REGISTERED NUMBER: 05041054 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

FOR

MORRIS & COMPANY (SHREWSBURY) LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

MORRIS & COMPANY (SHREWSBURY) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS:	R C Morris C W Morris
SECRETARY:	L P O'Loughlin
REGISTERED OFFICE:	Welsh Bridge Shrewsbury Shropshire SY3 8LH
REGISTERED NUMBER:	05041054 (England and Wales)
AUDITORS:	WR Partners Chartered Accountants & Registered Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

My objective, as always, will be to provide our stakeholders with a clear and concise insight into our business model by restating our values, identifying opportunities, warning of risks, reporting our performance and explaining how we measure the results of our actions.

2020/21 was a year like no others experienced before. The COVID-19 pandemic led to the UK lock down one from March to June, lock down two in November and lock down three commencing January 2021, thankfully all restrictions are coming to an end as I write this report.

The UK vaccination programme has progressed very well and whilst the lock down experience may be ending, daily infections continue to grow. We are optimistic about future business activity given the economic growth now forecast, but remain vigilant as to the possibility of further measures being imposed if infection rates continue to grow.

As we operate in essential spheres we were permitted to trade throughout all three lockdowns but this has not totally mitigated the impact of the worst economic conditions experienced in 300 years. Our property activities experienced project slow down, less car park income with the town centre effectively closed for much of the year, cost and wage inflation combined with lost opportunities to achieve planned efficiencies. Our Care activities experienced significant PPE and testing costs which were not totally offset by Government support . Our Site Machinery subsidiary mothballed many trading activities pending visibility on markets with many staff placed on the Government sponsored furlough scheme. In February we ceased production of our SMC lighting tower product and so this activity is shown as discontinued in our profit and loss account.

Despite all of these challenges, we have traded profitably; with creative payment plans agreed with portfolio tenants in the leisure and hospitality sectors who had to close far longer than anyone had anticipated, construction sites working around unexpected delays and the care sector addressing the effect of additional infection and testing control protocols and unwarranted adverse publicity.

Unprecedented challenges have been met with optimistic ingenuity across the Group and I would like to pay testament to the tenacity of all staff throughout the most difficult trading period.

We are pleased to report 2021 Group turnover at £55.1m (2020: £55.2m), with the continuing element of this reporting at £52.5m (2020: £48.7m) and operating profits (before net exceptional costs of £0.7m (2020: £11.9m) at £2.9m (2020: £4.0m), with the continuing element of this reporting at £3.4m (2020: £4.1m).

Prompt management actions taken at the onset on the measures to combat the pandemic mean that we report Group profit before tax at £1.0m (2020: loss £9.3m).

Cash preservation remains a priority for the Group at least until we have visibility on the post pandemic measures economy , the success of the vaccination programme and infection rates. Accordingly, the Board have decided that all dividend payments should remain suspended for the time being. The continuing impact of this on individuals is understood but, in a period when staff have been made redundant, or furloughed and with a lack of visibility yet on how infection rates may impact on lock down conditions, this is considered to be a responsible approach. We remain vigilant to market changes, and consider that we continue to be well placed to take advantage of business opportunities as they arise.

The diversity of our individual business models has proved to be remarkably resilient when drawn together at Group level by our shared theme of quality and exemplary service levels. We continue to enjoy the benefits of the dynamics of a twenty first century business which still echoes the nineteenth century values of our founders summed up in the phrase which is proudly displayed in reception at Welsh Bridge:

"Excellence as Standard "

These values have played a significant part in shaping our business over the years, and have proved invaluable as timely and appropriate management actions were taken quickly at the pandemic onset. Each of us subscribes to this very simple aspiration in whichever business segment we are employed, and whatever our job role. It is what sets us apart from others, and each of us relies on the others to uphold this philosophy. This solid foundation gives today's Board the confidence to continue to move forward with our ambitious aspirations for future financial periods.

MORRIS & COMPANY (SHREWSBURY) LIMITED (REGISTERED NUMBER: 05041054)

CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The pandemic induced economic shock and our continuing growth plans require liquidity and management. The former we monitor closely through our rolling cash flow projections which are reviewed at Board level on a monthly basis. We also enjoy proactive support from our bankers. We adopt a system of robust corporate governance which extends through all operational levels culminating at Group Board level. We continue to plan cash flows to maintain the required financial head room to allow for our future plans.

All subsidiaries in the Group benefit from Morris family director support and an industry specialist Senior Leadership Team, which provides a healthy commercial balance between long term sustainability for generations to come and shorter-term profitability. Senior Leadership Meetings in all trading activities precede our monthly Group Board meeting which receives reports on financial performance in terms of turnover, net operating profit, cash flow and net current assets.

We measure ourselves against our pre-set month specific annual budgets which set clear financial key performance indicators for monthly turnover, operating costs, net operating profit and debt reduction. Variances are robustly explored by the Senior Leadership and dedicated Finance Teams, and are challenged at Group Board level. While the Senior Leadership Teams are tasked with management of operational activities and have responsibility for health & safety together with other compliance issues including anti bribery & corruption and measures to guard against modern slavery, the Group Board assumes a cohesive strategic function from a vantage point of surveying performance, potential and cash requirements across the Group.

Performance against non-financial key performance indicators is another tool employed to manage the trading activities of the Group. Upskilling, wellbeing and retention of employees are key goals. The Group Board receives monthly reports on those individuals in the Morris Group who have achieved five yearly milestones in terms of length of employment from five years through to over fifty years.

Quality control in all disciplines is closely monitored and we prize equally the formal recognition we receive from national compliance authorities such as the Care Quality Commission and the accolades from individual service users and customers. We regularly review the experience third parties enjoy when trading with the Group and the mystery shopper is always at large.

Doing what we do well is at the heart of all of the trading activities and we recognise that good people deserve excellent support. We are constantly auditing our systems and information technology to ensure efficiency and ease of operation. Modern technology has revolutionised how but, in many cases, not what we record and communicate.
While all markets afford opportunities, they are matched by commercial risks and uncertainties. Skill shortages across the engineering, construction and healthcare sectors have led to increasingly enhanced training programmes across the Group as retention of skilled staff is a challenge for all businesses. We are proud of our record for training and launching the careers of young people across all of our trading activities including the professional spheres of accounting, legal , information technology transformation and general management .

Technology continues to be a revolutionary servant of the business but also exposes the Group to threats. We continue to invest significant resources to develop and protect our information technology systems.

Throughout the Group we prize our safe working conditions but this requires constant vigilance and there is always the threat of something unforeseen occurring. To guard against this and to reflect increased activity we continue to engage with a corporate Health & Safety consultant with the resources and expertise to ensure that standards across the Group are maintained.

We report profit before taxation for the year at £1.0m (2020: loss £9.3m), with a reduction in cash resource of £105k (2020: growth £1.9m) Shareholder funds have risen to £73.8m (2020: £72.6m).

The individual trading activities report follow as part of our Group Strategic Report.

R C Morris
Chairman
23 August 2021

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report of the company and the group for the year ended 31 March 2021.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

MORRIS & COMPANY LIMITED, MORRIS & COMPANY (SHREWSBURY) LIMITED AND MORRIS PROPERTY LIMITED

The unprecedented COVID19 pandemic and resulting national lockdowns in 2020/21 created business uncertainties that slowed some projects down resulting in reduced margins as planned efficiencies did not materialise.

Despite the economic uncertainties we are pleased to report that we traded continuously throughout the year and in line with Government COVID19 secure trading guidelines.2020/21 reported turnover for property activities which arises only from external sources exceeded achievements in 2020 by 17.1% at £26.0m (2020: £22.2m).

This consolidated view somewhat masks the full extent of property activities to include Group projects at market rates, which are not included in these figures. Turnover measured to allow for these factors remained broadly static at £31.1m (2020: £31.7m). Our property team remains extremely busy with a very healthy pipeline of future work

We report an operating profit, before exceptional costs of £59k (2020: £7.6m) of £0.8m (2020: £2.6m). This profit is stated after allowing group management charges receivable of £0.7m (2020: £1.5m) from our Site Machinery business. The figures reflect the COVID19 impact on activities with reduced car park income during the lock down months, a general fall in property margins with planned efficiencies not materialising, and input price inflation.

Outlook

We have a number of retail/leisure tenants in our investment property portfolio who have found it challenging to meet their routine rental payments during lockdown months post 31 March 2020. In line with Government guidance during this pandemic we have agreed deferred payment plans with these tenants, all of whom have now commenced trading once again as the lock down regulations are relaxed.

Whilst our portfolio office tenants have found different ways to work from home during the pandemic, all have recognised the continuing benefits of holding a property and central operating base at which staff may congregate. Our office portfolio remains virtually fully let.

Our industrial portfolio continues to out perform expectations and we were pleased to complete our Apex 54 development during the year.

In our construction activities we continue to build turnover from external sources and increase margins by partnering with selected land owners in both the public and private sector who share our values of quality and sustainability. This strategy means that our excellent construction teams are also available to fulfil the development aspirations of Morris & Company Limited as required.

Our strategy on commercial development continues to be to seek out land, develop and sell what we need to balance cash flow needs, retaining the balance to enhance portfolio income.

Careful analysis of the performance of our portfolio holdings has resulted in a defined strategy for a balance across retail, leisure, commercial and industrial sectors. Our dedicated management team remain ever vigilant to ensure that we are best placed to take advantage of all opportunities.

Our independent Health & Safety consultants continue to advise and audit our performance to ensure full compliance across all of our activities.

We are meeting and often exceeding our own pre-set budgeted ambitions for turnover, margin and cost control which are carefully monitored on a monthly basis by the senior property team.

Whilst we have traded throughout, the year has not been without operational difficulties caused by the COVID19 pandemic. In all the circumstances we are very pleased with the financial out turn for the year which is a credit to the performance of the team.

We have aspirations to grow this business further and are expecting a return to growth now that the COVID19 measures have been eased.

MORRIS SITE MACHINERY LIMITED
2020/21 was dominated by the impact of the COVID19 pandemic, which resulted in several national lockdowns during the year, creating significant adverse economic conditions for our markets making it the most challenging year in our history so far.

Sales fell to £8.0m (2020: £11.8m) in increasingly competitive and COVID19 impaired markets. Operating losses, after allowing for net exceptional costs of £91k (2020: £3.5m) fell to £1.0m (2020: £5.2m).

We furloughed as many staff as could be spared under the Government Coronavirus Job Retention Scheme and paused production of all product lines during the lock down months.

SMC lighting tower production was discontinued in the year.

We took a decision early in the COVID19 pandemic to cease production at our Gosberton site, moving all production to our Four Ashes site on a 'build to order' basis.

We were pleased to be able to secure the sale in February 2021 of all new lighting tower finished goods and raw material stocks to an Italian manufacturer, who through their UK subsidiary will continue to sell and service SMC products.

Whilst we retained our second hand and hire fleet lighting towers for sale, we are no longer producing new SMC products for sale. Accordingly, that activity is shown in our profit and loss account as 'discontinued'.

2020/21 discontinued sales amounted to £2.6m (2020: £6.4m), with attributed direct operating losses of £657k (2020: £3.2m).

Continuing business
We continue with our generators, welders, pumps and pressure washers business and are pleased to be able to report 2020/21 sales broadly level at £5.4m (2020: £5.4m), with attributed direct operating losses of £364k (2020: £2.1m)

Our generator and welder products are sourced from Japan. The Japanese Yen exchange rate began this financial year at cJPY132, but at the time of writing this report has moved in our favour to cJPY153. This has significantly improved the margins we can expect from the sale of this product, which in turn moves our continuing business into a modest profit-making position.

Outlook
The market sectors we operate across remain highly competitive with all business tenders being hard fought . In markets where our customers have many choices of supplier, our market position and brand strength achieved through consistent strategic marketing, ensures we still remain a supplier of choice for our customers.

We supply a large proportion of product into the events and festivals sector which had expected to plan large scale gatherings during the latter part of 2021 onwards, carefully segregating areas for individuals with vaccination proof where social distancing is not required, from areas where social distancing is still required. However, some festivals have already decided to cancel events originally scheduled and there continues to be speculation as to whether Government supported insurance schemes will persuade organisers to commit to events . Demand is expected to increase as this sector fully re-opens during 2022. Conversely the TV & Film sector, another key market for MSM generators is seeing strong levels of sales as film studios try to catch up with overdue viewer content.

We continue to plan the final shape of our re-structured continuing business post pandemic, now that the adult vaccination programme is almost complete. That shape will continue to evolve depending on market driven factors including UK and overseas demand, the movement of foreign exchange markets and of course the hoped-for continued success of the vaccination programme.

We are pleased to report the continued support of our sister company Morris & Company Limited who has confirmed that £4.72m (2020: £4.0m) of their loans totalling £5.7m (2020: £6.4m) may be classified as a long-term loan.

MORRIS CARE LIMITED
2020/21 was dominated by the impact of the COVID19 pandemic throughout all aspects of our business, resulting in the most challenging year in our history so far.
Turnover remained broadly static at £21.10m (2020: £21.13m), and operating profit, after allowing for net exceptional costs of £543k (2020: £116k) fell to £2.42m (2020: £2.93m).

Lucy Holl, our CEO joined us in March 2020 just as the COVID19 pandemic crisis began. We have continued to strengthen our management team throughout the year. With Lucy's strategic direction and extensive sector knowledge, the Care team have successfully navigated the ever-changing COVID19 landscape and it is testament to our 570 strong staff that we are where we are today.

With our delivery of added value complex care offering to support the NHS, and high-quality trusted care we were able to react quickly and safely in the support of local authorities and families throughout the pandemic induced lockdowns. As a result, we are pleased that we have been able to maintain our turnover over the year at £21.10m (2020: £21.13m)

With our strengthened management team , our continual focus on training, coaching and development support, and innovation we have managed to improve our gross margins from 30.8% to 32.3%. The cost of this improvement can be seen in the administration expenses which have increased from £3.5m to £4.0m. These increased costs lay the foundations for the future, and our continued investment in all homes demonstrates our confidence in this sector.

During the year the refurbishment at Radbrook was completed, with a new wing dedicated to the care of residents living with dementia themed against the backdrop of the Morris family history. With the challenges that COVID19 has brought we have embraced new technologies and we opened the wing with our Director, Christopher Morris, giving a virtual tour of the home.

COVID19 came at a substantial financial cost to the business, as we detail in the exceptional items note 8. The pandemic induced additional staff costs, increased the costs of PPE, whilst also putting pressure on the sales pipeline. The perfect storm. The net additional costs to the business as a direct result of adapting to COVID19 was £0.5m, but this was only after allowing for government infection control and testing grants received in the year of £1.0m.

Although this has been a year of epic proportions, through constant investment in our homes, staff and processes, we believe that we are in a strong position to continue to offer high quality care in a safe environment for all.

MORRIS PENSION SCHEME
The directors are pleased to report that the Scheme remains in surplus in these accounts with a reported surplus adopting UK Financial Reporting Standards of £11.3m (2020:£11.8m).

Pensions remain topical with yet more regulatory initiatives expected. The Morris Group is always mindful of its responsibilities to the Pension Scheme to ensure that promises made are met.

The Group Board receives monthly updates from the Pension Scheme Chairman or Secretary. The policy of investing to achieve the objective of providing sufficient long term capital growth and income flow to meet liabilities towards existing and future beneficiaries continues.

The Trustee invested in 2017/18 in a 'Liability Driven Investment' (LDI), an investment that is structured to largely move in the same direction as scheme liabilities when interest rates change. This has had the effect of substantially locking in the surplus showing in the scheme accounts. The Trustee also continues to hold direct property investments which employs the talents of Morris & Company Limited to manage assets, thus providing a rental income stream to fund a large proportion of recurring pension scheme liabilities.

The Scheme's funds are invested with the benefit of advice from investment managers at Quantum Advisory.
We remain vigilant with regard to the performance of the assets of the Pension Scheme, and risk management opportunities to ensure that there is no future adverse impact on Shareholder value.

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

STATEMENT BY THE DIRECTORS UNDER S172(1) COMPANIES ACT 2006 (S172(1))
We report here under The Companies (Miscellaneous Reporting) Regulations 2018 to explain how the Board has considered the interests of key stakeholders, and the broader matters set out in s172 when performing their duty to promote the success of the Company under s172.

The following s172 statement focusses on matters of strategic importance to the Morris and Company (Shrewsbury) Limited Group, and the level of information disclosed is consistent with the size and complexity of the business. The following Group statements should be read together with the Chairman's and Group Strategic Report which further expand on matters relevant to each business segment.

The Board consider both individually, and together, that they have acted in a way that they consider would be most likely to promote the success of the Company for the benefit of it's shareholder (having regard to the stakeholder and matters set out in s172), in decisions taken during the year ended 31 March 2021.

- Strategy, our business plans are designed to have a long term beneficial impact on the Company and to contribute to a delivery of quality finished products and services.

- Staff, our staff are fundamental to the delivery of our plans. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well being of our team members is one of our primary considerations in the way we do business. Please see the Directors' Report for further information on employee involvement.

- Customers, engagement with our customers whether residents in a care home, their families, our local Commissioners, tenants, customers of Site Machinery or Morris Property is key to our success. We meet with all regularly and are flexible to changing business environments, needs whilst applying the most up to date regulations.

- Suppliers, we engage with our suppliers regularly, developing relationships through our due diligence processes that ensure suppliers trade responsibly, whilst minimising risk to supply chain. We aim to pay suppliers on time wherever possible, and do not tolerate modern slavery, corruption or bribery.

- Environment and Community, we take account of the impact of our operations on the community and environment, and our wider social responsibilities, and we comply with environmental legislation and pursue waste saving opportunities wherever possible.

- Generally, both individually and as a Board our intention is to behave responsibly, operating within the highest standards of business conduct and good governance.

ON BEHALF OF THE BOARD:

R C Morris - Director

23 August 2021

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

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

DIVIDENDS
Dividends of £nil (2020: £549,975) were paid during the year. On account of the COVID 19 global pandemic, the related lock down in the UK and rest of World and impact on economies, no dividends are currently proposed for payment in relation to the year ended 31 March 2021.

RESEARCH AND DEVELOPMENT
We continue to maintain our premium positioning in the market place and remain committed to investing in research and new product development to ensure we remain ahead of our competition for innovation.

ENVIRONMENTAL MATTERS
The Group has adopted a policy on the impact of its activities upon the environment. We are committed to ensuring that we work with our customers, suppliers and employees to ensure that we minimise the adverse effects of our activities on the environment.

FUTURE DEVELOPMENTS
The directors plan to continue the development of the Group and its business. Refer to the Chairman's and Group Strategic Reports for further information.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

R C Morris
C W Morris

DONATIONS
Charitable donations during the period amounted to £3,280 (2020: £2,894).

EMPLOYEE INVOLVEMENT
As shareholders will be aware, the group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them.

The Group newsletter,. published every six months, contains news and features on developments within the group as a whole.

The Group encourages the acquisition of shares by employees and operates a savings scheme to facilitate this process. In addition, Morris's Employees' Discretionary Trust, whose funds are invested primarily in company shares, makes distributions to eligible employees.

DISABLED EMPLOYEES
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees. The Group does not discriminate on the grounds of disability or on the grounds of sexual orientation, age or religious belief.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS
The Group granted an indemnity to all the Directors against liability in respect of proceedings brought by third parties. Such qualifying third party indemnity provision remains in force as at the date of approving the Report of the Directors.

MORRIS & COMPANY (SHREWSBURY) LIMITED (REGISTERED NUMBER: 05041054)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

STREAMLINED ENERGY & CARBON (SECR) REPORT

The Group is large as defined by the Companies Act and as such is required to report annually on energy use and carbon emissions under the new 'Streamlined Energy and Carbon Reporting' (SECR) framework.

1 Executive summary - we report for the year ended 31 March 2021 the following:

- total energy 7,832,799 kWh (2020: 8,228,439 kWh)
- total greenhouse gas emissions 1,664 tCO2e (2020: 1,836 tCO2e)

2 Organisation boundary - the Group comprises of 40 operational sites for which Morris are responsible for the energy use. The portfolio for the year under review is made up of 6 Care Homes, 2 Morris Site Machinery sites, a Head Office and 31 estate properties and sites, all located within the UK.

3 Energy and greenhouse data - the Group has chosen to report on the following key items within their environmental boundary:

- Scope 1, gas consumption, transport (company vehicles) and fuel combustion (process fuels e.g. burning oil, propane, kerosene etc)
- Scope 2. electricity consumption
- Scope 3, transport (grey fleet)

Scope	Activity	Annual energy (kWh)	Annual carbon emission (tC02e)
1	Building energy - gas	4,050,582 (2020: 4,186,461)	745 (2020: 770)
2	Building energy - electicity	1,988,508 (2020: 2,159,920)	464 (2020: 599)
1	Transport Company fleet - diesel	361,125 (2020: 1,060,424)	87 (2020: 259)
1	Transport Company fleet - unleaded	nil (2020: 17,725)	nil (2020: 4)
1	Transport bunkered fuel	69,701 (2020: 84,899)	18 (2020: 21)
3	Transport grey fleet - expensed mileage	39,087 (2020: 14,904)	25 (2020: 9)
1	Process fuels	1,323,776 (2020: 704,108)	327 (2020: 173)
Total		7,832,776 (2020: 8,228,439)	1,664 (2020: 1,836)

4 Intensiry metrics - we report energy emissions per £m turnover as follows:

- energy (kWh) per £m turnover 143,195 (2020: 149,536)
- carbon emissions (tC02e) per £m turnover 30 (2020: 33)

5 Energy efficiency measures - the following energy efficiency measures have been implemented following the ESOS Phase2 assessment:

- continue to monitor and leak tes on compressed air systems
- alignment of HVAC plant to property opening hours
- LED lighting is being installed for end of life replacements and as full lighting replacement projects
- introduction of robust closing procedures to minimise energy wastage from PCs' desk fans, prtable heaters and lighting
- Morris site Machinery continue to monitor energy consumption for internal reporting

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, WR Partners, will be proposed for re-appointment in accordance section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

C P O'Loughlin - Secretary

23 August 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MORRIS & COMPANY (SHREWSBURY) LIMITED

Opinion

We have audited the financial statements of Morris & Company (Shrewsbury) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 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 UK, including the FRC'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 and 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MORRIS & COMPANY (SHREWSBURY) LIMITED

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 Group Strategic Report or the Report of the Directors.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report. 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 of the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page eleven, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MORRIS & COMPANY (SHREWSBURY) LIMITED

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 a Report of the Auditors 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 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 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, the EU General Data Protection Regulation (GDPR) and Care Quality Commission (CQC) regulations.

We understood how the Group are complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures. Where relevant we have reviewed direct correspondence with regulatory bodies to confirm compliance. We have reviewed board meeting minutes to confirm there were no material instances of non-compliance.

We assessed the susceptibility of the 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, control testing across key accounting cycles and review of the systems in place, 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 Report of the Auditors.

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 a Report of the Auditors 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.

WR Partners

Mr Andrew Malpass BA FCA (Senior Statutory Auditor)
for and on behalf of WR Partners
Chartered Accountants & Registered Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

24 August 2021

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Continuing £'000	2021 Discontinued £'000	2021 Total £'000
TURNOVER	3	52,455	2,635	55,090
Cost of sales		(41,149)	(2,748)	(43,897)
GROSS PROFIT/(LOSS)		11,306	(113)	11,193
Distribution costs		(139)	(54)	(193)
Administrative expenses		(9,916)	(494)	(10,410)
		1,251	(661)	590
Other operating gains and (losses)	4	2,178	94	2,272
OPERATING PROFIT/(LOSS)	6	3,429	(567)	2,862
Exceptional items	8	(602)	(91)	(693)
		2,827	(658)	2,169
Other finance income	26	68	-	68
Amounts written off investments		-	-	-
Interest payable and similar expenses	9	(1,228)	-	(1,228)
PROFIT/(LOSS) BEFORE TAXATION		1,667	(658)	1,009
Tax on profit/(loss)	10	(103)	-	(103)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,564	(658)	906
Profit/(loss) attributable to:				
Owners of the parent				906

The notes form part of these financial statements

MORRIS & COMPANY (SHREWSBURY) LIMITED (REGISTERED NUMBER: 05041054)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2020 Continuing £'000	2020 Discontinued £'000	2020 Total £'000
TURNOVER	3	48,714	6,444	55,158
Cost of sales		(35,611)	(5,567)	(41,178)
GROSS PROFIT		13,103	877	13,980
Distribution costs		(252)	(62)	(314)
Administrative expenses		(10,981)	(972)	(11,953)
		1,870	(157)	1,713
Other operating gains and (losses)	4	2,244	-	2,244
OPERATING PROFIT/(LOSS)	6	4,114	(157)	3,957
Exceptional items	8	(8,883)	(2,997)	(11,880)
		(4,769)	(3,154)	(7,923)
Other finance income	26	79	-	79
Amounts written off investments		-	-	-
Interest payable and similar expenses	9	(1,418)	-	(1,418)
LOSS BEFORE TAXATION		(6,108)	(3,154)	(9,262)
Tax on loss	10	(113)	-	(113)
LOSS FOR THE FINANCIAL YEAR		(6,221)	(3,154)	(9,375)
Loss attributable to:				
Owners of the parent				(9,375)

The notes form part of these financial statements

MORRIS & COMPANY (SHREWSBURY) LIMITED (REGISTERED NUMBER: 05041054)

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
PROFIT/(LOSS) FOR THE YEAR		906	(9,375)
OTHER COMPREHENSIVE INCOME			
Actuarial gains on pension scheme		(307)	365
Pension surplus not recognised		615	(461)
Income tax relating to components of other comprehensive income		(43)	153
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		265	57
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,171	(9,318)
Total comprehensive income attributable to:			
Owners of the parent		1,171	(9,318)

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		53,178		52,357
Investments	15		-		-
Investment property	16		52,379		47,009
			105,557		99,366
CURRENT ASSETS					
Stocks	17	14,866		17,245	
Debtors	18	9,010		8,438	
Cash at bank and in hand		3,192		3,297	
		27,068		28,980	
CREDITORS					
Amounts falling due within one year	19	24,224		18,460	
NET CURRENT ASSETS			2,844		10,520
TOTAL ASSETS LESS CURRENT LIABILITIES			108,401		109,886
CREDITORS					
Amounts falling due after more than one year	20		(33,609)		(36,511)
PROVISIONS FOR LIABILITIES	24		(4,034)		(3,893)
PENSION ASSET	27		3,027		3,132
NET ASSETS			73,785		72,614
CAPITAL AND RESERVES					
Called up share capital	25		18,333		18,333
Share premium	26		1		1
Freehold property revaluation reserve	26		8,484		8,484
Capital redemption reserve	26		28		28
Other reserves	26		34,547		34,547
Investment property revaluation reserve	26		3,740		3,740
Retained earnings	26		8,652		7,481
SHAREHOLDERS' FUNDS			73,785		72,614

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2021 and were signed on its behalf by:

R C Morris - Director

The notes form part of these financial statements

COMPANY BALANCE SHEET
31 MARCH 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		1,500		1,500
Investments	15		53,946		53,946
Investment property	16		24,983		24,983
			80,429		80,429
CURRENT ASSETS					
Debtors	18	-		1,000	
CREDITORS					
Amounts falling due within one year	19	1,881		1,558	
NET CURRENT LIABILITIES			(1,881)		(558)
TOTAL ASSETS LESS CURRENT LIABILITIES			78,548		79,871
CREDITORS					
Amounts falling due after more than one year	20		25,027		26,382
NET ASSETS			53,521		53,489
CAPITAL AND RESERVES					
Called up share capital	25		18,333		18,333
Share premium	26		1		1
Capital redemption reserve	26		28		28
Other reserves	26		34,547		34,547
Retained earnings	26		612		580
SHAREHOLDERS' FUNDS			53,521		53,489
Company's profit for the financial year			32		594

The financial statements were approved by the Board of Directors and authorised for issue on 23 August 2021 and were signed on its behalf by:

R C Morris - Director

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Freehold property revaluation reserve £'000
Balance at 1 April 2019	18,333	15,217	1	10,616
Changes in equity				
Deficit for the year	-	(9,375)	-	-
Other comprehensive income	-	2,189	-	(2,132)
Total comprehensive income	-	(7,186)	-	(2,132)
Dividends	-	(550)	-	-
Balance at 31 March 2020	18,333	7,481	1	8,484
Changes in equity				
Profit for the year	-	906	-	-
Other comprehensive income	-	265	-	-
Total comprehensive income	-	1,171	-	-
Balance at 31 March 2021	18,333	8,652	1	8,484

	Capital redemption reserve £'000	Other reserves £'000	Investment property revaluation reserve £'000	Total equity £'000
Balance at 1 April 2019	28	34,547	3,740	82,482
Changes in equity				
Deficit for the year	-	-	-	(9,375)
Other comprehensive income	-	-	-	57
Total comprehensive income	-	-	-	(9,318)
Dividends	-	-	-	(550)
Balance at 31 March 2020	28	34,547	3,740	72,614
Changes in equity				
Profit for the year	-	-	-	906
Other comprehensive income	-	-	-	265
Total comprehensive income	-	-	-	1,171
Balance at 31 March 2021	28	34,547	3,740	73,785

The notes form part of these financial statements

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

	Called up share capital £'000	Retained earnings £'000	Share premium £'000
Balance at 1 April 2019	18,333	536	1
Changes in equity			
Dividends	-	(550)	-
Total comprehensive income	-	594	-
Balance at 31 March 2020	18,333	580	1
Changes in equity			
Total comprehensive income	-	32	-
Balance at 31 March 2021	18,333	612	1

	Capital redemption reserve £'000	Other reserves £'000	Total equity £'000
Balance at 1 April 2019	28	34,547	53,445
Changes in equity			
Dividends	-	-	(550)
Total comprehensive income	-	-	594
Balance at 31 March 2020	28	34,547	53,489
Changes in equity			
Total comprehensive income	-	-	32
Balance at 31 March 2021	28	34,547	53,521

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	1	2,111	2,919
Tax paid		(296)	(400)
Net cash from operating activities		1,815	2,519
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,389)	(3,398)
Purchase of investment property		(4,038)	(5,613)
Sale of tangible fixed assets		7	5,008
Sale of fixed asset investments		205	-
Net cash from investing activities		(5,215)	(4,003)
Cash flows from financing activities			
New loans in year		11,950	25,063
Loan repayments refinance		(5,000)	(16,650)
Loan repayments sale of assets		(350)	-
Loan repayments scheduled		(2,347)	(2,460)
Capital repayments in year		62	-
Amount withdrawn by directors		208	(208)
Interest paid		(1,228)	(1,418)
Loan fees		-	(376)
Equity dividends paid		-	(550)
Net cash from financing activities		3,295	3,401
(Decrease)/increase in cash and cash equivalents		(105)	1,917
Cash and cash equivalents at beginning of year	2	3,297	1,380
Cash and cash equivalents at end of year	2	3,192	3,297

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

1. RECONCILIATION OF PROFIT/(LOSS) FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£'000	£'000
Profit/(loss) for the financial year	906	(9,375)
Depreciation charges	564	1,436
Profit on disposal of fixed assets	(207)	(2,207)
Net defined benefit pension	481	545
Fair value losses and gains recognised	(1,332)	5,968
Amortisation of finance fees	75	25
Finance costs	1,228	1,418
Finance income	(68)	(79)
Taxation	103	113
	1,750	(2,156)
Decrease in stocks	2,379	942
Increase in trade and other debtors	(555)	(484)
(Decrease)/increase in trade and other creditors	(1,463)	4,617
Cash generated from operations	2,111	2,919

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£'000	£'000
Cash and cash equivalents	3,192	3,297

Year ended 31 March 2020

	31.3.20	1.4.19
	£'000	£'000
Cash and cash equivalents	3,297	1,531
Bank overdrafts	-	(151)
	3,297	1,380

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.20 £'000	Cash flow £'000	At 31.3.21 £'000
Net cash			
Cash at bank and in hand	3,297	(105)	3,192
	3,297	(105)	3,192
Debt			
Finance leases	-	(62)	(62)
Debts falling due within 1 year	(2,547)	(7,277)	(9,824)
Debts falling due after 1 year	(36,511)	2,950	(33,561)
	(39,058)	(4,389)	(43,447)
Total	(35,761)	(4,494)	(40,255)

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

Morris & Company (Shrewsbury) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The principal activities of the company are that of property rental activities and a holding company for a group of companies which consist of property rental, property development, lighting and power generation, and the provision of care services.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation
The consolidated financial statements present the results of the Group 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 Income Statement 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 1 April 2014.

continued...

2. **ACCOUNTING POLICIES - continued**

Significant judgements and estimates
The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies.

Estimates and judgements 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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates, will by definition, seldom equal the related actual results.The 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 are addressed below.

i) Stock related provisions

Inventory is carried at the lower of stock or net realisable value, with cost being determined using actual cost at an individual item level. Net realisable value is calculated based on expected sales price for an individual stock item based on market conditions as at the balance sheet date including such factors as length of time that the inventory has been held and expected customer demands for products.

Management monitors the level of provision required based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

ii) Property carrying value impairment provisions

Investment property is carried at fair value determined annually and derived from current market rents and investment property market conditions. Freehold property is carried at valuation determined on an existing use market basis. Please see accounting policy notes below.

iii) Valuation of Freehold Property and Impairment Considerations

Freehold Property revaluations are performed periodically in line with FRS102. Management perform an annual impairment review with reference to value in use and the carrying value of the assets held to ensure the latest valuation remains appropriate.

iv) Amounts recoverable on long term contracts

Amounts recoverable on long term contracts are valued using the percentage of completion method based on surveys of the status of the contract at year end. The estimation of the amount recoverable at year end includes the estimation of future costs to be incurred on a contract as well as the anticipated completion date of the contract assuming that revenue for the contract can be reliably measured.

Management review these positions annually based on market conditions.

Going concern
After making enquires, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements. The Directors have also assessed the potential impact on the future operations of the Group with regard to the Covid-19 outbreak. Group is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
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.

Rental income
Revenue from hire of goods is recognised on a straight line basis over the term of the relevant operating lease.

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 Income Statement over its useful economic life.

continued...

2. ACCOUNTING POLICIES - continued

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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Freehold property is held under the revaluation model. The fair value of freehold property is determined annually on an existing use market basis. If an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in Other Comprehensive Income and accumulated in equity. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an assets carrying amount as a result of a revaluation shall be recognised in Other Comprehensive Income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Freehold property	- Not depreciated
Leasehold property	- 10% - 20% Straight line
Plant and machinery	- 10% - 20% Straight line
Motor vehicles	- 20% - 25% Straight line

Freehold property is not depreciated as the assets are continually maintained in order that the residual value is considered to be at least the historic cost of the asset.

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 Income Statement.

Investments in subsidiaries
Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

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 Income Statement for the Consolidated Income Statement 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.

continued...

2. ACCOUNTING POLICIES - continued

Government grants
Government grants received are recognised in income on a systematic basis over the periods in which the related costs for which the grant is intended to compensate. Grants which become receivable as compensation for expenses or losses already incurred, or for the purpose of giving immediate financial support with no future related costs, shall be recognised in income in the period in which it becomes receivable. If the grant received relates to expenses that are classed as exceptional items, then the grant is recognised in exceptional items.

Investment property
Investment property is carried at fair value determined annually 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 Income Statement.

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 first in, first out 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.

Long term contracts
Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at 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.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. 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 measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

The Group's functional and presentational currency is GBP.

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 Income Statement.

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

Hire purchase and leasing commitments

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. Where assets are financed by leasing agreements that do not give rights approximating to ownership, they are treated as operating leases.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

continued...

2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
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 Income Statement 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.

Defined benefit pension plan
The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated Income Statement. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

Interest income
Interest income is recognised in the Consolidated Income Statement using the effective interest method.

Finance costs
Finance costs are charged to the Consolidated Income Statement 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.

Borrowing costs
All borrowing costs are recognised in the Consolidated Income Statement in the year in which they are incurred.

continued...

2. ACCOUNTING POLICIES - continued

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.

Derivative financial instruments of hedge accounting
The Group's activities expose it to the financial risks of changes in foreign exchange. Forward exchange contracts where appropriate are used to mitigate these risks. The use of such financial derivatives is governed by the policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the group's risk management strategy.

Derivative financial instruments are initially measured at fair value on the contract date and are subsequently remeasured to fair value at each reporting date. The Group designates certain derivatives as hedges of the change of fair value of recognised assets and liabilities ('fair value hedges').

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Consolidated Income Statement, together with any changes in the fair values of the hedged assets or liabilities that are attributable to the hedged risk.

Exceptional items
These are items of income and expense which derive from events or transactions that fall outside normal operating activities and which individually, or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

3. TURNOVER

The turnover and profit (2020 - loss) before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	2021 £'000	2020 £'000
Site Machinery division	8,033	11,820
Property division	25,957	22,239
Care division	21,100	21,099
	55,090	55,158

An analysis of turnover by geographical market is given below:

	2021 £'000	2020 £'000
United Kingdom	54,036	52,158
Rest of Europe	464	590
Rest of the World	590	2,410
	55,090	55,158

Included within the property division are construction contracts of £20,683,000 (2020: £18,527,000).

continued...

4. OTHER OPERATING GAINS AND (LOSSES)

	2021 £'000	2020 £'000
Sundry receipts	12	2
Government grants	487	-
Exchange gains	236	42
Profit on sale of fixed assets	205	2,200
Investment property fair value movements	1,332	-
	2,272	2,244

Government grants represent COVID19 furlough scheme receipts.

5. EMPLOYEES AND DIRECTORS

	2021 £'000	2020 £'000
Wages and salaries	16,331	16,972
Social security costs	1,503	1,577
Other pension costs	785	861
	18,619	19,410

The average number of employees during the year was as follows:

	2021	2020
Morris Care Limited	570	570
Morris Property Limited	39	44
Morris Site Machinery Limited	35	58
Morris & Company Limited	37	43
	681	715

	2021 £	2020 £
Directors' remuneration	646,608	1,181,450

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	364,154	354,943

continued...

6. OPERATING PROFIT

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

	2021 £'000	2020 £'000
Hire of plant and machinery	29	15
Other operating leases	130	306
Depreciation - owned assets	553	588
Depreciation - assets on hire purchase contracts	10	-
Profit on disposal of fixed assets	(207)	(2,207)
Goodwill amortisation	-	849
Foreign exchange differences	(236)	(42)
Investment property fair value movements	(1,332)	5,968

During the year we ceased production at our Morris Site Machinery Gosberton site of SMC lighting towers, and accordingly these activities are shown in the profit and loss account as discontinued. All of the above items relate to continuing activities.

7. AUDITORS' REMUNERATION

	2021 £'000	2020 £'000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	11	10
Fees payable to the company's auditors and their associates for other services to the group:		
The auditing of accounts of any associate of the company	46	46
Total audit fees	57	56
Other non- audit services	11	10
Total non-audit fees	11	10
Total fees payable	68	66

Fees payable to the Group's auditor and its associates in connection with the group's pension scheme in respect of the auditing of accounts of associates of the Company pursuant to legislation were £4,000 (2020: £4,000).

continued...

8. EXCEPTIONAL ITEMS

	2021 £'000	2020 £'000
Business restructuring	(543)	(586)
Disposal of IP on discontinued business segment	300	-
COVID19 asset impairment charges	-	(11,294)
Water leak	(19)	-
COVID19 costs	(1,414)	-
COVID19 grant income	983	-
	(693)	(11,880)

Prior year COVID19 asset impairment charges relate to stock, investment property, goodwill and freehold property impairments totalling arising as a result of the COVID 19 pandemic, which in turn led to the UK and other countries lock down and 2020 economic recession.

COVID19 costs relate to Morris Care infection and test control, non-productive wages whilst on furlough and other related COVID19 exceptional costs during the year partly funded by government grants.

Because of the significance of these costs and provisions they have been shown in the profit and loss account as a separate line to ensure that the profit and loss account provides a true and fair view in relation to these matters.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Bank interest	1,189	1,391
Other loan interest	39	27
	1,228	1,418

10. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	-	(208)
Adjustment in respect of previous periods	5	(1)
Total current tax	5	(209)
Deferred tax	98	322
Tax on profit/(loss)	103	113

continued...

10. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit/(loss) before tax	1,009	(9,262)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	192	(1,760)
Effects of:		
Adjustments to tax charge in respect of previous periods	5	(1)
Impairments with no tax effect	-	1,263
Sale of assets and fair value revaluations	(226)	285
Other timing differences	132	326
Total tax charge	103	113

Tax effects relating to effects of other comprehensive income

		2021	
	Gross £'000	Tax £'000	Net £'000
Actuarial gains on pension scheme	(307)	-	(307)
Pension surplus not recognised	615	(43)	572
	308	(43)	265

		2020	
	Gross £'000	Tax £'000	Net £'000
Actuarial gains on pension scheme	365	(62)	303
Pension surplus not recognised	(461)	78	(383)
Freehold property revaluation	-	57	57
Deferred tax on pension scheme surplus	-	79	79
	(96)	153	57

Factors that may affect future tax charges
In the Spring Budget 2021, the UK Government announced that the corporation tax rate would increase 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.

11. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

continued...

12. DIVIDENDS

	2021 £'000	2020 £'000
Ordinary shares of £1 each		
Interim	-	550

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £'000
COST	
At 1 April 2020	3,819
Disposals	(158)
At 31 March 2021	3,661
AMORTISATION	
At 1 April 2020	3,819
Eliminated on disposal	(158)
At 31 March 2021	3,661
NET BOOK VALUE	
At 31 March 2021	-
At 31 March 2020	-

14. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Short leasehold £'000	Long leasehold £'000
COST OR VALUATION			
At 1 April 2020	50,395	160	399
Additions	657	-	-
Disposals	-	-	-
At 31 March 2021	51,052	160	399
DEPRECIATION			
At 1 April 2020	-	160	337
Charge for year	-	-	14
Eliminated on disposal	-	-	-
At 31 March 2021	-	160	351
NET BOOK VALUE			
At 31 March 2021	51,052	-	48
At 31 March 2020	50,395	-	62

continued...

14. **TANGIBLE FIXED ASSETS - continued**

Group

	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
COST OR VALUATION			
At 1 April 2020	7,848	665	59,467
Additions	630	102	1,389
Disposals	(6)	(188)	(194)
At 31 March 2021	8,472	579	60,662
DEPRECIATION			
At 1 April 2020	6,051	562	7,110
Charge for year	497	52	563
Eliminated on disposal	(4)	(185)	(189)
At 31 March 2021	6,544	429	7,484
NET BOOK VALUE			
At 31 March 2021	1,928	150	53,178
At 31 March 2020	1,797	103	52,357

Cost or valuation at 31 March 2021 is represented by:

	Freehold property £'000	Short leasehold £'000	Long leasehold £'000
Valuation in 2020	(377)	-	-
Valuation in 2019	7,647	-	-
Cost	43,781	160	399
	51,051	160	399

	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
Valuation in 2020	-	-	(377)
Valuation in 2019	-	-	7,647
Cost	8,472	579	53,391
	8,472	579	60,661

If freehold property had not been revalued they would have been included at the following historical cost:

	2021 £'000	2020 £'000
Cost	43,991	43,334

Freehold property was revalued on an open market existing use basis. Morris Care Limited's properties were valued on 12 March 2019 by Christies & Co, whilst the other properties were valued by E Lowe MRICS, an employee of the group, on 31 March 2021.

continued...

14. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £'000
COST OR VALUATION	
Additions	62
At 31 March 2021	62
DEPRECIATION	
Charge for year	10
At 31 March 2021	10
NET BOOK VALUE	
At 31 March 2021	52

Company

	Freehold property £'000
COST OR VALUATION	
At 1 April 2020 and 31 March 2021	1,500
NET BOOK VALUE	
At 31 March 2021	1,500
At 31 March 2020	1,500

Cost or valuation at 31 March 2021 is represented by:

	Freehold property £'000
Valuation in 2020	(377)
Cost	1,877
	1,500

If freehold property had not been revalued they would have been included at the following historical cost:

	2021 £'000	2020 £'000
Cost	1,877	1,877

Freehold property was valued on an existing use basis on 31 March 2021 by E Lowe MRICS, an employee.

continued...

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £'000
COST	
At 1 April 2020 and 31 March 2021	60,006
PROVISIONS	
At 1 April 2020 and 31 March 2021	6,060
NET BOOK VALUE	
At 31 March 2021	53,946
At 31 March 2020	53,946

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Subsidiary name	Nature of business	Class of share	Holding
Morris & Company Limited	Property development	Ordinary	100%
Morris Care Limited	Care services	Ordinary	100%
Morris Property Limited	Property contracting services	Ordinary	100%
Morris Site Machinery Limited	Sale of onsite construction power equipment, welding power equipment, mobile powered lighting towers and water pumps	Ordinary	100%
SMC Light and Power Limited	Sale of lighting towers	Ordinary	100%

The registered office of all the above subsidiaries is Welsh Bridge, Shrewsbury, Shropshire, SY3 8LH.

16. INVESTMENT PROPERTY

Group

	Total £'000
FAIR VALUE	
At 1 April 2020	47,009
Additions	4,038
Revaluations	1,332
At 31 March 2021	52,379
NET BOOK VALUE	
At 31 March 2021	52,379
At 31 March 2020	47,009

continued...

16. **INVESTMENT PROPERTY - continued**

Group

Investment properties were valued on an existing use basis on 31 March 2021 by E Lowe MRICS, an employee.

If investment property had not been held at fair value, it would have been included at cost of £48,518,000 (2020: £44,480,000).

Company

	Total £'000
FAIR VALUE	
At 1 April 2020 and 31 March 2021	24,983
NET BOOK VALUE	
At 31 March 2021	24,983
At 31 March 2020	24,983

Investment properties were valued on an existing use basis on 31 March 2021 by E Lowe MRICS, an employee.

If investment properties had not been held at fair value, they would have been included at cost of £28,748,000 (2020: £28,748,000).

17. **STOCKS**

	Group	
	2021 £'000	2020 £'000
Stocks	3,936	6,668
Work-in-progress	10,930	10,577
	14,866	17,245

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

Stock recognised in the profit and loss account during the year as an expense was £8,921,000 (2020: £12,191,000).

An impairment loss of £nil (2020: £4,676,000) was recognised in the profit and loss account during the year due to a foreseen slow down in stock movement following the COVID 19 lock down and adverse effects on the World wide economy.

continued...

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade debtors	5,499	5,632	-	-
Amounts owed by group undertakings	-	-	-	1,000
Amounts recoverable on contract	513	343	-	-
Other debtors	952	1,648	-	-
Directors' current accounts	-	208	-	-
Tax	225	-	-	-
Prepayments and accrued income	1,821	607	-	-
	9,010	8,438	-	1,000

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans and overdrafts (see note 21)	9,824	2,547	1,845	1,522
Hire purchase contracts (see note 22)	14	-	-	-
Payments on account	1,715	1,150	-	-
Trade creditors	7,438	9,454	1	1
Amounts owed to group undertakings	-	-	35	35
Tax	-	66	-	-
Social security and other taxes	1,402	641	-	-
Other creditors	1,832	2,877	-	-
Accruals and deferred income	1,999	1,725	-	-
	24,224	18,460	1,881	1,558

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans (see note 21)	33,561	36,511	16,512	14,637
Hire purchase contracts (see note 22)	48	-	-	-
Amounts owed to group undertakings	-	-	8,515	11,745
	33,609	36,511	25,027	26,382

continued...

21. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year or on demand:				
Bank loans	9,824	2,547	1,845	1,522
Amounts falling due between one and two years:				
Bank loans	2,941	6,419	1,916	1,595
Amounts falling due between two and five years:				
Bank loans	27,323	25,284	11,299	8,234
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	3,297	4,808	3,297	4,808

Group
The bank loans comprise eight loans. Four of the loans are repayable by quarterly instalments, at various interest rates set at the time the loan was taken one at 1.65% over LIBOR, two at 2.25% over base rate, and one at 5.95% fixed. The other four loans are development loans or revolving credit finance facilities repayable at the end of the loan term, at various interest rates at the time the loans were taken one at 1.7% over base rate, one at 2.6% over base rate, one at 2.25% over LIBOR and one at 2.45% over LIBOR..

Company
The bank loans comprise four loans. One is repayable by quarterly instalments at a fixed interest rate set at the time the loan was taken at 5.95%. Two are repayable by quarterly instalments at an interest rate of 2.25% over base rate, and one is revolving credit finance, at an interest rate of 2.6% over base rate.

22. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2021	2020
	£'000	£'000
Net obligations repayable:		
Within one year	14	-
Between one and five years	48	-
	62	-

continued...

22. LEASING AGREEMENTS - continued

Group

	Non-cancellable operating leases	
	2021	2020
	£'000	£'000
Within one year	516	531
Between one and five years	1,046	1,085
In more than five years	5,043	5,260
	6,605	6,876

23. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Bank loans	43,385	39,058	18,357	-
Hire purchase contracts	62	-	-	-
	43,447	39,058	18,357	-

Bank loans and overdrafts are secured through fixed charges held over various properties held by Morris & Company (Shrewsbury) Limited, Morris & Company Limited and Morris Care Limited.

24. PROVISIONS FOR LIABILITIES

	Group	
	2021	2020
	£'000	£'000
Deferred tax		
Accelerated capital allowances	1,758	1,660
Capital gains revaluations	1,701	1,701
Other timing differences	575	532
	4,034	3,893

Group

	Deferred tax
	£'000
Balance at 1 April 2020	3,893
Provided during year	98
Pension surplus	43
Balance at 31 March 2021	4,034

continued...

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £'000	2020 £'000
12,677,684	Ordinary	£1	12,678	12,678
5,654,801	Redeemable Convertible Ordinary	£1	5,655	5,655
			18,333	18,333

26. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Freehold property revaluation reserve £'000
At 1 April 2020	7,481	1	8,484
Profit for the year	906		
Actuarial movements on pension scheme	308	-	-
Deferred tax on revaluation	(43)	-	-
At 31 March 2021	8,652	1	8,484

Group

	Capital redemption reserve £'000	Other reserves £'000	Investment property revaluation reserve £'000	Totals £'000
At 1 April 2020	28	34,547	3,740	54,281
Profit for the year				906
Actuarial movements on pension scheme	-	-	-	308
Deferred tax on revaluation	-	-	-	(43)
At 31 March 2021	28	34,547	3,740	55,452

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Other reserves £'000	Totals £'000
At 1 April 2020	580	1	28	34,547	35,156
Profit for the year	32				32
At 31 March 2021	612	1	28	34,547	35,188

continued...

26. **RESERVES - continued**

Group retained earnings reserves include net losses of £6,794,000(2020: £8,126,000) in respect of undistributable investment property fair value movements and freehold property carrying value movements below cost since 1 April 2014.

Company retained earnings reserves include net losses of £4,142,000 (2020: £4,142,000) in respect of undistributable investment property fair value movements and freehold property carrying value movements below cost since 1 April 2014.

Other finance income included in the profit and loss account of £68,000 (2020: £79,000) represents pension scheme net interest (see note 27).

No dividend is currently proposed for the year ended 31 March 2021.

27. **EMPLOYEE BENEFIT OBLIGATIONS**

On 24 March 2002 a stakeholder defined contribution scheme was introduced. The pension cost for the year was £395,000 (2020: £397,000).

The Group operates a defined benefit pension scheme.

This scheme became a multi-employer defined benefit scheme at 1 April 2012 and it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. FRS 102 requires the Group to account for this scheme as if it was a defined contribution scheme. However, the group continues to recognise actuarial gains and losses immediately in full each year as consistent with prior years.

The pension assets are held in a separate trustee administered fund to meet long term pension liabilities to past and present employees. The Trustees of the scheme are required to act in the best interests of the scheme's beneficiaries. The appointment of Trustees to the scheme is determined by the scheme's trust documentation.

The most recently completed triennial valuation was completed by the scheme actuary for the trustees of the scheme at 31 March 2017. Following the valuation, the employer's ordinary contribution rate was maintained at zero percent. The sponsors and trustees monitor the funding level on an annual basis and employer contributions have been maintained at that level since then.

The amounts recognised in these financial statements, based on the accounting policies, and on actuarial calculations adopting the below assumptions are as follows:

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	**2020**
	£'000	**£'000**
Current service cost	390	464
Net interest from net defined benefit asset/liability	(68)	(79)
Past service cost	-	-
Administration costs	91	81
	413	466
Actuarial return on assets	-	-

continued...

27. EMPLOYEE BENEFIT OBLIGATIONS - continued

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening defined benefit obligation	45,665	53,613
Current service cost	390	464
Contributions by scheme participants	26	29
Interest cost	1,030	1,157
Actuarial losses/(gains)	6,173	(2,454)
Benefits paid	(2,175)	(7,144)
	51,109	45,665

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Opening fair value of scheme assets	57,492	65,357
Contributions by scheme participants	26	29
Interest income	1,297	1,420
Actuarial gains/(losses)	5,866	(2,089)
Benefits paid	(2,175)	(7,144)
Non interest expenses	(91)	(81)
	62,415	57,492

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Actuarial gains/(losses)	(307)	365
Pension surplus not recognised	615	(461)
	308	(96)

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£'000	£'000
Equities	6,781	4,682
Property	10,230	11,394
Cash	236	75
Liability Driven Investments	12,633	13,863
Diversified Growth Funds	32,535	27,478
	62,415	57,492

continued...

27. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	2021 £'000	2020 £'000
Present value of funded obligations	(51,109)	(45,665)
Fair value of plan assets	62,415	57,492
Net defined benefit liability	11,306	11,827
Unrecognised amounts	(8,279)	(8,695)
Amount recognised in the balance sheet	3,027	3,132

Experience of gains and losses:

	2021 £'000	2020 £'000	2019 £'000	2018 £'000	2017 £'000
Scheme liabilities	(51,109)	(45,665)	(53,613)	(51,886)	(51,568)
Scheme assets	62,415	57,492	65,357	63,186	62,533
Surplus	11,306	11,827	11,744	11,300	10,965
Unrecognised amounts	(8,279)	(8,695)	(0)	(7,688)	(8,273)
	3,027	3,132	3,694	3,612	2,692
Asset gains:					
Amount - £'000	5,866	(2,089)	2,664	680	9,022
% of scheme assets	9.4%	-3.6%	4.1%	1.1%	14.4%
Experience gains/(losses) on scheme liabilities:					
Amount - £'000	(908)	306	41	29	2,181
% of scheme liabilities	-1.8%	0.7%	0.1%	0.1%	4.2%

Projected income statement for the following period:

	2022 £'000
Service cost	413
Administration costs incurred during the period	91
Net interest cost	(210)
Estimated Effect of the Asset Ceiling	157
Effect of any curtailments	-
Total pension expense	451

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate	1.90%	2.30%
Future salary increases	3.40%	3.10%
Future pension increases	3.30%	3.00%
RPI price inflation	3.40%	3.10%
CPI price inflation	2.60%	2.10%

continued...

27. EMPLOYEE BENEFIT OBLIGATIONS - continued

Post retirement mortality:

	S2PxA (CMI) 2020 projections with 1.25% LTR	S1PxA (CMI) 2019 projections with 1.25% LTR
Current pensioners age 65 - males	21.9	21.9
Current pensioners age 65 - females	24.3	24.2
Future pensioners age 65 (currently age 45) - males	23.2	23.2
Future pensioners age 65 (currently age 45) - females	25.7	25.7

28. CONTINGENT LIABILITIES

Morris & Company Limited, Morris Site Machinery Limited, Morris Property Limited and Morris Care Limited, are party to a group overdraft limit of £2,250,000 (2020: £2,250,000) with Lloyds PLC. The overdrafts at the year end are as follows:

	2021 £'000	2020 £'000
Morris Site Machinery Limited	-	377
Morris Property Limited	632	211

29. CAPITAL COMMITMENTS

As at 31st March 2021 the Group had Capital Commitments of £nil (2020: £726,000).

30. RELATED PARTY DISCLOSURES

Properties were rented to and from the Directors and their related parties of Morris & Company Limited at market value rates. The net rental amounted to £46,000 (2020: £46,000) including shooting rights.

A balance of £841,000 (2020: £869,000) is owed by Morris & Company Limited to the Morris Employee Discretionary Trust at the year end.

During the year open market value rents of £125,000 (2020: £nil) were paid to pensions schemes under the control and set up for the benefit of the directors.

During the year amounts recharged to Directors' loan accounts amounted to £nil (2020: £285,125). As at year end the amount outstanding was £nil (£2020 £208,054) and is included within Debtors in note 18 to the Financial Statements. No amounts were written off during the year or provided for at year-end.

31. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party of the Company.