

Company Registration No. NI 16286

**MARM PROPERTIES LIMITED**

**FILLETED UNAUDITED FINANCIAL  
STATEMENTS**

**Year Ended 31 October 2017**



# **MARM PROPERTIES LIMITED**

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# **MARM PROPERTIES LIMITED**

## **FINANCIAL STATEMENTS 2017**

### **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 4QP

#### **ACCOUNTANTS**

Deloitte (NI) Limited  
19 Bedford Street  
Belfast  
BT2 7EJ

#### **BANKERS**

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

#### **LEGAL ADVISERS**

Mills Selig  
Belfast

Worthingtons Solicitors  
Newtownards

## **MARM PROPERTIES LIMITED**

### **ACCOUNTANTS' REPORT**

**For the year ended 31st October 2017**

#### **ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MARM PROPERTIES LIMITED FOR THE YEAR ENDED 31 OCTOBER 2017**

In accordance with the engagement letter dated 20 February 2018, and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Marm Properties Limited for the year ended 31 October 2017 for delivery to the Registrar of Companies which comprise the Balance Sheet and the related notes 1 to 12 from the company's accounting records and from information and explanations you have given us. These financial statements have been prepared under the accounting policies set out therein.

This report is made to the Board of Directors, as a body, in accordance with the terms of our engagement dated 20 February 2018. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept responsibility to anyone other than the Board of Directors, as a body, for our work, or for this report.

We have carried out this engagement in accordance with M41 – "Chartered Accountants' reports on the Compilation of Financial Statements of incorporated entities" issued by the Institute of Chartered Accountants in Ireland and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 October 2017, your duty to ensure that the company has kept adequate accounting records and to prepare financial statements that give a true and fair view of the assets, liabilities and financial position, as at the end of the financial year, and profit or loss, for the financial year and otherwise comply with the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the financial year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

*Dawn Johnston*

Dawn Johnston  
On Behalf of Deloitte (NI) Limited  
Chartered Accountants  
Belfast, United Kingdom  
Date: 23 July 2018

# MARM PROPERTIES LIMITED

## BALANCE SHEET 31 October 2017

	Note	2017 £	2016 £
<b>INTANGIBLE FIXED ASSETS</b>			
Entitlement to ground rent	3	2,100	2,100
<b>CURRENT ASSETS</b>			
Stocks	4	342,462	656,145
Debtors	5	67,583	93,950
Cash at bank and in hand		677,164	323,750
		1,087,209	1,073,845
<b>CREDITORS - amounts falling due within one year</b>	6	(10,439)	(133,641)
<b>NET CURRENT ASSETS</b>		1,076,770	940,204
<b>NET ASSETS</b>		1,078,870	942,304
<b>CAPITAL AND RESERVES</b>			
Share capital	8	170,002	170,002
Profit and loss account	9	908,868	772,302
<b>SHAREHOLDERS' FUNDS</b>	9	1,078,870	942,304

For the year ending 31 October 2017, Marm Properties Limited was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of the accounts;
- these accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements of Marm Properties Limited (Company Registration no. NI 16286) have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime, taking advantages of the exemption from filing the profit and loss account and Directors Report under s444(1) of Companies Act 2006, and within the provisions of Section 1A of FRS 102. These financial statements were approved by the Directors and authorised for issue on 23 July 2018.

Signed on behalf of the Board of Directors



M Mladek  
Director

J McBride  
Director



# **MARM PROPERTIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2017**

### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards.

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

#### **General information and basis of accounting**

Marm Properties Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in Northern Ireland. The address of the registered office is given on page 1.

The average monthly number of employees (including executive directors) was nil (2016: nil).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime, taking advantage of the exemption from filing the profit and loss account and Directors Report under s444 (1) of Companies Act 2006.

#### **Going concern**

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

#### **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 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.

## **MARM PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2017**

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

##### **Taxation (Cont'd)**

Unrelieved tax losses and other deferred tax assets are 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 using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### **Intangible assets - 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.

##### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

## **MARM PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2017**

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

##### **Impairment of assets (Cont'd)**

###### *Financial assets (Cont'd)*

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Stocks**

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

##### **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the related contractual arrangements. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

###### *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The company only has financial assets and liabilities of the kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.



# MARM PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

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

#### Cashflow statement

The directors have taken advantage of the exemption in Section 7 of FRS102 from including a cash flow statement in the financial statements on the grounds that the company is small.

### 2. CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### Critical accounting judgements

The directors have exercised their judgement in relation to valuation of land stocks. Stocks are stated at the lower of cost and net realisable value. Cost includes direct expenditure on site acquisition and subsequent development.

#### Key source of estimation uncertainty

There are no material sources of estimation uncertainty.

### 3. INTANGIBLE FIXED ASSET

	2017 £	2016 £
Entitlement to ground rent	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.

### 4. STOCKS

	2017 £	2016 £
Development properties	342,462	656,145

# MARM PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

### 5. DEBTORS

	2017	2016
	£	£
Trade debtors	225	50,006
Amount due from parent company	65,508	-
Other debtors	997	-
Deferred tax asset	-	43,012
Prepayments	853	932
	<u>67,583</u>	<u>93,950</u>

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

	2017	2016
	£	£
Amounts due within one year comprise:		
Trade creditors	4,610	4,550
Amount due to parent company	-	72,827
Other creditors	327	49,764
Accruals and deferred income	5,502	6,500
	<u>10,439</u>	<u>133,641</u>

### 7. TAXATION

#### (a) Deferred tax asset

	2017	2016
	£	£
Asset at start of period	(43,012)	-
Deferred tax charge / (credit) in profit and loss	43,012	(43,012)
Asset at end of period	<u>-</u>	<u>(43,012)</u>

#### Deferred tax is provided as follows

	2017	2016
	£	£
Tax losses available	-	43,012
Deferred tax asset	<u>-</u>	<u>(43,012)</u>

The company has an unrecognised deferred tax asset of £13,689 (2016: nil) primarily in relation to the carry forward of trading losses not recognised at the end of the period. These losses should be available for offset against future profits when realised, the future timing of which is uncertain.

#### (b) Company status

The company is a close company for taxation purposes.

## MARM PROPERTIES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2017

#### 8. SHARE CAPITAL

	2017 £	2016 £
Called up, allotted and fully paid: ordinary shares of £1 each	170,002	170,002

#### 9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS AND RESERVES

	Share capital £	Profit and loss account £	Total shareholders funds £
At 31 October 2015	170,002	110,838	280,840
Profit for period	-	661,464	661,464
At 31 October 2016	170,002	772,302	942,304
Profit for period	-	136,566	136,566
At 31 October 2017	170,002	908,868	1,078,870

#### 10. RELATED PARTY TRANSACTIONS

Related parties include:

Marm Holdings Limited, parent company.

Marm Developments Limited, fellow subsidiary.

Transactions with related parties in the period comprised of working capital funding to the parent company. In 2016, related party transactions comprised of working capital funding and a management charge of £50,000 from the parent company in recognition of services provided.

The balances outstanding at year end is given in notes 5 and 6.

#### 11. CONTINGENCIES AND COMMITMENTS

There were no contingencies or commitments at the year end (2016: £nil).

## **MARM PROPERTIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 October 2017**

#### **12. 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.