

MMRIT Limited

Registered number: 02306661

Directors' report and unaudited financial statements

For the year ended 31 March 2022

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MMRIT LIMITED

COMPANY INFORMATION

Directors	R Bradley G Georgiou D J Lekerman
Registered number	02306661
Registered office	Waverley House 4th Floor 7-12 Noel Street London Westminster W1F 8GQ
Accountants	Mazars LLP Chartered Accountants 30 Old Bailey London EC4M 7AU

MMRIT LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Accountants' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Notes to the Financial Statements	7 - 15

MMRIT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the unaudited financial statements for the year ended 31 March 2022.

Principal activity

The principal activity of the Company during the year continued to be that of provision of IT services.

Results and dividends

The profit for the year, after taxation, amounted to £2,067,594 (2021: £356,560).

The directors recommend the payment of a dividend of £nil for the year (2021: £nil).

Directors

The directors who served during the year and to the date of the report were:

R Bradley
G Georgiou
D J Lekerman

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 to 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.

Impact of Russian Forces entering Ukraine on the business

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The directors continue to monitor the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties. There is no current impact on the business, longer term impacts are uncertain.

MMRIT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Economic impact of the COVID-19 pandemic

The COVID-19 pandemic continues to affect the UK and global economies however the lifting of social restrictions by the government means the directors anticipate the UK and global economies to return to growth in due course. It is not possible to predict how quickly and to what degree this may happen. The priorities of the directors remain to comply with any remaining regulatory requirements to the fullest extent possible, and to maintain the safety and well-being of the Company's personnel.

Going concern

The directors have considered the Company's ability to meet its liabilities as they fall due for the foreseeable future, in conjunction with the shareholder loan and other facilities available.

The Company has net current assets and is cash generative on an operating basis and the detailed forecasts prepared by the directors confirm that it is expected to remain so over the forthcoming years.

Following the fundraising on 3 March 2021 and the subsequent fundraising on 30 September 2022, the group has sufficient cash headroom to support its projected growth and, together with ongoing discussions with the group's external backers to fund future acquisitions, the directors are confident that obligations can be met as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

Post balance sheet events

Kocho SA (Pty) Ltd, a 100% subsidiary of Kocho Group Holdings Limited, was incorporated in South Africa on 17 October 2022.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:


D J Lekerman.Dor 22/12/2022 14:47 GMT

D J Lekerman
Director

Date: 22/12/2022

MMRIT LIMITED

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF
THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF MMRIT LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

In accordance with our engagement letter and in order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of the Company for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given to us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/members/regulations-standards-and-guidance/.

Respective responsibilities of directors and accountants

You have acknowledged on the balance sheet for the year ended 31 March 2022 your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the Company's assets, liabilities, financial position and profit. You consider that the Company is exempt from the statutory requirement for an audit for the year.

This report is made solely to the Board of Directors of MMRIT Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the financial statements of the Company and state those matters that we have agreed to state to the Board of Directors, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept nor assume responsibility to anyone other than the Company and its Board of Directors, as a body, for our work or for this report.

We have not been instructed to carry out an audit or review of the financial statements of MMRIT Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Mazars LLP

Chartered Accountants

30 Old Bailey
London
EC4M 7AU

Date: 22/12/22

MMRIT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Turnover	6,070,127	6,037,494
Cost of sales	(3,518,559)	(4,282,488)
Gross profit	2,551,568	1,755,006
Administrative expenses	(489,012)	(1,421,063)
Other operating income	-	24,480
Operating profit	2,062,556	358,423
Interest receivable and similar income	116	148
Profit before tax	2,062,672	358,571
Tax on profit	4,922	(2,011)
Profit for the financial year	2,067,594	356,560
Other comprehensive income	-	-
Total comprehensive income for the year	2,067,594	356,560

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The notes on pages 7 to 15 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note		2022 £	2021 £
Fixed assets				
Tangible assets	4		674	5,534
			<u>674</u>	<u>5,534</u>
Current assets				
Debtors: amounts falling due within one year	5	4,030,675	2,679,516	
Cash and cash equivalents		999,539	1,029,005	
		<u>5,030,214</u>	<u>3,708,521</u>	
Creditors: amounts falling due within one year	6	(1,181,950)	(1,932,711)	
Net current assets			<u>3,848,264</u>	<u>1,775,810</u>
Total assets less current liabilities			<u>3,848,938</u>	<u>1,781,344</u>
Net assets			<u>3,848,938</u>	<u>1,781,344</u>
Capital and reserves				
Called up share capital	8		10,000	10,000
Profit and loss account			3,838,938	1,771,344
Total equity			<u>3,848,938</u>	<u>1,781,344</u>

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The 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 were approved and authorised for issue by the board and were signed on its behalf by:

D J Lekerman
 (D J Lekerman, Dec 22, 2022 14:47 GMT+)

D J Lekerman
 Director

Date: 22/12/2022

The notes on pages 7 to 15 form part of these financial statements.

MMRIT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	10,000	1,414,784	1,424,784
Comprehensive income for the year			
Profit for the year	-	356,560	356,560
Total comprehensive income for the year	-	356,560	356,560
Total transactions with owners	-	-	-
At 1 April 2021	10,000	1,771,344	1,781,344
Comprehensive income for the year			
Profit for the year	-	2,067,594	2,067,594
Total comprehensive income for the year	-	2,067,594	2,067,594
Total transactions with owners	-	-	-
At 31 March 2022	10,000	3,838,938	3,848,938

The notes on pages 7 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. General information

MMRIT Limited is a private company limited by shares, incorporated and registered in England and Wales. The address of the registered office of the Company is Waverley House, 4th Floor, 7-12 Noel Street, London, Westminster, England, W1F 8GQ.

The principal activity of the Company during the year continued to be that of provision of IT services.

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 financial statements have been presented in Pounds Sterling and are rounded to the nearest pound as this is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the Company's ability to meet its liabilities as they fall due for the foreseeable future, in conjunction with the shareholder loan and other facilities available.

The Company has net current assets and is cash generative on an operating basis and the detailed forecasts prepared by the directors confirm that it is expected to remain so over the forthcoming years.

Following the fundraising on 3 March 2021 and the subsequent fundraising on 30 September 2022, the group has sufficient cash headroom to support its projected growth and, together with ongoing discussions with the group's external backers to fund future acquisitions, the directors are confident that obligations can be met as they fall due. Therefore, the financial statements have been prepared on a going concern basis.

2.3 Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays.

The Company has taken advantage of the Coronavirus Job Retention Scheme (CJRS). This has been accounted for as a government grant under the accruals model as permitted by FRS 102. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received. Grants relating to expenditure on wages and salaries are credited to 'other operating income' within the Statement of Comprehensive Income.

2.5 Interest receivable and similar income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income 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 reporting 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 reporting 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 reporting date.

2.8 Tangible 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.

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25%
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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 the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.9 Debtors: amounts falling due within one year

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.12 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 and loans to related parties.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MMRIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. Employees

The average monthly number of employees, including the directors, during the year was 3 (2021: 32).

Management recharges from another group company was charged for the cost of employees who work directly for the Company during the current year.

4. Tangible assets

	Fixtures and fittings £
Cost	
At 1 April 2021	54,648
Additions	765
At 31 March 2022	<u>55,413</u>
Depreciation	
At 1 April 2021	49,114
Charge for the year	5,625
At 31 March 2022	<u>54,739</u>
Net book value	
At 31 March 2022	<u><u>674</u></u>
At 31 March 2021	<u><u>5,534</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade debtors	1,272,773	1,471,534
Amounts owed by group undertakings	2,466,412	794,295
Other debtors	98	19,607
Prepayments and accrued income	284,269	391,879
Deferred taxation	7,123	2,201
	<u>4,030,675</u>	<u>2,679,516</u>

Amounts owed by group undertakings includes loans which are unsecured, interest-free and have no fixed repayment date.

6. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	141,936	208,061
Amounts owed to group undertakings	49,361	170,833
Corporation tax	-	10,344
Other taxation and social security	96,981	572,764
Other creditors	444	12,200
Accruals and deferred income	893,228	958,509
	<u>1,181,950</u>	<u>1,932,711</u>

Amounts owed to group undertakings includes loans which are unsecured, interest-free and have no fixed repayment date.

Santander UK plc holds a fixed and floating charge covering all the property or undertaking of the Company. The charge also contains a negative pledge.

MMRIT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Deferred taxation

	2022 £	2021 £
At beginning of year	2,201	16,844
Charged to the Statement of Comprehensive Income	4,922	(14,643)
At end of year	<u>7,123</u>	<u>2,201</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	930	(33)
Other timing differences	6,193	2,234
	<u>7,123</u>	<u>2,201</u>

8. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10,000 (2021: 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

All classes of ordinary shares entitle each holder to one voting right and no right to fixed income.

9. Pension commitments

The Company operates a defined contribution pension plan for its employees. The assets of the scheme are held separately from those of the Company in an independent administered fund. Contributions amounting to £nil (2021: £11,756) were payable at the balance sheet date and are included within creditors.

10. Related party transactions

The Company is a wholly owned member of TIGL Holdings Limited and as such has taken advantage of the exemption permitted by section 33 Related party disclosure, not to provide disclosures of transactions entered into with other wholly owned members of the group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Post balance sheet events

Kocho SA (Pty) Ltd, a 100% subsidiary of Kocho Group Holdings Limited, was incorporated in South Africa on 17 October 2022.

12. Controlling party

The immediate parent company is Managing Maintenance Resources Holdings Limited.

The ultimate controlling party is Challenger 55 Limited following the group restructuring in March 2021.

The TIGL Holdings Limited group is both the smallest and the largest group into which the Company's financial statements are consolidated. Copies of the group financial statements for the ultimate parent undertaking may be obtained from Waverley House 4th Floor, 7-12 Noel Street, London, Westminster, England, W1F 8GQ.