

# Mark Knight Music Limited

Unaudited Financial Statements

For Filing with Registrar

For the period ended 30 June 2017

Company Registration No. 07192451 (England and Wales)

# Mark Knight Music Limited

## Company Information

---

<b>Director</b>	M K Knight
<b>Company number</b>	07192451
<b>Registered office</b>	Top Floor Raglan House St. Peters Street Maidstone ME16 0SN
<b>Accountants</b>	Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

# Mark Knight Music Limited

## Contents

---

	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

---

# Mark Knight Music Limited

## Balance Sheet

As at 30 June 2017

	Notes	2017 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	3		90,942		140,545
Tangible assets	4		44,824		54,193
<b>Current assets</b>					
Debtors	5	145,766		167,267	
Cash at bank and in hand		574,091		499,315	
		<u>719,857</u>		<u>666,582</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(122,056)</u>		<u>(97,445)</u>	
<b>Net current assets</b>			<u>597,801</u>		<u>569,137</u>
<b>Total assets less current liabilities</b>			<u>733,567</u>		<u>763,875</u>
<b>Provisions for liabilities</b>	7		<u>(4,576)</u>		<u>(5,828)</u>
<b>Net assets</b>			<u><u>728,991</u></u>		<u><u>758,047</u></u>
<b>Capital and reserves</b>					
Called up share capital	8		100		100
Profit and loss reserves			<u>728,891</u>		<u>757,947</u>
<b>Total equity</b>			<u><u>728,991</u></u>		<u><u>758,047</u></u>

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 29 March 2018

# Mark Knight Music Limited

Balance Sheet (Continued)

As at 30 June 2017

---

M K Knight

**Director**

**Company Registration No. 07192451**

# Mark Knight Music Limited

## Notes to the Financial Statements

For the period ended 30 June 2017

---

### 1 Accounting policies

#### Company information

Mark Knight Music Limited is a private company limited by shares incorporated in England and Wales. The registered office is Top Floor Raglan House, St. Peters Street, Maidstone, Kent, ME16 0SN.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 30 June 2017 are the first financial statements of Mark Knight Music Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken the following exemptions under the small companies regime:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A.

#### 1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Reporting period

These financial statements cover the 18 month period from 1 January 2016 to 30 June 2017. The comparative information covers the 12 month year ended 31 December 2015, and so items in the profit and loss account are not considered directly comparable.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25 years straight line
Fixtures and fittings	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

---

### 1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has only basic financial instruments measured at amortised cost, with no financial instruments classified as other, or basic instruments measured at fair value.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 3 (2015 - 3).

### 3 Intangible fixed assets

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2016 and 30 June 2017	330,692
<b>Amortisation and impairment</b>	
At 1 January 2016	190,147
Amortisation charged for the period	49,603
At 30 June 2017	239,750
<b>Carrying amount</b>	
At 30 June 2017	90,942
At 31 December 2015	140,545

Goodwill is recognised on the purchase of an unincorporated business in 2010.

# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2016	24,863	81,152	106,015
Additions	-	4,338	4,338
At 30 June 2017	24,863	85,490	110,353
<b>Depreciation and impairment</b>			
At 1 January 2016	2,982	48,840	51,822
Depreciation charged in the period	1,491	12,216	13,707
At 30 June 2017	4,473	61,056	65,529
<b>Carrying amount</b>			
At 30 June 2017	20,390	24,434	44,824
At 31 December 2015	21,881	32,312	54,193

### 5 Debtors

	2017 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	24,411	30,241
Other debtors	121,355	137,026
	145,766	167,267

### 6 Creditors: amounts falling due within one year

	2017 £	2015 £
Trade creditors	4,503	7,320
Corporation tax	91,327	35,788
Other taxation and social security	6,564	8,186
Other creditors	19,662	46,151
	122,056	97,445

# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

### 7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2017 £</b>	<b>Liabilities 2015 £</b>
<b>Balances:</b>		
Accelerated capital allowances	4,576	5,828
	<u>          </u>	<u>          </u>
<b>Movements in the period:</b>		<b>2017 £</b>
Liability at 1 January 2016		5,828
Credit to profit or loss		(1,252)
		<u>          </u>
Liability at 30 June 2017		4,576
		<u>          </u>

The deferred tax liability set out above is expected to reverse within 48 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 8 Called up share capital

	<b>2017 £</b>	<b>2015 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>
	100	100
	<u>          </u>	<u>          </u>

# Mark Knight Music Limited

## Notes to the Financial Statements (Continued)

For the period ended 30 June 2017

---

### **9 Related party transactions**

At the period end the company owed £8,647 (2015: £9,056) to director M K Knight. The maximum outstanding during the period was £52,390. Interest has been charged at HMRC approved rates.

During the period the director and his wife received dividends of £387,850 (2015: £309,500).

#### **Toolroom Productions Limited**

During the period the company incurred expenses of £148 (2015: £1,066) from Toolroom Productions Limited, a company in which M K Knight is also a director and shareholder.

During the period the company received royalties and other income of £221,554 (2015: £74,745).

At the period end the company was owed £5,000 (2015: £9,878) by Toolroom Productions Limited.

#### **Toolroom Publishing Limited**

During the period the company received royalties and other income of £6,700 (2015: £2,252) from Toolroom Publishing Limited, a company in which M K Knight is also a director and shareholder.

At the period end there were no outstanding balances (2015: £nil).

### **10 Ultimate controlling party**

The company is controlled by director M K Knight together with members of his immediate family.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.