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**Markland Supermarkets Limited**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2010**

TUESDAY



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24/01/2012

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COMPANIES HOUSE



Beaux Lane House  
Mercer Street Lower  
Dublin 2  
Ireland

## **Markland Supermarkets Limited**

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## **Markland Supermarkets Limited**

### **Directors and other information**

<b>Director</b>	Frank Walker
<b>Secretary</b>	Taylor Wessing Secretaries Limited
<b>Company number</b>	04884126
<b>Registered office</b>	5 New Street Square London EC4A 3TW United Kingdom
<b>Auditors</b>	BDO Statutory Auditor Beaux Lane House Mercer Street Lower Dublin 2
<b>Bankers</b>	Bank of Ireland Bow Bells House 1 Bread Street London EC4M 9BE United Kingdom
<b>Solicitors</b>	Taylor Wessing LLP 5 New Street Square London EC4A 3TW United Kingdom

## **Markland Supermarkets Limited**

### **Directors' Report for the year ended 31 December 2010**

The directors present their annual report and audited financial statements for the year ended 31 December 2010

#### **Principal activity, business review, future developments and going concern**

The principal activity of the company is that of a holding company

The company received notification from the bank that the loans and related security of its subsidiary were transferred to the National Asset Management Agency ("NAMA") during the year. A business plan has been submitted to NAMA which assumes that the loan facilities will remain in place. As a result of the above matters, the company will be dependent on the financial support of NAMA, to enable the company to meet its obligations for at least twelve months from the date of the approval of these financial statements.

The company's future operating performance will continue to be affected by the economic, financial and business conditions, many of which are beyond the company's control.

The directors have concluded that the above factors represent a material uncertainty. Failure of the company's subsidiary's bankers to provide financial support may cast significant doubt on the ability of the company to continue as a going concern and it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, having discussed the basis of preparation, the directors have a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future.

It is on this basis that the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### **Results and dividends**

The profit and loss account and balance sheet for the year ended 31 December 2010 are set out on pages 7 and 8 respectively.

The directors do not recommend payment of a dividend.

#### **Principal risks and uncertainties**

The company is a holding company and is funded with loans from other group companies. The principal risk it faces is the ongoing willingness and ability of other group companies to provide funding as necessary.

#### **Post balance sheet events**

There have been no significant events affecting the company since the year end.

#### **Political contributions**

There were no political contributions during the year (2009: £nil).

## Markland Supermarkets Limited

### Directors' Report for the year ended 31 December 2010

#### Directors and secretary and their interests

Beneficial interest of the directors in the called up share capital of the company during the year was as follows

	Ordinary shares 2010	Ordinary shares 2009
Frank Walker	-	-

No director had an interest, otherwise than through the company, in the share capital of the company during or at the end of the year

No director had at any time during the year a material interest in any contract of significance, subsisting during or at the end of the year, in relation to the business of the company

There were no changes in shareholding between 31 December 2010 and the date of approval of the financial statements

#### Auditors

BDO are deemed to be reappointed under Section 487(2) of the Companies Act, 2006

#### Small Companies exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

#### Registered office

The registered office is 5 New Street Square, London, EC4A 3TW, United Kingdom

On behalf of the Board



Frank Walker  
Director

Date 20/01/2012

## **Markland Supermarkets Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss for that year. In preparing these financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 proper accounting records which 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.

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

On behalf of the Board

A handwritten signature in black ink, appearing to read 'F. Walker', is written over a horizontal line.

**Frank Walker**  
Director

Date 20/01/2012



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## **Independent auditors' report to the members of Markland Supermarkets Limited**

We have audited the financial statements of Markland Supermarkets Limited for the year ended 31 December 2010 on pages 7 to 12 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Shareholders' Funds and the related notes. 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 Sections 495 and 496 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities on page 4, 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 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 includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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.

### **Opinion**

In our opinion, the financial statements

- give a true and fair view of the state of affairs of the company at 31 December 2010, and of the results for the year then ended,
- and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

Limerick Office  
Four Michael Street  
Limerick

Katharine Byrne  
Maurice Carr  
Michael Costello  
Kevin Doyle  
John Gilmor Gavin

Jim Hamilton  
Sinead Heaney  
Diarmuid Hendrick  
Gerard Holliday  
Neil Kelly

Stephen McGivern  
Teresa Morahan  
Paul Nestor  
John O'Callaghan  
Louis O'Neill

Derry Gray (Managing Partner)  
Peter Carroll  
Eddie Doyle  
Stewart Dunne  
Ivor Feenick  
Alan Flynn  
David Giles

Denis Herlihy  
David McCormick  
Ciaran Medlar  
David O'Connor  
Michelle O'Keefe  
Peter O'Neill  
Noel Taylor

Chartered Accountants

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**Independent auditors' report to the members of Markland Supermarkets Limited (continued)**

**Emphasis of matter**

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in notes 11 and 4 to the financial statements concerning the valuation of the company's subsidiary undertaking and going concern

At 31 December 2010, the carrying value of the company's subsidiary undertaking was £8,932,000

As set out in note 11 there is a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern. This matter includes the continued availability of loan facilities which have been transferred to NAMA. While the ultimate outcome of this matter cannot be assessed with certainty, the directors, having regard to the current status of communications with NAMA are of the opinion that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Opinion on other matters 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

**Michael Costello (Senior Statutory Auditor)**  
for and on behalf of BDO, Statutory Auditor  
*Dublin, Ireland*  
AI223876

**Date: 20 January 2012**



**Markland Supermarkets Limited**

**Profit and loss account for the year ended 31 December 2010**


	Notes	2010 £	2009 £
Administrative expenses		(3,020)	(4,215)
<b>Operating loss</b>	<b>2</b>	<u>(3,020)</u>	<u>(4,215)</u>
<b>Loss on ordinary activities before taxation</b>		(3,020)	(4,215)
Tax on loss on ordinary activities	<b>3</b>	-	-
<b>Retained loss for the year</b>		<u>(3,020)</u>	<u>(4,215)</u>

The results arise from continuing operations

There are no recognised gains or losses other than the results shown above

The notes on pages 9 - 12 form part of these financial statements

The financial statements were authorised and approved for issue by the board on 20/01/2012

  
**Frank Walker**  
Director

**Markland Supermarkets Limited****Balance sheet as at 31 December 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Investments	4	<u>8,932,000</u>	<u>8,932,000</u>
<b>Current assets</b>			
Debtors	5	455	354
Cash at bank and in hand		<u>279</u>	<u>1,959</u>
		734	2,313
<b>Creditors: amounts falling due within one year</b>	6	<u>(8,917,016)</u>	<u>(8,915,575)</u>
<b>Net current liabilities</b>		<u>(8,916,282)</u>	<u>(8,913,262)</u>
<b>Total assets less current liabilities</b>		<u>15,718</u>	<u>18,738</u>
<b>Net assets</b>		<u>15,718</u>	<u>18,738</u>
<b>Capital and reserves</b>			
Called up share capital	7	2	2
Profit and loss account	8	<u>15,716</u>	<u>18,736</u>
<b>Shareholders' funds</b>	9	<u>15,718</u>	<u>18,738</u>

The financial statements are prepared in accordance with the special provisions relating to Part 15 of the Companies Act 2006

The notes on pages 9 - 12 form part of these financial statements

The financial statements were authorised and approved for issue by the board on 20/01/2012



**Frank Walker**  
Director

## **Markland Supermarkets Limited**

### **Notes to the financial statements for the year ended 31 December 2010**

#### **1. Accounting policies**

##### **1.1. Basis of preparation, going concern & valuation of investment property**

The financial statements are prepared on the going concern basis and under the historical cost convention as modified by the revaluation of investment property and in accordance with applicable United Kingdom Accounting Standards and the Companies Act, 2006 Accounting Standards generally accepted in the United Kingdom in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in the United Kingdom and issued by the Accounting Standards Board

There is a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern This matter includes the continued availability of loan facilities to the company which have been transferred to NAMA during the year While the ultimate outcome of this matter cannot be assessed with certainty, the directors, having regard to the current status of communications with NAMA are of the opinion that it is appropriate to prepare the financial statements on the going concern basis The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

##### **1.2. Cash flow statement**

The company meets the size criteria for a small company set by the Companies (Amendment) Act, 1986 and therefore, in accordance with FRS 1 Cash flow statements, it has not prepared a cash flow statement

##### **1.3. Taxation**

Current tax, including UK Corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

##### **1.4. Foreign currencies**

The financial statements are expressed in Pound Sterling (£), the functional currency Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date and revenues, costs and non monetary assets at the exchange rates ruling at the transaction date

Profits and losses arising from foreign currency translations and on settlement of amounts receivable and payable in foreign currency are dealt with through the profit and loss account

Where there are related forward contracts in respect of assets and liabilities denominated in other currencies, the rates specified in those contracts have been used at the balance sheet date to translate those items to Pounds Sterling

##### **1.5. Investments**

Investments are stated at cost, less any provisions for diminution in value

# Markland Supermarkets Limited

## Notes to the financial statements for the year ended 31 December 2010

<b>2. Operating loss</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>

*Operating loss is stated after charging*

Auditors' remuneration	<b>1,000</b>	1,000
(Profit) on foreign currencies	<b>(298)</b>	(167)

<b>3. Taxation</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>

### Current year taxation

Corporation tax	<b>-</b>	-
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The tax assessed for the year is higher than the standard rate of corporation tax. The differences are explained below

Loss on ordinary activities before tax	<b>(3,020)</b>	(4,215)
----------------------------------------	----------------	---------

Tax on Loss on ordinary activities at the rate of corporation tax for the year (28%)	<b>(846)</b>	(1,180)
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### Effects of:

Group relief surrendered	<b>846</b>	1,180
	<b>-</b>	-

<b>4. Investments</b>	<b>Subsidiary undertaking</b>
	<b>£</b>

### Cost

At 31 December 2010 and 31 December 2009	<b>8,932,000</b>
------------------------------------------	------------------

Name and registered office	Country of incorporation	Details of investment	Proportion held	Principal activity
Markland Hersham Properties Limited	United Kingdom	8,642,002 ordinary £1 shares	100%	Property rental

In the opinion, of the directors the shares in the company's subsidiary are worth at least the amount at which they are stated in the balance sheet. As at 31 December 2010, the Net Assets of Markland Hersham Properties Limited were £17.3m

# **Markland Supermarkets Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

<b>5. Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Other debtors	<u><b>455</b></u>	<u><b>354</b></u>
<b>6. Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>1,478</b>	1,084
Amounts owed to group undertaking (note 10)	<b>8,914,191</b>	8,913,139
Other creditors including tax and social welfare	<b>59</b>	-
Accruals and deferred income	<u><b>1,288</b></u>	<u>1,352</u>
	<u><b>8,917,016</b></u>	<u><b>8,915,575</b></u>
<b>7. Share capital</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 Ordinary shares of £1 each	<u><b>100</b></u>	<u><b>100</b></u>
<b>Allotted, called up and fully paid</b>		
2 Ordinary shares of £1 each	<u><b>2</b></u>	<u><b>2</b></u>
<b>8. Reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2010	18,736	18,736
Loss for the year	(3,020)	(3,020)
<b>At 31 December 2010</b>	<u><b>15,716</b></u>	<u><b>15,716</b></u>
<b>9. Reconciliation of movements in shareholders' funds</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Loss for the year	<b>(3,020)</b>	(4,215)
Opening shareholders' funds	<u><b>18,738</b></u>	<u>22,953</u>
<b>Closing shareholders' funds</b>	<u><b>15,718</b></u>	<u><b>18,738</b></u>

## **Markland Supermarkets Limited**

### **Notes to the financial statements for the year ended 31 December 2010**

#### **10. Related party transactions**

The company has availed of the exemption under Financial Reporting Standard (FRS) 8 from disclosure of related party transactions

#### **11. Ultimate parent undertaking**

Markland Supermarkets Limited is a wholly owned subsidiary of Markland Holdings (UK) Limited, registered at 5 New Street Square, London, EC4A 3TW, United Kingdom

The ultimate controlling party is Markland Holdings Limited, a company registered in the Republic of Ireland

The largest and smallest group of undertaking for which group accounts have been drawn up is headed by Markland Holdings Limited, a company registered in the Republic of Ireland

Copies of the consolidated financial statements of Markland Holdings Limited are available from Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1, Republic of Ireland

#### **12. Contingent liabilities**

The company, together with other group companies, has provided a number of unlimited guarantees in order to secure the borrowing of group companies. Some of the fellow group companies outstanding loans are being transferred to the National Asset Management Agency (NAMA) Treasury Buildings, Grand Canal Street, Dublin 2, Ireland through the "associated loans" rule. This may increase the risk of the guarantees the company has provided being called upon.

#### **13. Approval of financial statements**

The financial statements were authorised and approved for issue by the board on 20/01/2012

**Markland Supermarkets Limited**

**Appendices**

*These appendices are for the directors only  
and do not form part of the Audited Statutory Financial Statements*

## **Markland Supermarkets Limited**

### **Appendix I: Overhead expenses**

<b>Administrative expenses</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Professional fees	<b>1,949</b>	2,328
Accountancy and audit	<b>1,286</b>	1,967
Bank charges	<b>83</b>	78
(Profit) on foreign currencies	<b>(298)</b>	(167)
General expenses	<b>-</b>	9
	<b><u>3,020</u></b>	<b><u>4,215</u></b>