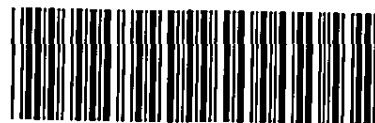


Marnan Holdings Limited

**Directors' report and financial
statements**

Registered number 2551108
31 December 2007

MONDAY



ASXVL2DU

A35

18/08/2008

53

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the independent auditors to the members of Marnan Holdings Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6-14

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2007

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 4.

The directors expect the current level of turnover and profitability to continue for the coming year.

The entire share capital of the company was sold on 26 May 2007 (see note 22 of the financial statements).

On 8 June 2007 the company granted an option to sell the land and buildings occupied by FSP Frischsaft FRISCHE Produktion GmbH (see note 11 of the financial statements).

Dividend

There were no dividends paid during the year. In the prior year the directors paid dividends on preference shares in the sum of £48,000.

Directors

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


A C Shupick
W M Schreuder (resigned 31 January 2007)
M J Taylor
N J Taylor

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken the appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



M J Taylor
Secretary

Black Corner
Balcombe Road
Horley
Surrey
RH6 9SP

5 August 2008

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 1985. 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

Report of the independent auditors to the shareholder of Marnan Holdings Limited

We have audited the accounts of Marnan Holdings Limited for the year ended 31 December 2007, set out on pages 4 to 14. These accounts have been prepared under the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are as described on page 2.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the accounts.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

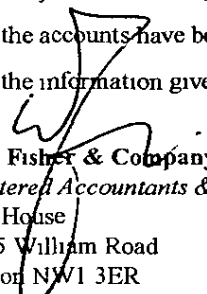
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the accounts have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the accounts.


H W Fisher & Company
Chartered Accountants & Registered Auditor
Acre House
11-15 William Road
London NW1 3ER

Dated 7 August 2008

Profit and loss account
for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover - Rental income	2	134,351	241,278
Administrative expenses		(57,364)	(38,811)
Operating profit	3	76,987	202,467
Interest and similar receivables	5	65,088	24,051
Interest payable and similar charges	6	(72,325)	(61,846)
Profit arising upon disposal of fixed asset investment	7	-	278,660
Profit on ordinary activities before taxation		69,750	443,332
Tax charge on profit on ordinary activities	8	(39,296)	(62,801)
Profit on ordinary activities after taxation	18	30,454	380,531
Dividends paid	9	-	(48,000)
Retained profit for the year	18	30,454	332,531

All results are derived from continuing operations

Statement of recognised gains and losses

	2007 £	2006 £
Profit for the financial year	30,454	380,531
Unrealised surplus on revaluation of properties	-	690,000
Total recognised gains and losses relating to the year	30,454	1,070,531


Note of historical cost profits and losses

	2007 £	2006 £
Reported profit on ordinary activities before taxation	69,750	443,332
Realisation of property revaluation gains of previous years	-	350,731
Difference in depreciation between historic amount and revalued amount	8,800	-
Historic cost profit on ordinary activities before taxation	78,550	794,063
Historic cost profit on ordinary activities for the year after taxation and dividends	39,254	683,262

Balance sheet
 at 31 December 2007

	<i>Note</i>	2007	2006
		£	£
Fixed assets			
Tangible assets	10	-	2,056,660
Investment property	11	2,044,560	-
		<u>2,044,560</u>	<u>2,056,660</u>
Current assets			
Debtors	12	1,042,505	1,014,919
Cash at bank		82,805	44,124
		<u>1,125,310</u>	<u>1,059,043</u>
Creditors, amounts falling due within one year	13	(72,264)	(65,264)
Net current assets		<u>1,053,046</u>	<u>993,779</u>
Total assets less current liabilities		<u>3,097,606</u>	<u>3,050,439</u>
Creditors, amounts falling due after more than one year	14	(605,950)	(600,237)
Provision Deferred taxation	8	(28,500)	(17,500)
		<u>2,463,156</u>	<u>2,432,702</u>
Capital and reserves			
Called up share capital	15	1,020,000	1,020,000
Preference share redemption reserve	16	800,000	800,000
Revaluation reserve	17	681,200	690,000
Profit and loss account	18	(38,044)	(77,298)
Total shareholders' funds	19	<u>2,463,156</u>	<u>2,432,702</u>

These financial statements were approved by the board of directors on 5 August 2008 and signed on its behalf by


 A C Shupick
 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
-----------	------------------

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

Segmental analysis by geographical area

The analysis by geographical area of the company's turnover is set out below

	2007	2006
	£	£
United Kingdom	-	126,395
Rest of Europe	134,351	114,883
	<u>134,351</u>	<u>241,278</u>

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

	2007	2006
	£	£
United Kingdom	45,855	383,229
Rest of Europe	23,895	60,103
	<u>69,750</u>	<u>443,332</u>

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

	2007	2006
	£	£
United Kingdom	1,105,626	1,034,902
Rest of Europe	1,357,530	1,397,800
	<u>2,463,156</u>	<u>2,432,702</u>

3 Operating profit

	2007	2006
	£	£
<i>The operating profit is stated after charging or crediting</i>		
Depreciation of tangible fixed asset		
Owned by the company	3,300	7,650
Auditors' remuneration	7,225	5,500
	<u>10,525</u>	<u>13,150</u>

4 Employees

The average number of employees during the year was Nil (2006 Nil)

Notes (continued)

5 Interest and similar receivables

	2007	2006
	£	£
Interest from group company	24,856	9,125
Interest from shareholder loan	40,232	-
Exchange gain arising upon group loan	-	14,926
	<u>65,088</u>	<u>24,051</u>

6 Interest and similar payables

	2007	2006
	£	£
Bank interest	(8,445)	29,798
Interest to group companies	12,562	32,048
Other	16,214	-
Exchange loss arising upon loan	51,994	-
	<u>72,325</u>	<u>61,846</u>

7 Profit arising upon disposal of fixed asset investment

	2007	2006
	£	£
Net proceeds of disposal	-	1,768,660
Less Historic cost and revaluations in prior years	-	(1,490,000)
	<u>-</u>	<u>278,660</u>

8 Taxation

	2007	2006
	£	£
Analysis of charge in year		
<i>UK corporation tax</i>		
Current tax on income for the period (see below)	8,500	-
Adjustment in respect of prior year	3,191	-
<i>Overseas corporation tax</i>		
Current tax on income for the period	16,605	9,501
	<u>28,296</u>	<u>9,501</u>
 Deferred tax - Origination of timing differences	 7,500	 3,200
- Adjustment in respect of prior years	3,500	(1,100)
- Utilised against taxable profits	-	51,200
	<u>11,000</u>	<u>53,300</u>
 Total deferred tax charge	 11,000	 53,300
 Tax charge on profit on ordinary activities	 39,296	 62,801

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	69,750	443,332
Current tax at 30.0 % (2006 30.0 %)	20,925	133,000
<i>Effects of</i>		
Expenditure not allowed for tax	4,180	2,550
Excess capital allowances over depreciation	-	(4,305)
Other timing/exchange differences	-	(8,163)
Indexation of capital asset disposed	-	(65,115)
Lower rates of overseas corporation tax	-	(1,210)
UK tax on German income	-	14,984
Utilisation of tax losses brought forward	-	(51,200)
Utilisation of capital tax losses brought forward	-	(11,040)
Adjustment in respect of prior year	3,191	-
Total current tax charge (see above)	28,296	9,501

The company has capital losses, available to carry forward of approximately £1,465,000 (2006 £1,465,000)

The movements in the deferred taxation balances were as follows

	2007 £	2006 £
Deferred taxation asset/(liability)		
At beginning of year	(17,500)	35,800
Credited during the year – prior year - UK	(3,500)	1,100
Provided during the year – current year - overseas	(7,500)	(3,200)
Released in year	-	(51,200)
At end of year	(28,500)	(17,500)

The balance as at 31 December 2007 is made up as follows

	2007 £	2006 £
Using the standard rate of corporation tax of 30% (2004 30%)		
Accelerated capital allowances – Overseas	(28,500)	(21,000)
Tax losses carried forward - UK	-	3,500
At end of year	(28,500)	(17,500)

Notes (continued)

9 Dividends paid

	2007 £	2006 £
Preference dividends		
1 January 2006 to 30 June 2006	-	48,000

10 Tangible fixed asset

	Land and buildings £	Total £
Cost or revaluation		
At 1 January 2007	2,056,660	2,056,660
Transferred to investment property	(2,056,660)	(2,056,660)
At 31 December 2007	-	-
Depreciation		
At 1 January 2007	-	-
Charge for period to 7 June 2007	(12,100)	(12,100)
Transferred to investment property	12,100	12,100
At 31 December 2007	-	-

On 8 June 2007, the tenant, FSP Frischsaft FRISCHE Produktion GmbH left the United Foods International Limited (formerly United Foods International PLC) group, and as a consequence the land and buildings have been reclassified as an investment property

11 Investment property

	Freehold Property £	Total £
Net book value		
Transferred from tangible fixed asset	2,044,560	2,044,560
At 31 December 2007	2,044,560	2,044,560
Comparable historic cost for the land and buildings included at valuation -		
At 1 January 2007		1,359,010
At 31 December 2007		1,355,710

The land and buildings, situated at Monchengladbach, Germany, was revalued as at 31 December 2006, based upon a 'going concern property value' dated 13 April 2007 by Kenstone Real Estate Valuers, an independent real estate consultant. The directors are of the opinion that the value has not changed materially as at 31 December 2007. The revaluation has been arrived at after adjustment of the directors' valuation of buildings not owned by the company. The valuation is expressed in euros, and the directors do not consider it appropriate to reflect the increase in Sterling value arising from the movement in exchange rates in 2007, as a subsequent reversal of the exchange rate movement would give rise to an equivalent reduction in value in the future. If the property were to be sold at this valuation, a deferred tax charge of £120,000 (2006 £140,600) would crystallise.

Notes (continued)

11 Investment property (continued)

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 in 2006 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 2007 the balance outstanding on this loan amounted to €2,399,985.

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, but subject to a minimum price of €3,600,000, which was fixed until 31 December 2007.

12 Debtors

	2007	2006
	£	£
Amount owed by group undertakings	-	14,081
Sundry debtor	8,684	838
Loan due from parent undertaking	-	1,000,000
Loan due from shareholder	1,033,821	-
	<u>1,042,505</u>	<u>1,014,919</u>

13 Creditors, amounts falling due within one year

	2007	2006
	£	£
Accruals and deferred income	10,400	18,245
Corporation tax	12,850	2,100
Amount due to group undertaking	-	44,919
Current portion of loan	49,014	-
	<u>72,264</u>	<u>65,264</u>

14 Creditors, amounts falling due after more than one year

	2007	2006
	£	£
Group loan	-	600,237
Loan	605,950	-
	<u>605,950</u>	<u>600,237</u>

Analysis of debt

In one year or less, or on demand	49,014	44,919
Between one and two years	49,014	44,919
Between two and five years	556,936	555,318
	<u>654,964</u>	<u>645,156</u>

Notes (continued)

14 Creditors amounts falling due after more than one year (continued)

The loan is repayable by monthly instalments of €5,555, plus interest, until 31 December 2010, with the balance of the loan, amounting to €691 000 repayable on 31 December 2010. The loan bears interest at 4.517%. In the event that the property at Ruckes 90, 41238 Monchengladbach, Germany, is sold, the balance of the loan is immediately repayable.

15 Share capital

	2007 £	2006 £
<i>Authorised</i>		
1,200,000 Ordinary shares of £0.85 each	1,020,000	1,020,000
800,000 12% Non-Cumulative Redeemable Preference shares of £1 each	800,000	800,000
	<hr/>	<hr/>
	1,820,000	1,820,000
	<hr/>	<hr/>
<i>Allotted called up and fully paid</i>		
1,200,000 Ordinary shares of £0.85 each	1,020,000	1,020,000
	<hr/>	<hr/>

16 Preference share redemption reserve

	2007 £	2006 £
At 1 January 2007	800,000	-
Transfer from profit and loss account	-	800,000
	<hr/>	<hr/>
At 31 December 2007	800,000	800,000
	<hr/>	<hr/>

17 Revaluation reserve

	2007 £	2006 £
At 1 January 2007	690,000	350,731
Increase/(reduction) arising upon revaluation	-	690,000
Transfer on disposal of fixed asset investment	-	(350,731)
Additional depreciation of revalued asset	(8,800)	-
	<hr/>	<hr/>
At 31 December 2007	681,200	690,000
	<hr/>	<hr/>

Notes (continued)

18 Profit and loss account

	2007	2006
	£	£
Retained profit brought forward	(77,298)	39,440
Transfer to preference share redemption reserve	-	(800,000)
Profit for the year	30,454	332,531
Transfer from revaluation reserve	8,800	350,731
	<u> </u>	<u> </u>
At 31 December 2007	(38,044)	(77,298)

The deficit on the balance of the profit and loss account arises from losses mainly incurred in November and December 2007, due to significant adverse movement of exchange rate of a Euro denominated liability

19 Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
Opening shareholders' funds	2,432,702	2,210,171
Redemption of preference shares	-	(800,000)
Profit for the financial year	39,254	332,531
Realisation of property revaluation gains of previous years	-	350,731
Increase/(reduction) in revaluation reserve	-	339,269
Depreciation of revaluation reserve	(8,800)	-
	<u> </u>	<u> </u>
Closing shareholders' funds	2,463,156	2,432,702

20 Related party transactions

Up to 7 June 2007, FSP Frischsaft FRISCHE Produktion GmbH ('FSP') was a subsidiary company of United Foods International Limited (formerly United Foods International PLC), and transactions with FSP are considered as related party transactions

During the year, rent was receivable from FSP in the sum of €198,000 (2006 €168,000), equivalent to £134,351 (2006 £114,883)

For the same period, interest was payable to FSP in respect of a loan amounting to £28,776 (2006 £19,220)

At 31 December 2007, debtors include amounts receivable from FSP amounting to £8,684 (2006 £9,396)

Up to 26 May 2007, the company was a subsidiary of United Foods International Limited ('UFI') During the year, the company received interest on a loan to UFI, at arms length, of £24,856 (2006 £9,125)

For the year ended 31 December 2007, the company paid management charges (including VAT) to UFI, amounting to £26,100 (2006 £24,000)

As at 31 December 2007 the balance due to the company from UFI amounted to £Nil (2006 £1,004,485)

After 26 May 2007, the company was a subsidiary of the Equalcross Settlement ('ES'), which is the ultimate controlling party of UFI For the period 26 May 2007 to 31 December 2007, the company received interest on a loan to ES, at arms length, of £40,232 (2006 £nil)

As at 31 December 2007, the balance due to the company from ES amounted to £1,033,821 (2006 £Nil)

During the year, interest paid to Grove Fresh Limited, a former subsidiary company of UFI, amounted to £Nil (2006 £12,828)

Notes (continued)

21 Contingent liability

On 13 August 2007, the company entered into an election under Section 179A TCGA 1992, such that any tax charge that might arise in respect of assets acquired by a former fellow subsidiary from United Foods International Limited (formerly United Foods International PLC) in prior years, as a result of a subsequent exit charge, would be the responsibility of the company. At this time, the directors are unable to ascertain whether a tax charge might arise.

22 Ultimate parent company

The Company was a wholly owned subsidiary of United Foods International Limited (formerly United Foods International PLC), a company registered in England and Wales. On 26 May 2007, the entire share capital of the company was sold to the Trustees of the Equalcross Settlement.