

COMPANY REGISTRATION NUMBER: 01030919

Munro & Forster Communications Limited
Filleted Unaudited Financial Statements
31 March 2017

ABBOTS

Chartered Certified Accountants
Printing House
66 Lower Road
Harrow
HA2 0DH.

TUESDAY



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Munro & Forster Communications Limited

Financial Statements

Year ended 31 March 2017

Contents	Page
Director's report	1
Statement of financial position	3
Statement of changes in equity	5
Notes to the financial statements	6

Munro & Forster Communications Limited

Director's Report

Year ended 31 March 2017

The director presents her report and the unaudited financial statements of the company for the year ended 31 March 2017.

Directors

The directors who served the company during the year were as follows:

Ms J Flexen

Mr B R Gunson

(Resigned 31 March 2017)

Events after the end of the reporting period

During the year, the business planned for a reorganisation, which became effective on the 31 March 2017 with the support and guidance of professional advisers throughout the process.

M&F Comms provides public relations and public affairs services. Over time, this activity had to be carried out through two distinct divisions, operating in different market segments; one primarily relating to the provision of public relations, including campaigns for social and behavioural change for public, private and third sectors (Campaigns) and another primarily related to the provision of public affairs, including specialist health public relations to commercial and third sector organisations (Healthcare).

Partly due to the recent appointment to the new government creative frameworks, it was deemed potentially contradictory to be working for, as well as lobbying, government. There was therefore a need to allow each practice to innovate freely and compete effectively in their respective market segments.

It was proposed and agreed that the two divisions de-merge, such that the activities of each division are carried on in two legally independent entities:

1. the Campaigns Division (representing approximately one third of the business) remains within Munro & Forster Communications Limited and is now controlled by Mrs J Jones (nee Flexen).
2. the Healthcare Division (representing approximately two thirds of the business) was transferred to M&F Health Communications Limited which is controlled by Mr B Gunson.

The business, assets and liabilities of the Healthcare Division (including client engagements, related documents and records) were transferred as part of the reorganisation. This included monies held on account on behalf of clients' future services. Tax clearances were obtained as part of the process and the demerger transferred business assets and liabilities commensurate with shareholdings held.

Small company provisions

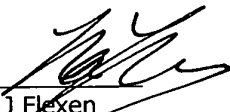
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Munro & Forster Communications Limited

Director's Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 7 March 2018 and signed on behalf of the board by:


Ms J Flexen
Director

Registered office:
3 Lloyds Avenue
London
UK
EC3N 3DS

Munro & Forster Communications Limited

Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	15,071	20,558
Investments	6	—	100
		<u>15,071</u>	<u>20,658</u>
Current assets			
Debtors	7	418,900	415,489
Cash at bank and in hand		738,191	655,814
		<u>1,157,091</u>	<u>1,071,303</u>
Creditors: amounts falling due within one year	8	<u>954,717</u>	<u>520,753</u>
Net current assets		202,374	550,550
Total assets less current liabilities		217,445	571,208
Provisions		20,240	25,200
Net assets		<u>197,205</u>	<u>546,008</u>
Capital and reserves			
Called up share capital	9	162	162
Share premium account		94,960	94,960
Capital redemption reserve		61,055	61,055
Profit and loss account		41,028	389,831
Shareholders funds		<u>197,205</u>	<u>546,008</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.


The notes on pages 6 to 11 form part of these financial statements.

Munro & Forster Communications Limited

Statement of Financial Position *(continued)*

31 March 2017

These financial statements were approved by the board of directors and authorised for issue on 7 March 2018, and are signed on behalf of the board by:


Ms J Flexen
Director

Company registration number: 01030919

The notes on pages 6 to 11 form part of these financial statements.

Munro & Forster Communications Limited

Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2015	162	103,666	52,328	522,295	678,451
Loss for the year	—	—	—	(123,738)	(123,738)
Total comprehensive income for the year	—	—	—	(123,738)	(123,738)
Redemption of shares	—	(8,706)	8,727	(8,726)	(8,705)
Total investments by and distributions to owners	—	(8,706)	8,727	(8,726)	(8,705)
At 31 March 2016	162	94,960	61,055	389,831	546,008
Loss for the year	—	—	—	(56,080)	(56,080)
Total comprehensive income for the year	—	—	—	(56,080)	(56,080)
Dividends paid and payable	—	—	—	(292,723)	(292,723)
Total investments by and distributions to owners	—	—	—	(292,723)	(292,723)
At 31 March 2017	<u>162</u>	<u>94,960</u>	<u>61,055</u>	<u>41,028</u>	<u>197,205</u>

The notes on pages 6 to 11 form part of these financial statements.

Munro & Forster Communications Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 3 Lloyds Avenue, London, EC3N 3DS, UK.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Munro & Forster Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 20% straight line
Office equipment	- 20% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Munro & Forster Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Investments in associates *(continued)*

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Munro & Forster Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2016: 15).

Munro & Forster Communications Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

5. Tangible assets

	Fixtures and fittings £	Equipment £	Total £
Cost			
At 1 April 2016	20,371	127,825	148,196
Additions	919	4,651	5,570
At 31 March 2017	<u>21,290</u>	<u>132,476</u>	<u>153,766</u>
Depreciation			
At 1 April 2016	14,136	113,502	127,638
Charge for the year	4,182	6,875	11,057
At 31 March 2017	<u>18,318</u>	<u>120,377</u>	<u>138,695</u>
Carrying amount			
At 31 March 2017	<u>2,972</u>	<u>12,099</u>	<u>15,071</u>
At 31 March 2016	<u>6,235</u>	<u>14,323</u>	<u>20,558</u>

6. Investments

	Shares in group undertakings £
Cost	
At 1 April 2016	100
Disposals	(100)
At 31 March 2017	<u>—</u>
Impairment	
At 1 April 2016 and 31 March 2017	<u>—</u>
Carrying amount	
At 31 March 2017	<u>—</u>
At 31 March 2016	<u>100</u>

7. Debtors

	2017 £	2016 £
Trade debtors	322,401	315,467
Corporation tax repayable	19,548	19,548
Rent deposit	30,000	30,000
Other debtors	46,951	50,474
	<u>418,900</u>	<u>415,489</u>

Munro & Forster Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

8. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	430,335	422,183
Amounts owed to group undertakings	–	100
Accruals and deferred income	70,365	40,090
Social security and other taxes	152,094	55,504
Other creditors	301,923	2,876
	<u>954,717</u>	<u>520,753</u>

9. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £0.001 each	<u>162,000</u>	<u>162</u>	<u>162,000</u>	<u>162</u>