

MORRELLS HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

MORRELLS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D.J.G. Morrell J.R.B. Lovegrove-Fielden R.H. Wells
Company secretary	J.R.B. Lovegrove-Fielden
Registered number	00379944
Registered office	Sandford Common Farm Sandford Common Sandford St Martin Chipping Norton Oxfordshire OX7 7AE
Independent auditors	WR Partners Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

MORRELLS HOLDINGS LIMITED

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

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;
- 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.

Directors

The directors who served during the year were:

D.J.G. Morrell
J.R.B. Lovegrove-Fielden
R.H. Wells

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.

Auditors

The auditors, WR Partners, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

MORRELLS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 December 2021 and signed on its behalf.

D.J.G. Morrell
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORRELLS HOLDINGS LIMITED

Opinion

We have audited the financial statements of Morrells Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Profit and loss account, 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, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2021 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters 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 the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit team obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the Group and determined that the most significant are those that relate to the reporting framework (FRS102 and the Companies Act 2006), the relevant tax compliance regulations, employment law, Health and Safety Regulations and the EU General Data Protection Regulation (GDPR).

We understood how the Company and the Group are complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. We also reviewed board minutes to identify any recorded instances of irregularity or non compliance that might have a material impact on the financial statements.

We assessed the susceptibility of the Company and Group's financial statements to material misstatement, including how fraud might occur by meeting with key management to understand where they considered there was susceptibility to fraud. Based on our understanding our procedures involved enquiries of management and those charged with governance, manual journal entry testing, cashbook reviews for large and unusual items and the challenge of significant accounting estimates used in preparing the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

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

Use of our report

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.

Andy Malpass BA FCA (Senior statutory auditor)

for and on behalf of

WR Partners

Chartered Accountants

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

21 December 2021

MORRELLS HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	2,432,899	2,553,792
Cost of sales		(1,457,753)	(1,518,723)
Gross profit		975,146	1,035,069
Administrative expenses		(819,889)	(823,252)
Exceptional administrative expenses		20,248	26,271
Other operating income	5	97,744	273,068
Other operating charges		(101,366)	(109,379)
Operating profit	6	171,883	401,777
Interest receivable and similar income	10	32,782	34,911
Interest payable and similar expenses	11	(54,757)	(59,878)
Profit before tax		149,908	376,810
Tax on profit	12	(7,996)	(67,243)
Profit for the financial year		141,912	309,567
Owners of the parent		141,912	309,567
		141,912	309,567

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Profit for the financial year		141,912	309,567
Other comprehensive income			
Unrealised surplus/(deficit) on revaluation of tangible fixed assets		1,128,239	(365,597)
Currency translation differences		1,963	6,926
Deferred tax on currency translation differences		(373)	(1,177)
Other comprehensive income for the year		1,129,829	(359,848)
Total comprehensive income for the year		1,271,741	(50,281)
Profit for the year attributable to:			
Owners of the parent Company		141,912	309,567
		141,912	309,567
Total comprehensive income attributable to:			
Owners of the parent Company		1,271,741	(50,281)
		1,271,741	(50,281)

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED
REGISTERED NUMBER: 00379944

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	46,055	(2,809)
Tangible assets	17	14,815,675	15,032,541
Investments	18	11,768,370	10,359,188
Investment property	19	2,599,537	2,313,768
		<u>29,229,637</u>	<u>27,702,688</u>
Current assets			
Stocks	20	239,119	182,382
Debtors: amounts falling due within one year	21	4,292,890	4,180,353
Cash at bank and in hand	22	1,814,129	2,522,496
		<u>6,346,138</u>	<u>6,885,231</u>
Creditors: amounts falling due within one year	23	(1,302,959)	(1,445,889)
Net current assets		<u>5,043,179</u>	<u>5,439,342</u>
Total assets less current liabilities		<u>34,272,816</u>	<u>33,142,030</u>
Creditors: amounts falling due after more than one year	24	(2,130,641)	(1,977,541)
Provisions for liabilities			
Deferred taxation	27	(203,721)	(228,678)
Other provisions	28	(2,635,262)	(2,406,247)
		<u>(2,838,983)</u>	<u>(2,634,925)</u>
Net assets		<u><u>29,303,192</u></u>	<u><u>28,529,564</u></u>

MORRELLS HOLDINGS LIMITED
REGISTERED NUMBER: 00379944

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	29	383,003	383,003
Share premium account	30	3,761,667	3,761,667
Revaluation reserve	30	2,792,363	1,908,746
Capital redemption reserve	30	355,331	355,331
Investment property reserve	30	300,412	300,412
Profit and loss account	30	21,710,416	21,820,405
Equity attributable to owners of the parent		<u>29,303,192</u>	<u>28,529,564</u>
Company		<u>29,303,192</u>	<u>28,529,564</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

D.J.G. Morrell

Director

Date: 21 December 2021

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED
REGISTERED NUMBER: 00379944

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	18	21,734,521	20,639,111
		<u>21,734,521</u>	<u>20,639,111</u>
Current assets			
Debtors: amounts falling due within one year	21	1,773,927	1,787,822
Cash at bank and in hand	22	1,410,885	2,088,625
		<u>3,184,812</u>	<u>3,876,447</u>
Creditors: amounts falling due within one year	23	(259,205)	(314,932)
Net current assets		<u>2,925,607</u>	<u>3,561,515</u>
Total assets less current liabilities		<u>24,660,128</u>	<u>24,200,626</u>
Creditors: amounts falling due after more than one year	24	(1,813,631)	(1,864,648)
Net assets		<u><u>22,846,497</u></u>	<u><u>22,335,978</u></u>
Capital and reserves			
Called up share capital	29	383,003	383,003
Share premium account	30	3,761,667	3,761,667
Revaluation reserve	30	1,641,048	757,431
Capital redemption reserve	30	355,331	355,331
Profit and loss account	30	16,705,448	17,078,546
		<u><u>22,846,497</u></u>	<u><u>22,335,978</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

D.J.G. Morrell
Director

Date: 21 December 2021

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Investment evaluation reserve £	Investment property evaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2020	383,003	3,761,667	355,331	1,908,746	300,412	21,820,405	28,529,564
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	141,912	141,912
Currency translation	-	-	-	-	-	1,963	1,963
Revaluation of investments	-	-	-	1,128,239	-	-	1,128,239
Tax on currency translation	-	-	-	-	-	(373)	(373)
Total comprehensive income for the year	-	-	-	1,128,239	-	143,502	1,271,741
Dividends: Equity capital	-	-	-	-	-	(498,113)	(498,113)
Profit and loss transfer	-	-	-	(244,622)	-	244,622	-
Total transactions with owners	-	-	-	(244,622)	-	(253,491)	(498,113)
At 31 March 2021	383,003	3,761,667	355,331	2,792,363	300,412	21,710,416	29,303,192

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Investment evaluation reserve £	Investment property evaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	383,003	3,761,667	355,331	2,916,761	300,412	21,287,950	29,005,124
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	309,567	309,567
Currency translation differences	-	-	-	-	-	6,926	6,926
Revaluation of investments	-	-	-	(365,597)	-	-	(365,597)
Tax on currency translation	-	-	-	-	-	(1,177)	(1,177)
Total comprehensive income for the year	-	-	-	(365,597)	-	315,316	(50,281)
Dividends: Equity capital	-	-	-	-	-	(425,279)	(425,279)
Profit and loss transfer	-	-	-	(642,418)	-	642,418	-
Total transactions with owners	-	-	-	(642,418)	-	217,139	(425,279)
At 31 March 2020	383,003	3,761,667	355,331	1,908,746	300,412	21,820,405	28,529,564

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	valuation reserve £	Profit and loss account £	Total equity £
At 1 April 2020	383,003	3,761,667	355,331	757,431	17,078,546	22,335,978
Comprehensive income for the year						
Loss for the year	-	-	-	-	(119,607)	(119,607)
Revaluation of investments	-	-	-	1,128,239	-	1,128,239
Dividends: Equity capital	-	-	-	-	(498,113)	(498,113)
Profit and loss transfer	-	-	-	(244,622)	244,622	-
At 31 March 2021	383,003	3,761,667	355,331	1,641,048	16,705,448	22,846,497

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	valuation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	383,003	3,761,667	355,331	1,765,446	16,605,722	22,871,169
Comprehensive income for the year						
Profit for the year	-	-	-	-	255,685	255,685
Revaluation of investments	-	-	-	(365,597)	-	(365,597)
Dividends: Equity capital	-	-	-	-	(425,279)	(425,279)
Profit and loss transfer	-	-	-	(642,418)	642,418	-
	<u>383,003</u>	<u>3,761,667</u>	<u>355,331</u>	<u>757,431</u>	<u>17,078,546</u>	<u>22,335,978</u>
At 31 March 2020						

The notes on pages 18 to 41 form part of these financial statements.

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	141,912	309,567
Adjustments for:		
Amortisation of intangible assets	17,860	40,469
Depreciation of tangible assets	248,667	246,746
Interest paid	54,757	59,878
Interest received	(32,782)	(34,911)
Taxation charge	7,996	67,243
(Increase)/decrease in stocks	(56,737)	106,853
(Increase) in debtors	(112,535)	(8,590)
(Decrease) in creditors	(108,752)	(166,036)
Increase in provisions	229,015	78,528
Corporation tax received	6,906	-
(Profit) / loss of disposal of tangible assets	(20,248)	(26,271)
(Profit) / loss on sale of investments	-	(235,791)
Currency translation differences	1,590	-
Deferred tax provision movement	(35,390)	-
Net cash generated from operating activities	342,259	437,685
Cash flows from investing activities		
Purchase of intangible fixed assets	(66,724)	-
Purchase of tangible fixed assets	(52,626)	(323,762)
Sale of tangible fixed assets	41,073	128,000
Purchase of investment properties	(285,769)	-
Sale of investment properties	-	5
Purchase of unlisted and other investments	(3,445,488)	(5,066,505)
Sale of unlisted and other investments	3,160,074	4,901,569
Interest received	32,782	34,911
HP interest paid	(5,203)	(4,075)
Net cash from investing activities	(621,881)	(329,857)

MORRELLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	252,500	-
Repayment of loans	(37,375)	(178,615)
Repayment of/new finance leases	(96,203)	117,096
Dividends paid	(498,113)	(425,279)
Interest paid	(49,554)	(55,803)
Net cash used in financing activities	(428,745)	(542,601)
Net (decrease) in cash and cash equivalents	(708,367)	(434,773)
Cash and cash equivalents at beginning of year	2,522,496	2,957,269
Cash and cash equivalents at the end of year	1,814,129	2,522,496
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,814,129	2,522,496
	1,814,129	2,522,496

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

The group'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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

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 profit and loss account 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

The Directors are satisfied that the Group will be able to meet its liabilities as they fall due for the foreseeable future. The accounts therefore have been prepared on a going concern basis.

The Directors have also assessed the potential impact on the future operations of the Group with regard to the Covid-19 outbreak. The Group is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.4 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 profit or loss 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 profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 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.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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 profit or loss 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.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 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 profit and loss account 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.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the straight line and reducing balance methods.

Depreciation is provided on the following basis:

Freehold property	- 0.5% reducing balance
Plant & machinery	- 10% reducing balance or 4-25% straight line
Renewable energy	- 4% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.14 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 profit or loss.

2.15 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 profit and loss account 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.

2.16 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.

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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 profit or loss 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.

2.21 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 profit and loss account.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)**2.22 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. 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.

4. Turnover

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

	2021 £	2020 £
Farming	720,051	944,647
Rent receivable	95,020	82,895
Investment portfolio	192,124	199,380
Electricity generation	357,739	292,472
Lloyds of London	1,062,092	1,034,398
Woodland grants	5,873	-
	<u>2,432,899</u>	<u>2,553,792</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £	2020 £
Other operating income	240,507	38,943
Profit/(Loss) on disposal of listed investments	(142,763)	234,125
	<u>97,744</u>	<u>273,068</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	34,648	10,493
Other operating lease rentals	17,860	40,469

7. Auditors' remuneration

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	10,350	10,400
All other services	8,140	8,140
	18,490	18,540

8. Employees

	2021 £	2020 £
Wages and salaries	89,947	99,335
Social security costs	5,915	3,317
Cost of defined contribution scheme	493	748
	96,355	103,400

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

Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
7	8	3	3

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

10. Interest receivable

	2021 £	2020 £
Other interest receivable	32,782	34,911
	<u>32,782</u>	<u>34,911</u>

11. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	49,554	55,803
Finance leases and hire purchase contracts	5,203	4,075
	<u>54,757</u>	<u>59,878</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(6,906)	-
	<u>(6,906)</u>	<u>-</u>
Total current tax	<u>(6,906)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	14,902	67,243
Total deferred tax	<u>14,902</u>	<u>67,243</u>
Taxation on profit on ordinary activities	<u>7,996</u>	<u>67,243</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>149,908</u>	<u>376,810</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	28,483	71,594
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,465	33,632
Capital allowances for year in excess of depreciation	(24,223)	(54,937)
Utilisation of tax losses	(36,660)	(155,806)
Other timing differences leading to an increase (decrease) in taxation	10,116	69,437
Non-taxable income	5,482	(68,598)
Capital gains	35,452	166,487
Unrelieved tax losses carried forward	(9,305)	5,075
Change in tax rate	(7,069)	(694)
Permanent differences	(633)	457
Foreign tax	888	596
Total tax charge for the year	<u><u>7,996</u></u>	<u><u>67,243</u></u>

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that the Corporation Tax rate would be increased to 25% effective from 1 April 2023 (rather than 19%, as previously enacted). This new law was substantively enacted on 24 May 2021 and accordingly an uplift in deferred tax charges will be included in the 2022 statutory accounts.

13. Dividends

	2021 £	2020 £
Dividends declared in the year	498,113	425,279
	<u><u>498,113</u></u>	<u><u>425,279</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

14. Exceptional items

	2021 £	2020 £
Profit on disposal of fixed assets	20,248	26,271
	<u>20,248</u>	<u>26,271</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 Profit and loss account in these financial statements. The loss after tax of the parent Company for the year was £119,607 (2020 - profit £255,685).

16. Intangible assets**Group and Company**

	Purchased Syndicate Capacity £	Single Farm Payment entitlement £	Goodwill £	Total £
Cost				
At 1 April 2020	18,989	15,258	(37,056)	(2,809)
Additions	66,724	-	-	66,724
Disposals	(1,761)	-	-	(1,761)
At 31 March 2021	<u>83,952</u>	<u>15,258</u>	<u>(37,056)</u>	<u>62,154</u>
Amortisation				
Charge for the year on owned assets	17,860	-	-	17,860
On disposals	(1,761)	-	-	(1,761)
At 31 March 2021	<u>16,099</u>	<u>-</u>	<u>-</u>	<u>16,099</u>
Net book value				
At 31 March 2021	<u>67,853</u>	<u>15,258</u>	<u>(37,056)</u>	<u>46,055</u>
At 31 March 2020	<u>18,989</u>	<u>15,258</u>	<u>(37,056)</u>	<u>(2,809)</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets

Group

	Freehold property £	Plant & machinery £	Renewable Energy £	Total £
Cost or valuation				
At 1 April 2020	11,337,101	1,432,564	3,527,206	16,296,871
Additions	8,497	11,899	32,230	52,626
Disposals	(15,700)	(35,485)	-	(51,185)
At 31 March 2021	11,329,898	1,408,978	3,559,436	16,298,312
Depreciation				
At 1 April 2020	107,093	621,705	535,532	1,264,330
Charge for the year on owned assets	8,840	96,980	142,847	248,667
Disposals	(8,500)	(21,860)	-	(30,360)
At 31 March 2021	107,433	696,825	678,379	1,482,637
Net book value				
At 31 March 2021	11,222,465	712,153	2,881,057	14,815,675
At 31 March 2020	11,230,008	810,859	2,991,674	15,032,541

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

	2021 £	2020 £
Freehold	11,222,465	11,230,008
	<u>11,222,465</u>	<u>11,230,008</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

17. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Plant and machinery	214,650	333,117
	<u>214,650</u>	<u>333,117</u>

18. Fixed asset investments

Group

	Unlisted investments £	Listed investments £	Total £
Cost or valuation			
At 1 April 2020	99,965	10,259,223	10,359,188
Additions	-	3,445,488	3,445,488
Disposals	-	(3,160,074)	(3,160,074)
Revaluations	-	1,123,768	1,123,768
At 31 March 2021	<u>99,965</u>	<u>11,668,405</u>	<u>11,768,370</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Company

	Investments in subsidiary companies	Unlisted investments	Loans to subsidiaries	Listed investments	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2020	97,947	99,965	11,166,881	9,274,318	20,639,111
Additions	-	-	14,553	3,247,935	3,262,488
Disposals	-	-	-	(3,160,074)	(3,160,074)
Revaluations	-	-	-	1,123,768	1,123,768
Transfers intra group	-	-	(130,772)	-	(130,772)
	<u>97,947</u>	<u>99,965</u>	<u>11,050,662</u>	<u>10,485,947</u>	<u>21,734,521</u>
At 31 March 2021					

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Morrells Farming Limited	Ordinary	100 %
Ballard & Morrell (Farming) Limited	Ordinary	100 %
Nameco (No. 971) Limited	Ordinary	100 %
Morrells Brewery Limited	Ordinary	100 %

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 March 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Morrells Farming Limited	6,723,401	80,675
Ballard & Morrell (Farming) Limited	129,585	-
Nameco (No. 971) Limited	(33,173)	11,580
Morrells Brewery Limited	1	-

19. Investment property

Group

	Freehold investment property £
Valuation	
At 1 April 2020	2,313,768
Additions at cost	285,769
At 31 March 2021	2,599,537

The 2021 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:

	2021 £	2020 £
Historic cost	1,253,767	1,253,767
	1,253,767	1,253,767

The 2021 valuations were made by Jonathan Lovegrove-Fielden, a director, on an open market value for existing use basis.

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Stocks

	Group 2021 £	Group 2020 £
Arable stocks	239,119	182,382
	<u>239,119</u>	<u>182,382</u>

21. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,659,143	1,578,481	-	-
Other debtors	2,452,888	2,414,774	1,773,927	1,787,822
Prepayments and accrued income	180,859	187,098	-	-
	<u>4,292,890</u>	<u>4,180,353</u>	<u>1,773,927</u>	<u>1,787,822</u>

22. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	1,814,129	2,522,496	1,410,885	2,088,625
	<u>1,814,129</u>	<u>2,522,496</u>	<u>1,410,885</u>	<u>2,088,625</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

23. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	48,251	34,609	48,251	34,609
Trade creditors	709,582	313,931	22	134
Other taxation and social security	22	-	22	-
Obligations under finance lease and hire purchase contracts	48,383	96,203	-	-
Other creditors	420,225	854,516	210,910	280,189
Accruals and deferred income	76,496	146,630	-	-
	<u>1,302,959</u>	<i><u>1,445,889</u></i>	<u>259,205</u>	<i><u>314,932</u></i>

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.

Obligations under hire purchase contracts are secured on the assets to which they relate.

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

	Group	<i>Group</i>	Company	<i>Company</i>
	2021	<i>2020</i>	2021	<i>2020</i>
	£	<i>£</i>	£	<i>£</i>
Bank loans	2,066,131	1,864,648	1,813,631	1,864,648
Net obligations under finance leases and hire purchase contracts	64,510	112,893	-	-
	<u>2,130,641</u>	<i><u>1,977,541</u></i>	<u>1,813,631</u>	<i><u>1,864,648</u></i>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

25. Loans

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

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

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Amounts falling due within one year				
Bank loans	48,251	34,609	48,251	34,609
	48,251	34,609	48,251	34,609
Amounts falling due 1-2 years				
Bank loans	39,612	35,688	39,612	35,688
	39,612	35,688	39,612	35,688
Amounts falling due 2-5 years				
Bank loans	124,924	113,089	124,924	113,089
	124,924	113,089	124,924	113,089
Amounts falling due after more than 5 years				
Bank loans	1,901,595	1,715,871	1,649,095	1,715,871
	1,901,595	1,715,871	1,649,095	1,715,871
	2,114,382	1,899,257	1,861,882	1,899,257

The bank loan creditor due relates to 4 loans.

Loan 1 is repayable in full on 3 July 2046. Interest is being charged monthly at 2.40% over base.

Loan 2 is repayable by monthly installments of £5,648. Interest is being charged at 1.90% over base.

Loan 3 is repayable by monthly installments of £12,608. Interest is being charged at 2.88% over base

Loan 4 is repayable in full on 1 December 2051. Interest is being charged at 2.85% over base.

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £	Group 2020 £
Within one year	112,893	96,203
Between 1-5 years	-	112,893
	<u>112,893</u>	<u>209,096</u>

27. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	(228,678)	(159,241)
Charged to the profit or loss	24,957	(69,437)
At end of year	<u>(203,721)</u>	<u>(228,678)</u>

The provision for deferred taxation is made up as follows:

	Group 2021 £	Group 2020 £
Accelerated capital allowances	(247,465)	(228,678)
Timing differences relating to underwriting	43,744	-
	<u>(203,721)</u>	<u>(228,678)</u>

MORRELLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

28. Provisions

Group

Technical
provisions
£

At 1 April 2020	2,406,247
Charged to profit or loss	229,015
At 31 March 2021	2,635,262

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.

29. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
925,518 (2020 - 925,518) Ordinary A Shares of £0.25 shares of £0.25 each	231,380	231,380
263,589 (2020 - 263,589) Ordinary B Shares of £0.25 shares of £0.25 each	65,897	65,897
189,569 (2020 - 189,569) Ordinary C Shares of £0.25 shares of £0.25 each	47,392	47,392
102,223 (2020 - 102,223) Ordinary D shares of £0.25 shares of £0.25 each	25,556	25,556
51,111 (2020 - 51,111) Ordinary E shares of £0.25 shares of £0.25 each	12,778	12,778
	383,003	383,003

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

30. Reserves

Share premium account

The share premium account comprises the cumulative difference between the price paid for shares and their nominal value.

Revaluation reserve

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

Capital redemption reserve

The capital redemption reserve comprises the cumulative value of the shares involved in the share buy back.

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. Analysis of net debt

	At 1 April 2020	Cash flows	At 31 March
	£	£	2021 £
Cash at bank and in hand	2,522,496	(708,367)	1,814,129
Debt due after 1 year	(1,864,648)	(201,483)	(2,066,131)
Debt due within 1 year	(35,430)	(12,821)	(48,251)
Finance leases	(209,096)	96,203	(112,893)
	<u>413,322</u>	<u>(826,468)</u>	<u>(413,146)</u>

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32. Transactions with directors

Included within other debtors within one year is an amount of £583,079 (2020: £583,079) due from DJG Morrell, a director. Interest on this loan was paid at £14,577 (2020: £14,576).

33. Related party transactions

Included within other debtors within one year is an amount of £720,000 (2020: £720,000), representing a loan made to The Mrs P V E Morrell Marriage Settlement Trust. Interest on this loan was paid at £18,000 (2020: £18,049).

Also included within creditors within one year is an amount of £nil (2020: £821) due to Anne Ballard loan account, a family member of DJG Morrell, a director.

During the year there were purchases of £2,903 (2020: £17,795) 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 £66 (2020: £Nil).

During the year, consultancy fees of £5,000 (2020: £15,209) were paid to R H Wells, a director. The amount owed by the company at the balance sheet date was £5,000 (2020: £5,070).

Included within debtors due within one year is an amount of £nil (2020: £nil) due from LC Taylor, a family member of DJG Morrell, a director. Included within creditors due within one year is an amount of £49,000 (2020: £49,000) owed to LC Taylor.

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.

34. Controlling party

There is no single controlling party of the company.

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