

Registered number: 04381807

Morgan Jones Limited

Unaudited

Financial statements

For the year ended 31 March 2020

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Morgan Jones Limited for the year ended 31 March 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Morgan Jones Limited for the year ended 31 March 2020 which comprise the balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the board of directors of Morgan Jones Limited, as a body, in accordance with the terms of our engagement letter dated 15 August 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Morgan Jones Limited and state those matters that we have agreed to state to the board of directors of Morgan Jones Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Morgan Jones Limited and its board of directors, as a body, for our work or for this report.

It is your duty to ensure that Morgan Jones Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Morgan Jones Limited. You consider that Morgan Jones Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Morgan Jones Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kreston Reeves LLP
Chartered Accountants
Discovery Park
12 November 2020

Balance sheet
As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	16,890	10,921
		<u>16,890</u>	<u>10,921</u>
Current assets			
Debtors: amounts falling due within one year	5	486,306	567,787
Cash at bank and in hand		196,648	91,741
		<u>682,954</u>	<u>659,528</u>
Creditors: amounts falling due within one year	6	(430,433)	(410,360)
Net current assets		<u>252,521</u>	<u>249,168</u>
Total assets less current liabilities		<u>269,411</u>	<u>260,089</u>
Provisions for liabilities			
Deferred tax		(2,222)	(1,149)
		<u>(2,222)</u>	<u>(1,149)</u>
Net assets		<u><u>267,189</u></u>	<u><u>258,940</u></u>
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account		267,187	258,938
		<u><u>267,189</u></u>	<u><u>258,940</u></u>

Balance sheet (continued)
As at 31 March 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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 22 October 2020.

J Clarke
Director

The notes on pages 4 to 9 form part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2020

1. General information

Morgan Jones Limited is a private company limited by shares and is incorporated in England with registration number 04381807. The registered office of the company is 41 High Street, Broadstairs, Kent, CT10 1JR.

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 financial statements are rounded to the nearest pound.

The Company's functional and presentational currency is Pounds Sterling.

The following principal accounting policies have been applied:

2.2 Going concern

While the impact of the Covid-19 virus has been assessed by the directors so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its customers and suppliers. However, taking into consideration the UK Government's response and the company's planning, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

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.

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.4 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures & fittings	-
	15% reducing balance
Office equipment	-
	25% reducing balance

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 the statement of income and retained earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.7 Finance costs

Finance costs are charged to the statement of income and retained earnings 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.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

2.10 Interest income

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

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.11 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 the statement of income and retained earnings 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.

2.12 Borrowing costs

All borrowing costs are recognised in the statement of income and retained earnings in the year in which they are incurred.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, 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.

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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements
For the year ended 31 March 2020

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 126 (2019 - 178).

Notes to the financial statements
For the year ended 31 March 2020

4. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2019	13,588	22,900	36,488
Additions	2,276	6,575	8,851
At 31 March 2020	<u>15,864</u>	<u>29,475</u>	<u>45,339</u>
Depreciation			
At 1 April 2019	7,701	17,867	25,568
Charge for the year on owned assets	1,080	1,801	2,881
At 31 March 2020	<u>8,781</u>	<u>19,668</u>	<u>28,449</u>
Net book value			
At 31 March 2020	<u>7,083</u>	<u>9,807</u>	<u>16,890</u>
At 31 March 2019	<u>5,887</u>	<u>5,034</u>	<u>10,921</u>

5. Debtors

	2020 £	2019 £
Trade debtors	459,929	544,376
Other debtors	21,478	16,034
Prepayments and accrued income	4,899	7,377
	<u>486,306</u>	<u>567,787</u>

Notes to the financial statements
For the year ended 31 March 2020

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	162,609	100,063
Trade creditors	11,336	18,928
Corporation tax	22,248	16,788
Other taxation and social security	186,066	199,383
Other creditors	6,282	49,823
Accruals and deferred income	41,892	25,375
	<u>430,433</u>	<u>410,360</u>

Included within bank overdrafts is an invoice financing facility, administered by RBS Invoice Finance Limited, which is secured by a fixed and floating charge on the assets of the company.

	2020 £	2019 £
Other taxation and social security		
PAYE/NI control	50,337	52,742
VAT control	135,729	146,641
	<u>186,066</u>	<u>199,383</u>

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 (2019 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

8. Pension commitments

The company operates a defined contributions 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 £41,239 (2019: £36,892). Contributions totalling £5,658 (2019: £6,619) were payable to the fund at the balance sheet date and are included in creditors.

9. Controlling party

The company is jointly controlled by Mr J Clarke and Mrs JA Clarke.

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.