

COMPANY REGISTRATION NUMBER: 03017868

STEVE MORGAN ASSOCIATES LIMITED
UNAUDITED FINANCIAL STATEMENTS
31 July 2020

STEVE MORGAN ASSOCIATES LIMITED

FINANCIAL STATEMENTS

Year ended 31 July 2020

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STEVE MORGAN ASSOCIATES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr S R Morgan
Mrs C M Morgan

Company secretary

Ms L C T Morgan

Registered office

9 Clytha Park Road
Newport
South Wales
NP20 4PB

Accountants

Kilsby & Williams LLP
Chartered Accountants
Cedar House
Hazell Drive
Newport
NP10 8FY

Bankers

Lloyds TSB Plc
42 Commercial Street
Newport
South Wales
NP20 1WX

STEVE MORGAN ASSOCIATES LIMITED

DIRECTORS' REPORT

Year ended 31 July 2020

The directors present their report and the unaudited financial statements of the company for the year ended 31 July 2020 .

Directors

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

Mr S R Morgan

Mrs C M Morgan

Events after the end of the reporting period

Subsequent to the period end, economies and financial markets around the world experienced financial falls arising from uncertainties linked to the COVID-19 pandemic. There is currently no material impact on the company and this is a non-adjusting event. The future impact of the pandemic on the company will be quantified as the situation evolves.

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 20 April 2021 and signed on behalf of the board by:

Mr S R Morgan

Director

CHARTERED ACCOUNTANTS REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF STEVE MORGAN ASSOCIATES LIMITED

Year ended 31 July 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Steve Morgan Associates Limited for the year ended 31 July 2020, which comprise the profit and loss account, balance sheet and the related notes from the company's accounting records and from information and explanations you have given us. As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance. This report is made solely to the Board of Directors of Steve Morgan Associates Limited, as a body, in accordance with the terms of our engagement letter dated 4 March 2020. Our work has been undertaken solely to prepare for your approval the financial statements of Steve Morgan Associates Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Steve Morgan Associates Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Steve Morgan Associates Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Steve Morgan Associates Limited. You consider that Steve Morgan Associates Limited is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of Steve Morgan Associates Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Kilsby & Williams LLP Chartered Accountants
Cedar House Hazell Drive Newport NP10 8FY

21 April 2021

STEVE MORGAN ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 July 2020

	Note	2020 £	2019 £
TURNOVER		276,846	386,369
Cost of sales		(4,287)	(11,421)
		-----	-----
GROSS PROFIT		272,559	374,948
Administrative expenses		(228,151)	(282,493)
Other operating income		32,019	—
		-----	-----
OPERATING PROFIT		76,427	92,455
Other interest receivable and similar income		431	465
Interest payable and similar expenses		(544)	(943)
		-----	-----
PROFIT BEFORE TAXATION	5	76,314	91,977
Tax on profit		(15,835)	(19,603)
		-----	-----
PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		60,479	72,374
		-----	-----
Dividends paid and payable		(107,646)	(122,337)
RETAINED EARNINGS AT THE START OF THE YEAR		146,256	196,219
		-----	-----
RETAINED EARNINGS AT THE END OF THE YEAR		99,089	146,256
		-----	-----

All the activities of the company are from continuing operations.

STEVE MORGAN ASSOCIATES LIMITED

BALANCE SHEET

31 July 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	6	49,693	61,459
CURRENT ASSETS			
Debtors	7	88,061	146,417
Cash at bank and in hand		116,801	104,347
		-----	-----
		204,862	250,764
CREDITORS: amounts falling due within one year	8	(150,249)	(150,369)
		-----	-----
NET CURRENT ASSETS		54,613	100,395
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		104,306	161,854
CREDITORS: amounts falling due after more than one year	9	—	(9,398)
PROVISIONS		(5,117)	(6,100)
		-----	-----
NET ASSETS		99,189	146,356
		-----	-----
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		99,089	146,256
		-----	-----
SHAREHOLDERS FUNDS		99,189	146,356
		-----	-----

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 July 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 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 20 April 2021 , and are signed on behalf of the board by:

Mr S R Morgan

Director

Company registration number: 03017868

STEVE MORGAN ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2020

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 9 Clytha Park Road, Newport, South Wales, NP20 4PB.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, '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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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.

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:

Leasehold Property	-	Over 15 years
Fixtures and fittings	-	20% - 25% reducing balance
Motor Vehicles	-	25% reducing balance

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. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 6 (2019: 7).

5. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible assets	15,280	18,737

6. TANGIBLE ASSETS

	Long leasehold property	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2019	22,693	69,891	70,510	163,094
Additions	—	4,138	—	4,138
Disposals	—	(15,127)	—	(15,127)
At 31 July 2020	22,693	58,902	70,510	152,105
Depreciation				
At 1 August 2019	13,838	56,948	30,849	101,635
Charge for the year	1,513	3,852	9,915	15,280
Disposals	—	(14,503)	—	(14,503)
At 31 July 2020	15,351	46,297	40,764	102,412
Carrying amount				
At 31 July 2020	7,342	12,605	29,746	49,693
At 31 July 2019	8,855	12,943	39,661	61,459

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles
	£
At 31 July 2020	30,844
At 31 July 2019	41,034

7. DEBTORS

	2020	2019
	£	£
Trade debtors	76,670	135,483
Other debtors	11,391	10,934
	88,061	146,417

8. CREDITORS: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,616	5,936
Corporation tax	16,818	22,184
Social security and other taxes	31,805	43,571
Other creditors	99,010	78,678
	-----	-----
	150,249	150,369
	-----	-----

Included within creditors: amounts falling due within one year is an amount of £9,398 (2019 - £9,045) in respect of HP leases repayable in less than one year. This balance is secured by the way of a fixed charge on the assets of which the HP leases relate to.

9. CREDITORS: amounts falling due after more than one year

	2020	2019
	£	£
Other creditors	—	9,398
	----	-----

Included within creditors: amounts falling due after more than one year is an amount of £0 (2019 - £9,398) in respect of HP leases repayable in more than one year. This balance is secured by the way of a fixed charge on the assets of which the HP leases relate to.

10. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	20,000	20,000
Later than 1 year and not later than 5 years	56,667	76,667
	-----	-----
	76,667	96,667
	-----	-----

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

Included in other creditors is the following balance due to the directors:

		2019	2018
	£	£	
Directors' loan account		44,840	31,733
		-----	-----

The loan is interest free and repayable on demand.

STEVE MORGAN ASSOCIATES LIMITED

MANAGEMENT INFORMATION

Year ended 31 July 2020

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

STEVE MORGAN ASSOCIATES LIMITED**DETAILED PROFIT AND LOSS ACCOUNT****Year ended 31 July 2020**

	2020	2019		Variance
	£	£	£	%
TURNOVER				
Sales	276,846	386,369	(109,523)	(28.35)
	-----	-----	-----	-----
COST OF SALES				
Purchases	540	1,215	(675)	(55.56)
Subcontractor costs	3,747	10,206	(6,459)	(63.29)
	-----	-----	-----	-----
	4,287	11,421	(7,134)	(62.46)
	-----	-----	-----	-----
GROSS PROFIT/(LOSS)	272,559	374,948	(102,389)	(27.31)
	-----	-----	-----	-----
GROSS PROFIT PERCENTAGE	98.45%	97.04%		
	-----	-----		
ADMINISTRATIVE EXPENSES				
Rent rates and water	25,386	22,972	2,414	10.51
Light and heat	2,566	3,783	(1,217)	(32.17)
Insurance	11,541	6,690	4,851	72.51
Repairs and maintenance	3,429	12,930	(9,501)	(73.48)
Wages and salaries	73,290	105,332	(32,042)	(30.42)
Motor expenses	5,638	7,141	(1,503)	(21.05)
Travel and subsistence	—	101	(101)	(100.00)
Telephone	6,360	6,285	75	1.19
Office expenses	220	296	(76)	(25.68)
Computer expenses	8,747	2,549	6,198	243.15
Printing postage and stationery	556	1,019	(463)	(45.44)
Sundry expenses	212	277	(65)	(23.47)
Laundry and cleaning	3,130	5,174	(2,044)	(39.51)
Charitable donations	200	190	10	5.26
Use of home as office	242	208	34	16.35
Subscriptions	672	370	302	81.62
Advertising	225	376	(151)	(40.16)
Entertaining	1,280	7,787	(6,507)	(83.56)
Bad debts written off	—	1,970	(1,970)	(100.00)
Provision for doubtful debts	15,773	(2,950)	18,723	(634.68)
Bank charges	613	788	(175)	(22.21)
Legal and professional fees	331	7,817	(7,486)	(95.77)
Accountancy fees	2,475	2,550	(75)	(2.94)
Directors salaries	17,360	16,984	376	2.21
Directors pension costs - defined contribution	32,000	52,000	(20,000)	(38.46)
Depreciation of tangible assets	15,280	18,737	(3,457)	(18.45)
(Gain)/loss on disposal of tangible assets	625	1,117	(492)	(44.05)
	-----	-----	-----	-----
	228,151	282,493	(54,342)	(19.24)
	-----	-----	-----	-----
OTHER OPERATING INCOME				
Government grants recognised directly in income	32,019	—	32,019	—
	-----	----	-----	----
FINANCE INCOME				

Interest on cash and cash equivalents	431	465	(34)	7.31
	----	----	----	----
FINANCE COSTS				
Interest on hire purchase and finance lease contracts	544	943	(399)	(42.31)
	----	----	----	-----
PROFIT/(LOSS) BEFORE TAXATION	76,314	91,977	(15,663)	(17.03)
	-----	-----	-----	-----

PROFIT BEFORE TAXATION PERCENTAGE	27.57%	23.81%		
	-----	-----		
	2020	2019		Variance
	£	£	£	%
TAXATION ON ORDINARY ACTIVITIES				
Corporation tax charge	16,818	22,184	(5,366)	(24.19)
Deferred tax	(983)	(2,581)	1,598	(61.91)
	-----	-----	-----	-----
	15,835	19,603	(3,768)	(19.22)
	-----	-----	-----	-----
PROFIT/(LOSS) AFTER TAXATION	60,479	72,374	(11,895)	(16.44)
	-----	-----	-----	-----
PROFIT AFTER TAXATION PERCENTAGE	21.85%	18.73%		
	-----	-----		

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.