

Morham & Brotchie Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2019

Beyond The Numbers Limited
42 Charlotte Square
Edinburgh
EH2 4HQ

Morham & Brotchie Limited

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Morham & Brotchie Limited

Company Information

Directors	Mr Ewan Bruce Slight Mr Alan Scott Harper Mr Euan Ross Watson Mr David Anderson
Registered office	126 Calton Road Edinburgh EH8 8JQ
Accountants	Beyond The Numbers Limited 42 Charlotte Square Edinburgh EH2 4HQ

Morham & Brotchie Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors of the company

The directors who held office during the year were as follows:

Mr Ewan Bruce Slight

Mr Alan Scott Harper

Mr Euan Ross Watson

Mr David Anderson

Principal activity

The principal activity of the company is Chartered Quantity Surveyors

Small companies provision statement

This report has 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.

Approved by the Board on 27 May 2020 and signed on its behalf by:

.....
Mr Ewan Bruce Slight
Director

.....
Mr Alan Scott Harper
Director

Morham & Brotchie Limited
(Registration number: SC312800)
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>4</u>	170,625	193,125
Tangible assets	<u>5</u>	24,909	24,867
		<u>195,534</u>	<u>217,992</u>
Current assets			
Debtors	<u>6</u>	189,502	277,221
Cash at bank and in hand		<u>77,391</u>	<u>13,296</u>
		266,893	290,517
Creditors: Amounts falling due within one year	<u>7</u>	<u>(120,847)</u>	<u>(112,117)</u>
Net current assets		<u>146,046</u>	<u>178,400</u>
Total assets less current liabilities		341,580	396,392
Creditors: Amounts falling due after more than one year	<u>7</u>	<u>(137,622)</u>	<u>(209,614)</u>
Provisions for liabilities		<u>-</u>	<u>(2,404)</u>
Net assets		<u>203,958</u>	<u>184,374</u>
Capital and reserves			
Called up share capital	<u>8</u>	1,000	1,000
Profit and loss account		<u>202,958</u>	<u>183,374</u>
Total equity		<u>203,958</u>	<u>184,374</u>

For the financial year ending 31 December 2019 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.

Approved and authorised by the Board on 27 May 2020 and signed on its behalf by:

The notes on pages 5 to 11 form an integral part of these financial statements.
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Morham & Brotchie Limited

(Registration number: SC312800)

Balance Sheet as at 31 December 2019

.....
Mr Ewan Bruce Slight
Director

.....
Mr Alan Scott Harper
Director

The notes on pages 5 to 11 form an integral part of these financial statements.
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Morham & Brochie Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:
126 Calton Road
Edinburgh
EH8 8JQ

These financial statements were authorised for issue by the Board on 27 May 2020.

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 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.

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.

Morham & Brotchie Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

Tangible assets

Tangible assets are stated in the statement of financial position 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
Computer equipment	25% reducing balance
Furniture and fittings	25% reducing balance
Motor Vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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
Goodwill	8 years straight line

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.

Morham & Brochie Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

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.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

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.

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.

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2018 - 19).

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2019	450,000	450,000
At 31 December 2019	450,000	450,000
Amortisation		
At 1 January 2019	256,875	256,875
Amortisation charge	22,500	22,500
At 31 December 2019	279,375	279,375
Carrying amount		
At 31 December 2019	170,625	170,625
At 31 December 2018	193,125	193,125

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2019	42,211	40,983	83,194
Additions	8,514	-	8,514
Disposals	(8,478)	-	(8,478)
At 31 December 2019	42,247	40,983	83,230
Depreciation			
At 1 January 2019	32,282	26,045	58,327
Charge for the year	3,901	3,734	7,635
Eliminated on disposal	(7,641)	-	(7,641)
At 31 December 2019	28,542	29,779	58,321
Carrying amount			
At 31 December 2019	13,705	11,204	24,909
At 31 December 2018	9,929	14,938	24,867

Morham & Broatch Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

6 Debtors

	2019	2018
	£	£
Trade debtors	124,987	136,141
Prepayments	2,424	2,799
Other debtors	62,091	138,281
	<u>189,502</u>	<u>277,221</u>

Morham & Brotchie Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2019

7 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	9	1,690	4,333
Trade creditors		8,799	6,830
Amounts owed to participators		10,726	18,726
Taxation and social security		82,457	75,393
Other creditors		17,175	6,835
		<u>120,847</u>	<u>112,117</u>

Due after one year

Loans and borrowings	9	<u>137,622</u>	<u>209,614</u>
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Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	9	<u>137,622</u>	<u>209,614</u>

8 Share capital

9 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Hire purchase contracts	-	1,083
Other borrowings	<u>137,622</u>	<u>208,531</u>
	<u>137,622</u>	<u>209,614</u>

	2019 £	2018 £
Current loans and borrowings		
Hire purchase contracts	<u>1,690</u>	<u>4,333</u>

Other borrowings

The carrying amount of Director's loan at year end is £137,622 (2018 - £180,000).