

# City & Merchant Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Company Registration No. 02723832 (England and Wales)

# City & Merchant Limited

## Company Information

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | T.H.G. Lyle<br>D.K. Papworth   |
| <b>Secretary</b>         | D.K. Papworth  |
| <b>Company number</b>    | 02723832   |
| <b>Registered office</b> | Level 17<br>Dashwood House<br>69 Old Broad Street<br>London<br>EC2M 1QS        |
| <b>Auditors</b>          | Moore Kingston Smith LLP<br>6th Floor<br>9 Appold Street<br>London<br>EC2A 2AP |

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# City & Merchant Limited

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# City & Merchant Limited

## Strategic Report

For the year ended 31 March 2022

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The directors present the strategic report for the year ended 31 March 2022.

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

The profit and loss account is set out on page 8 and shows a profit of £1,135 (2021: £252 loss) for the year. These results do not include any material contribution from fund management or trading activities.

### **Principal risks and uncertainties**

The company's objectives, policies and strategies for the management and control of the financial risks to which the company is exposed in its activities are set out below.

- Treasury policies: the treasury position of the company is reviewed on a weekly basis by the executive directors.

Procedures are in place to monitor cash flow requirements and manage surplus funds. Policies are set out by the Board and any changes subject to their approval.

- Financial risk: the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk is monitored by the executive directors on a daily basis and is reviewed by the Board of directors of the parent company on a monthly basis.

In general, the company's income is derived from funds which it manages and from which income flows are predictable, from commissions earned on IPO's for which flows are not predictable, and from corporate finance transactions which are not predictable from the point of view of when they may arise.

On behalf of the board

.....  
T.H.G. Lyle  
**Director**  
.....

# City & Merchant Limited

## Directors' Report

For the year ended 31 March 2022

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

### Principal activities

The principal activity of the company continued to be that of the provision of corporate advisory services. The company is authorised and regulated by the Financial Conduct Authority (FCA) and its permissions cover trading, fund management and pre-IPO new issues of shares.

### Results and dividends

No dividends have been paid or proposed for the year.

### Directors

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

T.H.G. Lyle  
D.K. Papworth

### Auditor

The auditor, Moore Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# City & Merchant Limited

## Directors' Report (Continued)

For the year ended 31 March 2022

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### **Statement of disclosure to auditor**

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 auditor is 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 auditor is aware of that information.

On behalf of the board

T.H.G. Lyle  
**Director**

16 December 2022

# City & Merchant Limited

## Independent Auditor's Report

To the Members of City & Merchant Limited

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### Opinion

We have audited the financial statements of City & Merchant Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# City & Merchant Limited

## Independent Auditor's Report (Continued)

To the Members of City & Merchant Limited

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



# City & Merchant Limited

## Independent Auditor's Report (Continued)

To the Members of City & Merchant Limited

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# City & Merchant Limited

## Independent Auditor's Report (Continued)

To the Members of City & Merchant Limited

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### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

### **Use of our report**

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 auditor's 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.

**Matthew Meadows (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

20 December 2022

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

6th Floor  
9 Appold Street  
London  
EC2A 2AP

## City & Merchant Limited

### Statement of Comprehensive Income

For the year ended 31 March 2022

|   | Notes    | 2022<br>£ | 2021<br>£ |
|---|----------|-----------|-----------|
| <b>Turnover</b>                             | <b>3</b> | 110,806   | 232,094   |
| Cost of sales                               |          | (24,316)  | (79,876)  |
| <b>Gross profit</b>                         |          | 86,490    | 152,218   |
| Administrative expenses                     |          | (84,740)  | (152,470) |
| <b>Profit/(loss) before taxation</b>        |          | 1,750     | (252)     |
| Tax on profit/(loss)                        | <b>5</b> | (356)     | -         |
| <b>Profit/(loss) for the financial year</b> |          | 1,394     | (252)     |

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

# City & Merchant Limited

## Balance Sheet

As at 31 March 2022

|   | Notes | 2022<br>£       | £             | 2021<br>£       | £             |
|---|-------|-----------------|---------------|-----------------|---------------|
| <b>Current assets</b>                                 |       |                 |               |                 |               |
| Debtors   | 6     | 100,667         |               | 60,006          |               |
| Cash at bank and in hand                              |       | 3,874           |               | 16,679          |               |
|   |       | <u>104,541</u>  |               | <u>76,685</u>   |               |
| <b>Creditors: amounts falling due within one year</b> | 7     | <u>(24,386)</u> |               | <u>(22,924)</u> |               |
| <b>Net current assets</b>                             |       |                 | 80,155        |                 | 53,761        |
| <b>Capital and reserves</b>                           |       |                 |               |                 |               |
| Called up share capital                               | 8     | 40,000          |               | 15,000          |               |
| Profit and loss reserves                              |       | 40,155          |               | 38,761          |               |
| <b>Total equity</b>                                   |       |                 | <u>80,155</u> |                 | <u>53,761</u> |

The financial statements were approved by the board of directors and authorised for issue on 16 December 2022 and are signed on its behalf by:

T.H.G. Lyle  
Director

Company Registration No. 02723832

# City & Merchant Limited

## Statement of Changes in Equity

For the year ended 31 March 2022

|  |       | Share capital | Profit and<br>loss reserves | Total  |
|--|-------|---------------|-----------------------------|--------|
|  | Notes | £             | £                           | £      |
| <b>Balance at 1 April 2020</b>                     |       | 15,000        | 39,013                      | 54,013 |
| <b>Year ended 31 March 2021:</b>                   |       |               |                             |        |
| Loss and total comprehensive income for the year   |       | -             | (252)                       | (252)  |
| <b>Balance at 31 March 2021</b>                    |       | 15,000        | 38,761                      | 53,761 |
| <b>Year ended 31 March 2022:</b>                   |       |               |                             |        |
| Profit and total comprehensive income for the year |       | -             | 1,394                       | 1,394  |
| Issue of share capital                             | 8     | 25,000        | -                           | 25,000 |
| <b>Balance at 31 March 2022</b>                    |       | 40,000        | 40,155                      | 80,155 |

# City & Merchant Limited

## Statement of Cash Flows

For the year ended 31 March 2022

|   | Notes | 2022<br>£ | £        | 2021<br>£ | £      |
|---|-------|-----------|----------|-----------|--------|
| <b>Cash flows from operating activities</b>                   |       |           |          |           |        |
| Cash (absorbed by)/generated from operations                  | 13    |           | (37,805) |           | 9,385  |
| <b>Net cash used in investing activities</b>                  |       |           | -        |           | -      |
| <b>Financing activities</b>                                   |       |           |          |           |        |
| Proceeds from issue of shares                                 |       | 25,000    |          | -         |        |
| <b>Net cash generated from/(used in) financing activities</b> |       |           | 25,000   |           | -      |
| <b>Net (decrease)/increase in cash and cash equivalents</b>   |       |           | (12,805) |           | 9,385  |
| Cash and cash equivalents at beginning of year                |       |           | 16,679   |           | 7,294  |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 3,874    |           | 16,679 |

# City & Merchant Limited

## Notes to the Financial Statements

For the year ended 31 March 2022

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### 1 Accounting policies

#### **Company information**

City & Merchant Limited is a private company limited by shares incorporated in England and Wales. The registered office is Level 17, Dashwood House, 69 Old Broad Street, London, England, EC2M 1QS.

#### **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 £.

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

#### **1.2 Going concern**

The company made a profit for the year of £1,394 (2021: £252 loss) which included significant billings to related parties as set out in note 12. At the balance sheet date the company has net current assets of £80,155 (2021: £53,761). The directors have prepared detailed income and expenditure forecasts based on current customers and suppliers and the forecasts show the company will generate sufficient cash revenues from monthly retainers to meet its current operating requirements. In addition, the directors expect to receive other one-off fees. The operating requirements exclude payment to directors for their services which will only be paid if one-off revenues allow. The financial statements are prepared on a going concern basis. The directors believe this is appropriate as the company generated a profit for the year and at the balance sheet date had net asset in excess of the £50,000 required by its FCA permissions. The directors believe the company can continue to meet its liabilities as they fall due and will maintain the levels of capital required by the FCA.

#### **1.3 Turnover**

Turnover represents amounts receivable for the provision of corporate advisory services net of VAT. Turnover is recognised at the point when the service has been provided.

#### **1.4 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

#### **1.5 Financial instruments**

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

#### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# City & Merchant Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **1.6 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.7 Taxation**

The tax expense represents the sum of the tax currently payable.

#### **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**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.



# City & Merchant Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 1 Accounting policies

(Continued)

#### 1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 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

All amounts classified as turnover are receivable for services wholly carried out in the United Kingdom.

### 4 Employees

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

|  | 2022<br>Number | 2021<br>Number |
|--|----------------|----------------|
|  | 2              | 2              |
|  | ==             | ==             |
| 5 Taxation   |                |                |
|  | 2022           | 2021           |
|  | £              | £              |
| Current tax  |                |                |
| UK corporation tax on profits for the current period | 356            | -              |
|  | ==             | ==             |

# City & Merchant Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 5 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| Profit/(loss) before taxation  | 1,750     | (252)     |
| <i>Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i> | 333       | (48)      |
| Tax effect of expenses that are not deductible in determining taxable profit   | 71        | -         |
| Tax effect of utilisation of tax losses not previously recognised  | (48)      | -         |
| Unutilised tax losses carried forward  | -         | 48        |
| Taxation charge for the year   | 356       | -         |

### 6 Debtors

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| <b>Amounts falling due within one year:</b> |           |           |
| Trade debtors                               | 90        | 466       |
| Amounts due from connected companies        | 78,509    | 34,583    |
| Other debtors                               | 11,525    | 10,410    |
| Prepayments and accrued income              | 10,543    | 14,547    |
|   | 100,667   | 60,006    |

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

|                                    | 2022<br>£ | 2021<br>£ |
|------------------------------------|-----------|-----------|
| Trade creditors                    | 15,730    | 11,497    |
| Corporation tax                    | 356       | -         |
| Other taxation and social security | -         | 952       |
| Other creditors                    | 300       | 300       |
| Accruals and deferred income       | 8,000     | 10,175    |
|                                    | 24,386    | 22,924    |

# City & Merchant Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

### 8 Share capital

|   | 2022<br>Number    | 2021<br>Number    | 2022<br>£         | 2021<br>£         |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                   |                   |                   |                   |
| Ordinary shares of £1 each                              | 40,000            | 15,000            | 40,000            | 15,000            |
|   | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

During the year, 25,000 ordinary shares were allotted and fully paid at par value of £1.

### 9 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:

|                 | 2022<br>£         | 2021<br>£         |
|-----------------|-------------------|-------------------|
| Within one year | 3,516             | 5,208             |
|                 | <u>          </u> | <u>          </u> |

### 10 Related party transactions

#### Transactions with related parties

Broad Street Brands Limited shares common directors with City & Merchant Limited and is related due to the significant influence that the directors have over Broad Street Brands Limited. During the year City & Merchant Limited made sales of £6,535 (2021: £12,713) to Broad Street Brands Limited. There were no balances due at the balance sheet date in either the current or comparative year.

The profit and loss account also includes management charges from City & Merchant (CI) Limited, a company under common control, of £nil (2021: £16,250). No balance is due at the year end (2021: £nil).

Kingswood Asset Management (CI) Limited is the parent company of City & Merchant Limited. At the balance sheet date, £78,250 (2021: £34,583) was owed to City & Merchant Limited.

### 11 Ultimate controlling party

The company is a wholly owned subsidiary of Kingswood Asset Management (CI) Limited, a company registered in the Channel Islands. T.H.G. Lyle is considered to be the ultimate controlling party of the company by virtue of his majority shareholding in Kingswood Asset Management (CI) Limited.

### 12 Analysis of changes in net funds

|                          | 1 April 2021      | Cash flows 31 March 2022 |                   |
|--------------------------|-------------------|--------------------------|-------------------|
|                          | £                 | £                        | £                 |
| Cash at bank and in hand | 16,679            | (12,805)                 | 3,874             |
|                          | <u>          </u> | <u>          </u>        | <u>          </u> |

## City & Merchant Limited

### Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

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#### 13 Cash (absorbed by)/generated from operations

|   | 2022<br>£       | 2021<br>£    |
|---|-----------------|--------------|
| Profit/(loss) for the year after tax                | 1,394           | (252)        |
| <b>Adjustments for:</b>                             |                 |              |
| Taxation charged                                    | 356             | -            |
| <b>Movements in working capital:</b>                |                 |              |
| (Increase)/decrease in debtors                      | (40,661)        | 17,578       |
| Increase/(decrease) in creditors                    | 1,106           | (7,941)      |
| <b>Cash (absorbed by)/generated from operations</b> | <b>(37,805)</b> | <b>9,385</b> |

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