
Marjon Tenancies 1 Limited

Financial statements

Information for filing with the registrar

For the Year Ended 31 July 2021

Marjon Tenancies 1 Limited

Chairman's Statement For the Year Ended 31 July 2021

The chairman presents his statement for the period.

I am pleased to present the financial statements for Marjon Tenancies 1 Limited which cover the year to 31 July 2021.

Operating loss for the year under review was reported as £1,821 (2020: £1,011), which was in line with management projections for the company. Management have subsequently elected to post the depreciation on the property which has historically not been posted as it should have been once the university regained control of the company in 2014. As a result, the comparative opening reserves figure as at 1 August 2019 was reduced by £51,372, and the company's loss for the year ended 31 July 2020 increased by £8,562, one year's worth of depreciation. The same amount was posted in the current year, bringing the total loss for the year to £10,383.

As indicated in the prospectus, the directors do not propose the payment of a dividend.

The loss for the year of £10,383 (2020 restated: £9,419) has been taken to reserves.

Marjon University, formerly The University of St Mark and St John ("the University"), has entered into an agreement with the company shareholders in respect of the company's ordinary shares under which the University will purchase the shares over a period of time. The price will be calculated in accordance with an agreed formula which is designed to give the company sufficient funds to provide investors the necessary return on their investment. The shares are designed to be held for up to 30 years, with the intention that the investors sell some of their shares at the end of each year over the period to 2024. The Board was due to complete the purchase of 5.02% of the share capital in January 2022, but as a result of events detailed below, this did not take place until May 2022.

In accordance with its contractual obligations, the University has been setting aside amounts from the ground rents and management fees payable to it, which together with interest, should be sufficient to enable the University to purchase shares in the company. The sums so deposited have been charged in favour of the company.

Death of Andy Speedie

On 24 February 2021 Andy Speedie died of a heart attack while out for a run. He was 58 years old and leaves his wife Paula and two grown up children. Andy's co-director of Keills, Alan Howie had worked with Andy for over 31 years and his death has had a material impact on Keills. Andy was the accountant of the business and in many ways the Marjon Tenancies account was his baby. Our thoughts and sympathy are with his family.

The university have been sympathetic to the situation and are working with Alan to tidy up the accounts. The Board are confident that moving forward the university will continue to make their scheduled payments and that Marjon Tenancies 1 Ltd will fulfil its obligations to investors.

The directors have reviewed the current and projected positions, and are satisfied that the company will continue to be able to pay its debts as they fall due. As a result, these accounts have been prepared on a going concern basis.

Name Sir Robert Hicks

Chairman

Date 28 July 2022

Marjon Tenancies 1 Limited
Registered number: 02866437

Statement of Financial Position
As at 31 July 2021

	Note	2021 £	<i>As restated</i> 2020 £
Fixed assets			
Tangible assets	4	616,450	625,012
Current assets			
Debtors: amounts falling due within one year	5	20,196	19,419
Cash at bank and in hand	6	164,610	119,170
		<u>184,806</u>	<u>138,589</u>
Creditors: amounts falling due within one year	7	(116,114)	(68,076)
Net current assets		68,692	70,513
Net assets		<u><u>685,142</u></u>	<u><u>695,525</u></u>
Capital and reserves			
Called up share capital		376,001	376,001
Share premium account		312,080	312,080
Profit and loss account		(2,939)	7,444
		<u><u>685,142</u></u>	<u><u>695,525</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with 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:

.....
A J Howie
Director

Date: 28 July 2022

The notes on pages 3 to 6 form part of these financial statements.

Marjon Tenancies I Limited

Notes to the Financial Statements For the Year Ended 31 July 2021

1. General information

Marjon Tenancies I Limited is a private company limited by shares and incorporated in England. The address of the registered office is Lancashire Gate, 21 Tiviot Dale, Stockport, Cheshire, SK1 1TD. The company's registered number is 02866437.

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 Section 1A of 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 judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Rental income represents rent receivable from the letting of properties, on qualifying assured tenancy agreements. The tenant is the University of St Mark and St John, the company's parent undertaking. Rental income is recognised as it falls due.

2.3 Going concern

The directors have reviewed the current and projected positions, and are satisfied that the company will continue to be able to pay its debts as they fall due. As a result, these accounts have been prepared on a going concern basis.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 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.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements
For the Year Ended 31 July 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Land and buildings	-
	80 years stright line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

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

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. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Marjon Tenancies 1 Limited

Notes to the Financial Statements
For the Year Ended 31 July 2021

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL)

4. Tangible fixed assets

	Land and buildings £
Cost	
At 1 August 2020	684,946
At 31 July 2021	684,946
Depreciation	
Prior Year Adjustment	59,934
At 1 August 2020 (as restated)	59,934
Charge for the year on owned assets	8,562
At 31 July 2021	68,496
Net book value	
At 31 July 2021	616,450
<i>At 31 July 2020 (as restated)</i>	625,012

During the year ended 31 July 2014, the company became a subsidiary of the University of St Mark and St John, at which stage the investment property should have been reclassified as a fixed asset and depreciated. This was not done but was subsequently reclassified during the year ended 31 July 2015.

During the year, management decided to process depreciation costs that should have been charged under accounting standards. This led to the following adjustments:

- Reduction of opening reserves at 1 August 2019 by £51,372;

- Increase in losses for the year ended 31 July 2020 by £8,562.

The total adjustment to the opening position at 1 August 2020 of £59,934 is shown in the table above.

5. Debtors

	2021 £	2020 £
Other debtors	20,196	19,419

Marjon Tenancies 1 Limited

**Notes to the Financial Statements
For the Year Ended 31 July 2021**

6. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>164,610</u>	<u>119,170</u>

7. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	79	3,442
Other creditors	78,538	44,070
Accruals and deferred income	<u>37,497</u>	<u>20,564</u>
	<u>116,114</u>	<u>68,076</u>

8. Commitments under operating leases

Owing to the fact that the lease held at year end is a 99 year lease, the net present value of the lease income compared to the future minimum lease income not being comparable, the directors have chosen not to disclose the future minimum lease income.

9. Prior year adjustment

During the year ended 31 July 2014, the company became a subsidiary of the University of St Mark and St John, at which stage the investment property should have been reclassified as a fixed asset and depreciated. This was not done but was subsequently reclassified during the year ended 31 July 2015.

During the year, management decided to process depreciation costs that should have been charged under accounting standards. This led to the following adjustments:

- Reduction of opening reserves at 1 August 2019 by £51,372;
- Increase in losses for the year ended 31 July 2020 by £8,562.

The total impact of £59,934 has been adjusted against the opening reserves as at 1 August 2020.

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 July 2021 was unqualified.

The audit report was signed on 28 July 2022 by Chris Stewardson (Senior Statutory Auditor) on behalf of Hurst Accountants Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.