

COMPANY REGISTRATION NUMBER: NI018741

**Morrow Communications Limited**

**Filleted Financial Statements**

**31 March 2020**

# Morrow Communications Limited

## Statement of Financial Position

31 March 2020

		2020	2019
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	6	629,995	640,465
Investments	7	1,000	1,000
		-----	-----
		630,995	641,465
<b>Current assets</b>			
Debtors	8	484,788	459,319
Cash at bank and in hand		279,720	349,295
		-----	-----
		764,508	808,614
<b>Creditors: amounts falling due within one year</b>	9	559,605	660,225
		-----	-----
<b>Net current assets</b>		204,903	148,389
		-----	-----
<b>Total assets less current liabilities</b>		835,898	789,854
<b>Creditors: amounts falling due after more than one year</b>	10	6,112	36,743
<b>Provisions</b>		17,510	17,337
		-----	-----
<b>Net assets</b>		812,276	735,774
		-----	-----
<b>Capital and reserves</b>			
Called up share capital		20,000	20,000
Profit and loss account		792,276	715,774
		-----	-----
<b>Shareholders funds</b>		812,276	735,774
		-----	-----

These financial statements have been prepared and delivered 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'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

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.

# **Morrow Communications Limited**

## **Statement of Financial Position** *(continued)*

**31 March 2020**

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These financial statements were approved by the board of directors and authorised for issue on 18 December 2020  
, and are signed on behalf of the board by:

Mr. P Morrow

Director

Company registration number: NI018741

# Morrow Communications Limited

## Notes to the Financial Statements

Year ended 31 March 2020

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### 1. General information

The company is a private company limited by shares, registered in Northern Ireland. The address of the registered office is Hanwood House,, Pavilions Office Park,, Kinnegar Drive Holywood,, Co Down, BT18 9JQ, Northern Ireland.

### 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.

#### Judgements and key sources of estimation uncertainty

There are no critical judgements or key accounting estimates and assumptions in applying the accounting policies.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

#### Income tax

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.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**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:

Freehold property	-	1% straight line
Fixtures and fittings	-	20% reducing balance
Equipment	-	25% reducing balance

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

**Investments in associates**

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

### **Investments in joint ventures**

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses. Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

### **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.

### **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 statement of financial position 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**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument. Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment. Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### **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 30 (2019: 32 ).

## 5. Security

First Trust Bank hold a legal mortgage/charge over Unit 2A Pavillions Office Park, Kinnegar Drive, Hollywood, Co Down.

## 6. Tangible assets

	Freehold property £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 April 2019	701,364	80,598	99,941	881,903
Additions	—	—	23,490	23,490
	-----	-----	-----	-----
<b>At 31 March 2020</b>	<b>701,364</b>	<b>80,598</b>	<b>123,431</b>	<b>905,393</b>
	-----	-----	-----	-----
<b>Depreciation</b>				
At 1 April 2019	159,976	33,675	47,787	241,438
Charge for the year	7,014	9,385	17,561	33,960
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<b>At 31 March 2020</b>	<b>166,990</b>	<b>43,060</b>	<b>65,348</b>	<b>275,398</b>
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<b>Carrying amount</b>				
<b>At 31 March 2020</b>	<b>534,374</b>	<b>37,538</b>	<b>58,083</b>	<b>629,995</b>
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At 31 March 2019	541,388	46,923	52,154	640,465
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## 7. Investments

	Other investments other than loans £
<b>Cost</b>	
At 1 April 2019 and 31 March 2020	1,000
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<b>Impairment</b>	
At 1 April 2019 and 31 March 2020	—
	-----
<b>Carrying amount</b>	
<b>At 31 March 2020</b>	1,000
	-----
At 31 March 2019	1,000
	-----

## 8. Debtors

	2020 £	2019 £
Trade debtors	467,280	583,069
Other debtors	17,508	( 123,750)
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	<b>484,788</b>	<b>459,319</b>
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## 9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	32,749	32,748
Trade creditors	134,188	306,712
Accruals and deferred income	203,696	113,196
Corporation tax	71,508	65,715
Social security and other taxes	117,464	141,854
	-----	-----
	559,605	660,225
	-----	-----

## 10. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	6,112	36,743
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## 11. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2020	2019
	£	£
Included in provisions	17,510	17,337
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The deferred tax account consists of the tax effect of timing differences in respect of:

	2020	2019
	£	£
Accelerated capital allowances	17,510	17,337
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## 12. Events after the end of the reporting period

Following the end of the financial year, the business activities of the company were impacted by the coronavirus pandemic, given the shutdown of major customers and suppliers for a period of time. At the date of signing of the accounts the directors are unable to fully quantify the effects of the virus on the results for 2020, and possibly thereafter.

## 13. Summary audit opinion

The auditor's report for the year dated 18 December 2020 was unqualified.

The senior statutory auditor was John McVeigh , for and on behalf of John McVeigh & Co .

## 14. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2020	2019	2020	2019
	£	£	£	£
WR Morrow & Sons Ltd	14,082	13,080	708	432
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There was one related party identified by management, WR Morrow & Sons Limited. The company is a storage provider operated at the family farm of one of the directors, Peter Morrow. Peter Morrow is a majority shareholder in both Morrow Communications Limited and WR Morrow & Sons Limited and therefore has the ability to enact significant influence over both companies.

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