

Morgan Sweet Ltd
Unaudited Financial Statements
31 December 2016



CHALMERS & CO (SW) LIMITED

Chartered accountant
Trading as Chalmers & Co
Magnolia House
Princes Street
YEOVIL
Somerset
BA20 1EP

Morgan Sweet Ltd

Directors' Report

Year ended 31 December 2016

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

AP Rowswell
FV Rowswell

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 10.09.2017 and signed on behalf of the board by:



FV Rowswell
Company Secretary

Registered office:
Cobleigh
Claycastle
Haselbury Plucknett
Crewkerne
Somerset
TA18 7PB

Morgan Sweet Ltd

Statement of Income and Retained Earnings

Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		357,275	7,140
Cost of sales		<u>220,433</u>	<u>—</u>
Gross profit		136,842	7,140
Administrative expenses		<u>6,847</u>	<u>6,463</u>
Operating profit		129,995	677
Profit before taxation	5	<u>129,995</u>	<u>677</u>
Tax on profit		<u>25,981</u>	<u>190</u>
Profit for the financial year and total comprehensive income		<u>104,014</u>	<u>487</u>
Dividends paid and payable		(18,000)	(10,000)
Retained earnings at the start of the year		<u>23,030</u>	<u>32,543</u>
Retained earnings at the end of the year		<u>109,044</u>	<u>23,030</u>

All the activities of the company are from continuing operations.

The notes on pages 4 to 7 form part of these financial statements.

Morgan Sweet Ltd
Statement of Financial Position
31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	150,088	150,261
Current assets			
Stocks		115,761	208,611
Debtors	7	2,343	1,442
Cash at bank and in hand		340,591	9,491
		<u>458,695</u>	<u>219,544</u>
Creditors: amounts falling due within one year	8	<u>494,056</u>	<u>341,092</u>
Net current liabilities		<u>35,361</u>	<u>121,548</u>
Total assets less current liabilities		<u>114,727</u>	<u>28,713</u>
Capital and reserves			
Called up share capital		1,000	1,000
Revaluation reserve		4,683	4,683
Profit and loss account		109,044	23,030
Members funds		<u>114,727</u>	<u>28,713</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

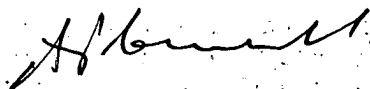
For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 10.09.17, and are signed on behalf of the board by:

AP Rowswell
Director



FV Rowswell
Director



Company registration number: 4674307

The notes on pages 4 to 7 form part of these financial statements.

Morgan Sweet Ltd

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cobleigh, Claycastle, Haselbury Plucknett, Crewkerne, Somerset, TA18 7PB.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 10.

Revenue recognition

The turnover shown in the profit and loss account represents proceeds of sale of a completed residential property and rents receivable

Taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for to the extent that it is considered that a net liability will arise or the future use of a tax credit can be foreseen.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Morgan Sweet Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stock & Work in Progress of development property is valued at the lower of cost and net realisable value.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 2 (2015: 2).

5. Profit before taxation

Profit before taxation is stated after charging:

	2016	2015
	£	£
Depreciation of tangible assets	<u>173</u>	<u>397</u>

Morgan Sweet Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

6. Tangible assets

	Fixtures and fittings £	Equipment £	Freehold Investment Property £	Total £
Cost				
At 1 Jan 2016 and 31 Dec 2016	<u>1,723</u>	<u>1,526</u>	<u>150,000</u>	<u>153,249</u>
Depreciation				
At 1 January 2016	1,723	1,265	—	2,988
Charge for the year	—	173	—	173
At 31 December 2016	<u>1,723</u>	<u>1,438</u>	<u>—</u>	<u>3,161</u>
Carrying amount				
At 31 December 2016	<u>—</u>	<u>88</u>	<u>150,000</u>	<u>150,088</u>
At 31 December 2015	<u>—</u>	<u>261</u>	<u>150,000</u>	<u>150,261</u>

Tangible assets held at valuation

The investment property with a cost of £145,317 (2015: £145,317) was revalued at 31st December 2016 by the directors on the basis of estimated realisable value.

7. Debtors

	2016 £	2015 £
Other debtors	<u>2,343</u>	<u>1,442</u>

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	355	8,697
Corporation tax	25,981	190
Social security and other taxes	—	1,246
Other creditors	<u>467,720</u>	<u>330,959</u>
	<u>494,056</u>	<u>341,092</u>

Morgan Sweet Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

9. Related party transactions

The company was under the control of the directors throughout the current and previous year.

The following is a summary of the related party transactions with the company during the year;

AP Rowswell

Dividends received from the company during the year: £8,000 (2015 £nil)

Balance owing from the company as at 31st December 2016: £278,323 (2015 - £156,812)

FV Rowswell

Dividends received from the company during the year: £10,000 (2015 £10,000)

Balance owing from the company as at 31st December 2016: £188,897 (2015 - £174,146)

10. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

Morgan Sweet Ltd
Management Information
Year ended 31 December 2016

The following pages do not form part of the financial statements.

Morgan Sweet Ltd
Detailed Income Statement
Year ended 31 December 2016

	2016 £	2015 £
Turnover		
Rents Receivable	7,140	7,140
Sale of Property	350,000	—
Work done	135	—
	<u>357,275</u>	<u>7,140</u>
Cost of sales		
Opening Stocks & Work in Progress of Development Property	208,611	104,721
Development costs - Buttle Close	94,856	103,368
Development costs - Crofters	28,364	522
Other purchases	11	—
Professional costs of property sale	4,352	—
	<u>336,194</u>	<u>208,611</u>
Closing Stocks & Work in Progress of Development Property	115,761	208,611
	<u>220,433</u>	<u>—</u>
Gross profit	<u>136,842</u>	<u>7,140</u>
Overheads		
Administrative expenses	6,847	6,463
Operating profit	<u>129,995</u>	<u>677</u>
Profit before taxation	<u><u>129,995</u></u>	<u><u>677</u></u>

Morgan Sweet Ltd
Notes to the Detailed Income Statement
Year ended 31 December 2016

	2016 £	2015 £
Administrative expenses		
Directors salaries	5,000	5,000
Insurance	724	587
Repairs and maintenance	87	171
Telephone	188	130
Stationery and postage	90	81
Sundry expenses	450	13
Depreciation of tangible assets	173	397
Bank charges	135	84
	<u>6,847</u>	<u>6,463</u>