

Markland Holdings (UK) Limited

Directors' report and Financial Statements

For the financial year ended 31 December 2017

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Beaux Lane House
Mercer Street Lower
Dublin 2
Ireland

Markland Holdings (UK) Limited

Company Information

DIRECTORS	Frank Walker (resigned 31 March 2017) David Pearson
REGISTERED NUMBER	5505298
REGISTERED OFFICE	5 New Street Square London EC4A 3TW United Kingdom
INDEPENDENT AUDITORS	BDO Dublin Statutory Audit Firm Beaux Lane House Mercer Street Lower Dublin 2
SOLICITORS	Taylor Wessing LLP 5 New Square Street Square London EC4A 3TW United Kingdom

Markland Holdings (UK) Limited

Contents

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditors' report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 19

Markland Holdings (UK) Limited

Directors' report For the financial year ended 31 December 2017

The directors present their report and the financial statements for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the management of investment property.

The company disposed of its freehold investment property to another group company with the repayment of all NAMA bank loans during the year.

DIRECTORS

The directors who served during the financial year and their interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31/12/17	1/1/17
Frank Walker (resigned 31 March 2017)	-	-
David Pearson	-	-

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is an investment property company. The company disposed of all its freehold investment property during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

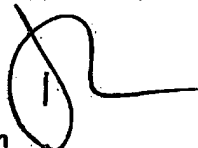
AUDITORS

The auditors, BDO Dublin, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 September 2018 and signed on its behalf.



David Pearson
Director

Markland Holdings (UK) Limited

Directors' responsibilities statement For the financial year ended 31 December 2017

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments and accounting 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 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 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.



Independent auditors' report to the members of Markland Holdings (UK) Limited

OPINION

We have audited the financial statements of Markland Holdings (UK) Limited (the 'company') for the financial year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the financial 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



Independent auditors' report to the members of Markland Holdings (UK) Limited (continued)

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



Independent auditors' report to the members of Markland Holdings (UK) Limited (continued)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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 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 and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'G. Smyth', with a long horizontal line extending to the right.

Gavin Smyth
for and on behalf of
BDO
Dublin
Statutory Audit Firm
AI223876

Date: 18 September 2018

Markland Holdings (UK) Limited

**Statement of comprehensive income
For the financial year ended 31 December 2017**

	Note	2017 £	2016 £
Turnover		276,381	266,352
GROSS PROFIT		276,381	266,352
Administrative expenses		(354,809)	(1,188,631)
Exceptional administrative income	9	-	1,300,000
Other operating income	4	-	25,696
OPERATING (LOSS)/PROFIT	5	(78,428)	403,417
Investment property fair value movements		-	4,185,235
Amounts written off investments		(7,598,688)	-
Interest payable and expenses	7	(224,587)	(907,940)
(LOSS)/PROFIT BEFORE TAX		(7,901,703)	3,680,712
Tax on (loss)/profit	8	107,235	(96,132)
(LOSS)/PROFIT FOR THE FINANCIAL FINANCIAL YEAR		(7,794,468)	3,584,580

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 9 to 19 form part of these financial statements.

Markland Holdings (UK) Limited
Registered number: 5505298

Balance sheet
As at 31 December 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Investments	10	-	8,404,740
Investment property	11	-	23,636,546
		<u>-</u>	<u>32,041,286</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	4,271,111	2,172,370
Cash at bank and in hand	13	43,178	1,400,904
		<u>4,314,289</u>	<u>3,573,274</u>
Creditors: amounts falling due within one year	14	(3,068,979)	(26,461,373)
NET CURRENT ASSETS/(LIABILITIES)		1,245,310	(22,888,099)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,245,310	9,153,187
PROVISIONS FOR LIABILITIES			
Deferred tax	16	-	(113,409)
		<u>-</u>	<u>(113,409)</u>
NET ASSETS		1,245,310	9,039,778
CAPITAL AND RESERVES			
Called up share capital		2	2
Investment property reserve	17	-	5,049,245
Profit and loss account	17	1,245,308	3,990,531
		<u>1,245,310</u>	<u>9,039,778</u>

The company's financial statements have been prepared in accordance with the 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 on 18 September 2018.



David Pearson
Director

Markland Holdings (UK) Limited

Statement of changes in equity
For the financial year ended 31 December 2017

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	2	5,049,245	3,990,531	9,039,778
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR				
Loss for the financial year	-	-	(7,794,468)	(7,794,468)
Impairment adjustment - other fixed assets	-	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	-	-	(7,794,468)	(7,794,468)
Disposal of investment property	-	(5,049,245)	5,049,245	-
AT 31 DECEMBER 2017	2	-	1,245,308	1,245,310

Statement of changes in equity
For the financial year ended 31 December 2016

	Called up share capital	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2	965,485	4,591,186	5,556,673
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	3,584,580	3,584,580
Transfer on revaluation of freehold property	-	-	(4,185,235)	(4,185,235)
Revaluation movement	-	4,083,760	-	4,083,760
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	4,083,760	(600,655)	3,483,105
AT 31 DECEMBER 2016	2	5,049,245	3,990,531	9,039,778

The notes on pages 9 to 19 form part of these financial statements.

Markland Holdings (UK) Limited

Notes to the financial statements For the financial year ended 31 December 2017

1. GENERAL INFORMATION

These financial statements comprising the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes constitute the individual financial statements of Markland Holdings (UK) Limited for the financial year ended 31 December 2017.

Markland Holdings (UK) Limited is a private company limited by shares, incorporated in the United Kingdom. The Registered Office is 5 New Street Square, London EC4A 3TW, United Kingdom. The nature of the company's operations and its principal activities are set out in the Director's Report on pages 1 to 2.

Statement of Compliance

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102).

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis and under the historical cost convention and in accordance with 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Cash flow statement

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Markland Holdings (UK) Limited

Notes to the financial statements For the financial year ended 31 December 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- It is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2.6 Financial fixed assets

Financial fixed assets are valued at the lower of cost or net realisable value.

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.

Markland Holdings (UK) Limited

Notes to the financial statements For the financial year ended 31 December 2017

2. ACCOUNTING POLICIES (CONTINUED)

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 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, loans to related parties and investments in non-puttable ordinary shares.

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 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.

Markland Holdings (UK) Limited

Notes to the financial statements For the financial year ended 31 December 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the financial year in which they are incurred.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Markland Holdings (UK) Limited

Notes to the financial statements For the financial year ended 31 December 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.15 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Significant estimates include: the valuation on property investments, intercompany loans and investments in subsidiaries. Actual results could materially differ from those estimates.

4. OTHER OPERATING INCOME

	2017 £	2016 £
Other operating income	-	25,696
	-	25,696

Markland Holdings (UK) Limited

**Notes to the financial statements
For the financial year ended 31 December 2017**

5. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2017 £	2016 £
Exchange differences	42	3,468

6. AUDITORS' REMUNERATION

Auditor's remuneration is borne by the ultimate parent company.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Bank interest payable	221,454	907,940
Loans from group undertakings	3,133	-
	<u>224,587</u>	<u>907,940</u>

8. TAXATION

	2017 £	2016 £
CORPORATION TAX		
Current tax on profits for the year	6,174	-
	<u>6,174</u>	<u>-</u>
DEFERRED TAX		
Adjustments in respect of prior periods	105,189	-
Origination and reversal of timing differences	(218,598)	98,151
Effect of tax rate change on opening balance	-	(2,019)
TOTAL DEFERRED TAX	<u>(113,409)</u>	<u>96,132</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(107,235)</u>	<u>96,132</u>

Markland Holdings (UK) Limited

Notes to the financial statements
For the financial year ended 31 December 2017

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE FINANCIAL YEAR

The tax assessed for the financial year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	(7,901,703)	3,680,712
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(1,520,807)	736,142
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,004,386	45,613
Income not taxable for tax purposes	-	(1,097,047)
Adjustments to tax charge in respect of prior periods	6,174	-
Adjustments to tax charge in respect of prior periods - deferred tax	105,189	-
Capital gains	-	392,393
Group relief surrendered/(claimed)	-	38,370
Adjust closing deferred tax rate to average rate of 19.25%	31,392	(20,013)
Adjust opening deferred tax rate to average rate of 19.25%	28,888	674
Deferred tax not recognised	237,543	-
TOTAL TAX CHARGE FOR THE FINANCIAL YEAR	(107,235)	96,132

Markland Holdings (UK) Limited

**Notes to the financial statements
For the financial year ended 31 December 2017**

8. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

9. EXCEPTIONAL ITEMS

	2017	2016
	£	£
Dilapidations claim	-	(1,300,000)
	-	(1,300,000)

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
At 1 January 2017	8,404,740
Disposals	(8,404,740)
At 31 December 2017	-
At 31 December 2017	-
At 31 December 2016	8,404,740

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Markland Supermarkets Limited	United Kingdom	2 Ordinary shares of £1 each	100 %	Property rental and development
Markland US Holdings Inc.	United States of America	100 Ordinary shares of \$0.001 each	100 %	Property holding company

Markland Holdings (UK) Limited

Notes to the financial statements
For the financial year ended 31 December 2017

11. INVESTMENT PROPERTY

	Freehold investment property £
At 1 January 2017	23,636,546
Disposals	(23,636,546)
AT 31 DECEMBER 2017	-

	2017 £	2016 £
REVALUATION RESERVES		
At 1 January 2017	5,049,245	965,485
Disposal of investment property	(5,049,245)	4,083,760
AT 31 DECEMBER 2017	-	5,049,245

12. DEBTORS

	2017 £	2016 £
Trade debtors	-	237,587
Amounts owed by group undertakings (note 19)	4,262,002	1,534,126
Other debtors	9,109	380,470
Prepayments and accrued income	-	14,013
Tax recoverable	-	6,174
	4,271,111	2,172,370

13. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	43,178	1,400,904
	43,178	1,400,904

Markland Holdings (UK) Limited

**Notes to the financial statements
For the financial year ended 31 December 2017**

14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Loans owed to credit institutions	-	19,304,044
Trade creditors	7,846	242,418
Amounts owed to group undertakings (note 19)	3,053,133	6,322,842
Other creditors	-	32,789
Accruals	8,000	559,280
	<u>3,068,979</u>	<u>26,461,373</u>

The bank loan was repayable on demand on or before the 30th June 2010. This date has passed without payment. As further explained in note 18, the company's loans have moved to the National Assets Management Agency ("NAMA").

15. FINANCIAL INSTRUMENTS

	2017 £	2016 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	43,178	1,400,904
Financial assets that are debt instruments measured at amortised cost	4,271,111	1,771,713
	<u>4,314,289</u>	<u>3,172,617</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(3,060,979)	(25,869,304)
	<u>(3,060,979)</u>	<u>(25,869,304)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

16. DEFERRED TAXATION

	2017 £
At beginning of year	(113,409)
Charged to profit or loss	113,409
AT END OF YEAR	<u>-</u>

Markland Holdings (UK) Limited

**Notes to the financial statements
For the financial year ended 31 December 2017**

16. DEFERRED TAXATION (CONTINUED)

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Timing difference in respect of property revaluation	-	(113,409)
	<u>-</u>	<u>(113,409)</u>

17. RESERVES

Profit and loss account

The profit and loss account represents cumulative gains and losses recognised in the Statement of comprehensive income, net of transfers to/from other reserves and dividends paid.

18. CONTINGENT LIABILITIES

The company, together with other companies, has provided a number of unlimited guarantees to secure borrowings of other companies. The company repaid all of its NAMA bank loans during the year.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of related party transaction disclosure exemptions in preparing these financial statements as permitted by FRS102 "The Financial Reporting Standard applicable in the UK and Republic Ireland".

20. CONTROLLING PARTY

Markland Holdings (UK) Limited is a wholly owned subsidiary of Ballymore Marsh Wall Limited. Ballymore Marsh Wall Limited is a wholly owned subsidiary of Ballymore Properties Unlimited Company.

The largest and smallest group of undertaking for which group accounts have been drawn up is headed by Ballymore Properties Unlimited Company, a company registered in the Republic of Ireland.

Markland Holdings (UK) Limited

Detailed accounts

For the financial year ended 31 December 2017

Markland Holdings (UK) Limited

Detailed profit and loss account
For the financial year ended 31 December 2017

	Note	2017 £	2016 £
Turnover		276,381	266,352
GROSS PROFIT		276,381	266,352
Other operating income		-	25,696
LESS: OVERHEADS			
Administration expenses		(354,809)	(1,188,631)
Amounts written off and p/l on disposals		(7,598,688)	-
OPERATING LOSS		(7,677,116)	(896,583)
Interest payable		(224,587)	(907,940)
Fair value movements		-	4,185,235
Exceptional items		-	1,300,000
Tax on profit on ordinary activities		107,235	(96,132)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(7,794,468)	3,584,580

Markland Holdings (UK) Limited

**Schedule to the detailed accounts
For the financial year ended 31 December 2017**

	2017 £	2016 £
Revenue		
Rental income	276,381	266,352
	<u>276,381</u>	<u>266,352</u>
	2017 £	2016 £
Other operating income		
Other operating income	-	25,696
	<u>-</u>	<u>25,696</u>
	2017 £	2016 £
Administration expenses		
Consultancy	325	-
Telephone and fax	-	321
Legal and professional	74,385	541,404
Auditors' remuneration	8,000	-
Bank charges	640	1,471
Difference on foreign exchange	42	3,466
Sundry expenses	-	11,850
Rates	-	176,840
Water	-	(754)
Light and heat	-	6,247
Cleaning	-	1,457
Service charges	62,369	395,336
Insurances	21,656	43,171
Repairs and maintenance	6,442	8,800
Profit/loss on sale of tangible assets	179,450	-
Spare	1,500	(978)
	<u>354,809</u>	<u>1,188,631</u>
	2017 £	2016 £
Interest payable		
Bank loan interest payable	221,454	907,940
Group interest payable - interco	(3,133)	-
	<u>224,587</u>	<u>907,940</u>

Markland Holdings (UK) Limited

**Schedule to the detailed accounts
For the financial year ended 31 December 2017**

	2017	2016
	£	£
Amounts written off and p/l disposals		
Fair value movements	-	4,185,235
Amounts written off investments	(7,983,740)	-
Amounts w/o loans in particip interests	385,052	-
	<u>(7,598,688)</u>	<u>4,185,235</u>
	2017	2016
	£	£
Exceptional Items		
Exceptional item (on face of P&L a/c)	-	(1,300,000)
	<u>-</u>	<u>(1,300,000)</u>