

The Monarch Partnership Limited

Financial Statements

For Filing with Registrar

For the year ended 31 March 2020

Company Registration No. 04346309 (England and Wales)

The Monarch Partnership Limited

Company Information

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

The Monarch Partnership Limited

Balance Sheet

As at 31 March 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		22,319		19,636
Current assets					
Debtors	6	3,219,649		2,075,937	
Cash at bank and in hand		2,357,564		2,062,823	
		5,577,213		4,138,760	
Creditors: amounts falling due within one year	7	(865,156)		(1,265,309)	
Net current assets			4,712,057		2,873,451
Total assets less current liabilities			4,734,376		2,893,087
Capital and reserves					
Called up share capital	8		999		999
Profit and loss reserves			4,733,377		2,892,088
Total equity			4,734,376		2,893,087

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

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 by the board of directors and authorised for issue on 31 March 2021 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 2020

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
As restated for the period ended 31 March 2019:				
Balance at 1 April 2018				
As originally stated		999	1,954,625	1,955,624
Prior year adjustment		-	24,300	24,300
Balance at 1 April 2018 as restated		999	1,978,925	1,979,924
Year ended 31 March 2019:				
Profit and total comprehensive income for the year as restated		-	2,794,882	2,794,882
Dividends	4	-	(1,881,719)	(1,881,719)
Balance at 31 March 2019		999	2,892,088	2,893,087
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	2,198,289	2,198,289
Dividends	4	-	(357,000)	(357,000)
Balance at 31 March 2020		999	4,733,377	4,734,376

The Monarch Partnership Limited

Notes to the Financial Statements

For the year ended 31 March 2020

1 Accounting policies

Company information

The Monarch Partnership Limited is a private 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 Section 1A of 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.

1.2 Going concern

The directors have considered the impact of the COVID-19 pandemic, and the measures taken to contain it, on the company. Government lockdowns have had an impact turnover due to business closures and a reduction in energy usage. The directors recognise the uncertain timescale for a full recovery due to the impact of COVID – 19 and have taken advantage of the government furlough scheme, for members of staff who were impacted by the government lockdowns and who could no longer practically carry out their work. The majority of these individuals remain in the business. The company has also been successful in utilising various government support schemes post year end in order to strengthen the cashflow position as much as possible. The company has maintained its strong relationships in the industry and continues to win new contracts. The company is trading profitably post year end and generating cash from operations. At the time of approving the financial statements, the directors are confident that the company has adequate resources to successfully continue to operate for at least the next 12 months from the date of approval of the financial statements and for the foreseeable future beyond. Consequently, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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.

1.4 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.

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

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.

1.6 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.

1.7 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.

1.8 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.

1.9 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.

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

1 Accounting policies

(Continued)

1.10 Retirement benefits

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

1.11 Leases

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.

1.12 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.

2 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	13,250	14,500

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 76 (2019 - 68).

4 Dividends

	2020	2019
	£	£
Interim paid	357,000	1,881,719

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2019	290,187
Additions	10,692
At 31 March 2020	300,879
Depreciation and impairment	
At 1 April 2019	270,551
Depreciation charged in the year	8,009
At 31 March 2020	278,560
Carrying amount	
At 31 March 2020	22,319
At 31 March 2019	19,636

6 Debtors

	2020 £	2019 as restated £
Amounts falling due within one year:		
Trade debtors	527,802	835,654
Amounts due from group undertakings	774,309	4,547
Other debtors	1,917,538	1,235,736
	3,219,649	2,075,937

7 Creditors: amounts falling due within one year

	2020 £	2019 as restated £
Trade creditors	155,485	91,374
Amounts due to group undertakings	10,243	2,502
Corporation tax	257,919	719,726
Other taxation and social security	399,444	401,225
Other creditors	42,065	50,482
	865,156	1,265,309

Included within other creditors are pension contributions of £7,707 (2019: £4,687).

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

8 Called up share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
999 Ordinary shares of £1 each	999	999
	<u>999</u>	<u>999</u>
	<u>999</u>	<u>999</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was David Montgomery.

The auditor was Moore Kingston Smith LLP.

10 Operating lease commitments

Lessee

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

2020 £	2019 £
47,660	31,911
<u>47,660</u>	<u>31,911</u>

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

11 Related party transactions

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 debtors at the year end is a balance of £5,074 (2019: £4,408) owed by ESS (Utility Consultants) Limited, a subsidiary of Majestic Securities Limited. The company charged consultancy fees in respect of the year of £291,496 (2019: £189,492 as restated) to ESS (Utility Consultants) Limited. The amount in accrued income at the year end in respect of these fees was £460,000 (2019: £180,000 as restated).

Included within other debtors is an amount of £212,301 (2019: £7,026) owed by Monarch Estates, a Partnership in which the directors are the Partners. During the year, rent of £240,000 (2019: £240,000) was payable to Monarch Estates on an open market basis.

Included within other debtors is an amount of £10,000 (2019: £10,000) owed by Monarch Estates LLP, a Limited Liability Partnership in which the directors are Partners.

Included within other debtors is an amount of £282,321 (2019: £270,500) owed by Regal Marketing Solutions Limited, a company controlled by P S Dosanjh.

Included within other debtors is an amount of £145,152 (2019: £69,803) due by Sovereign Equity Holdings Limited, a company controlled by P S Dosanjh.

Included within other debtors is an amount of £644,918 (2019: £644,500) owed by Spark Properties Limited, a company controlled by P S Dosanjh.

Included within other debtors is an amount of £311 (2019: £nil) owed by The Dosanjh Foundation Limited, a company controlled by P S Dosanjh.

Included within other debtors is an amount of £139 (2019: £nil) owed by Chipstead Clubhouse Limited, a company controlled by P S Dosanjh.

Included within other debtors is an amount of £112 (2019: £nil) owed by PSA3 Limited, a company controlled by the directors.

Included within other creditors is an amount of £656 (2019: £nil) owed to Spark Property Assets LLP, a Limited Liability Partnership in which the directors are Partners.

12 Events after the reporting date

The company entered into a debenture charge on the 13 August 2020 with Barclays Bank PLC, who now hold a fixed and floating charge over the assets of the company and two other group companies, in respect of bank borrowings by any of the three companies.

13 Parent company

The company is a wholly owned subsidiary of Majestic Securities Limited, a company registered in England and Wales. The company registered office is 7-9 Stafford Road, Wallington, Surrey, SM6 9AN. The largest and smallest group in which the results of the company are 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.

The Monarch Partnership Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2020

14 Prior period adjustment

During the course of preparing the statutory financial statements for the year ended 31 March 2020, information became available in respect of consultancy fees due by a group company, ESS (Utility Consultants) Limited, relating to the years ended 31 March 2018 and 2019 that was not available at the time the financial statements for these years were prepared.

This restatement has affected the comparative figures in the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes 6, 7 and 10 of these financial statements.

Changes to the balance sheet

	At 31 March 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Current assets			
Debtors due within one year	1,895,937	180,000	2,075,937
Creditors due within one year			
Corporation tax	(685,526)	(34,200)	(719,726)
	<u> </u>	<u> </u>	<u> </u>
Net assets	2,747,287	145,800	2,893,087
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	2,746,288	145,800	2,892,088
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 March 2019		
	As previously reported	Adjustment	As restated
	£	£	£
Turnover	6,125,863	150,000	6,275,863
Taxation	(596,992)	(28,500)	(625,492)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	2,673,382	121,500	2,794,882
	<u> </u>	<u> </u>	<u> </u>

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.