

Company Registration Number 03001459

MUNROE K LIMITED

FINANCIAL STATEMENTS

30 APRIL 2022



ArmstrongWatson®

Accountants, Business & Financial Advisers

MUNROE K LIMITED
REGISTERED NUMBER: 03001459
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	12,533	6,655
Fixed asset investments	7	17,802	-
		<u>30,335</u>	<u>6,655</u>
Current assets			
Debtors: amounts falling due within one year	8	871,847	1,067,794
Cash at bank and in hand	9	678,526	1,329,613
		<u>1,550,373</u>	<u>2,397,407</u>
Creditors: amounts falling due within one year	10	(1,641,833)	(2,125,454)
Net current (liabilities)/assets		<u>(91,460)</u>	<u>271,953</u>
Net (liabilities)/assets		<u>(61,125)</u>	<u>278,608</u>
Capital and reserves			
Called up share capital	11	4,004	4,004
Profit and loss account		(65,129)	274,604
		<u>(61,125)</u>	<u>278,608</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:

.....
C G Lintott
 Director

Date: 26 June 2023

The notes on pages 2 to 10 form part of these financial statements.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

1. General information

Munroe K Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom. It trades from its registered office at 125 Wood Street, London, EC2V 7AW.

The principal activity of the company is the provision of management and development consultancy services.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

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 (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

Noting net liabilities of £61,125 (net assets 2021: £278,608) and net current liabilities of £91,460 (net current assets 2021: £271,953), the directors have prepared the financial statements on the going concern basis.

At the end of the year the company had £456,187 (2021: £447,083) due in respect of unpaid management fees. The company's related party and main customer, Munroe K Luxembourg SA has historically been slow to pay the amounts due, therefore Munroe K Limited has made a provision (see note 5) for the unpaid management fees of £456,187 (2021 - £NIL).

In order to mitigate the impact of any resulting cash flow issues, the directors have delayed the payment of their own salaries and expenses (which comprise a significant proportion of overall expenditure). The company has minimal third party commitments.

Cash flow forecasts prepared by the directors indicate that the company will be able to satisfy all historic and ongoing liabilities for a period of at least 12 months from the date of approval of the accounts. Until such time as the historic arrears are brought up to date, the directors will continue to support the company by deferring payment of their own arrears as and when required.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.4 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;

2.5 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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Fixtures and fittings	- 4 years straight line
Office equipment	- 4 years straight 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.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.8 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.

2.9 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.

2.10 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.

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.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 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.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

2.14 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2.15 Finance costs

Finance costs are charged to profit or loss 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.

2.16 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.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results.

The key estimate made in the preparation of the financial statements is the provision against accrued management fees receivable which is held in other debtors. The income accrued had grown significantly over previous years, however significant repayments were made in the year to 30 April 2021. At each year end the directors review what has been received post year end to determine the movements in the provision to reflect the uncertainty in what will be received.

4. Employees

The average monthly number of employees, including directors, during the year was 2 (2021 - 2).

5. Exceptional items

	2022 £	2021 £
Management fee provision release	-	(665,667)
Accrued salary written off	-	(730,000)
Accrued income - bad debt provision	456,187	-
Credit for historic costs	(371,867)	-
Write-off aged creditors	(20,000)	-
	<u>64,320</u>	<u>(1,395,667)</u>

2022 exceptional items:

In the year a provision has been made against accrued management fees receivable. The company has received credit for historic costs payable due to Munroe K Asset Management Limited. In the year, the company has written off historic aged creditors as the costs are no longer considered payable.

2021 exceptional items:

In prior years a bad debt provision was accumulated in respect of accrued management fees receivable. In the current year the fees were recovered, and therefore the bad debt provision was reversed. In the year the company has written off the accrued salary due to D W Aspin, who has confirmed that he has waived the right to receive the historically accrued salary.

MUNROE K LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

6. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 May 2021	33,764	29,131	62,895
Additions	1,040	8,466	9,506
Disposals	-	(13,877)	(13,877)
At 30 April 2022	<u>34,804</u>	<u>23,720</u>	<u>58,524</u>
Depreciation			
At 1 May 2021	33,764	22,476	56,240
Charge for the year on owned assets	-	3,628	3,628
Disposals	-	(13,877)	(13,877)
At 30 April 2022	<u>33,764</u>	<u>12,227</u>	<u>45,991</u>
Net book value			
At 30 April 2022	<u>1,040</u>	<u>11,493</u>	<u>12,533</u>
At 30 April 2021	<u>-</u>	<u>6,655</u>	<u>6,655</u>

MUNROE K LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

7. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 May 2021	238,411	-	238,411
Additions	-	25,000	25,000
	<hr/>	<hr/>	<hr/>
At 30 April 2022	238,411	25,000	263,411
	<hr/>	<hr/>	<hr/>
Impairment			
At 1 May 2021	238,411	-	238,411
Charge for the period	-	7,198	7,198
	<hr/>	<hr/>	<hr/>
At 30 April 2022	238,411	7,198	245,609
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 April 2022	-	17,802	17,802
	<hr/>	<hr/>	<hr/>
At 30 April 2021	-	-	-
	<hr/>	<hr/>	<hr/>

8. Debtors

	2022 £	2021 £
Other debtors	870,175	1,058,795
Prepayments and accrued income	1,672	8,999
	<hr/>	<hr/>
	871,847	1,067,794
	<hr/>	<hr/>

9. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	678,526	1,329,613
	<hr/>	<hr/>
	678,526	1,329,613
	<hr/>	<hr/>

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

10. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	23,211	475,403
Corporation tax	406,534	294,114
Other taxation and social security	100,709	234,398
Other creditors	837,600	870,625
Accruals and deferred income	273,779	250,914
	<u>1,641,833</u>	<u>2,125,454</u>

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,001 (2021 - 1,001) Ordinary A Shares of £1 each shares of £1.00 each	1,001	1,001
3,003 (2021 - 3,003) Ordinary B Shares of £1 each shares of £1.00 each	3,003	3,003
	<u>4,004</u>	<u>4,004</u>

All classes of share capital have attached to them full voting, dividend and capital distribution rights.

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £35,000 (2021 - £57,500). Contributions totalling £250,000 (2021 - £220,000) were payable to the fund at the reporting date and are included in creditors.

13. Transactions with directors

Included within other debtors is a loan to D W Aspin. At the year end the balance due to the company was £589,701 (2021 - £403,486). The loan is interest free and repayable on demand.

Included within other debtors is a loan to C G Lintott. At the year end the balance due to the company was £30,840 (2021 - £31,438). The loan is interest free and repayable on demand.

MUNROE K LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2022

14. Related party transactions

Included within other creditors is an amount owed to C G Lintott of £837,600 (2021 - £861,600) in respect of unpaid salaries. The amount is interest free and repayable on demand.

During the year Munroe K Limited, received development consultancy fee income of £784,104 (£785,000) from Munroe K Luxembourg SA. At the year end, Munroe K Limited was owed £456,187 (2021 - £447,083) in respect of unpaid management fees. As at the balance sheet date, Munroe K Limited has made a provision (see note 5) for the unpaid management fees of £456,187 (2021 - £NIL).

15. Auditor's information

The auditor's report on the financial statements for the year ended 30 April 2022 was unqualified.

The audit report was signed on 26 June 2023 by Matthew Osbourne (Senior Statutory Auditor) on behalf of Armstrong Watson Audit Limited.