

**MORRELLS HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Whittingham Riddell**

*chartered accountants*

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**MORRELLS HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D.J.G. Morrell J.R.B. Lovegrove-Fielden C.J.C. Wyld R.H. Wells (retired 14 June 2017)
<b>Company secretary</b>	J.R.B. Lovegrove-Fielden
<b>Registered number</b>	00379944
<b>Registered office</b>	Sandford Common Farm Sandford Common Sandford St Martin Chipping Norton Oxfordshire OX7 7AE
<b>Independent auditors</b>	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

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**MORRELLS HOLDINGS LIMITED**

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## MORRELLS HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £65,498 (2016 - loss £278,189).

No further dividends are proposed for payment from the results for the year.

#### **Directors**

The directors who served during the year were:

D.J.G. Morrell  
J.R.B. Lovegrove-Fielden  
C.J.C. Wyld  
R.H. Wells (retired 14 June 2017)

#### **Future developments**

The Group will continue in the development of the hydro scheme and to trade in relation to its principal activities.

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**MORRELLS HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, Whittingham Riddell LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 December 2017 and signed on its behalf.



**J.R.B. Lovegrove-Fielden**  
Director

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## MORRELLS HOLDINGS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MORRELLS HOLDINGS LIMITED

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We have audited the financial statements of Morrells Holdings Limited for the year ended 31 March 2017, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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MORRELLS HOLDINGS LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MORRELLS HOLDINGS LIMITED  
(CONTINUED)

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**Opinion on other matter prescribed by the Companies Act 2006**

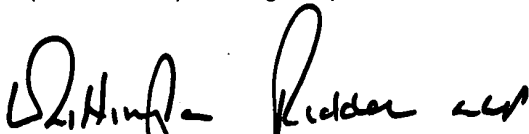
In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group strategic report.



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

**Whittingham Riddell LLP**

Chartered Accountants  
Statutory Auditors

Belmont House  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

21 December 2017

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
Turnover	4	1,864,002	1,803,379
Cost of sales		(1,025,019)	(990,438)
<b>Gross profit</b>		<b>838,983</b>	<b>812,941</b>
Administrative expenses		(931,822)	(729,413)
Exceptional administrative expenses		-	(1,003,527)
Other operating income	5	203,481	(279,231)
Fair value movements		-	935,000
Other operating charges		41,704	(12,891)
<b>Operating profit/(loss)</b>	6	<b>152,346</b>	<b>(277,121)</b>
Interest receivable and similar income	10	20,233	21,865
Interest payable and expenses	11	(73,924)	(23,662)
<b>Profit/(loss) before taxation</b>		<b>98,655</b>	<b>(278,918)</b>
Tax on profit/(loss)	12	(164,153)	729
<b>Loss for the financial year</b>		<b>(65,498)</b>	<b>(278,189)</b>
Unrealised surplus on revaluation of fixed asset investments		1,295,620	3,832
Currency translation differences		16,870	4,521
Deferred tax on currency translation differences		(3,205)	(859)
<b>Other comprehensive income for the year</b>		<b>1,309,285</b>	<b>7,494</b>
<b>Total comprehensive income for the year</b>		<b>1,243,787</b>	<b>(270,695)</b>
<b>(Loss) for the year attributable to:</b>			
Owners of the parent Company		(65,498)	(278,189)
		(65,498)	(278,189)
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		1,243,787	(270,695)
		1,243,787	(270,695)

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.



**MORRELLS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 00379944**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	16	(16,221)	(24,671)
Tangible assets	17	16,973,079	10,667,283
Investments	18	10,050,315	8,352,609
Investment property	19	1,864,481	1,864,480
		<u>28,871,654</u>	<u>20,859,701</u>
<b>Current assets</b>			
Stocks	20	413,436	280,122
Debtors: amounts falling due within one year	21	2,146,024	1,523,329
Cash at bank and in hand	22	1,593,190	3,218,835
		<u>4,152,650</u>	<u>5,022,286</u>
Creditors: amounts falling due within one year	23	(1,264,044)	(973,243)
<b>Net current assets</b>		<u>2,888,606</u>	<u>4,049,043</u>
<b>Total assets less current liabilities</b>		<u>31,760,260</u>	<u>24,908,744</u>
Creditors: amounts falling due after more than one year	24	(2,280,254)	(479,682)
<b>Provisions for liabilities</b>			
Deferred taxation	27	(117,136)	(93,178)
Other provisions	28	(1,828,220)	(1,429,710)
		<u>(1,945,356)</u>	<u>(1,522,888)</u>
<b>Net assets excluding pension asset</b>		<u>27,534,650</u>	<u>22,906,174</u>
<b>Net assets</b>		<u><u>27,534,650</u></u>	<u><u>22,906,174</u></u>

**MORRELLS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 00379944**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Capital and reserves</b>			
Called up share capital	29	383,003	344,669
Share premium account	30	3,761,667	-
Revaluation reserve	30	2,881,306	1,548,583
Capital redemption reserve	30	355,331	355,331
Investment property reserve	30	300,412	300,412
Profit and loss account	30	19,852,931	20,357,179
<b>Equity attributable to owners of the parent Company</b>		<u>27,534,650</u>	<u>22,906,174</u>
		<u>27,534,650</u>	<u>22,906,174</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2017.

**J.R.B. Lovegrove-Fielden**  
**Director**

The notes on pages 15 to 37 form part of these financial statements.

**MORRELLS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 00379944**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	18	24,471,325	17,044,142
		<u>24,471,325</u>	<u>17,044,142</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	21	632,057	189,830
Cash at bank and in hand	22	990,262	2,557,542
		<u>1,622,319</u>	<u>2,747,372</u>
Creditors: amounts falling due within one year	23	(661,656)	(330,892)
<b>Net current assets</b>		<u>960,663</u>	<u>2,416,480</u>
<b>Total assets less current liabilities</b>		<u>25,431,988</u>	<u>19,460,622</u>
Creditors: amounts falling due after more than one year	24	(2,280,254)	(479,682)
<b>Net assets excluding pension asset</b>		<u>23,151,734</u>	<u>18,980,940</u>
<b>Net assets</b>		<u><u>23,151,734</u></u>	<u><u>18,980,940</u></u>
<b>Capital and reserves</b>			
Called up share capital	29	383,003	344,669
Share premium account	30	3,761,667	-
Revaluation reserve	30	1,729,991	745,947
Capital redemption reserve	30	355,331	355,331
Profit and loss account	30	16,921,742	17,534,993
		<u>23,151,734</u>	<u>18,980,940</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2017.

  
J.R.B. Lovegrove-Fielden  
Director

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MORRELLS HOLDINGS LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017

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	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 April 2016	344,669	-	355,331	1,548,583	300,412	20,357,179	22,906,174
Loss for the year	-	-	-	-	-	(65,498)	(65,498)
Currency translation	-	-	-	-	-	16,870	16,870
Revaluation of investments	-	-	-	1,295,620	-	-	1,295,620
Tax on currency translation	-	-	-	-	-	(3,205)	(3,205)
Transfer to/from profit and loss account	-	-	-	37,103	-	(37,103)	-
Dividends: Equity capital	-	-	-	-	-	(415,312)	(415,312)
Shares issued during the year	38,334	3,761,667	-	-	-	-	3,800,001
<b>At 31 March 2017</b>	<b>383,003</b>	<b>3,761,667</b>	<b>355,331</b>	<b>2,881,306</b>	<b>300,412</b>	<b>19,852,931</b>	<b>27,534,650</b>

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MORRELLS HOLDINGS LIMITED

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

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	Called up share capital	Capital redemption reserve	Revaluation reserve	Investment property revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2015	344,669	355,331	2,158,893	300,412	20,432,876	23,592,181
Loss for the year	-	-	-	-	(278,189)	(278,189)
Currency translation differences	-	-	-	-	4,521	4,521
Revaluation of investments	-	-	3,832	-	-	3,832
Tax on currency translation	-	-	-	-	(859)	(859)
Transfer to/from profit and loss account	-	-	(614,142)	-	614,142	-
Dividends: Equity capital	-	-	-	-	(415,312)	(415,312)
<b>At 31 March 2016</b>	<b>344,669</b>	<b>355,331</b>	<b>1,548,583</b>	<b>300,412</b>	<b>20,357,179</b>	<b>22,906,174</b>

The notes on pages 15 to 37 form part of these financial statements.

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MORRELLS HOLDINGS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017

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	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2016	344,669	-	355,331	745,947	17,534,993	18,980,940
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(159,991)	(159,991)
Revaluation of investments	-	-	-	946,096	-	946,096
Dividends: Equity capital	-	-	-	-	(415,312)	(415,312)
Shares issued during the year	38,334	3,761,667	-	-	-	3,800,001
<b>At 31 March 2017</b>	<b>383,003</b>	<b>3,761,667</b>	<b>355,331</b>	<b>1,729,991</b>	<b>16,921,742</b>	<b>23,151,734</b>

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MORRELLS HOLDINGS LIMITED

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COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016

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	Called up share capital	Capital redemption reserve	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2015	344,669	355,331	1,177,307	18,745,706	20,623,013
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(1,229,056)	(1,229,056)
Revaluation of investments	-	-	2,295	-	2,295
Dividends: Equity capital	-	-	-	(415,312)	(415,312)
<b>At 31 March 2016</b>	<b>344,669</b>	<b>355,331</b>	<b>745,947</b>	<b>17,534,993</b>	<b>18,980,940</b>

The notes on pages 15 to 37 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	(65,498)	(278,189)
<b>Adjustments for:</b>		
Depreciation of tangible assets	117,683	109,510
Loss on disposal of tangible assets	(977)	212
Interest paid	73,924	23,662
Interest received	(20,233)	(21,865)
Taxation charge	164,153	(729)
(Increase) in stocks	(133,314)	(8,304)
(Increase) in debtors	(622,695)	(213,825)
Increase/(decrease) in creditors	124,661	(382,142)
Increase in provisions	398,510	72,827
Net fair value losses/(gains) recognised in P&L	-	(935,000)
Corporation tax (paid)/received	(5,437)	65
<b>Net cash generated from operating activities</b>	<b>30,777</b>	<b>(1,633,778)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(8,450)	212
Sale of intangible assets	-	681
Purchase of tangible fixed assets	(6,477,503)	(865,645)
Sale of tangible fixed assets	55,000	3,080
Purchase of investment properties	-	(154,491)
Purchase of unlisted and other investments	(2,092,353)	(2,670,622)
Sale of unlisted and other investments	1,690,267	3,239,711
Interest received	20,233	21,865
HP interest paid	-	(953)
<b>Net cash from investing activities</b>	<b>(6,812,806)</b>	<b>(426,162)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	3,800,001	-
New secured loans	1,845,619	-
Repayment of loans	-	(152,441)
Repayment of/new finance leases	-	(54,508)
Dividends paid	(415,312)	(415,312)
Interest paid	(73,924)	(22,709)
<b>Net cash used in financing activities</b>	<b>5,156,384</b>	<b>(644,970)</b>



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MORRELLS HOLDINGS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017

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	2017 £	2016 £
Net (decrease) in cash and cash equivalents	(1,625,645)	(2,704,910)
Cash and cash equivalents at beginning of year	3,218,835	5,923,745
Cash and cash equivalents at the end of year	1,593,190	3,218,835
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,593,190	3,218,835
	1,593,190	3,218,835

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. General information

The groups's operations relate to the farming of land, rental income, other contracting income and the management of an investment portfolio.

The group operates within the United Kingdom.

The parent company, Morrells Holdings Limited, is a private company limited by shares and is incorporated and domiciled in England.

The address of its registered office is Waggoners Cottage, Sandford Common, Sandford St Martin, Chipping Norton, Oxfordshire, OX7 7AE.

#### 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 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**Lloyds of London revenue**

Revenue including premiums receivable in respect of Lloyds of London business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and includes estimates of premiums due but not yet receivable or notified to the syndicates on which the Group participates, less an allowance for cancellations. All premiums are shown gross of commission payable to intermediaries and exclude taxes and duties levied on them.

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.4 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

###### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Purchased Syndicate Capacity are the costs incurred by the Group in the Corporation of Lloyds auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible fixed assets and are amortised over a 5 year period being in the year following purchase of the syndicate participation.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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, on the straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	- 0.5% straight line
Plant & machinery	- 10% reducing balance or 25% straight line
Assets under construction	- Not depreciated until brought into commission.

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 Consolidated statement of comprehensive income.

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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## 2. Accounting policies (continued)

### 2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

### 2.7 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

### 2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

### 2.10 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.

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.11 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.12 Financial instruments

The Group only enters into basic financial instruments 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 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 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

##### 2.15 Finance costs

Finance costs are charged to the Consolidated 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.

##### 2.16 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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**2. Accounting policies (continued)**

**2.17 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

**2.18 Interest income**

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

**2.19 Borrowing costs**

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.



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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 2. Accounting policies (continued)

##### 2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

##### 2.22 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. In the opinion of the directors there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Farming	849,330	921,800
Rent receivable	83,520	54,286
Investment portfolio	200,190	181,512
Lloyds of London	730,962	645,781
	<u>1,864,002</u>	<u>1,803,379</u>

All turnover arose within the United Kingdom.

**5. Other operating income**

	2017 £	2016 £
Other operating income	25,298	22,644
Profit / (Loss) on disposal of listed investments	178,183	(301,875)
	<u>203,481</u>	<u>(279,231)</u>

**6. Operating profit/(loss)**

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	117,683	109,509
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	19,000	18,750
Exchange differences	(37,937)	(11,479)
Defined contribution pension cost	224	993
	<u>224</u>	<u>993</u>

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**7. Auditors' remuneration**

	2017 £	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>8,550</u>	<u>8,150</u>
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
Audit-related assurance services	8,550	8,150
Taxation compliance services	6,750	7,100
All other services	3,700	3,500
	<u>19,000</u>	<u>18,750</u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	99,260	92,404
Social security costs	2,451	3,208
Cost of defined contribution scheme	224	993
	<u>101,935</u>	<u>96,605</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
	<u>7</u>	<u>7</u>

**9. Directors' remuneration**

	2017 £	2016 £
Directors' emoluments	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**10. Interest receivable**

	2017 £	2016 £
Other interest receivable	20,233	21,865
	<u>20,233</u>	<u>21,865</u>

**11. Interest payable and similar charges**

	2017 £	2016 £
Bank interest payable	73,924	22,709
Finance leases and hire purchase contracts	-	953
	<u>73,924</u>	<u>23,662</u>

**12. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	140,195	-
Adjustments in respect of previous periods	-	(13,880)
	<u>140,195</u>	<u>(13,880)</u>
<b>Total current tax</b>	<u>140,195</u>	<u>(13,880)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	23,958	13,151
<b>Total deferred tax</b>	<u>23,958</u>	<u>13,151</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>164,153</u>	<u>(729)</u>

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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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12. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	<u>98,655</u>	<u>(278,918)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	19,731	(55,784)
<b>Effects of:</b>		
Adjustments to tax charge in respect of prior periods	(11,932)	(13,880)
Short term timing difference leading to an increase (decrease) in taxation	26,354	13,151
Other differences leading to an increase (decrease) in the tax charge (\$455 on directors loan account)	130,000	(131,216)
Impact of fair value adjustment	-	187,000
<b>Total tax charge for the year</b>	<u>164,153</u>	<u>(729)</u>

**Factors that may affect future tax charges**

At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

13. Dividends

	2017 £	2016 £
Dividends declared in year	415,312	415,312
	<u>415,312</u>	<u>415,312</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

14. Exceptional items

	2017 £	2016 £
Pension costs	-	1,003,527
	<u>-</u>	<u>1,003,527</u>

15. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £159,991 (2016 - loss £1,229,056).

16. Intangible assets

Group and Company

	Purchased Syndicate Capacity £	Other Intangible asset £	Goodwill £	Total £
<b>Cost</b>				
At 1 April 2016	12,385	-	(37,056)	(24,671)
Additions	(6,808)	15,258	-	8,450
At 31 March 2017	<u>5,577</u>	<u>15,258</u>	<u>(37,056)</u>	<u>(16,221)</u>
<b>Net book value</b>				
At 31 March 2017	<u>5,577</u>	<u>15,258</u>	<u>(37,056)</u>	<u>(16,221)</u>
At 31 March 2016	<u>12,385</u>	<u>-</u>	<u>(37,056)</u>	<u>(24,671)</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

17. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Assets under construction £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	9,030,912	1,947,053	502,289	11,480,254
Additions	3,981,150	2,496,353	-	6,477,503
Disposals	-	(184,200)	-	(184,200)
Transfers between classes	-	502,289	(502,289)	-
At 31 March 2017	13,012,062	4,761,495	-	17,773,557
<b>Depreciation</b>				
At 1 April 2016	114,075	698,896	-	812,971
Charge for the year on owned assets	14,451	103,232	-	117,683
Disposals	-	(130,177)	-	(130,177)
At 31 March 2017	128,526	671,951	-	800,477
<b>Net book value</b>				
At 31 March 2017	12,883,536	4,089,544	-	16,973,080
At 31 March 2016	8,916,837	1,248,157	502,289	10,667,283

The net book value of land and buildings may be further analysed as follows:

	2017 £	2016 £
Freehold	12,883,536	8,916,838
	<u>12,883,536</u>	<u>8,916,838</u>

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**18. Fixed asset investments**

**Group**

	Listed investments £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	8,252,644	99,965	8,352,609
Additions	2,092,353	-	2,092,353
Disposals	(1,594,579)	-	(1,594,579)
Revaluations	1,199,932	-	1,199,932
At 31 March 2017	<u>9,950,350</u>	<u>99,965</u>	<u>10,050,315</u>
<b>Net book value</b>			
At 31 March 2017	<u>9,950,350</u>	<u>99,965</u>	<u>10,050,315</u>
At 31 March 2016	<u>8,252,644</u>	<u>99,965</u>	<u>8,352,609</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Morrells Farming Limited	Ordinary	100 %	Farming
Ballard & Morrell (Farming) Limited	Ordinary	100 %	Dormant
Nameco (No. 971) Limited	Ordinary	100 %	Lloyds of London syndicate participation



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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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18. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Listed investments £	Unlisted investments £	Loans to subsidiaries £	Total £
<b>Cost or valuation</b>					
At 1 April 2016	97,947	5,029,579	99,965	11,816,651	17,044,142
Additions	-	1,354,729	-	6,376,874	7,731,603
Disposals	-	(1,250,518)	-	-	(1,250,518)
Revaluations	-	946,097	-	-	946,097
At 31 March 2017	97,947	6,079,887	99,965	18,193,525	24,471,324
<b>Net book value</b>					
At 31 March 2017	97,947	6,079,887	99,965	18,193,525	24,471,324
At 31 March 2016	97,947	5,029,579	99,965	11,816,651	17,044,142

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**19. Investment property**

**Group**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2016	1,864,480
<b>At 31 March 2017</b>	<b>1,864,480</b>

The 2017 valuations were made by Jonathan Lovegrove-Fielden, a director, on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2017 £</b>	<b>2016 £</b>
Historic cost	929,479	929,479
	<b>929,479</b>	<b>929,479</b>

**20. Stocks**

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Finished goods and goods for resale	413,436	280,122	-	-
	<b>413,436</b>	<b>280,122</b>	<b>-</b>	<b>-</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £284,886 (2016 - £240,408).

An impairment loss of £nil (2016 - £nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

21. Debtors

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Trade debtors	1,137,475	987,749	-	-
Other debtors	861,498	408,084	632,057	189,830
Prepayments and accrued income	147,051	127,496	-	-
	<u>2,146,024</u>	<u>1,523,329</u>	<u>632,057</u>	<u>189,830</u>

An impairment loss of £nil (£2016 £nil) was recognised in Administrative Expenses during the year.

22. Cash and cash equivalents

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Cash at bank and in hand	1,593,190	3,218,835	990,262	2,557,542
	<u>1,593,190</u>	<u>3,218,835</u>	<u>990,262</u>	<u>2,557,542</u>

23. Creditors: Amounts falling due within one year

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Bank loans	196,809	151,762	196,809	151,762
Trade creditors	437,784	281,387	6,933	4,551
Corporation tax	130,000	8,907	130,000	-
Other taxation and social security	3,738	2,887	2,370	1,369
Other creditors	338,013	286,573	325,544	173,210
Accruals and deferred income	157,700	241,727	-	-
	<u>1,264,044</u>	<u>973,243</u>	<u>661,656</u>	<u>330,892</u>

The bank loans are secured against a number of the group freehold land properties.

The company's bankers hold an unlimited debenture incorporating a fixed and floating charge.

**MORRELLS HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**24. Creditors: Amounts falling due after more than one year**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
Bank loans	<b>2,280,254</b>	479,682	<b>2,280,254</b>	479,682
	<b>2,280,254</b>	479,682	<b>2,280,254</b>	479,682

The bank loans are secured against a number of the group freehold land properties.

The company's bankers hold an unlimited debenture incorporating a fixed and floating charge.

**25. Loans**

The bank loans are secured against a number of the group freehold land properties.

The company's bankers hold an unlimited debenture incorporating a fixed and floating charge.

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
<b>Amounts falling due within one year</b>				
Bank loans	<b>196,809</b>	151,762	<b>196,809</b>	151,762
	<b>196,809</b>	151,762	<b>196,809</b>	151,762
<b>Amounts falling due 1-2 years</b>				
Bank loans	<b>203,332</b>	166,733	<b>203,332</b>	166,733
	<b>203,332</b>	166,733	<b>203,332</b>	166,733
<b>Amounts falling due 2-5 years</b>				
Bank loans	<b>254,549</b>	312,949	<b>254,549</b>	312,949
	<b>254,549</b>	312,949	<b>254,549</b>	312,949
<b>Amounts falling due after more than 5 years</b>				
Bank loans	<b>1,822,373</b>	-	<b>1,822,373</b>	-
	<b>2,477,063</b>	631,444	<b>2,477,063</b>	631,444

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**26. Financial instruments**

	<b>Group 2017 £</b>	<i>Group 2016 £</i>	<b>Company 2017 £</b>	<i>Company 2016 £</i>
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	<b>99,965</b>	99,965	<b>99,965</b>	99,965
Financial assets that are debt instruments measured at amortised cost	<b>1,998,973</b>	1,395,833	<b>632,057</b>	189,830
	<u><b>2,098,938</b></u>	<u>1,495,798</u>	<u><b>732,022</b></u>	<u>289,795</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(3,403,604)</b>	(1,435,372)	<b>(2,809,540)</b>	(809,205)
	<u><b>(3,403,604)</b></u>	<u>(1,435,372)</u>	<u><b>(2,809,540)</b></u>	<u>(809,205)</u>

Financial assets measured at fair value through profit or loss comprise of unlisted investments.

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and loan balances.

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**MORRELLS HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**27. Deferred taxation**

**Group**

	<b>2017 £</b>	<b>2016 £</b>
At beginning of year	(93,178)	(93,178)
Charged to profit or loss	(23,958)	-
<b>At end of year</b>	<b>(117,136)</b>	<b>(93,178)</b>

	<b>Group 2017 £</b>	<b>Group 2016 £</b>
Accelerated capital allowances	(117,136)	(93,178)
	<b>(117,136)</b>	<b>(93,178)</b>

**28. Provisions**

**Group**

	<b>Technical provisions £</b>
At 1 April 2016	1,429,710
Charged to profit or loss	398,510
<b>At 31 March 2017</b>	<b>1,828,220</b>

The provision relates to a provision for unearned premiums at Lloyds of London and the gross amount of the claims outstanding. The provision relates to the wholly owned subsidiary Nameco (No. 971) Limited

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MORRELLS HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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29. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
925,518 Ordinary A Shares of £0.25 shares of £0.25 each	231,380	231,380
263,589 Ordinary B Shares of £0.25 shares of £0.25 each	65,897	65,897
189,569 Ordinary C Shares of £0.25 shares of £0.25 each	47,392	47,392
102,223 Ordinary D shares of £0.25 shares of £0.25 each	25,556	-
51,111 Ordinary E shares of £0.25 shares of £0.25 each	12,778	-
	<hr/>	<hr/>
	383,003	344,669
	<hr/>	<hr/>

During the year, 102,223 Ordinary 'D' shares at an aggregate nominal value of £25,556 and 51,111 Ordinary 'E' shares at an aggregate nominal value of £12,778 were issued. The total consideration received was £3,800,000.

30. Reserves

**Revaluation reserve**

The revaluation reserve comprises the cumulative investment revaluations undertaken by company since incorporation.

**Investment property revaluation reserve**

The revaluation reserve comprises the cumulative investment property revaluations undertaken by company since incorporation.

**Profit & loss account**

The profit and loss account comprises the cumulative retained earnings of the company since incorporation.

31. Pension commitments

During the period the company operated a defined contribution (money purchase) scheme for all former qualifying staff. The scheme includes guaranteed minimum pensions in accordance with the contracting out legislation.

The assets of the scheme are administered by trustees in a fund independent from those of the company, which is subject to an audit.

In the previous year a guaranteed minimum pension for the scheme members was secured by the payment of a bulk buyout agreement at a cost of £914,360.

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## MORRELLS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 32. Directors' personal guarantees

Included within other debtors within one year is an amount of £583,080 (2016: £183,080) due from DJG Morrell, a director. Interest on this loan was paid at £6,775 (2016: £2,136).

#### 33. Related party transactions

Included within other debtors within one year is an amount of £583,080 (2016: £183,080) due from DJG Morrell, a director. Interest on this loan was paid at £6,775 (2016: £2,136).

Included within creditors is an amount of £18,145 (2016: £nil) dividends payable to DJG Morrell.

Also included within creditors within one year is an amount of £7,268 (2016: £9,081) due to Anne Ballard loan account, a family member of DJG Morrell, a director. There is also an amount of £42,505 dividends payable to Anne Ballard (2016: £42,505).

There is also an amount of £21,156 dividends payable to Lavinia Taylor (2016: £45,667), a family member of the Directors, with £21,490 (2016: £21,490) dividends payable to John Taylor.

JRB Lovegrove-Fielden, a director, has provided services to the company on normal commercial terms. During the year the total level of services invoiced to the company was £nil (2016: £nil). The year end balance in respect of these services was a creditor balance of £nil (2016: £nil).

During the year there were purchases of £1,995 (2016: £2,672) from Balfours Chartered Surveyors, a firm in which J.R.B. Lovegrove-Fielden, a director of the company, is a partner. The amount owed by the company at the balance sheet date was £nil (2016: £nil).

C Wyld, a director, is a partner in Burgess Salmon which has provided services to the company on normal commercial terms during the year. During the year the total level of services invoiced to the company was £77,997 (2016: £56,730). The year end balance in respect of these services was a creditor balance of £6,923 (2016: £nil).

The company has taken advantage of the exemption contained with Financial Reporting Standard 102 and has therefore not disclosed transactions or balances with entities which form part of the group. The financial statements of Morrells Holdings Limited, the ultimate parent company of the group, can be obtained from Companies House.

#### 34. Controlling party

There is no single controlling party of the company.