

**Marnan Holdings Limited**

**Directors' report and financial  
statements**

Registered number 2551108

31 December 2013

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## Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2013.

### 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.

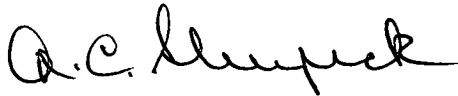
### Directors

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

1 August 2014

## **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 2013*

	<i>Note</i>	<b>2013</b> £	<b>2012</b> £
Turnover - Rental income	2	401,579	360,545
Administrative expenses		( 64,970)	( 72,242)
<b>Operating profit</b>	3	<b>336,609</b>	<b>288,303</b>
Interest and similar receivables	6	63,125	1,159
Interest payable and similar charges	7	( 39,751)	( 92,901)
<b>Profit on ordinary activities before taxation</b>		<b>359,983</b>	<b>196,561</b>
Tax charge on profit on ordinary activities	8	( 96,425)	( 55,888)
<b>Retained profit on ordinary activities after taxation</b>	15 & 16	<b>263,558</b>	<b>140,673</b>

All results are derived from continuing operations.

**Statement of recognised gains and losses**

	<b>2013</b> £	<b>2012</b> £
Total recognised gains and losses relating to the year	<b>263,558</b>	<b>140,673</b>

**Note of historical cost profits and losses**

	<b>2013</b> £	<b>2012</b> £
Reported profit on ordinary activities before taxation	<b>359,983</b>	<b>196,561</b>
Difference in depreciation between historic amount and revalued amount	<b>8,800</b>	<b>8,800</b>
<b>Historic cost profit on ordinary activities before taxation</b>	<b>368,783</b>	<b>205,361</b>
<b>Historic cost profit on ordinary activities for the year after taxation</b>	<b>272,358</b>	<b>149,473</b>

**Balance sheet**  
*at 31 December 2013*

**Registered number: 02551108**

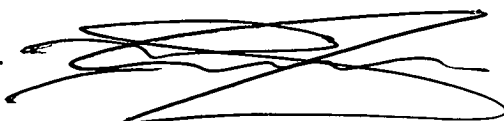
	<i>Note</i>	<b>2013</b>		<b>2012</b>	
		£	£	£	£
<b>Fixed assets</b>					
Investment property	9	4,297,000		4,437,370	
Investments	10	240,000		-	
		<u>          </u>		<u>          </u>	
			4,537,000		4,437,370
<b>Current assets</b>					
Debtors	11	50,391		284,642	
Cash at bank		7,129		59,675	
		<u>          </u>		<u>          </u>	
		57,520		344,317	
<b>Creditors: amounts falling due within one year</b>	12	( 1,316,184)		( 1,666,031)	
		<u>          </u>		<u>          </u>	
<b>Net current liabilities</b>			( 1,258,664)		( 1,321,714)
<b>Total assets less current liabilities</b>			3,278,336		3,115,656
<b>Provision : Deferred taxation</b>	8	( 48,000)		( 44,000)	
		<u>          </u>		<u>          </u>	
			3,230,336		3,071,656
<b>Capital and reserves</b>					
Called up share capital	13	300,000		300,000	
Revaluation reserve	14	1,640,962		1,754,640	
Profit and loss account	15	1,289,374		1,017,016	
		<u>          </u>		<u>          </u>	
<b>Total shareholders' funds</b>	16	3,230,336		3,071,656	
		<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 2013 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 1 August 2014 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:

	2013 £	2012 £
United Kingdom	53,980	(81,640)
Rest of Europe	306,003	278,201
	<u>359,983</u>	<u>196,561</u>

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

	2013 £	2012 £
United Kingdom	(1,164,960)	(1,469,896)
Rest of Europe	4,395,296	4,541,552
	<u>3,230,336</u>	<u>3,071,656</u>

### 3 Operating profit

	2013 £	2012 £
<i>The operating profit is stated after charging or crediting:</i>		
Directors remuneration	(11,000)	16,000
Depreciation of tangible fixed asset:		
Owned by the company	36,000	36,000
	<u>(11,000)</u>	<u>16,000</u>

### 4 Directors remuneration

	2013 £	2012 £
Directors fees voted and payable	11,500	16,000
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>(11,000)</u>	<u>-</u>

### 5 Employees

The average number of employees during the year, including directors was 3 (2012: 3)

### 6 Interest and similar receivables

	2013 £	2012 £
Other interest	12,417	1,159
Foreign exchange gain	50,638	-
Interest on overpaid corporation tax	70	-
	<u>63,125</u>	<u>1,159</u>



## Notes (continued)

### 7 Interest and similar payables

	2013	2012
	£	£
Loan interest	39,301	35,999
Other interest	450	1,054
Foreign exchange loss	-	55,848
	<u>39,751</u>	<u>92,901</u>

### 8 Taxation

	2013	2012
	£	£
Analysis of charge in year		
<i>UK corporation tax</i>		
Current tax on income for the period (see below)	38,900	6,000
Adjustment in respect of prior year	(124)	(4,966)
<i>Overseas corporation tax</i>		
Current tax on income for the period	53,150	51,090
Adjustment in respect of prior years	499	(236)
	<u>92,425</u>	<u>51,888</u>
Deferred tax - Origination of timing differences	4,000	4,000
Tax charge on profit on ordinary activities	<u>96,425</u>	<u>55,888</u>

#### *Factors affecting the tax charge for the current period*

##### *Current tax reconciliation*

Profit on ordinary activities before tax	359,983	196,561
Current tax at 23.25 % (2012: 24.5 %)	83,696	48,157
<i>Effects of:</i>		
Expenditure not allowed for tax	8,370	8,820
Overprovision	(16)	111
Adjustment in respect of prior year	375	(5,200)
Total current tax charge (see above)	<u>92,425</u>	<u>51,888</u>

The company has capital losses, available to carry forward of approximately £1,467,000 (2012: £1,467,000).

The movements in the deferred taxation liability was as follows

	2013	2012
	£	£
At beginning of year	(44,000)	(40,000)
Provided during the year – current year – overseas	(4,000)	(4,000)
At end of year	<u>(48,000)</u>	<u>(44,000)</u>

The balance as at 31 December 2013 is made up as follows:

Accelerated capital allowances – Overseas	<u>(48,000)</u>	<u>(44,000)</u>
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## Notes (continued)

### 9 Investment property

	Freehold Property	Total
	£	£
Net book value at 1 January 2013	4,437,370	4,437,370
Additions	508	508
Depreciation charge for the year	( 36,000)	( 36,000)
Revaluation	( 104,878)	(104,878)
	<hr/>	<hr/>
Net book value at 31 December 2013	4,297,000	4,297,000
	<hr/>	<hr/>

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

At 1 January 2013	2,724,700
	<hr/>
At 31 December 2013	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 2013, using an exchange rate of £1.00 = €1.20. This revaluation reduced the Sterling value of the property by £173,000. If the property had been sold on 31 December 2013 at this valuation, then a tax charge of £220,000 (2012: £305,000) 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 2013 the balance outstanding on this loan amounted to €1,250,865 (2012: €1,453,896).

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 2013 is €3,137,526, 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 2013, using an exchange rate of £1.00 = €1.20. This revaluation increased the Sterling value of the property by £68,122. If the property had been sold on 31 December 2013 at this valuation, then a tax charge of £Nil would crystallise.

### 10 Investments

	2013	2012
	£	£
Loan to tenant	240,000	-
	<hr/>	<hr/>

## Notes (continued)

### 11 Debtors

	2013	2012
	£	£
Sundry debtors and prepayments	5,100	260,642
Corporation tax recoverable	-	24,000
Amount due from a director	45,291	-
	<u>50,391</u>	<u>284,642</u>

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

	2013	2012
	£	£
Accruals and deferred income	13,700	26,471
Corporation tax	77,244	54,000
Current portion of loan	47,860	46,700
Amount due to shareholder	1,177,380	1,538,860
	<u>1,316,184</u>	<u>1,666,031</u>

### 13 Share capital

	2013	2012
	£	£
<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

### 14 Revaluation reserve

	2013	2012
	£	£
At 1 January 2013	1,754,640	1,763,440
Additional depreciation of revalued asset	(8,800)	(8,800)
Arising upon revaluation at 31 December 2013	(104,878)	-
	<u>1,640,962</u>	<u>1,754,640</u>
<b>At 31 December 2013</b>	<b>1,640,962</b>	<b>1,754,640</b>

### 15 Profit and loss account

	2013	2012
	£	£
Retained profit brought forward	1,017,016	867,543
Profit for the year	263,558	140,673
Transfer from revaluation reserve	8,800	8,800
	<u>1,289,374</u>	<u>1,017,016</u>
<b>At 31 December 2013</b>	<b>1,289,374</b>	<b>1,017,016</b>

## Notes (continued)

### 16 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Opening shareholders' funds	3,071,656	2,930,983
Reduction in revaluation reserve	(104,878)	
Profit for the financial year	263,558	140,673
	<hr/>	<hr/>
Closing shareholders' funds	<u>3,230,336</u>	<u>3,071,656</u>

### 17 Related party transactions

i) During the year, A C Shupick received a director's fee of £11,500 (2012: £16,000) and provided consultancy services (including travel costs) to the company to the value of £21,297 (2012: £6,042). At the year end, £5,579 (2012: £12,567) was outstanding.

After the year end, A C Shupick waived and repaid to the company, the director's fee of 2013 of £11,500 and also £11,000 of his directors fee for 2012.

In addition, after the year end A C Shupick repaid to the company fees for consulting services amounting to £18,350. The fees repaid after the year end are included in the figures for debtors.

ii) On 9 January 2013, the company granted a loan to A C Shupick in the sum of €15,631. 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.