

Marnan Holdings Limited

**Directors' report and financial
statements**

Registered number 2551108

31 December 2011

TUESDAY



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25/09/2012

COMPANIES HOUSE

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Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2011

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

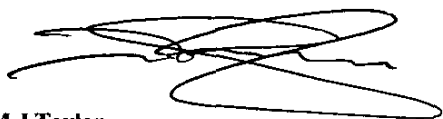
The directors who held office during the year were as follows

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

M J Taylor
Secretary



Black Corner
Balcombe Road
Horley
Surrey
RH6 9SP

24 September 2012

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 2011

| | <i>Note</i> | 2011 £ | 2010 £ |
|--|-------------|------------------|------------------|
| Turnover - Rental income | 2 | 366,912 | 214,162 |
| Administrative expenses | | (68,528) | (27,348) |
| Operating profit | 3 | 298,384 | 186,814 |
| Interest and similar receivables | 6 | 33,958 | 18,755 |
| Interest payable and similar charges | 7 | (40,796) | (12,381) |
| Profit on ordinary activities before taxation | | 291,546 | 193,188 |
| Tax charge on profit on ordinary activities | 8 | (94,815) | (40,000) |
| Retained profit on ordinary activities after taxation | 14 & 15 | 196,731 | 153,188 |
| All results are derived from continuing operations | | | |

Statement of recognised gains and losses

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Total recognised gains and losses relating to the year | 196,731 | 153,188 |

Note of historical cost profits and losses

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Reported profit on ordinary activities before taxation | 291,546 | 193,188 |
| Difference in depreciation between historic amount and revalued amount | 8,800 | 8,800 |
| Historic cost profit on ordinary activities before taxation | 300,346 | 201,988 |
| Historic cost profit on ordinary activities for the year after taxation | 205,531 | 161,988 |

Balance sheet
at 31 December 2011

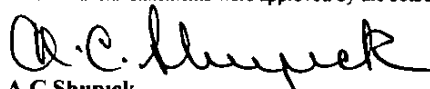
Registered number: 02551108

| | <i>Note</i> | 2011 | | 2010 | |
|--|-------------|--------------------|----------|---------------------|----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investment property | 9 | 4,472,130 | | 4,498,190 | |
| Current assets | | | | | |
| Debtors | 10 | 23,465 | | 892 | |
| Cash at bank | | 25,472 | | 130,445 | |
| | | <u>48,937</u> | | <u>131,337</u> | |
| Creditors amounts falling due within one year | 11 | (1,550,084) | | (1,859,275) | |
| Net current liabilities | | (1,501,147) | | (1,727,938) | |
| Total assets less current liabilities | | 2,970,983 | | 2,770,252 | |
| Provision Deferred taxation | 8 | (40,000) | | (36,000) | |
| | | <u>2,930,983</u> | | <u>2,734,252</u> | |
| Capital and reserves | | | | | |
| Called up share capital | 12 | 300,000 | | 300,000 | |
| Revaluation reserve | 13 | 1,763,440 | | 1,772,240 | |
| Profit and loss account | 14 | 867,543 | | 662,012 | |
| Total shareholders' funds | 15 | 2,930,983 | | 2,734,252 | |

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

- (a) that for the year ended 31 December 2011 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 24 September 2012 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, 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

| | 2011 £ | 2010 £ |
|----------------|----------------|----------------|
| United Kingdom | 11,146 | 15,333 |
| Rest of Europe | 280,400 | 177,855 |
| | <u>291,546</u> | <u>193,188</u> |

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

| | 2011 £ | 2010 £ |
|----------------|------------------|------------------|
| United Kingdom | (1,431,022) | (1,575,726) |
| Rest of Europe | 4,362,005 | 4,309,978 |
| | <u>2,930,983</u> | <u>2,734,252</u> |

3 Operating profit

| | 2011 £ | 2010 £ |
|---|---------------|---------------|
| <i>The operating profit is stated after charging or crediting</i> | | |
| Directors remuneration | 18,000 | - |
| Depreciation of tangible fixed asset Owned by the company | 36,000 | 12,000 |
| | <u>54,000</u> | <u>12,000</u> |

4 Directors remuneration

| | 2011 £ | 2010 £ |
|----------------|---------------|-----------|
| Directors fees | 18,000 | - |
| | <u>18,000</u> | <u>-</u> |

5 Employees

The average number of employees during the year, including directors was 3 (2010 3)

6 Interest and similar receivables

| | 2011 £ | 2010 £ |
|-----------------------|---------------|---------------|
| Bank interest | - | 82 |
| Foreign exchange gain | 33,958 | 18,673 |
| | <u>33,958</u> | <u>18,755</u> |

7 Interest and similar payables

| | 2011 £ | 2010 £ |
|---------------|---------------|---------------|
| Loan interest | 40,796 | 12,381 |
| | <u>40,796</u> | <u>12,381</u> |

Notes (continued)

8 Taxation

| | 2011 £ | 2010 £ |
|--|---------------|-----------------|
| Analysis of charge in year | | |
| <i>UK corporation tax</i> | | |
| Current tax on income for the period (see below) | 41,400 | 27,048 |
| Adjustment in respect of prior year | 220 | - |
| <i>Overseas corporation tax</i> | | |
| Current tax on income for the period | 49,400 | 25,602 |
| Adjustment in respect of prior years | (205) | - |
| | 90,815 | 52,650 |
| Deferred tax - Origination of timing differences | 4,000 | 5,040 |
| - Adjustment in respect of prior years | - | (17,690) |
| Total deferred tax charge | 4,000 | (12,650) |
| Tax charge on profit on ordinary activities | 94,815 | 40,000 |

Factors affecting the tax charge for the current period

| | 2011 £ | 2010 £ |
|---|---------------|---------------|
| <i>Current tax reconciliation</i> | | |
| Profit on ordinary activities before tax | 291,546 | 193,188 |
| Current tax at 28.0 % (2010: 28.0 %) | 81,633 | 54,093 |
| <i>Effects of</i> | | |
| Expenditure not allowed for tax | 10,080 | 3,360 |
| Utilisation of brought forward non-trade financial loss | - | (4,735) |
| Adjustment in respect of prior year | 15 | - |
| Exchange rate variation | (913) | (68) |
| Total current tax charge (see above) | 90,815 | 52,650 |

The company has capital losses, available to carry forward of approximately £1,467,000 (2010: £1,467,000)

The movements in the deferred taxation liability was as follows

| | 2011 £ | 2010 £ |
|--|-----------------|-----------------|
| At beginning of year | (36,000) | (48,650) |
| Provided during the year – current year – overseas | (4,000) | (5,040) |
| Released during year – prior years - overseas | - | 17,690 |
| At end of year | (40,000) | (36,000) |

The balance as at 31 December 2011 is made up as follows

| | | |
|---|-----------------|-----------------|
| Accelerated capital allowances – Overseas | (40,000) | (36,000) |
|---|-----------------|-----------------|

Notes (continued)

9 Investment property

| | Freehold Property £ | Total £ |
|---|---------------------------|------------------|
| Net book value at 1 January 2011 | 4,498,190 | 4,498,190 |
| Adjustment of addition in prior year | (60) | (60) |
| Depreciation charge for the year | (36,000) | (36,000) |
| Net book value at 31 December 2011 | 4,472,130 | 4,472,130 |
| Comparable historic cost for the land and buildings included at valuation - | | |
| At 1 January 2011 | | 2,724,700 |
| At 31 December 2011 | | 2,724,700 |

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 euro value has not changed materially as at 31 December 2011. The revaluation has been arrived at after adjustment of the directors' valuation of buildings not owned by the company.

In view of the significant 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 2008, using an exchange rate of £1.00 = €1.11. This revaluation increased the Sterling value of the property by £1,117,440. If the property had been sold on 31 December 2011 at this valuation, then a tax charge of £347,000 (2010: £374,000) 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 2011 the balance outstanding on this loan amounted to €1,656,927 (2010: €1,859,958).

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 2011 is €3,350,000, but subject to a minimum price of €3,600,000.

10 Debtors

| | 2011 £ | 2010 £ |
|----------------|-----------|-----------|
| Sundry debtors | 23,465 | 892 |

Notes (continued)

11 Creditors: amounts falling due within one year

| | 2011 £ | 2010 £ |
|----------------------------------|------------------|------------------|
| Accruals and deferred income | 28,500 | 95,150 |
| Corporation tax | 75,250 | 38,814 |
| Current portion of loan | 47,860 | 49,086 |
| Amount due to associated company | - | 555,555 |
| Amount due to shareholder | 1,398,474 | 1,120,670 |
| | <u>1,550,084</u> | <u>1,859,275</u> |

12 Share capital

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| <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>1,820,000</u> |
| <i>Allotted called up and fully paid</i> | | |
| 1,200,000 Ordinary shares of £0.25 each | 300,000 | 300,000 |

13 Revaluation reserve

| | 2011 £ | 2010 £ |
|---|------------------|------------------|
| At 1 January 2011 | 1,772,240 | 1,781,040 |
| Additional depreciation of revalued asset | (8,800) | (8,800) |
| | <u>1,763,440</u> | <u>1,772,240</u> |
| At 31 December 2011 | 1,763,440 | 1,772,240 |

14 Profit and loss account

| | 2011 £ | 2010 £ |
|-----------------------------------|----------------|----------------|
| Retained profit brought forward | 662,012 | 500,024 |
| Profit for the year | 196,731 | 153,188 |
| Transfer from revaluation reserve | 8,800 | 8,800 |
| | <u>867,543</u> | <u>662,012</u> |
| At 31 December 2011 | 867,543 | 662,012 |

15 Reconciliation of movements in shareholders' funds

| | 2011 £ | 2010 £ |
|-------------------------------|------------------|------------------|
| Opening shareholders' funds | 2,734,252 | 2,581,064 |
| Profit for the financial year | 196,731 | 153,188 |
| | <u>2,930,983</u> | <u>2,734,252</u> |
| Closing shareholders' funds | 2,930,983 | 2,734,252 |

Notes (continued)

16 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.

17 Related party transactions

i) During the year, A C Shupick received a director's fee of £18,000 and provided consultancy services to the company to the value of £4,700 (2010: £3,308). At the year end, £19,500 (2010: £1,435) was outstanding.

18 Ultimate parent company

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