

**Marnan Holdings Limited**

**Directors' report and financial  
statements**

Registered number 2551108

31 December 2014

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## Directors' report

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

### 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.

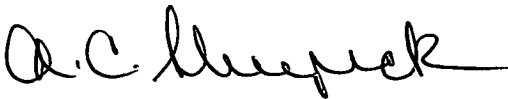
### Directors

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

16 January 2015

## **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 2014*

	<i>Note</i>	<b>2014</b> £	<b>2013</b> £
Turnover - Rental income	2	383,986	401,579
Administrative expenses		( 52,409)	( 64,970)
<b>Operating profit</b>	3	<b>331,577</b>	<b>336,609</b>
Interest and similar receivables	6	60,502	63,125
Interest payable and similar charges	7	( 26,533)	( 39,751)
<b>Profit on ordinary activities before taxation</b>		<b>365,546</b>	<b>359,983</b>
Tax charge on profit on ordinary activities	8	( 84,982)	( 96,425)
<b>Retained profit on ordinary activities after taxation</b>	15 & 16	<b>280,564</b>	<b>263,558</b>

All results are derived from continuing operations.

**Statement of recognised gains and losses**

	<b>2014</b> £	<b>2013</b> £
<b>Total recognised gains and losses relating to the year</b>	<b>280,564</b>	<b>263,558</b>

**Note of historical cost profits and losses**

	<b>2014</b> £	<b>2013</b> £
<b>Reported profit on ordinary activities before taxation</b>	<b>365,546</b>	<b>359,983</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>374,346</b>	<b>368,783</b>
<b>Historic cost profit on ordinary activities for the year after taxation</b>	<b>289,364</b>	<b>272,358</b>

**Balance sheet**  
*at 31 December 2014*

**Registered number: 02551108**

	<i>Note</i>	<b>2014</b>		<b>2013</b>	
		£	£	£	£
<b>Fixed assets</b>					
Investment property	9	4,060,000		4,297,000	
Investments	10	-		240,000	
			4,060,000		4,537,000
<b>Current assets</b>					
Debtors	11	2,000		50,391	
Cash at bank		55,960		7,129	
		57,960		57,520	
<b>Creditors: amounts falling due within one year</b>	12	( 759,060)		( 1,316,184)	
<b>Net current liabilities</b>			( 701,100)		( 1,258,664)
<b>Total assets less current liabilities</b>			3,358,900		3,278,336
<b>Provision : Deferred taxation</b>	8	( 49,000)		( 48,000)	
			3,309,900		3,230,336
<b>Capital and reserves</b>					
Called up share capital	13	300,000		300,000	
Revaluation reserve	14	1,431,162		1,640,962	
Profit and loss account	15	1,578,738		1,289,374	
<b>Total shareholders' funds</b>	16	3,309,900		3,230,336	

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

- (a) that for the year ended 31 December 2014 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 16 January 2015 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:

	2014	2013
	£	£
United Kingdom	48,995	53,980
Rest of Europe	316,551	306,003
	<u>365,546</u>	<u>359,983</u>

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

	2014	2013
	£	£
United Kingdom	( 642,435)	( 1,164,960)
Rest of Europe	3,952,335	4,395,296
	<u>3,309,900</u>	<u>3,230,336</u>

### 3 Operating profit

	2014	2013
	£	£
<i>The operating profit is stated after charging or crediting:</i>		
Directors remuneration	4,800	(11,000)
Depreciation of tangible fixed asset:		
Owned by the company	36,000	36,000
	<u>40,800</u>	<u>25,000</u>

### 4 Directors remuneration

	2014	2013
	£	£
Directors fees voted and payable	4,800	11,500
Directors fees waived and repaid after 31 December 2013	-	(11,500)
Directors fees in respect of prior year, waived and repaid after 31 December 2013	-	(11,000)
	<u>4,800</u>	<u>(11,000)</u>

### 5 Employees

The average number of employees during the year, including directors was 3 (2013: 3)

### 6 Interest and similar receivables

	2014	2013
	£	£
Other interest	5,365	12,417
Foreign exchange gain	55,137	50,638
Interest on overpaid corporation tax	-	70
	<u>60,502</u>	<u>63,125</u>

## Notes (continued)

### 7 Interest and similar payables

	2014	2013
	£	£
Loan interest	26,263	39,301
Other interest	270	450
	<u>26,533</u>	<u>39,751</u>

### 8 Taxation

	2014	2013
	£	£
Analysis of charge in year		
<i>UK corporation tax</i>		
Current tax on income for the period	29,300	38,900
Adjustment in respect of prior year	(10)	(124)
<i>Overseas corporation tax</i>		
Current tax on income for the period	55,300	53,150
Adjustment in respect of prior years	(608)	499
	<u>83,982</u>	<u>92,425</u>
Deferred tax - Origination of timing differences	1,000	4,000
	<u>84,982</u>	<u>96,425</u>
<i>Factors affecting the tax charge for the current period</i>		
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	365,546	359,983
Current tax at 21.5 % (2013: 23.25 %)	78,592	83,696
<i>Effects of:</i>		
Expenditure not allowed for tax	7,740	8,370
Adjustment in respect of prior year	(618)	375
Other adjustments	(1,732)	(16)
Total current tax charge (see above)	<u>83,982</u>	<u>92,425</u>

The company has capital losses, available to carry forward of approximately £1,467,000 (2013: £1,467,000).

The movements in the deferred taxation liability was as follows

	2014	2013
	£	£
At beginning of year	(48,000)	(44,000)
Provided during the year – current year – overseas	(1,000)	(4,000)
	<u>(49,000)</u>	<u>(48,000)</u>
At end of year	(49,000)	(48,000)
The balance as at 31 December 2014 is made up as follows:		
Accelerated capital allowances – Overseas	(49,000)	(48,000)

## Notes (continued)

### 9 Investment property

	Freehold Property £	Total £
Net book value at 1 January 2014	4,297,000	4,297,000
Depreciation charge for the year	(36,000)	(36,000)
Revaluation	(201,000)	(201,000)
Net book value at 31 December 2014	4,060,000	4,060,000

Comparable historic cost for the land and buildings included at valuation:-

At 1 January 2014	2,724,700
At 31 December 2014	2,724,700

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 2014, using an exchange rate of £1.00 = €1.27. This revaluation reduced the Sterling value of the property by £149,000. If the property had been sold on 31 December 2014 at this valuation, then a tax charge of £158,000 (2013: £220,000) would have crystallised.

The land and buildings have 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. At 31 December 2014 the balance outstanding on this loan amounted to €1,047,833 (2013: €1,250,865).

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 2014 is €3,005,000, 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 2013, based upon market valuation, dated 14 November 2013 by BBW makelaars en taxateurs, an independent real estate consultant. The directors are of the opinion that the euro value is now €1,656,000. The directors decided to revalue the Sterling value of the property as at 31 December 2014, using an exchange rate of £1.00 = €1.27. This revaluation reduces the Sterling value of the property by £49,000. If the property had been sold on 31 December 2014 at this valuation, then no tax charge would crystallise.

### 10 Investments

	2014 £	2013 £
Loan to tenant	-	240,000

## Notes (continued)

### 11 Debtors

	2014	2013
	£	£
Sundry debtors and prepayments	2,000	5,100
Amount due from a director	-	45,291
	<u>2,000</u>	<u>50,391</u>

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

	2014	2013
	£	£
Accruals and deferred income	19,900	13,700
Corporation tax	30,745	77,244
Current portion of loan	45,220	47,860
Amount due to shareholder	663,195	1,177,380
	<u>759,060</u>	<u>1,316,184</u>

### 13 Share capital

	2014	2013
	£	£
<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>

### 14 Revaluation reserve

	2014	2013
	£	£
At 1 January 2014	1,640,962	1,754,640
Additional depreciation of revalued asset	(8,800)	(8,800)
Arising upon revaluation at 31 December 2014	(201,000)	(104,878)
	<u>1,431,162</u>	<u>1,640,962</u>
At 31 December 2014	1,431,162	1,640,962

### 15 Profit and loss account

	2014	2013
	£	£
Retained profit brought forward	1,289,374	1,017,016
Profit for the year	280,564	263,558
Transfer from revaluation reserve	8,800	8,800
	<u>1,578,738</u>	<u>1,289,374</u>
At 31 December 2014	1,578,738	1,289,374

## Notes (continued)

### 16 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Opening shareholders' funds	3,230,336	3,071,656
Reduction in revaluation reserve	(201,000)	(104,878)
Profit for the financial year	280,564	263,558
	<hr/>	<hr/>
Closing shareholders' funds	3,309,900	3,230,336
	<hr/>	<hr/>

### 17 Related party transactions

i) During the year, A C Shupick received a director's fee of £4,800 (2013: £Nil) and provided consultancy services (including travel costs) to the company to the value of £1,020 (2013: £21,297). At the year end, £4,800 (2013: £5,579) was outstanding.

ii) As at 1 January 2014 a loan to A C Shupick in the sum of €15,631 was outstanding. The loan was subject to interest at 5.0% per annum. The loan and interest were fully repaid to the company on 18 July 2014.

### 18 Ultimate parent company

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