure not allowed for tax	6,930	7,290
Adjustment in respect of prior year	21	( 46)
Other adjustments	834	7
Total current tax charge (see above)	<u>58,977</u>	<u>66,437</u>

The company has capital losses, available to carry forward of approximately £1,467,000 (2015: £1,467,000).

The movements in the deferred taxation liability was as follows

	2016 £	2015 £
At beginning of year	(50,000)	(49,000)
Provided during the year – overseas	(12,000)	( 1000)
Deferred tax asset created - UK	2,000	-
At end of year	<u>( 60,000)</u>	<u>(50,000)</u>

The balance as at 31 December 2016 is made up as follows:

Accelerated capital allowances – Overseas	( 62,000)	(50,000)
Management expenses carried forward - UK	2,000	-
	<u>(60,000)</u>	<u>(50,000)</u>

## Notes (continued)

### 9 Investment property

	Freehold Property £	Total £
Net book value at 1 January 2016	3,809,000	3,809,000
Depreciation charge for the year	(36,000)	(36,000)
Revaluation	650,078	650,078
	<hr/>	<hr/>
Net book value at 31 December 2016	4,423,078	4,423,078
	<hr/>	<hr/>
Comparable historic cost for the land and buildings included at valuation:-		
At 1 January 2016		2,724,700
		<hr/>
At 31 December 2016		2,724,700
		<hr/>

The land and buildings, situated at Monchengladbach, Germany, was revalued as at 31 December 2013, based upon a 'going concern property value' dated 5 June 2013 by Kenstone Real Estate Valuers, an independent real estate consultant. Based upon that valuation, the directors are of the opinion that the euro value is now €3,500,000. The revaluation has been arrived at after adjustment of the directors' valuation of buildings not owned by the company.

In view of the change in the exchange rate between Sterling and the Euro, the directors decided to revalue the Sterling value of the property as at 31 December 2016, using an exchange rate of £1.00 = €1.17. This revaluation increased the Sterling value of the property by £403,453. If the property had been sold on 31 December 2016 at this valuation, then a tax charge of £184,000 (2015: £109,000) would have crystallised.

The land and buildings had been charged to Stadtparkasse, Dusseldorf, as security for a loan granted by Stadtparkasse to FSP Frischsaft FRISCHE Produktion GmbH ('Frische') of €2,700,000. Frische was a member of the same group of companies, and is the tenant of the land and buildings. On 8 June 2007, Frische left the group. During 2015, the loan was repaid and the charge was released during the current year.

On 8 June 2007, the company granted an option to FSP Frischsaft FRISCHE Produktion GmbH, whereby they may purchase the land and buildings situated at Ruckes 90, 41238 Monchengladbach, Germany, at any time up to 31 July 2022, for the going concern value of the entire property (Sachwert), less the net book value of the buildings already owned by them, which at 31 December 2016 is €2,717,000; but subject to a minimum price of €3,600,000.

The land and buildings, situated at Barendrecht, The Netherlands, was revalued as at 31 December 2016, based upon market valuation, dated 11 January 2017 by Stone Value B.V. an independent real estate consultant. The directors are of the opinion that the euro value is now €1,675,000. The directors decided to revalue the Sterling value of the property as at 31 December 2016, using an exchange rate of £1.00 = €1.17. This revaluation increased the Sterling value of the property by £210,625. If the property had been sold on 31 December 2016 at this valuation, then no tax charge would crystallise.

## Notes (continued)

### 10 Debtors

	2016	2015
	£	£
Sundry debtors and prepayments	2,300	1,800
Corporation tax recoverable	12,200	4,717
	<u>14,500</u>	<u>6,517</u>

### 11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	9,600	9,850
Corporation tax	5,600	2,287
Current portion of loan	-	55,040
Amount due to shareholder	-	415,220
Amount due to associated company	222,582	-
	<u>237,782</u>	<u>482,397</u>

### 12 Share capital

	2016	2015
	£	£
<i>Authorised</i>		
1,200,000 Ordinary shares of £0.25 each	300,000	300,000
800,000 12% Non-Cumulative Redeemable Preference shares of £1 each	800,000	800,000
	<u>1,100,000</u>	<u>1,100,000</u>
<i>Allotted called up and fully paid</i>		
1,200,000 Ordinary shares of £0.25 each	300,000	300,000
	<u>300,000</u>	<u>300,000</u>

### 13 Revaluation reserve

	2016	2015
	£	£
At 1 January 2016	1,207,362	1,431,162
Additional depreciation of revalued asset	(8,800)	(8,800)
Arising upon revaluation at 31 December 2016	650,078	(215,000)
	<u>1,848,640</u>	<u>1,207,362</u>
At 31 December 2016	1,848,640	1,207,362

### 14 Profit and loss account

	2016	2015
	£	£
Retained profit brought forward	1,812,378	1,578,738
Profit for the year	196,955	224,840
Transfer from revaluation reserve	8,800	8,800
	<u>2,018,133</u>	<u>1,812,378</u>
At 31 December 2016	2,018,133	1,812,378

## Notes (continued)

### 15 Reconciliation of movements in shareholders' funds

	2016	2015
	£	£
Opening shareholders' funds	3,319,740	3,309,900
Increase/(decrease) in revaluation reserve	650,078	(215,000)
Profit for the financial year	196,955	224,840
	<hr/>	<hr/>
Closing shareholders' funds	4,166,773	3,319,740
	<hr/>	<hr/>

### 16 Related party transactions

During the year, A C Shupick received a director's fee of £11,000 (2015: £10,000) At the year end, £6,600 (2015: £5,500) was outstanding.

### 17 Ultimate parent company

The Company is a wholly owned by the Trustees of the Equalcross Settlement.