

# The Monarch Partnership Limited

Annual Report and Financial Statements

For the year ended 31 March 2017



# The Monarch Partnership Limited

## Company Information

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|                          |                                                                                              |
|--------------------------|----------------------------------------------------------------------------------------------|
| <b>Directors</b>         | P S Dosanjh<br>S K Dosanjh<br>A S Dosanjh                                                    |
| <b>Secretary</b>         | P S Dosanjh                                                                                  |
| <b>Company number</b>    | 04346309                                                                                     |
| <b>Registered office</b> | Monarch House<br>7/9 Stafford Road<br>Wallington<br>Surrey<br>SM6 9AN                        |
| <b>Auditors</b>          | Kingston Smith LLP<br>Betchworth House<br>57-65 Station Road<br>Redhill<br>Surrey<br>RH1 1DL |

# The Monarch Partnership Limited

## Strategic Report

For the year ended 31 March 2017

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The directors present the strategic report and financial statements for the year ended 31 March 2017.

### **Fair review of the business**

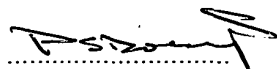
The company's aims from the previous financial year were to sustain a consistent business model. In the last year we have achieved this by diversifying from our core market sector to targeted marketing in the local authority and retail sector. This investment has led to an increase in customers from these targeted sectors and in turn propelled us to achieving a 15% increase in turnover upon the last year.

We will continue to invest heavily in our labour force and in technological advancements whilst also opening new divisions across the company to provide more services to our clients, which we hope will increase opportunities and strengthen our relationships with our existing customers.

### **Principal risks and uncertainties**

The principal risks for the company are the increase in non-commodity charges within the energy markets, meaning a decrease in importance on trading the wholesale element of end user costs. In such an environment, Monarch's ability to negotiate competitive prices may be challenged. This should be offset by Monarch's increased focus on assisting our customers on decreasing their consumption and making them more sustainable organisations. This will increase our importance and durability to our customers as we will work alongside them to achieve this goal.

On behalf of the board



P S Dosanjh

**Director**

24/11/17.....

# The Monarch Partnership Limited

## Directors' Report

For the year ended 31 March 2017

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The directors present their annual report and financial statements for the year ended 31 March 2017.

### Principal activities

The principal activity of the company continued to be that of utility cost consultants.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

P S Dosanjh  
S K Dosanjh  
A S Dosanjh

### Results and dividends

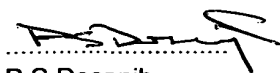
The results for the year are set out on page 6.

Ordinary dividends payable amounted to £3,570,632. The directors do not recommend payment of a final dividend.

### Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P S Dosanjh

Director

24/11/17

# The Monarch Partnership Limited

## Directors' Responsibilities Statement

For the year ended 31 March 2017

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# The Monarch Partnership Limited

## Independent Auditors' Report

### To the Members of The Monarch Partnership Limited

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We have audited the financial statements of The Monarch Partnership Limited for the year ended 31 March 2017 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# The Monarch Partnership Limited

## Independent Auditors' Report (Continued)

To the Members of The Monarch Partnership Limited

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**David Montgomery (Senior Statutory Auditor)**  
for and on behalf of Kingston Smith LLP

12 December 2017

**Chartered Accountants**  
**Statutory Auditor**

Betchworth House  
57-65 Station Road  
Redhill  
Surrey  
RH1 1DL

# The Monarch Partnership Limited

## Statement of Total Comprehensive Income

For the year Ended 31 March 2017

|                                        | Notes | 2017<br>£   | 2016<br>£   |
|----------------------------------------|-------|-------------|-------------|
| Turnover                               | 3     | 6,016,578   | 5,239,051   |
| Administrative expenses                |       | (2,722,564) | (2,554,391) |
| <b>Operating profit</b>                | 4     | 3,294,014   | 2,684,660   |
| Interest receivable and similar income | 7     | 11,686      | 16,297      |
| <b>Profit before taxation</b>          |       | 3,305,700   | 2,700,957   |
| Taxation                               | 8     | (668,437)   | (543,388)   |
| <b>Profit for the financial year</b>   |       | 2,637,263   | 2,157,569   |

The statement of total comprehensive income has been prepared on the basis that all operations are continuing operations.

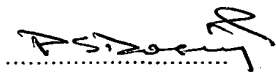
# The Monarch Partnership Limited

## Balance Sheet

As at 31 March 2017

|                                                                | Notes | 2017<br>£   | £         | 2016<br>£ | £         |
|----------------------------------------------------------------|-------|-------------|-----------|-----------|-----------|
| <b>Fixed assets</b>                                            |       |             |           |           |           |
| Tangible assets                                                | 10    |             | 40,183    |           | 71,205    |
| <b>Current assets</b>                                          |       |             |           |           |           |
| Debtors                                                        | 12    | 715,626     |           | 1,259,813 |           |
| Cash at bank and in hand                                       |       | 3,741,506   |           | 3,217,505 |           |
|                                                                |       | 4,457,132   |           | 4,477,318 |           |
| <b>Creditors: amounts falling due within one year</b>          | 13    | (1,628,315) |           | (737,425) |           |
| Net current assets                                             |       |             | 2,828,817 |           | 3,739,893 |
| <b>Total assets less current liabilities</b>                   |       |             | 2,869,000 |           | 3,811,098 |
| <b>Creditors: amounts falling due after more than one year</b> | 14    |             | (8,726)   |           | (17,455)  |
| <b>Net assets</b>                                              |       |             | 2,860,274 |           | 3,793,643 |
| <b>Capital and reserves</b>                                    |       |             |           |           |           |
| Called up share capital                                        | 17    |             | 999       |           | 999       |
| Profit and loss reserves                                       |       |             | 2,859,275 |           | 3,792,644 |
| <b>Total equity</b>                                            |       |             | 2,860,274 |           | 3,793,643 |

The financial statements were approved by the board of directors and authorised for issue on 24/11/17 and are signed on its behalf by:



P S Dosanjh  
Director

Company Registration No. 04346309

# The Monarch Partnership Limited

## Statement of Changes in Equity

For the year ended 31 March 2017

|                                                    | Notes | Share capital<br>£ | Profit and loss reserves<br>£ | Total<br>£       |
|----------------------------------------------------|-------|--------------------|-------------------------------|------------------|
| <b>Year ended 31 March 2016:</b>                   |       |                    |                               |                  |
| Balance at 1 April 2015                            |       | 999                | 5,490,849                     | 5,491,848        |
| Profit and total comprehensive income for the year |       | -                  | 2,157,569                     | 2,157,569        |
| Dividends                                          | 9     | -                  | (3,855,774)                   | (3,855,774)      |
| <b>Balance at 31 March 2016</b>                    |       | <u>999</u>         | <u>3,792,644</u>              | <u>3,793,643</u> |
| <b>Year ended 31 March 2017:</b>                   |       |                    |                               |                  |
| Profit and total comprehensive income for the year |       | -                  | 2,637,263                     | 2,637,263        |
| Dividends                                          | 9     | -                  | (3,570,632)                   | (3,570,632)      |
| <b>Balance at 31 March 2017</b>                    |       | <u>999</u>         | <u>2,859,275</u>              | <u>2,860,274</u> |

# The Monarch Partnership Limited

## Statement of Cash Flows

For the year ended 31 March 2017

|                                                             | Notes | 2017<br>£               | £     | 2016<br>£               | £      |
|-------------------------------------------------------------|-------|-------------------------|-------|-------------------------|--------|
| <b>Cash flows from operating activities</b>                 |       |                         |       |                         |        |
| Cash generated from operations                              | 21    | 3,886,239               |       | 2,016,254               |        |
| Income taxes paid                                           |       | (242,138)               |       | (711,000)               |        |
| <b>Net cash inflow from operating activities</b>            |       | <u>3,644,101</u>        |       | <u>1,305,254</u>        |        |
| <b>Investing activities</b>                                 |       |                         |       |                         |        |
| Purchase of tangible fixed assets                           |       | (2,428)                 |       | (1,936)                 |        |
| Interest received                                           |       | 11,686                  |       | 16,297                  |        |
| <b>Net cash generated from investing activities</b>         |       |                         | 9,258 |                         | 14,361 |
| <b>Financing activities</b>                                 |       |                         |       |                         |        |
| Payment of finance leases obligations                       |       | (8,726)                 |       | (25,079)                |        |
| Dividends paid                                              |       | (3,120,632)             |       | (3,855,774)             |        |
| <b>Net cash used in financing activities</b>                |       | <u>(3,129,358)</u>      |       | <u>(3,880,853)</u>      |        |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |       | 524,001                 |       | (2,561,238)             |        |
| Cash and cash equivalents at beginning of year              |       | 3,217,505               |       | 5,778,743               |        |
| <b>Cash and cash equivalents at end of year</b>             |       | <u><u>3,741,506</u></u> |       | <u><u>3,217,505</u></u> |        |

# The Monarch Partnership Limited

## Notes to the Financial Statements

For the year ended 31 March 2017

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### 1 Accounting policies

#### Company information

The Monarch Partnership Limited is a company limited by shares incorporated in England and Wales. The registered office is Monarch House, 7/9 Stafford Road, Wallington, Surrey, SM6 9AN.

#### 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.

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.

#### 1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

Where turnover represents commission from energy suppliers, the commission is recognised once the customer energy bills have been paid in accordance with the contract between the company and the energy supplier.

#### 1.3 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:

|                                |                      |
|--------------------------------|----------------------|
| Fixtures, fittings & equipment | 25% reducing balance |
| Computer equipment             | 33% 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.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.5 Financial instruments

The company only has financial instruments classified as basic and measured at amortised cost. The company has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

#### 1.6 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.

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

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### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 Retirement benefits

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

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 1 Accounting policies

(Continued)

#### 1.10 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 4 Operating profit

|                                                                                            | 2017<br>£ | 2016<br>£ |
|--------------------------------------------------------------------------------------------|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting):                        |           |           |
| Fees payable to the company's auditors for the audit of the company's financial statements | 14,500    | 14,560    |
| Depreciation of owned tangible fixed assets                                                | 8,059     | 10,827    |
| Depreciation of tangible fixed assets held under finance leases                            | 25,391    | 16,665    |
| Operating lease charges                                                                    | 304,853   | 258,116   |

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 5 Employees

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

| 2017<br>Number | 2016<br>Number |
|----------------|----------------|
| 67             | 62             |

Their aggregate remuneration comprised:

|                       | 2017<br>£        | 2016<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 1,775,642        | 1,655,785        |
| Social security costs | 178,611          | 158,302          |
| Pension costs         | 9,259            | 9,380            |
|                       | <u>1,963,512</u> | <u>1,823,467</u> |

### 6 Directors' remuneration

|                                      | 2017<br>£      | 2016<br>£      |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>233,771</u> | <u>224,377</u> |

Remuneration disclosed above include the following amounts paid to the highest paid director:

|                                      |                |                |
|--------------------------------------|----------------|----------------|
| Remuneration for qualifying services | <u>101,915</u> | <u>101,854</u> |
|--------------------------------------|----------------|----------------|

The directors are the key management personnel of the company.

### 7 Interest receivable and similar income

|                           | 2017<br>£     | 2016<br>£     |
|---------------------------|---------------|---------------|
| Interest income           |               |               |
| Interest on bank deposits | <u>11,686</u> | <u>16,297</u> |

Investment income includes the following:

|                                                                                |               |               |
|--------------------------------------------------------------------------------|---------------|---------------|
| Interest on financial assets not measured at fair value through profit or loss | <u>11,686</u> | <u>16,297</u> |
|--------------------------------------------------------------------------------|---------------|---------------|

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 8 Taxation

|                                                      | 2017<br>£ | 2016<br>£ |
|------------------------------------------------------|-----------|-----------|
| <b>Current tax</b>                                   |           |           |
| UK corporation tax on profits for the current period | 668,437   | 543,388   |

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

|                                                                                                             | 2017<br>£ | 2016<br>£ |
|-------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit before taxation                                                                                      | 3,305,700 | 2,700,957 |
| <i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)</i> | 661,140   | 540,191   |
| Tax effect of expenses that are not deductible in determining taxable profit                                | 1,356     | 3,643     |
| Depreciation add back                                                                                       | 6,690     | 5,498     |
| Capital allowances                                                                                          | (749)     | (5,944)   |
| Tax charge for the year                                                                                     | 668,437   | 543,388   |

### 9 Dividends

|                 | 2017<br>£ | 2016<br>£ |
|-----------------|-----------|-----------|
| Interim payable | 3,570,632 | 3,855,774 |
|                 | 3,570,632 | 3,855,774 |

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 10 Tangible fixed assets

|                                    | Fixtures,<br>fittings &<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|------------------------------------|-------------------------------------------|----------------------------|------------|
| <b>Cost</b>                        |                                           |                            |            |
| At 1 April 2016                    | 130,144                                   | 148,824                    | 278,968    |
| Additions                          | 184                                       | 2,244                      | 2,428      |
| At 31 March 2017                   | 130,328                                   | 151,068                    | 281,396    |
| <b>Depreciation and impairment</b> |                                           |                            |            |
| At 1 April 2016                    | 103,610                                   | 104,153                    | 207,763    |
| Depreciation charged in the year   | 6,680                                     | 26,770                     | 33,450     |
| At 31 March 2017                   | 110,290                                   | 130,923                    | 241,213    |
| <b>Carrying amount</b>             |                                           |                            |            |
| At 31 March 2017                   | 20,038                                    | 20,145                     | 40,183     |
| At 31 March 2016                   | 26,534                                    | 44,671                     | 71,205     |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £25,391 (2016 - £16,665) for the year.

|                     | 2017<br>£ | 2016<br>£ |
|---------------------|-----------|-----------|
| Plant and machinery | 17,958    | 40,956    |

### 11 Financial instruments

|                                                 | 2017<br>£ | 2016<br>£ |
|-------------------------------------------------|-----------|-----------|
| <b>Carrying amount of financial assets</b>      |           |           |
| Debt instruments measured at amortised cost     | 625,078   | 1,199,813 |
| <b>Carrying amount of financial liabilities</b> |           |           |
| Measured at amortised cost                      | 586,347   | 163,159   |

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 12 Debtors

|                                             | 2017<br>£      | 2016<br>£        |
|---------------------------------------------|----------------|------------------|
| <b>Amounts falling due within one year:</b> |                |                  |
| Trade debtors                               | 583,970        | 984,890          |
| Other debtors                               | 41,108         | 214,923          |
| Prepayments and accrued income              | 90,548         | 60,000           |
|                                             | <u>715,626</u> | <u>1,259,813</u> |

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

|                                    | Notes | 2017<br>£        | 2016<br>£      |
|------------------------------------|-------|------------------|----------------|
| Obligations under finance leases   | 15    | 8,727            | 8,724          |
| Trade creditors                    |       | 79,873           | 102,311        |
| Corporation tax                    |       | 620,418          | 194,119        |
| Other taxation and social security |       | 430,276          | 397,602        |
| Other creditors                    |       | 454,648          | 11,607         |
| Accruals and deferred income       |       | 34,373           | 23,062         |
|                                    |       | <u>1,628,315</u> | <u>737,425</u> |

### 14 Creditors: amounts falling due after more than one year

|                                  | Notes | 2017<br>£    | 2016<br>£     |
|----------------------------------|-------|--------------|---------------|
| Obligations under finance leases | 15    | 8,726        | 17,455        |
|                                  |       | <u>8,726</u> | <u>17,455</u> |

### 15 Finance lease obligations

|                                                                | 2017<br>£     | 2016<br>£     |
|----------------------------------------------------------------|---------------|---------------|
| <b>Future minimum lease payments due under finance leases:</b> |               |               |
| Within one year                                                | 8,727         | 8,724         |
| In two to five years                                           | 8,726         | 17,455        |
|                                                                | <u>17,453</u> | <u>26,179</u> |

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 16 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £9,259 (2016 - £9,380).

### 17 Share capital

|                                | 2017<br>£ | 2016<br>£ |
|--------------------------------|-----------|-----------|
| <b>Issued and fully paid</b>   |           |           |
| 999 Ordinary shares of £1 each | 999       | 999       |

### 18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2017<br>£     | 2016<br>£     |
|----------------------------|---------------|---------------|
| Within one year            | 13,348        | 11,190        |
| Between two and five years | 23,505        | -             |
|                            | <u>36,853</u> | <u>11,190</u> |

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

|                        | 2017<br>£      | 2016<br>£      |
|------------------------|----------------|----------------|
| Aggregate compensation | <u>233,771</u> | <u>224,377</u> |

# The Monarch Partnership Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2017

### 19 Related party transactions

(Continued)

The company is a wholly owned subsidiary of Majestic Securities Limited and has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with Majestic Securities Limited or other wholly owned subsidiaries within the group.

Included within other debtors is an amount of £6,317 (2016: £11,866) owed by Monarch Estates, a Partnership in which the directors are the Partners. During the year, rent of £285,000 (2016: £240,000) was payable to Monarch Estates on an open market basis.

Included within other debtors is an amount of £4,839 (2016: £3,720) owed by P S Dosanjh.

Included within other creditors is an amount of £150,000 (2016: £nil) owed to A S Dosanjh.

Included within other creditors at year end are balances owed to K Aujla and R Sandhu, shareholders in Majestic Securities Limited, of £150,000 (2016: £nil) each.

### 20 Parent company

The company is a wholly owned subsidiary of Majestic Securities Limited, a company registered in England and Wales. The largest and smallest group in which the results of the company is consolidated is that headed by Majestic Securities Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### 21 Cash generated from operations

|                                                      | 2017<br>£        | 2016<br>£        |
|------------------------------------------------------|------------------|------------------|
| Profit for the year after tax                        | 2,637,263        | 2,157,569        |
| <b>Adjustments for:</b>                              |                  |                  |
| Taxation charged                                     | 668,437          | 543,388          |
| Investment income                                    | (11,686)         | (16,297)         |
| Operating profit                                     | (3,294,014)      | (2,684,660)      |
| Depreciation and impairment of tangible fixed assets | 33,450           | 27,492           |
| <b>Movements in working capital:</b>                 |                  |                  |
| Decrease/(increase) in debtors                       | 544,187          | (932,037)        |
| Increase in creditors                                | 14,588           | 236,139          |
| <b>Cash generated from operations</b>                | <b>3,886,239</b> | <b>2,016,254</b> |