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**L MARKS LIMITED**

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**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**L MARKS LIMITED**  
**REGISTERED NUMBER: 07756651**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	4	152,460	188,622
Tangible assets	5	21,531	26,087
		173,991	214,709
<b>Current assets</b>			
Debtors	6	219,951	224,817
Investments	7	141,704	165,704
Cash at bank and in hand		405,656	571,541
		767,311	962,062
Creditors: amounts falling due within one year	8	(490,243)	(375,890)
<b>Net current assets</b>		277,068	586,172
<b>Net assets</b>		451,059	800,881
<b>Capital and reserves</b>			
Called up share capital		125,000	125,000
Profit and loss account		326,059	675,881
		451,059	800,881

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 and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 May 2024.

**S Marks**

Director

The notes on pages 2 to 10 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. General information**

L Marks Limited ("the Company") is a private company limited by shares incorporated in England and Wales. The registered office is 20 Broad Lane, Hale, Altrincham, Cheshire, WA15 0DF.

The principal activity of the Company continued to be the provision of corporate innovation services to large UK and International entities.

**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 Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the Group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its Group.

The following principal accounting policies have been applied:

**2.2 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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2. Accounting policies (continued)

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

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**2. Accounting policies (continued)**

**2.10 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	20 % straight line
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**2.11 Tangible fixed 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, provided on the following annual bases:

Leasehold improvements	- over the term of the lease
Plant and machinery	- 20% straight line

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 profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Debtors**

Short-term debtors are measured at transaction price, less any impairment.

**2.14 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.

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**2. Accounting policies (continued)**

**2.15 Creditors**

Short-term creditors are measured at the transaction price.

**2.16 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

**2.17 Provisions for liabilities**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

**2.18 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, loans to related parties and investments in ordinary shares.

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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 23 (2022 - 28).

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4. Intangible assets

	Computer software £
<b>Cost</b>	
At 1 January 2023	340,328
Additions	36,975
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At 31 December 2023	377,303
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<b>Amortisation</b>	
At 1 January 2023	151,706
Charge for the year on owned assets	73,137
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At 31 December 2023	224,843
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<b>Net book value</b>	
At 31 December 2023	<u>152,460</u>
<i>At 31 December 2022</i>	<u><u>188,622</u></u>

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**5. Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2023	27,268	60,307	87,575
Additions	-	5,878	5,878
Disposals	(27,268)	(12,064)	(39,332)
At 31 December 2023	-	54,121	54,121
<b>Depreciation</b>			
At 1 January 2023	27,268	34,220	61,488
Charge for the year on owned assets	-	9,734	9,734
Disposals	(27,268)	(11,364)	(38,632)
At 31 December 2023	-	32,590	32,590
<b>Net book value</b>			
At 31 December 2023	-	21,531	21,531
<b>At 31 December 2022</b>	-	26,087	26,087

**6. Debtors**

	2023 £	2022 £
Trade debtors	80,077	57,107
Amounts owed by group undertakings	-	39,476
Other debtors	41,091	63,784
Prepayments and accrued income	98,696	64,450
Deferred taxation	87	-
	<u>219,951</u>	<u>224,817</u>

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**7. Current asset investments**

	2023	2022
	£	£
Unlisted investments	<u>141,704</u>	<u>165,704</u>

All current asset investments relate to convertible loan notes, shareholdings or share options in unlisted companies. All current asset investments are valued at cost less provision for impairment.

**8. Creditors: Amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	18,027	24,588
Amounts owed to group undertakings	3,598	-
Corporation tax	17,206	14,520
Other taxation and social security	78,228	108,163
Other creditors	11,276	16,470
Accruals and deferred income	361,908	212,149
	<u>490,243</u>	<u>375,890</u>

**9. Deferred taxation**

	2023
	£
Charged to profit or loss	87
<b>At end of year</b>	<u>87</u>

The deferred tax asset is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	(32,928)	-
Tax losses carried forward	33,015	-
	<u>87</u>	<u>-</u>

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**10. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £46,893 (2022 - £51,646). Contributions totalling £9,546 (2022 - £10,232) were payable at the year end.

**11. Commitments under operating leases**

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<u>59,773</u>	<u>41,881</u>

**12. Transactions with directors**

During the year, the following transactions occurred with the directors:

	2023 £	2022 £
Balance brought forward	4,761	7,843
Advances and interest	5,207	14,641
Repayments	(4,761)	(17,723)
<b>Balance carried forward</b>	<u>5,207</u>	<u>4,761</u>

Interest is charged at the H M Revenue & Customs beneficial loan rate applicable on each transaction during the period.

**13. Related party transactions**

At the balance sheet date the Company owed £3,598 to a subsidiary (2022 - the company was owed £39,479 from a subsidiary).

**14. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2023 was unqualified.

The audit report was signed on 28 May 2024 by Gary Leonard (Senior statutory auditor) on behalf of Barnes Roffe LLP.



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.