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**L MARKS LIMITED**

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**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**L MARKS LIMITED**  
**REGISTERED NUMBER: 07756651**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	180,622	141,016
Tangible assets	5	33,339	40,862
		<u>213,961</u>	<u>181,878</u>
<b>Current assets</b>			
Debtors	6	421,925	382,233
Investments	7	190,704	206,704
Cash at bank and in hand		700,564	1,168,939
		<u>1,313,193</u>	<u>1,757,876</u>
Creditors: amounts falling due within one year	8	(392,367)	(651,848)
<b>Net current assets</b>		<u>920,826</u>	<u>1,106,028</u>
<b>Total assets less current liabilities</b>		<u>1,134,787</u>	<u>1,287,906</u>
Creditors: amounts falling due after more than one year	9	-	(224,550)
<b>Net assets</b>		<u><u>1,134,787</u></u>	<u><u>1,063,356</u></u>
<b>Capital and reserves</b>			
Called up share capital		125,000	125,000
Profit and loss reserves		1,009,787	938,356
		<u><u>1,134,787</u></u>	<u><u>1,063,356</u></u>

The Company's 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.

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**L MARKS LIMITED**  
**REGISTERED NUMBER: 07756651**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2022.

**S Marks**  
Director

The notes on pages 3 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**1. General information**

L Marks Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The registered office is 20 Broad Lane, Hale, Altrincham, Cheshire, WA15 0DF.

The principal activity of the Company continued to be the provision of corporate innovation services to large, particularly UK based, PLC's.

**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 Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the Group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its Group.

The following principal accounting policies have been applied:

**2.2 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 profit or loss 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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**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 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.

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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2. Accounting policies (continued)

2.7 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	20 % straight line
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**2.10 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, provided on the following annual bases:

Leasehold improvements	- over the term of the lease
Plant and machinery	- 20% 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.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.13 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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**2. Accounting policies (continued)**

**2.14 Creditors**

Short term creditors are measured at the transaction price.

**2.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

**2.16 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 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 24 (2020 - 23).

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L MARKS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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4. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 January 2021	184,373
Additions	87,050
At 31 December 2021	<u>271,423</u>
<b>Amortisation</b>	
At 1 January 2021	43,357
Charge for the year on owned assets	47,444
At 31 December 2021	<u>90,801</u>
<b>Net book value</b>	
At 31 December 2021	<u>180,622</u>
<i>At 31 December 2020</i>	<u>141,016</u>

**L MARKS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2021	27,268	72,060	99,328
Additions	-	12,247	12,247
Disposals	-	(11,849)	(11,849)
	27,268	72,458	99,726
At 31 December 2021	27,268	72,458	99,726
<b>Depreciation</b>			
At 1 January 2021	16,816	41,650	58,466
Charge for the year on owned assets	5,454	14,316	19,770
Disposals	-	(11,849)	(11,849)
	22,270	44,117	66,387
At 31 December 2021	22,270	44,117	66,387
<b>Net book value</b>			
At 31 December 2021	4,998	28,341	33,339
<i>At 31 December 2020</i>	<i>10,452</i>	<i>30,410</i>	<i>40,862</i>

**6. Debtors**

	2021 £	2020 £
Trade debtors	130,230	242,051
Amounts owed by group undertakings	65,876	5,030
Other debtors	68,306	71,806
Prepayments and accrued income	157,513	63,346
	421,925	382,233

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L MARKS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

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7. Current asset investments

	2021 £	2020 £
Unlisted investments	<u>190,704</u>	<u>206,704</u>

All current asset investments relate to convertible loan notes, shareholdings or share options in unlisted companies. All current asset investments are valued at cost less provision for impairment.

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Coronavirus Business Interruption Loan	-	24,950
Trade creditors	46,928	39,132
Corporation tax	-	11,091
Other taxation and social security	173,415	272,854
Other creditors	8,835	12,070
Accruals and deferred income	163,189	291,751
	<u>392,367</u>	<u>651,848</u>

9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Coronavirus Business Interruption Loan	<u>-</u>	<u>224,550</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

10. Loan

Analysis of the maturity of the loan is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Coronavirus Business Interruption Loan	-	24,950
<b>Amounts falling due 1-2 years</b>		
Coronavirus Business Interruption Loan	-	49,900
<b>Amounts falling due 2-5 years</b>		
Coronavirus Business Interruption Loan	-	149,700
<b>Amounts falling due after more than 5 years</b>		
Coronavirus Business Interruption Loan	-	24,950
	<u>-</u>	<u>249,500</u>

11. Pension commitments

The Company operates a defined contribution 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 £41,331 (2020 - £40,746). Contributions totalling £8,835 (2020 - £7,548) were payable at the year end.

12. Transactions with directors

During the year, the following transactions occurred with the directors:

	2021 £	2020 £
Balance brought forward	3,488	4,389
Advances	7,937	3,857
Repayments	(3,582)	(4,758)
<b>Balance carried forward</b>	<u>7,843</u>	<u>3,488</u>

13. Related party transactions

At the balance sheet date the Company was owed £65,876 (2020 - £5,030) from a subsidiary.

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**L MARKS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**14. Post balance sheet events**

Post year end and prior to the approval of the accounts, dividends of £250,000 were declared.

**15. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 27 May 2022 by Gary Leonard (Senior statutory auditor) on behalf of Barnes Roffe LLP.

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.