

Company Registration No. 07192451 (England and Wales)

MARK KNIGHT MUSIC LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

MARK KNIGHT MUSIC LIMITED

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MARK KNIGHT MUSIC LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	4	51,516		64,423	
Investments	5	600,000		600,000	
		<u>651,516</u>		<u>664,423</u>	
Current assets					
Debtors	7	74,105		303,525	
Cash at bank and in hand		6,794		24,511	
		<u>80,899</u>		<u>328,036</u>	
Creditors: amounts falling due within one year	8	<u>(149,405)</u>		<u>(229,519)</u>	
Net current (liabilities)/assets			<u>(68,506)</u>		<u>98,517</u>
Total assets less current liabilities			<u>583,010</u>		<u>762,940</u>
Creditors: amounts falling due after more than one year	9		<u>(64,379)</u>		<u>(26,711)</u>
Provisions for liabilities			<u>496</u>		<u>(1,149)</u>
Net assets			<u><u>519,127</u></u>		<u><u>735,080</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>519,027</u>		<u>734,980</u>
Total equity			<u><u>519,127</u></u>		<u><u>735,080</u></u>

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

For the financial year ended 31 March 2021 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 Companies Act 2006 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 year 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.

MARK KNIGHT MUSIC LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£

The financial statements were approved and signed by the director and authorised for issue on 22 December 2021

M K Knight
Director

Company Registration No. 07192451

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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 Peter's Street, Maidstone, Kent, ME16 0NS.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

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

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

Revenue from contracts for the provision of 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 it is probable will be recovered.

Royalties, licences and other turnover is recognised based on the contractual arrangements entered into with the company, which allow them to exploit the writers'/(company's) intellectual property in return for a fee. Where the company is entitled to a fee which is not dependent upon future usage, turnover is recognised when the company has fulfilled its contractual commitments. Where the fees due to the company are dependent upon that usage, turnover is recognised based upon that usage. Where no reliable basis is available for estimating such usage, turnover is recognised when reported to the company by third parties.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.4 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.

1.5 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
Motor vehicles	25% Straight Line

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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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.

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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 and cash equivalents

Cash and cash equivalents 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 transaction 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.

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

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 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 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 in the period are included in profit or loss.

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	2	2

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	330,692
Amortisation and impairment	
At 1 April 2020 and 31 March 2021	330,692
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

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

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2020	25,938	119,064	145,002
Additions	-	3,059	3,059
At 31 March 2021	25,938	122,123	148,061
Depreciation and impairment			
At 1 April 2020	7,252	73,327	80,579
Depreciation charged in the year	1,038	14,928	15,966
At 31 March 2021	8,290	88,255	96,545
Carrying amount			
At 31 March 2021	17,648	33,868	51,516
At 31 March 2020	18,686	45,737	64,423

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5	Fixed asset investments	2021	2020
		£	£
	Other investments other than loans	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
	Movements in fixed asset investments		
			Investments other than loans £
	Cost or valuation		
	At 1 April 2020 & 31 March 2021		600,000
			<u>600,000</u>
	Carrying amount		
	At 31 March 2021		600,000
			<u>600,000</u>
	At 31 March 2020		600,000
			<u>600,000</u>
6	Financial instruments	2021	2020
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	600,000	600,000
		<u>600,000</u>	<u>600,000</u>
7	Debtors	2021	2020
		£	£
	Amounts falling due within one year:		
	Trade debtors	-	81,028
	Other debtors	74,105	222,497
		<u>74,105</u>	<u>303,525</u>
		<u>74,105</u>	<u>303,525</u>
8	Creditors: amounts falling due within one year	2021	2020
		£	£
	Bank loans	7,893	-
	Trade creditors	7,374	2,453
	Corporation tax	16,868	56,954
	Other taxation and social security	14,016	21,929
	Other creditors	103,254	148,183
		<u>149,405</u>	<u>229,519</u>
		<u>149,405</u>	<u>229,519</u>

MARK KNIGHT MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	43,158	-
Other creditors	21,221	26,711
	<u>64,379</u>	<u>26,711</u>

10 Directors' transactions

Dividends totalling £276,000 (2020 - £246,000) were paid in the year in respect of shares held by the company's directors.

Mr M. Knight

Director and 50% shareholder

As at the year end Mr M. Knight owed Mark Knight Music Ltd £65,501 (2020: £84,326) The loan is interest free and repayable on demand.

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.