

**M and R Morton Limited**  
**Annual Report and Unaudited Financial Statements**  
**Year Ended 30 September 2020**

**Registration number: 03533003**

**M and R Morton Limited**

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# M and R Morton Limited

## Balance Sheet

30 September 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	<u>5</u>	18,081	1
Tangible assets	<u>6</u>	1,106,218	835,550
Other financial assets		15	15
		<u>1,124,314</u>	<u>835,566</u>
<b>Current assets</b>			
Stocks	<u>8</u>	432,560	355,612
Debtors	<u>9</u>	459,678	1,122,176
Cash at bank and in hand		270,811	7,594
		<u>1,163,049</u>	<u>1,485,382</u>
<b>Creditors: Amounts falling due within one year</b>	<u>10</u>	<u>(390,634)</u>	<u>(567,717)</u>
<b>Net current assets</b>		<u>772,415</u>	<u>917,665</u>
<b>Total assets less current liabilities</b>		1,896,729	1,753,231
<b>Creditors: Amounts falling due after more than one year</b>	<u>10</u>	<u>(317,913)</u>	<u>(158,000)</u>
<b>Provisions for liabilities</b>		<u>(108,475)</u>	<u>(100,539)</u>
<b>Net assets</b>		<u>1,470,341</u>	<u>1,494,692</u>
<b>Capital and reserves</b>			
Called up share capital		2	2
Profit and loss account		<u>1,470,339</u>	<u>1,494,690</u>
Shareholders' funds		<u>1,470,341</u>	<u>1,494,692</u>

# **M and R Morton Limited**

## **Balance Sheet**

**30 September 2020**

For the financial year ending 30 September 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 10 March 2021 and signed on its behalf by:

.....

M G E Morton

Director

Company Registration Number: 03533003

# **M and R Morton Limited**

## **Notes to the Unaudited Financial Statements**

### **Year Ended 30 September 2020**

#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Sheep Dip  
Joan's Acre Lane  
Hinton Ampner  
Aldersford  
Hampshire  
SO24 0LF

These financial statements were authorised for issue by the Board on 10 March 2021.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including Section 1A, and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Revenue recognition**

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 value added tax, returns, rebates and discounts and after eliminating sales within the company.

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.

##### **Tax**

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

### Year Ended 30 September 2020

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold Property	10% per annum reducing balance
Plant & Machinery	25% per annum reducing balance
Greenhouse	10% per annum reducing balance

#### Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Website	33% per annum reducing balance

#### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

# **M and R Morton Limited**

## **Notes to the Unaudited Financial Statements**

### **Year Ended 30 September 2020**

#### **Stocks**

Livestock and crops in store are valued at 75% of market value. Flower stocks are valued at cost less provision for diminution in value. All other stocks are valued at net realisable value.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

### Year Ended 30 September 2020

#### Financial instruments

##### **Classification**

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### **Recognition and measurement**

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 31 (2019 - 12).

#### **4 Taxation**

Tax charged/(credited) in the profit and loss account

	2020 £	2019 £
<b>Current taxation</b>		
UK corporation tax	74,409	33,989
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	7,936	6,968
Tax expense in the income statement	82,345	40,957



# M and R Morton Limited

## Notes to the Unaudited Financial Statements

### Year Ended 30 September 2020

#### Deferred tax

Deferred tax assets and liabilities

	Liability £
<b>2020</b>	
Origination and reversal of timing differences	108,475
	<hr/> <hr/>
<b>2019</b>	Liability £
Origination and reversal of timing differences	100,539
	<hr/> <hr/>

#### 5 Intangible assets

	Goodwill £	Website £	Total £
<b>Cost or valuation</b>			
At 1 October 2019	98,065	-	98,065
Additions acquired separately	-	27,120	27,120
	<hr/>	<hr/>	<hr/>
At 30 September 2020	98,065	27,120	125,185
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 October 2019	98,064	-	98,064
Amortisation charge	-	9,040	9,040
	<hr/>	<hr/>	<hr/>
At 30 September 2020	98,064	9,040	107,104
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 30 September 2020	1	18,080	18,081
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30 September 2019	1	-	1
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

Year Ended 30 September 2020

### 6 Tangible assets

	Land and buildings £	Other tangible assets £	Total £
<b>Cost or valuation</b>			
At 1 October 2019	388,307	1,826,630	2,214,937
Additions	428,247	40,602	468,849
At 30 September 2020	816,554	1,867,232	2,683,786
<b>Depreciation</b>			
At 1 October 2019	256,134	1,123,253	1,379,387
Charge for the year	20,138	178,043	198,181
At 30 September 2020	276,272	1,301,296	1,577,568
<b>Carrying amount</b>			
At 30 September 2020	540,282	565,936	1,106,218
At 30 September 2019	132,173	703,377	835,550

Included within the net book value of land and buildings above is £477,992 (2019 - £132,173) in respect of freehold land and buildings and £62,290 (2019 - £Nil) in respect of short leasehold land and buildings.

### 7 Investments

#### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

Year Ended 30 September 2020

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Wilsbury Limited		300		
		Ordinary A		
		shares, 100		
		Ordinary B		
		shares, 100	100%	100%
	Wiltshire	Ordinary C		
	SP3 4UF	shares and		
	England and Wales	100		
		Ordinary D		
		shares		

### Subsidiary undertakings

*Wilsbury Limited*

The principal activity of Wilsbury Limited is importing and selling flowers.

## 8 Stocks

	2020 £	2019 £
Crops	198,649	157,216
Livestock	137,448	134,491
Other stocks	96,463	63,905
	<u>432,560</u>	<u>355,612</u>

## 9 Debtors

	Note	2020 £	2019 £
Trade debtors		214,308	502,883
Amounts owed by group undertakings and undertakings in which the company has a participating interest	<u>12</u>	-	85,000
Prepayments		191,790	391,970
Other debtors		53,580	142,323
		<u>459,678</u>	<u>1,122,176</u>

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

Year Ended 30 September 2020

### 10 Creditors

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

	Note	2020 £	2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>11</u>	53,364	141,003
Trade creditors		131,711	321,450
Taxation and social security		192,376	93,959
Accruals and deferred income		12,954	11,305
Other creditors		229	-
		<u>390,634</u>	<u>567,717</u>

#### Creditors: amounts falling due after more than one year

	Note	2020 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<u>11</u>	<u>317,913</u>	<u>158,000</u>

### 11 Loans and borrowings

	2020 £	2019 £
<b>Loans and borrowings due after one year</b>		
Bank borrowings	<u>317,913</u>	<u>158,000</u>

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Bank borrowings	53,364	-
Bank overdrafts	-	93,129
Hire purchase contracts	-	47,874
	<u>53,364</u>	<u>141,003</u>

Security has been given on the aggregate value of finance leases held by the company.

# M and R Morton Limited

## Notes to the Unaudited Financial Statements

### Year Ended 30 September 2020

#### 12 Related party transactions

##### *Advances to directors*

	At 1 October 2019 £	Advances to director £	Repayments by director £	At 30 September 2020 £
<b>2020</b>				
<b>M G E Morton</b>				
Interest free loan repayable on demand	61,526	53,760	(88,496)	26,790
<b>Mrs R J Morton</b>				
Interest free loan repayable on demand	61,526	53,760	(88,496)	26,790
<b>2019</b>				
<b>M G E Morton</b>				
Interest free loan repayable on demand	59,968	70,005	(68,447)	61,526
<b>Mrs R J Morton</b>				
Interest free loan repayable on demand	59,967	70,006	(68,447)	61,526

#### Summary of transactions with all subsidiaries

##### Wilsbury Limited

On 30 September 2019 M and R Morton Limited acquired an additional 50% of the shares from M G E and Mrs R J Morton, taking the shareholding to 100%. On 1 October 2019, M and R Morton Limited acquired the trade and assets of Wilsbury Limited.

#### Summary of transactions with other related parties

##### Southampton Marketing & Drying LLP (An LLP in which the company is a member)

The last results of the LLP were those for the period to 30 June 2019. The LLP has since been dissolved with all balances due to it's members paid out. The company's share of the loss for the period to 30 June 2019 was £12,558. As at 30 June 2019 the company's current capital investment in the Limited Liability Partnership was nil. At the balance sheet date the amount due from Southampton Marketing & Drying LLP was nil (2019 - £19,270).



## M and R Morton Limited

### Notes to the Unaudited Financial Statements

#### Year Ended 30 September 2020

##### Loans to related parties

	<b>Subsidiary £</b>	<b>Total £</b>
<b>2020</b>		
At start of period	85,000	85,000
Repaid	(85,000)	(85,000)
At end of period	-	-
<b>2019</b>		
At start of period	130,000	130,000
Repaid	(45,000)	(45,000)
At end of period	85,000	85,000

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.