

Company Registration No. SC312800 (Scotland)

MORHAM & BROTCHE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

MORHAM & BROTCHE LIMITED

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MORHAM & BROTCHE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		As at 31 December 2018	As at 31 July 2017
	Notes	£	£
Fixed assets			
Intangible assets		193,125	225,000
Tangible assets	4	24,867	35,399
Current assets			
Debtors	5	277,223	195,241
Cash at bank and in hand		13,296	163
		<u>290,519</u>	<u>195,404</u>
Creditors: amounts falling due within one year	6	<u>(140,649)</u>	<u>(164,706)</u>
Net current assets		<u>149,870</u>	<u>30,698</u>
Total assets less current liabilities		<u>367,862</u>	<u>291,097</u>
Creditors: amounts falling due after more than one year	7	(181,083)	(187,222)
Provisions for liabilities		<u>(2,404)</u>	<u>(2,927)</u>
Net assets		<u><u>184,375</u></u>	<u><u>100,948</u></u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss reserves		<u>183,375</u>	<u>99,948</u>
Total equity		<u><u>184,375</u></u>	<u><u>100,948</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

MORHAM & BROTCHE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 31 May 2019 and are signed on its behalf by:

Alan S Harper
Director

Ewan B Slight
Director

Company Registration No. SC312800

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Morham & Brochie Limited is a private company limited by shares incorporated in Scotland. The registered office is 126/1 Calton Road, Edinburgh, EH8 8JQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company made profits during the year and at the year end had a positive balance sheet. The directors consider that this will continue to be the case for the foreseeable future and on this basis the accounts have been prepared as a going concern.

1.3 Reporting period

The length of the reporting period is 17 months. The company extended the accounting period to 31st December 2018 to align with internal management reports. The comparative figures are for the 12 month period.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Profit is recognised on contracts, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract.

1.5 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 19 (2017 - 14).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 August 2017 and 31 December 2018	450,000
Amortisation and impairment	
At 1 August 2017	225,000
Amortisation charged for the period	31,875
At 31 December 2018	256,875
Carrying amount	
At 31 December 2018	193,125
At 31 July 2017	225,000

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2017	80,530
Additions	2,664
	<u>83,194</u>
At 31 December 2018	
	<u>83,194</u>
Depreciation and impairment	
At 1 August 2017	45,131
Depreciation charged in the period	13,196
	<u>58,327</u>
At 31 December 2018	
	<u>58,327</u>
Carrying amount	
At 31 December 2018	24,867
	<u>24,867</u>
At 31 July 2017	35,399
	<u>35,399</u>

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	136,142	117,019
Other debtors	141,081	78,222
	<u>277,223</u>	<u>195,241</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	-	5,478
Trade creditors	6,830	5,926
Corporation tax	28,532	13,782
Other taxation and social security	75,393	74,185
Other creditors	29,894	65,335
	<u>140,649</u>	<u>164,706</u>

Included in other creditors are the hire purchase liabilities which are secured over the assets to which they relate.

MORHAM & BROTCHE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2018

7 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Other creditors	181,083	187,222
	<u>181,083</u>	<u>187,222</u>

Included in other creditors are the hire purchase liabilities which are secured over the assets to which they relate.

8 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary of 10p each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	<u>1,000</u>	<u>1,000</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.