

Morgan Sweet Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2020

Mitchams Chartered Accountants
1 Cornhill
Ilminster
Somerset
TA19 0AD

Morgan Sweet Ltd

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Morgan Sweet Ltd

Company Information

Directors	Mr A P Rowswell Mrs F V Rowswell
Registered office	1 Cornhill Ilminster Somerset TA19 0AD
Bankers	Lloyds Bank 9 High Street Yeovil Somerset BA20 1RN
Accountants	Mitchams Chartered Accountants 1 Cornhill Ilminster Somerset TA19 0AD

Morgan Sweet Ltd

(Registration number: 04674307)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	<u>4</u>	568	169
Investment property	<u>5</u>	390,000	365,000
		<u>390,568</u>	<u>365,169</u>
Current assets			
Stocks	<u>6</u>	-	415,938
Debtors	<u>7</u>	976	2,765
Cash at bank and in hand		638,907	14,746
		639,883	433,449
Creditors: Amounts falling due within one year	<u>8</u>	(635,127)	(634,806)
Net current assets/(liabilities)		4,756	(201,357)
Total assets less current liabilities		395,324	163,812
Provisions for liabilities		(9,602)	(4,700)
Net assets		<u>385,722</u>	<u>159,112</u>
Capital and reserves			
Called up share capital		1,000	1,000
Other reserves		84,622	64,372
Profit and loss account		300,100	93,740
Shareholders' funds		<u>385,722</u>	<u>159,112</u>

For the financial year ending 31 December 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Morgan Sweet Ltd

(Registration number: 04674307)
Balance Sheet as at 31 December 2020

Approved and authorised by the Board on 1 July 2021 and signed on its behalf by:

.....

Mr A P Rowswell
Director

.....

Mrs F V Rowswell
Director

Morgan Sweet Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

1 Cornhill
Ilminster
Somerset
TA19 0AD

These financial statements were authorised for issue by the Board on 1 July 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 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 sales/value added tax, returns, rebates and discounts.

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

The tax expense for the period comprises current and deferred 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 income 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.

Morgan Sweet Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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
Plant & machinery	Reducing balance - 25%
Furniture, fittings and equipment	Reducing balance - 25%

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 2 (2019 - 2).

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

4 Tangible assets

	Furniture, fittings and equipment £	Other tangible assets £	Total £
Cost or valuation			
At 1 January 2020	1,826	1,723	3,549
Additions	588	-	588
At 31 December 2020	2,414	1,723	4,137
Depreciation			
At 1 January 2020	1,657	1,723	3,380
Charge for the year	189	-	189
At 31 December 2020	1,846	1,723	3,569
Carrying amount			
At 31 December 2020	568	-	568
At 31 December 2019	169	-	169

5 Investment properties

	2020 £
At 1 January	365,000
Fair value adjustments	25,000
At 31 December	390,000

There has been no valuation of investment property by an independent valuer.

6 Stocks

	2020 £	2019 £
Work in progress	-	415,938

Morgan Sweet Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

7 Debtors

	2020	2019
	£	£
Other debtors	976	2,765
	<u>976</u>	<u>2,765</u>

8 Creditors

	2020	2019
	£	£
Due within one year		
Trade creditors	960	960
Other creditors	634,167	633,846
	<u>635,127</u>	<u>634,806</u>

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.