

Company Registration No. 3601372 (England and Wales)

**CHURCHILL KNIGHT AND ASSOCIATES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**  
**PAGES FOR FILING WITH REGISTRAR**

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

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# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	4		23,702		16,489
<b>Current assets</b>					
Debtors	5	389,318		460,818	
Cash at bank and in hand		333,619		941,764	
		<u>722,937</u>		<u>1,402,582</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(620,093)</u>		<u>(1,083,536)</u>	
<b>Net current assets</b>			102,844		319,046
<b>Total assets less current liabilities</b>			<u>126,546</u>		<u>335,535</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(18,911)		-
<b>Provisions for liabilities</b>			<u>(2,385)</u>		<u>(550)</u>
<b>Net assets</b>			<u>105,250</u>		<u>334,985</u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves			<u>105,150</u>		<u>334,885</u>
<b>Total equity</b>			<u>105,250</u>		<u>334,985</u>

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 27 January 2023 and are signed on its behalf by:

Mr T Edwards  
Director

Company Registration No. 3601372

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2022

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#### 1 Accounting policies

##### Company information

Churchill Knight and Associates Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite G, Hollies House, 230 High Street, Potters Bar, Herefordshire, EN6 5BL.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements of the company are consolidated in the financial statements of Darbayne Group Limited. These consolidated financial statements are available from its registered office Suite G, Hollies House, 230 High Street, Potters Bar, Herefordshire, EN6 5BL.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

#### 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:

Freehold land and buildings	20% on cost
Furniture, Fixtures and fittings	20% on cost
Office equipment and Computer equipment	33.33% on cost

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 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents 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.

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

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### 1 Accounting policies

(Continued)

#### 1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **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.

##### **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.

#### 1.7 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.

#### 1.8 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.

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 1 Accounting policies

(Continued)

#### *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.

#### 1.10 Retirement benefits

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

#### 1.11 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 profit or loss 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 profit or loss 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 leases 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 1 Accounting policies

(Continued)

#### 1.13 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 Employees

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

	2022 Number	2021 Number
Total	45	55

### 4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 February 2021	1,070	717,852	718,922
Additions	-	28,714	28,714
At 31 January 2022	1,070	746,566	747,636
<b>Depreciation and impairment</b>			
At 1 February 2021	1,070	701,363	702,433
Depreciation charged in the year	-	21,501	21,501
At 31 January 2022	1,070	722,864	723,934
<b>Carrying amount</b>			
At 31 January 2022	-	23,702	23,702
At 31 January 2021	-	16,489	16,489

# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

**5 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	204,970	287,010
Other debtors	184,348	173,808
	<u>389,318</u>	<u>460,818</u>

**6 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Bank loans	-	5,940
Trade creditors	126,584	35,600
Corporation tax	36,807	48,823
Other taxation and social security	57,285	81,794
Other creditors	399,417	911,379
	<u>620,093</u>	<u>1,083,536</u>

The aggregate amount of creditors for which security is provided amounted to £nil (2021 - £5,940). Amounts due under hire purchase contracts are secured against the asset to which they relate.

**7 Creditors: amounts falling due after more than one year**

	2022	2021
	£	£
Other creditors	18,911	-
	<u>18,911</u>	<u>-</u>

**8 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.

**Emphasis of matter**

We draw attention to note 8 of the financial statements, which describes an ongoing HMRC enquiry which may lead to a possible liability. Our opinion is not modified in this respect.

Senior Statutory Auditor:  
Statutory Auditor:

Steven Knowles  
Knowles Warwick Audit Services Limited



# CHURCHILL KNIGHT AND ASSOCIATES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

### 9 Financial commitments, guarantees and contingent liabilities

On preparation of these financial statements there is a need to recognise a potential liability in relation to a HMRC enquiry that is in the process of being carried out on the company being classed as a managed service company provider.

The directors disagree with HMRC's opinion and the current position is that any actual or potential liability is not levied against the company but of its clients. The directors are fighting the claim with HMRC on behalf of its clients.

The taxation legislation includes transfer of debt provisions which may be enforced by HMRC and as such provisions may result in the potential liability being transferred to the company from its clients.

As the enquiry is in its infancy, the directors do not believe any conclusion or liability will be recognised within 12 months.

### 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:

	2022	2021
	£	£
	41,250	-
	<u>          </u>	<u>          </u>

### 11 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Other related parties	398,098	88,143	-	60,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
<b>Amounts due to related parties</b>		
Key management personnel	303	244
Other related parties	58,122	106,148
	<u>          </u>	<u>          </u>
<b>Amounts due from related parties</b>		
Other related parties	116,770	75,304
	<u>          </u>	<u>          </u>

## **CHURCHILL KNIGHT AND ASSOCIATES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JANUARY 2022**

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**11 Related party transactions**

**(Continued)**

Loans with connected parties are interest free and payable on demand.

**12 Parent company**

The company's parent company is Darbayne Group Limited, a company registered in England & Wales under company number 13425944.

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.