
MORGAN RICHARDSON LIMITED

AUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2019



MORGAN RICHARDSON LIMITED
REGISTERED NUMBER: 02949560

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	99,041	102,447
Investments	6	2	2
		<u>99,043</u>	<u>102,449</u>
Current assets			
Debtors: amounts falling due after more than one year	7	36,000	36,000
Debtors: amounts falling due within one year	7	3,761,447	3,886,495
Cash at bank and in hand	8	601,841	665,764
		<u>4,399,288</u>	<u>4,588,259</u>
Creditors: amounts falling due within one year	9	(2,305,849)	(2,423,131)
Net current assets		<u>2,093,439</u>	<u>2,165,128</u>
Total assets less current liabilities		<u>2,192,482</u>	<u>2,267,577</u>
Net assets		<u><u>2,192,482</u></u>	<u><u>2,267,577</u></u>
Capital and reserves			
Called up share capital	10	112,000	112,000
Share premium account		68,000	68,000
Profit and loss account		2,012,482	2,087,577
		<u>2,192,482</u>	<u>2,267,577</u>

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 comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

MORGAN RICHARDSON LIMITED
REGISTERED NUMBER: 02949560

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2019

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


T R Morgan Esq
Director

Date:

19/8/19

The notes on pages 3 to 10 form part of these financial statements.

MORGAN RICHARDSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Morgan Richardson Limited is a company limited by shares and incorporated in England and Wales. The registered office address of the company is Westgate Court, Western Road, Billericay, Essex, CM12 9DY. The principal activity of the company during the year under review was that of insurance brokers.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover represents brokerage commission earned. Credit is taken from brokerage and commission on the date debit notes are raised, less provision for cancelled policies, based on past experience.

Insurance brokers usually act as agents in placing the insurable risks of their client with the insurers and, as such, generally are not liable as principals for amounts arising from such transactions. Notwithstanding these legal relationships, debtors and creditors arising from insurance broking transactions are shown as assets and liabilities. This recognises that the insurance broker is entitled to retain the investment income of any cash flows arising from these transactions. Debtors and creditors arising from a transaction between client and insurers (e.g a premium or claim) are recorded simultaneously. Consequently there is a high level of correlation between the totals reported in respect of insurance broking debtors and insurance broking creditors. The position of the insurance broker as agent means that generally the credit risk is borne by the principals. There is much legal uncertainty surrounding the circumstances and the extent of such exposures and consequently they can not be evaluated. However, the total of insurance broking debtors appearing in the balance sheet is not an indication of credit risk.

It is the normal practice for insurance brokers to settle accounts with other intermediaries, clients, insurers and market settlement bureaux on a net basis. Thus, large changes in both insurance broking debtors and creditors can result in, comparatively small cash settlements. For this reason, the totals of insurance broking debtors and creditors give no indication of future cash flows.

2.3 Operating leases: the company as lessee

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

MORGAN RICHARDSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the statement of comprehensive income 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.

2.7 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 comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the statement of comprehensive income, 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.

2.9 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, using the straight-line method.

Depreciation is provided on the following bases:

Motor vehicles	- 25% straight line
Office equipment	- 20% - 33.3% straight line

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 comprehensive income.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MORGAN RICHARDSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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.

2.14 Financial instruments

The company only enters into basic financial instrument 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.

2.15 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.

3. Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £11,200 (2018 - 11,200).

4. Employees

The average monthly number of employees, including directors, during the year was 27 (2018 - 28).

MORGAN RICHARDSON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Tangible fixed assets

	Motor vehicles £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2018	153,184	71,454	224,638
Additions	35,339	24,247	59,586
Disposals	(31,220)	(23,651)	(54,871)
At 31 March 2019	<u>157,303</u>	<u>72,050</u>	<u>229,353</u>
Depreciation			
At 1 April 2018	78,566	43,625	122,191
Charge for the year on owned assets	38,222	17,198	55,420
Charge for the year on financed assets	417	-	417
Disposals	(24,065)	(23,651)	(47,716)
At 31 March 2019	<u>93,140</u>	<u>37,172</u>	<u>130,312</u>
Net book value			
At 31 March 2019	<u>64,163</u>	<u>34,878</u>	<u>99,041</u>
At 31 March 2018	<u>74,618</u>	<u>27,829</u>	<u>102,447</u>

MORGAN RICHARDSON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	2
At 31 March 2019	<u>2</u>

The company owns 100% of the issued share capital of Richard Hosken Insurance Services Limited, a company registered in England. The subsidiary has been dormant since incorporation on 22 March 2001 and is expected to remain dormant for the foreseeable future.

7. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	<u>36,000</u>	<u>36,000</u>
Due within one year		
Trade debtors	3,484,246	3,613,820
Other debtors	42,099	46,301
Prepayments and accrued income	235,102	226,374
	<u>3,761,447</u>	<u>3,886,495</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>601,841</u>	<u>665,764</u>

MORGAN RICHARDSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	2,001,232	2,100,693
Amounts owed to group undertakings	2	2
Corporation tax	194,879	220,475
Other taxation and social security	19,173	21,496
Obligations under finance lease and hire purchase contracts	3,415	-
Accruals and deferred income	87,148	80,465
	<u>2,305,849</u>	<u>2,423,131</u>

Bank overdrafts are secured by a personal guarantee given by a shareholder and by a debenture in favour of Barclays Bank Plc dated 13 November 2001 consisting of a fixed and floating charge over all property and assets of the company.

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
56,000 (2018 - 56,000) Ordinary 'A' shares of £1.00 each	56,000	56,000
33,600 (2018 - 33,600) Ordinary 'B' shares of £1.00 each	33,600	33,600
22,400 (2018 - 22,400) Ordinary 'C' shares of £1.00 each	22,400	22,400
	<u>112,000</u>	<u>112,000</u>

11. 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 £68,133 (2018: £62,793).

MORGAN RICHARDSON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

12. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	45,076	40,727
Later than 1 year and not later than 5 years	36,971	60,000
Later than 5 years	5,499	-
	<u>87,546</u>	<u>100,727</u>

13. Related party transactions

The director had an interest in dividends paid during the year of £200,000 (2018: £150,000).

14. Auditors' information

These financial statements have been audited by Barnes Roffe LLP and an unqualified audit report has been issued. The report was signed by Duncan Stannett as the senior statutory auditor.