
Marjon Tenancies 1 Limited

Financial statements

Information for filing with the registrar

For the year ended 31 July 2022

Marjon Tenancies 1 Limited

Chairman's Statement For the year ended 31 July 2022

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 2022.

Operating loss for the year under review was reported as £10,076 (2021: £10,394), which was in line with management projections for the company.

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

The loss for the year of £9,978 (2021: £10,383) 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.

5.22% of the shares were purchased in January 2023 in line with the agreement. There is an intention to accelerate the final payment, due in January 2024, to be completed instead in autumn 2023, thus completing the agreement. Once complete, there is an intention to transfer the property back to the University, and all transactions to Marjon Tenancies 1 to cease.

As it is the intention for the business to cease operating within 12 months of signing these financial statements, the accounts are not being prepared on a going concern basis.

Name Sir Robert Hicks

Chairman

Date 21 July 2023

Marjon Tenancies 1 Limited
Registered number: 02866437

Statement of Financial Position
As at 31 July 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	607,888	616,450
Current assets			
Debtors: amounts falling due within one year	5	21,002	20,196
Cash at bank and in hand	6	227,241	164,610
		<u>248,243</u>	<u>184,806</u>
Creditors: amounts falling due within one year	7	(180,967)	(116,114)
Net current assets		67,276	68,692
Net assets		<u><u>675,164</u></u>	<u><u>685,142</u></u>
Capital and reserves			
Called up share capital		376,001	376,001
Share premium account		312,080	312,080
Profit and loss account		(12,917)	(2,939)
		<u><u>675,164</u></u>	<u><u>685,142</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: 21 July 2023

The notes on pages 3 to 7 form part of these financial statements.

Marjon Tenancies I Limited

Notes to the Financial Statements For the year ended 31 July 2022

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 University of St Mark and St John, the company's parent undertaking. Rental income is recognised as it falls due.

2.3 Going concern

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.

5.22% of the shares were purchased in January 2023 in line with the agreement. There is an intention to accelerate the final payment, due in January 2024, to be completed instead in autumn 2023, thus completing the agreement. Once complete, there is an intention to transfer the property back to the University, and all transactions to Marjon Tenancies I to cease.

As it is the intention for the business to cease operating within 12 months of signing these financial statements, the accounts are not being 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.

Notes to the Financial Statements
For the year ended 31 July 2022

2. Accounting policies (continued)

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.

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 straight line
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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

Marjon Tenancies 1 Limited

Notes to the Financial Statements
For the year ended 31 July 2022

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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.

3. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

Directors charged fees of £16,988 (2021: £15,758) during the year.

4. Tangible fixed assets

	Land and buildings £
Cost	
At 1 August 2021	684,946
At 31 July 2022	<u>684,946</u>
Depreciation	
At 1 August 2021	68,496
Charge for the year on owned assets	8,562
At 31 July 2022	<u>77,058</u>
Net book value	
At 31 July 2022	<u><u>607,888</u></u>
At 31 July 2021	<u><u>616,450</u></u>

5. Debtors

	2022 £	2021 £
Other debtors	<u>21,002</u>	<u>20,196</u>

Marjon Tenancies 1 Limited

**Notes to the Financial Statements
For the year ended 31 July 2022**

6. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>227,241</u>	<u>164,610</u>

7. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	79	79
Other creditors	131,262	78,538
Accruals and deferred income	<u>49,626</u>	<u>37,497</u>
	<u>180,967</u>	<u>116,114</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. Controlling party

The controlling party is deemed to be University of St Mark and St John by virtue of their controlling stake in the voting share capital of the company.

Notes to the Financial Statements
For the year ended 31 July 2022

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 July 2022 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

We draw attention to note 2.3 in the financial statements, which indicates that the directors intend to transfer the property out of the company back to the controlling party, the University of St Mark & St John, following the final payment to investors in autumn 2023, with the company's operations ceasing as a result. The directors have therefore decided that it is not appropriate to prepare the accounts on a going concern basis.

In auditing the financial statements, we have concluded that the directors' decision to not prepare the financial statements on a going concern basis is appropriate. Our evaluation of the directors' assessment of the company's ability to not continue to adopt the going concern basis of accounting included discussions with management and understanding their intentions.

Our opinion is therefore not modified in respect of this matter.

The audit report was signed on 21 July 2023 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.