

Company Registration No. NI 16286

**MARM PROPERTIES LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**Year Ended 30 April 2011**



## **MARM PROPERTIES LIMITED**

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# **MARM PROPERTIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2011**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mr M Mladek (Chairman)  
Mr J W Banford  
Mr J McBride  
Mr W S Mills  
Mrs H M Mladek

Mr T H B Quin  
Mr J Robinson  
Ms A Mladek  
Mr M V Mladek

#### **SECRETARY**

Mr J Robinson

#### **REGISTERED OFFICE**

PO Box 8  
20 Comber Road  
Newtownards  
Co Down  
BT23 4RX

#### **BANKERS**

Ulster Bank Limited  
11-16 Donegall Square East  
Belfast  
BT1 5UB

#### **INDEPENDENT AUDITOR**

Deloitte LLP  
Belfast

#### **LEGAL ADVISERS**

Mills Selig  
Belfast

Worthingtons Solicitors  
Newtownards

## **MARM PROPERTIES LIMITED**

### **REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements for the year ended 30 April 2011.

This directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company is the acquisition and development of residential property sites.

### **REVIEW OF THE BUSINESS**

The company has suffered from the collapse of the housing market. No sales have been achieved in the year and the loss reflects ongoing administrative expenses. The company is well positioned to profit from a recovery in the market when it occurs. No dividend is recommended.

The company has no material commitments at the year end. Furthermore, the directors have prepared projections and cashflows for the forthcoming period which show that sufficient cash resources exist within the company to continue to meet its liabilities for a period of at least 12 months from the date of signing of this report. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, the directors continue to adopt the going concern basis for preparing the annual reports and accounts.

### **RESULTS AND DIVIDENDS**

The results of the company for the year are set out in detail in the profit and loss account on page 6. The loss for the year reflects ongoing administrative costs. Retained profits carried forward decreased by £61,575 (2010 – £139,902) to £640,284 (2010 - £701,859).

### **FINANCIAL INSTRUMENTS**

The company's financial risk management objectives and policies are operated by the Directors. Policies include defined controls on the use of financial instruments in measuring risk. The principal financial risks faced by the company relate to credit risk and working capital requirements. Details of the company's policies are given in notes 7 and 8.

The company does not trade in financial instruments.

### **DIRECTORS**

The directors who served during the year were as follows and at the date of adoption of this report were:

Mr M Mladek (Chairman)  
Mr J W Banford  
Mr J McBride  
Mr W S Mills  
Mrs H M Mladek  
Mr T H B Quin  
Mr J Robinson  
Ms A Mladek  
Mr M V Mladek

## MARM PROPERTIES LIMITED

### REPORT OF THE DIRECTORS (Cont'd)

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

#### AUDITOR

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

PO Box 8  
Comber Road  
NEWTOWNARDS

Co Down  
BT23 4RX  
Registered in Northern Ireland  
No NI 16286

By order of the board



J ROBINSON  
Director/Secretary

30/11/11

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARM PROPERTIES LIMITED**

We have audited the financial statements of Marm Properties Limited for the year ended 30 April 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARM PROPERTIES LIMITED**

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 exemption in preparing the directors' report.



David Crawford CA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Belfast, Northern Ireland

30/11/11

# MARM PROPERTIES LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 30 April 2011

	Note	2011 £	2010 £
<b>TURNOVER</b>	1	8,000	5,250
Cost of sales		-	-
Gross profit		8,000	5,250
Administrative expenses		(70,419)	(107,230)
<b>OPERATING LOSS</b>		(62,419)	(101,980)
Interest receivable		844	1,420
Interest payable and similar charges		-	(88)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	(61,575)	(100,648)
Tax charge on ordinary activities	4	-	(39,254)
<b>LOSS FOR THE FINANCIAL YEAR</b>		(61,575)	(139,902)

All activities derive from continuing operations.

There were no recognised gains or losses for the current or prior year other than as stated above. Accordingly no statement of total recognised gains and losses is given.



# MARM PROPERTIES LIMITED

## BALANCE SHEET 30 April 2011

	Note	2011 £	2010 £
<b>INTANGIBLE FIXED ASSETS</b>			
Entitlement to ground rent	5	2,100	2,100
<b>CURRENT ASSETS</b>			
Stocks	6	1,212,205	1,184,663
Debtors	7	9,620	8,424
Cash at bank and in hand		75,573	112,044
		1,297,398	1,305,131
<b>CREDITORS - amounts falling due within one year</b>	8	(489,212)	(435,370)
<b>NET CURRENT ASSETS</b>		808,186	869,761
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		810,286	871,861
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	170,002	170,002
Profit and loss account		640,284	701,859
<b>SHAREHOLDERS' FUNDS</b>	10	810,286	871,861

These financial statements of Marm Properties Limited, registered number NI 16286, were approved by the directors and authorised for issue on 30/11/11

Signed on behalf of the Board of Directors



M Mladek  
Director



J McBride  
Director

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 April 2011**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted by the directors all of which have been applied consistently throughout the current year and the preceding year are described below:

**Accounting Convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2.

Having considered the risks and the current economic environment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, as detailed in the Directors' Report on page 2, they continue to adopt the going concern basis in preparing the annual report and financial statements.

**Turnover**

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities. Revenue arising from the sale of private residential houses is included in turnover upon the procurement of legally binding contracts and habitation certificates along with the receipt of funds from the customer.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**Entitlement to ground rent**

Ground rent entitlements represent the annual entitlement to ground rent from a number of residential properties. These entitlements are in perpetuity and consequently no amortisation of the asset is required.

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes direct expenditure on site acquisition and subsequent development.

# MARM PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

### 1. ACCOUNTING POLICIES (Cont'd)

#### Financial Instruments

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

### 2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £	2010 £
Loss is arrived at after charging:		
Fees payable to the company's auditor for the audit of the company's annual accounts	2,500	3,000

### 3. DIRECTORS AND EMPLOYEES

- (i) No directors' emoluments are paid through this company (2010: £nil). The directors receive their emoluments and benefits from the parent company, Marm Holdings Limited.

There are no other employees.

- (ii) Transactions involving directors

There were no transactions in the year requiring disclosure under the Companies Act 2006 (2010: none).

### 4. TAX CHARGE ON ORDINARY ACTIVITIES

(a) Analysis of charge in year	2011 £	2010 £
Current tax:		
UK corporation tax for the current year	-	-
Adjustments in respect of previous periods	-	-
	-	-
Deferred tax:		
(i) Origination and reversal of timing differences	-	39,254
(ii) Adjustment in respect of previous periods	-	-
Total deferred tax - Note 4(d)	-	39,254
Tax on ordinary activities	-	39,254

# MARM PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2011

### 4. TAX ON ORDINARY ACTIVITIES (Cont'd)

(b) Factors that may affect future tax charges	2011 £	2010 £
Loss on ordinary activities before tax	(61,575)	(100,648)
Loss on ordinary activities multiplied by full rate of corporation tax in the UK of 28% (2010: 28%)	(17,241)	(28,181)
Effects of:		
Effect of marginal rates of tax on carry back of losses	-	-
Trading losses not utilised	17,241	28,181
Adjustments in respect of previous periods	-	-
Current tax for year	-	-

### (c) Deferred tax asset

The company has an unrecognised deferred tax asset £60,273 primarily in relation to the carry forward of trading losses not recognised at the end of the year. These losses should be available for offset against future profits when realised, the future timing of which is uncertain.

### (d) Company status

The company is a close company for taxation purposes.

### 5. INTANGIBLE FIXED ASSET

	2011 £	2010 £
Entitlement to ground rent: At start and end of year	2,100	2,100

This relates to ground rent entitlement in respect of some of the houses sold in one of the company's earlier developments.

# MARM PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2011

### 6. STOCKS

	2011	2010
	£	£
Development properties	1,212,205	1,184,663

### 7. DEBTORS

	2011	2010
	£	£
Other debtors	9,620	8,424

The company's financial assets comprise, inter alia, trade debtors. Credit risk is primarily attributable to trade and other debtors and the amounts presented in the balance sheet are net of allowances for bad and doubtful debts. The risk in relation to trade and other debtors is managed through the ongoing review of the aged profile of the debt thereby monitoring credit given and optimising the recoverability of the balance on an ongoing basis.

### 8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts due within one year comprise:	2011	2010
	£	£
Trade creditors	-	1,245
Amount due to parent company	444,399	389,065
Other creditors	4,713	2,060
Accruals and deferred income	40,100	43,000
	489,212	435,370

Financial liabilities comprise, inter alia, trade creditors and bank borrowings. The company finances its operations by a combination of retained profits, working capital and bank borrowings.

## MARM PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 April 2011

#### 9. SHARE CAPITAL

	2011	2010
	£	£
Called up, allotted and fully paid: ordinary shares of £1 each	170,002	170,002

#### 10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011	2010
	£	£
Loss for the financial year	(61,575)	(139,902)
Opening shareholders' funds	871,861	1,011,763
Closing shareholders' funds	810,286	871,861

#### 11. RELATED PARTY TRANSACTIONS

A management charge of £60,000 (2010 - £100,000) was incurred during the year in respect of management services provided by the parent company, Marm Holdings Limited.

At the year end the net balance outstanding to the parent company, Marm Holdings Limited was £444,399 (2010 - £389,065).

#### 12. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments at the year end (2010: £nil).

#### 13. ULTIMATE HOLDING COMPANY

The ultimate holding company is Marm Holdings Limited, a company registered in Northern Ireland whose financial statements are available from Companies House, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast BT2 8BG.

**ANALYSIS OF PROFIT AND LOSS ACCOUNT**  
**Year ended 30 April 2011**

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**ADDITIONAL INFORMATION**

The additional information comprising profit and loss account analysis is prepared from the accounting records of the company. Whilst it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

# MARM PROPERTIES LIMITED

## ANALYSIS OF PROFIT AND LOSS ACCOUNT Year ended 30 April 2011

TURNOVER	2011 £	2010 £
Sales of development properties and ground rent	300	300
Rental Income	7,700	4,950
	<hr/>	<hr/>
COST OF SALES	8,000	5,250
	<hr/>	<hr/>
Development properties	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
GROSS PROFIT	8,000	5,250
	<hr/>	<hr/>
ADMINISTRATIVE COSTS		
Management charge	60,000	100,000
Rental Expenses	5,529	2,610
Audit, accountancy and taxation and other related services – current year	2,000	2,008
Other professional fees	39	93
Bank charges	95	91
Miscellaneous	8	133
Grounds maintenance at Ballyhalbert development	280	965
Insurance	687	623
Rates	1,781	707
	<hr/>	<hr/>
	70,419	107,230
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OPERATING LOSS	(62,419)	(101,980)
	<hr/>	<hr/>