

M and R Morton Limited
Annual Report and Unaudited Financial Statements
Year Ended 30 September 2018

Registration number: 03533003

M and R Morton Limited

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M and R Morton Limited

Company Information

Directors M G E Morton
Mrs R J Morton

Company secretary Mrs R J Morton

Registered office Sheep Dip
Joan's Acre Lane
Hinton Ampner
Alresford
Hampshire
SO24 0LF

Bankers Lloyds TSB Bank PLC
49 High Street
Winchester
Hampshire
SO23 9BU

Accountants Francis Clark LLP
Hitchcock House
Hilltop Park
Devizes Road
Salisbury
Wiltshire
SP3 4UF

M and R Morton Limited

Balance Sheet

30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	<u>5</u>	1	1
Tangible assets	<u>6</u>	852,029	905,511
Investments	<u>7</u>	100,000	100,000
Other financial assets		15	15
		<u>952,045</u>	<u>1,005,527</u>
Current assets			
Stocks	<u>8</u>	439,765	375,822
Debtors	<u>9</u>	841,035	560,897
Cash at bank and in hand		48,399	61,625
		<u>1,329,199</u>	<u>998,344</u>
Creditors: Amounts falling due within one year	<u>10</u>	<u>(601,482)</u>	<u>(349,846)</u>
Net current assets		<u>727,717</u>	<u>648,498</u>
Total assets less current liabilities		1,679,762	1,654,025
Creditors: Amounts falling due after more than one year	<u>10</u>	(25,500)	(95,733)
Provisions for liabilities		<u>(93,571)</u>	<u>(94,114)</u>
Net assets		<u>1,560,691</u>	<u>1,464,178</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>1,560,689</u>	<u>1,464,176</u>
Total equity		<u>1,560,691</u>	<u>1,464,178</u>

The notes on pages 4 to 13 form an integral part of these financial statements.

M and R Morton Limited

Balance Sheet

30 September 2018

For the financial year ending 30 September 2018 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 4 March 2019 and signed on its behalf by:

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M G E Morton

Director

Company Registration Number: 03533003

The notes on pages 4 to 13 form an integral part of these financial statements.

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M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

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
Alresford
Hampshire
SO24 0LF

These financial statements were authorised for issue by the Board on 4 March 2019.

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.

Group accounts not prepared

The company has taken advantage of the small companies regime and has not prepared group accounts.

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.

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

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.

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.

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.

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.

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

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 Financial Statements

Year Ended 30 September 2018

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors; 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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 18 (2017 - 16).

4 Taxation

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

	2018 £	2017 £
Current taxation		
UK corporation tax	43,751	2,576
Deferred taxation		
Arising from origination and reversal of timing differences	(543)	18,743
Tax expense in the income statement	43,208	21,319

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

Deferred tax

Deferred tax assets and liabilities

	Liability £
2018	
Origination and reversal of timing differences	93,571
2017	Liability £
Origination and reversal of timing differences	94,114

5 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 October 2017	98,065	98,065
At 30 September 2018	98,065	98,065
Amortisation		
At 1 October 2017	98,064	98,064
At 30 September 2018	98,064	98,064
Carrying amount		
At 30 September 2018	1	1
At 30 September 2017	1	1

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

6 Tangible assets

	Land and buildings £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 October 2017	388,307	1,694,970	2,083,277
Additions	-	98,933	98,933
At 30 September 2018	388,307	1,793,903	2,182,210
Depreciation			
At 1 October 2017	225,131	952,635	1,177,766
Charge for the year	16,318	136,097	152,415
At 30 September 2018	241,449	1,088,732	1,330,181
Carrying amount			
At 30 September 2018	146,858	705,171	852,029
At 30 September 2017	163,176	742,335	905,511

Included within the net book value of land and buildings above is £146,858 (2017 - £163,176) in respect of freehold land and buildings.

7 Investments

	2018 £	2017 £
Investments in subsidiaries	100,000	100,000
Subsidiaries		£
Cost or valuation		
At 1 October 2017		100,000
Provision		
Carrying amount		
At 30 September 2018		100,000
At 30 September 2017		100,000

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

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:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Wilsbury Limited	Hitchcock House Hilltop Park Devizes Road Salisbury Wiltshire SP3 4UF England and Wales	150 Ordinary A shares, 50 Ordinary C shares and 100 Ordinary D shares	50%	50%

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

8 Stocks

	2018 £	2017 £
Crops	251,993	196,833
Finished goods and goods for resale	66,290	63,297
Livestock	121,482	115,692
	<u>439,765</u>	<u>375,822</u>

9 Debtors

	Note	2018 £	2017 £
Trade debtors		358,704	187,409
Amounts due from group undertakings	<u>12</u>	130,000	90,000
Other debtors		142,964	155,787
Prepayments		209,367	127,701
		<u>841,035</u>	<u>560,897</u>

M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

10 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	<u>11</u>	204,956	109,724
Trade creditors		237,242	160,409
Corporation tax		43,751	2,576
Social security and other taxes		53,819	27,765
Accrued expenses and deferred income		<u>61,714</u>	<u>49,372</u>
		<u>601,482</u>	<u>349,846</u>

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	<u>11</u>	<u>25,500</u>	<u>95,733</u>

11 Loans and borrowings

	2018 £	2017 £
Loans and borrowings due after one year		
Finance lease liabilities	<u>25,500</u>	<u>95,733</u>

	2018 £	2017 £
Current loans and borrowings		
Bank overdrafts	84,223	1,116
Finance lease liabilities	<u>120,733</u>	<u>108,608</u>
	<u>204,956</u>	<u>109,724</u>

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

Year Ended 30 September 2018

Advances to directors

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M and R Morton Limited

Notes to the Financial Statements

Year Ended 30 September 2018

Loans to related parties

	Subsidiary £
2018	
At start of period	90,000
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	Subsidiary £
2017	
At start of period	30,000
Advanced	60,000
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At end of period	90,000
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