

Registered number: 06266583

MARDAN EUROPE (NO. 14) LIMITED

Directors' report and financial statements

For the Year Ended 30 June 2020



MARDAN EUROPE (NO. 14) LIMITED

Company Information

Directors	D Tannen M I Tannen D A Tannen J M Miller
Company secretary	J M Miller
Registered number	06266583
Registered office	Sutherland House 70-78 West Hendon Broadway London NW9 7BT
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

MARDAN EUROPE (NO. 14) LIMITED

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MARDAN EUROPE (NO. 14) LIMITED

Directors' report For the Year Ended 30 June 2020

The directors present their report and the financial statements for the year ended 30 June 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Principal activity

The principal activity is that of property investment.

Results and dividends

The profit for the year, after taxation, amounted to €301,618 (2019 - €58,450).

The directors have paid an interim dividend of €95,740 (2019 - €Nil).

Directors

The directors who served during the year were:

D Tannen
M I Tannen
D A Tannen
J M Miller

MARDAN EUROPE (NO. 14) LIMITED

**Directors' report (continued)
For the Year Ended 30 June 2020**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

After the year end, the company purchased a property for €2.2m.

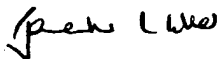
The outbreak and unprecedented spread of the COVID-19 pandemic across the globe has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. The Directors continue to monitor the impact of unfolding events closely in order to respond swiftly to any consequential implications on the business. Refer to note 2.2 for the impacts on going concern.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



J M Miller
Secretary

Date: 24/3/21

MARDAN EUROPE (NO. 14) LIMITED

Independent auditor's report to the members of Mardan Europe (No. 14) Limited

Opinion

We have audited the financial statements of Mardan Europe (No. 14) Limited ("the Company") for the year ended 30 June 2020 which comprise the statement of comprehensive income, the statement of financial position and the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which explains that in the worst case scenario the company may need additional funding from within the Tannen Group to finance its activities going forward. The availability of this funding, if needed, will be dependent upon the continuing ability of the Tannen Group to support its subsidiaries.

These events or conditions, along with other matters as set out in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

MARDAN EUROPE (NO. 14) LIMITED

Independent auditor's report to the members of Mardan Europe (No. 14) Limited

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

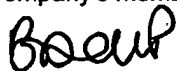
MARDAN EUROPE (NO. 14) LIMITED

Independent auditor's report to the members of Mardan Europe (No. 14) Limited

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



Alexander Tapp (Senior statutory auditor)

for and on behalf of

BDO LLP, Statutory Auditor
London, UK

Date: 24/3/21

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MARDAN EUROPE (NO. 14) LIMITED

**Statement of comprehensive income
For the Year Ended 30 June 2020**

	Note	2020 €	2019 €
Rental income	4	74,666	121,627
Property expenses		(20,528)	(19,216)
Gross profit		54,138	102,411
Administrative expenses		(23,494)	(28,440)
Profit on disposal of investment property		307,106	-
Operating profit	5	337,750	73,971
Interest payable and expenses	7	(22,632)	(15,521)
Profit before tax		315,118	58,450
Tax on profit	8	(13,500)	-
Profit for the financial year and total comprehensive income		301,618	58,450

There was no other comprehensive income for 2020 (2019:€NIL).

The notes on pages 9 to 16 form part of these financial statements.

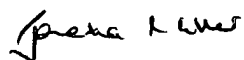
MARDAN EUROPE (NO. 14) LIMITED
Registered number:06266583

Statement of financial position
As at 30 June 2020

	Note	2020 €	2019 €
Fixed assets			
Investment property	9	-	950,000
		-	950,000
Current assets			
Debtors: amounts falling due within one year	10	1,389,932	95,764
		1,389,932	95,764
Creditors: amounts falling due within one year	11	(1,389,930)	(721,426)
Net current assets/(liabilities)		2	(625,662)
Total assets less current liabilities		2	324,338
Creditors: amounts falling due after more than one year	12	-	(530,214)
Net assets/(liabilities)		2	(205,876)
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		1	(205,877)
		2	(205,876)

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



J M Miller
Director

Date: 24/3/21

The notes on pages 9 to 16 form part of these financial statements.

MARDAN EUROPE (NO. 14) LIMITED

**Statement of changes in equity
For the Year Ended 30 June 2020**

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 July 2019	1	(205,877)	(205,876)
Comprehensive income for the year			
Profit for the year	-	301,618	301,618
Total comprehensive income for the year	-	301,618	301,618
Dividends payable	-	(95,740)	(95,740)
Total transactions with owners	-	(95,740)	(95,740)
At 30 June 2020	1	1	2

The notes on pages 9 to 16 form part of these financial statements.

**Statement of changes in equity
For the Year Ended 30 June 2019**

	Called up share capital	Profit and loss account	Total equity
	€	€	€
At 1 July 2018	1	(264,327)	(264,326)
Comprehensive income for the year			
Profit for the year	-	58,450	58,450
Total comprehensive income for the year	-	58,450	58,450
At 30 June 2019	1	(205,877)	(205,876)

The notes on pages 9 to 16 form part of these financial statements.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

1. General information

Mardan Europe (No.14) Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page. The principal activity of the company is that of property investment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The Directors recognise the economic and trading uncertainties resulting from the evolving coronavirus pandemic, in particular the potential impact on rental collection and property values. The Directors have prepared cash flow forecasts and stress tests taking these factors into account and assuming that no intra-group creditors will be called for payment. Whilst these forecasts show that the company will be able to continue to meet its obligations as they fall due, the company may in the worst case need additional funding from within the Tannen Group.

The Company has received an undertaking from its parent that no intra-group amounts owed by the Company will be called for repayment for a period of at least 12 months from the date of approval of these financial statements unless the Company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations.

In the event that the Company's own cash resources and tenant receipts are insufficient to meet the Company's obligations as they fall due, the Directors are confident that further support will be provided by the Tannen Group, although there is no legal obligation to provide this support.

These conditions indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. However, the Tannen Group is expected to remain in a strong financial position during the forecast period and is confident of a gradual return to the group's previous financial position from at least spring 2021 onwards. The Directors expect the group's bankers to be supportive during this timeframe. In forecasting and planning, the Directors have excluded the possible benefits derived from any use of Government lending and the expected relief on cash demand that access to such support would bring.

The Directors are therefore confident of being able to trade for a period of at least 12 months from the approval of the financial statements and the Directors have therefore concluded that it is appropriate for the financial statements to be prepared on the going concern basis. These financial statements do not include any adjustments should the going concern basis preparation be inappropriate.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Tannen Group Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

2.6 Turnover

Turnover represents gross rental income from the letting of property and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Rent reviews are only recognised as income once the review has been settled, agreed and concluded.

Lease incentives are recognised over the period of the lease. However, the Company took advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.12 Reserves

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issues
- Profit and Loss Account represents cumulative profits or losses, net of dividends and other adjustments.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the directors have made judgements to determine the fair value of the company's investment property. Factors taken into consideration include the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

4. Turnover

All turnover arose within the European Union excluding the United Kingdom.

5. Operating profit

Directors emoluments are borne by another group company. Auditor's remuneration is also paid by another group company and disclosed in its financial statements.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019 - €NIL).

MARDAN EUROPE (NO. 14) LIMITED

**Notes to the financial statements
For the Year Ended 30 June 2020**

7. Interest payable and similar expenses

	2020	2019
	€	€
Bank interest payable	22,632	15,521
	22,632	15,521

8. Taxation

	2020	2019
	€	€
Foreign tax		
Foreign tax on income for the year	13,500	-
	13,500	-
Total current tax	13,500	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
	€	€
Profit on ordinary activities before tax	315,118	58,450
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	59,872	11,106
Effects of:		
Group relief	(46,372)	(11,106)
Total tax charge for the year	13,500	-

MARDAN EUROPE (NO. 14) LIMITED

**Notes to the financial statements
For the Year Ended 30 June 2020**

9. Investment property

	Freehold investment property €
At 1 July 2019	950,000
Disposals	(950,000)
At 30 June 2020	<u>-</u>

10. Debtors

	2020 €	2019 €
Other debtors	1,389,932	55,222
Prepayments and accrued income	-	40,542
	<u>1,389,932</u>	<u>95,764</u>

11. Creditors: Amounts falling due within one year

	2020 €	2019 €
Bank loans	-	21,088
Amounts owed to group undertakings	1,370,011	700,338
Corporation tax	13,500	-
Other creditors	6,419	-
	<u>1,389,930</u>	<u>721,426</u>

Amounts owed by group undertakings are repayable on demand.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

12. Creditors: Amounts falling due after more than one year

	2020 €	2019 €
Bank loans	-	539,350
Loan arrangement fees	-	(9,136)
	<u>-</u>	<u>530,214</u>

13. Loans

Analysis of the maturity of loans is given below:

	2020 €	2019 €
Amounts falling due within one year		
Bank loans	-	21,088
	<u>-</u>	<u>21,088</u>
Amounts falling due 1-2 years		
Bank loans	-	20,888
	<u>-</u>	<u>20,888</u>
Amounts falling due 2-5 years		
Bank loans	-	518,462
	<u>-</u>	<u>518,462</u>
	<u>-</u>	<u>560,438</u>

Bank loan paid off in full upon sale of investment property.

14. Share capital

	2020 €	2019 €
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of €1.00	1	1

15. Related party transactions

The Company has taken advantage of paragraph 33.1A of FRS102 and has not disclosed transactions that have taken place with other group entities.

MARDAN EUROPE (NO. 14) LIMITED

Notes to the financial statements For the Year Ended 30 June 2020

16. Post balance sheet events

After the year end, the company purchased a property for €2.2m.

The outbreak and unprecedented spread of the COVID-19 pandemic across the globe has had a profound impact on local and global markets and is expected to continue to shape the economic landscape for the immediate future. The Directors continue to monitor the impact of unfolding events closely in order to respond swiftly to any consequential implications on the business. Refer to note 2.2 for the impacts on going concern.

17. Ultimate parent undertaking and controlling party

The company's ultimate parent company is The Tannen Group Limited, Sutherland House, 70-78 West Hendon Broadway, London, NW9 7BT, which is controlled by the Tannen family. Group accounts can be obtained from Companies House.