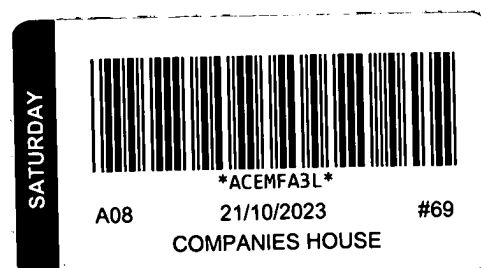


Morris Group Holdings Limited
Financial Statements
for the year ended 31 December 2022
Registered Number SC589873



Morris Group Holdings Limited

Financial statements for the year ended 31 December 2022

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Morris Group Holdings Limited

Directors and advisers for the year ended 31 December 2022

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

G Morris
J Dunwell
J A Morris
P Brown

Company secretary

P Brown

Registered office

54 Helen Street
Glasgow
G51 3HQ

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
141 Bothwell Street
Glasgow
G2 7EQ

Solicitors

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

MacRoberts LLP
Capella
60 York Street
Glasgow
G2 8JX

Bankers

The Royal Bank of Scotland plc
10 Gordon Street
Glasgow
G1 3PL

Morris Group Holdings Limited

Strategic report for the year ended 31 December 2022

The directors present their strategic report for the group for the year ended 31 December 2022.

Principal activities

Morris Group Holdings Limited hold a number of investment properties generating rental income as well as a number of subsidiary companies which operate in a diversified range of industries including Family Funeral Group Limited which provides funeral services, Builders Station Limited which supplies building materials and Crosbie Homes Limited which is involved in development of private housing projects through its subsidiaries. Morris Group Holdings Limited is registered in Scotland.

Review of the business

The Morris Group Holdings Limited group has seen a significant reduction in turnover in 2022 as a result of the sale of Livingston Building Services Limited early in 2022 therefore removing the trade generated by this subsidiary which was a significant part of the turnover in 2021. The sale of the investment in Livingston Building Services Limited generated a profit of £14.3m for the group resulting in a significant increase in profits for the year.

Rental income from the investment properties has remained steady with most properties in the portfolio being occupied. Builders Station Limited started to trade in 2022 and gradually built up towards the end of the year through a combination of sales of building materials to local customers and nationwide contractors.

The acquisition of Abercorn Funeral Services Limited (formerly Edinburgh Eastern Cemetery Company Limited) by Family Funeral Group Limited (a subsidiary of Morris Group Holdings Limited) in June 2022 represented a significant investment and the first acquisition in the funeral services industry with further growth expected through the addition of further funeral parlours.

The Crosbie Homes Limited group of companies have seen further investment in the development of two main housing sites for private sale both of which are programmed to be completed in 2023. Updated market values indicate a reasonable return on investment despite the recent slump in house prices.

Finsbay Fishing & Holiday Co Limited is a subsidiary company set up to manage a holiday letting and fishing venture in Harris currently being run under license but with a view to acquiring the land and property in 2023. Funding for the acquisition has already been obtained.

The Morris Group Holdings Limited group now represents a diverse group of companies covering a number of different sectors therefore spreading the investment risk. The Board is aware of the need to manage risks in acquiring businesses and making investments. The group has rigorous disciplines in place for managing exposure within a specified opportunity and a risk management framework that applies to all activities of the group. A prudent view is adopted when considering investment opportunities leaving sufficient headroom to cover increased costs or reduction in expected sales. The group will continue to review future investment opportunities taking account of inherent risks and how each opportunity fits with the existing portfolio.

Morris Group Holdings Limited

Strategic report for the year ended 31 December 2022 (continued)

Results and dividends

The group results for the year show sales of £4,081,000 (2021: £37,510,013) producing a profit before taxation of £14,243,578 (2021: £2,390,704). The net cash position at the year-end was £1,277,624 (2021: £3,791,239) with a net cash outflow from operating activities of £15,810,117 (2021: Inflow £3,542,701). The group's profit for the year after taxation, before dividends, is £14,220,924 (2021: £2,057,340). During the financial year no dividends were paid (2021: £Nil).

Principal risks and uncertainties and key performance indicators

The management of the business and delivery of the strategy are subject to a number of risks, which are managed by reference to an internal risk management matrix. A range of key performance indicators have been developed to monitor these risks and to provide a barometer as to the overall health of the different parts of the business, both financial and non-financial. These indicators include measurement against strategic goals, return on investment and cash management.

The business strives towards a cycle of continuous improvement based on these and other measures. The risks facing the individual subsidiaries are monitored via operational and business unit KPIs, which are discussed at monthly board meetings. A strict policy on debtor management is also in place ensuring all debtors are collected in a timely manner therefore limiting the group's exposure.

Directors' Section 172(1) Statement

The Board acknowledges its responsibility under section 172(1) of the Companies Act 2006 and sets out below the key processes and consideration that demonstrate how the Directors promote the success of the Group. The below statement sets out the requirements of the Act, section 172(1), and note how the Directors discharge their duties.

The Group is headed by an experienced and effective Board, which controls and leads the Group. The Board meets on a monthly basis, receiving appropriate information from management on a timely basis, and making further detailed enquiries where necessary to enable it to fully discharge its duties. This enables a decision to be made which best promotes the success of the Group and considers the impact on the wider stakeholder group. Factors below, are all considered during the decision-making process.

Likely consequences of any decisions in the long term

As part of the Board's decision-making process, they are given access to management papers which set out the potential outcome of decisions. The papers evaluate both the financial impact against forecast, as well as non-financial factors and how the decision fits with the strategy of the Group. Through a well-designed system of internal reporting and control the Board has devolved certain levels of autonomy to management to run and develop the business of the Group.

The Group has an annual budget and five-year plan which is reviewed regularly to benchmark performance and achievements against its long-term strategy.

Impact of the Group's operations on the community and environment

We believe that strong, mutually beneficial relationships with our stakeholders - including shareholders, employees, customers, suppliers, business partners and communities where we operate and live - are a major factor in our continued business success. We believe we have a duty to support social, environmental and economic causes in our surrounding communities. Employee innovation and client relationships have seen us develop our Corporate Social Responsibility commitment in various projects.

Morris Group Holdings Limited

Strategic report for the year ended 31 December 2022 (continued)

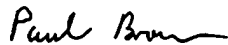
The desirability of the Group maintaining a reputation for high standards of business conduct

The Group is committed to maintaining high standards of corporate governance. To strengthen further Group compliance with corporate governance, the Board undertakes quarterly reviews of compliance with key measures in each subsidiary. The assessment provides an effective platform for reviewing performance and, over time, a greater focus has developed on particular recommendations.

The need to act fairly between members of the Group

An important role of the Board is to represent and promote the interests of the Group's shareholders as well as being accountable to them for the performance and activities of the Group.

By order of the Board



Paul Brown
Company Secretary
28 September 2023

Morris Group Holdings Limited

Directors' report for the year ended 31 December 2022

The directors present their report and the audited financial statements of the group and company for the year ended 31 December 2022.

Directors and their interests

The directors who held office during the year and up to the date of signing the financial statements are listed on page 1.

Dividends

At the year end the directors had not proposed a dividend (2021: £nil).

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 intention of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Creditor Payment Policy

The company complies with the Prompt Payment Code, which states that responsible companies undertake to:

- Pay suppliers on time, within the terms agreed at the outset of the contract and without attempting to change payment terms retrospectively;
- Provide suppliers with clear and easily accessible guidance on payment procedures;
- Ensure there is a system for dealing with complaints and disputes which is communicated to suppliers;
- Advise suppliers promptly if there is any reason why an invoice will not be paid to the agreed terms;
- Encourage good practice by requesting that lead suppliers encourage adoption of the code throughout their own supply chains.

Further information and copies of the code can be obtained from www.promptpaymentcode.org.uk.

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

Morris Group Holdings Limited

Directors' report for the year ended 31 December 2022 (continued)

Statement of directors' responsibilities (continued)

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Going Concern

On reviewing the going concern basis for the group the directors looked at projected rental income and cash flow projections up to the end of 2024 which demonstrated the ability to meet working capital requirements from reserves with a reasonable level of headroom therefore allowing the financial statements to be prepared on a going concern basis.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Streamlined Energy and Carbon Reporting disclosure

The section below presents the energy usage and associated carbon dioxide emissions for Morris Group Holdings Limited. This section has been prepared in compliance to the SECR Framework as implemented in the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2019.

Morris Group Holdings Limited

Directors' report for the year ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting disclosure (continued)

The energy and emissions data shown below included all UK operations of the group.

Energy use data for year 1st January 2022 to 31st December 2022

Emissions	Units	Current reporting year (2022) Location based	Current reporting year (2022) Market based (voluntary)	Comparison reporting year (2021) Location based
Emissions from combustion of gas (Scope 1)	tCO ₂ e	7.96	7.96	5.92
Emissions from combustion of fuel for transport purposes (Scope 1)	tCO ₂ e	25.01	25.01	0.00
Emissions from purchased electricity (Scope 2)	tCO ₂ e	25.16	0.00	23.15
Emissions from generation of electricity that is consumed in a transmission and distribution system for which the company does not own or control (Scope 3)	tCO ₂ e	2.30	0.00	2.05
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	tCO ₂ e	5.67	5.67	33.60
Total Gross emissions	tCO₂e	66.09	38.63	64.72
Energy consumption used to calculate above emissions	kWh	301,680.73	171,588.30	283,723.60

The intensity ratio has been calculated from annual turnover and includes all energy usage and emissions stated within the above emissions figures and the methodology.

	Units	Current reporting year (2022) Location based	Current reporting year (2022) Market based (voluntary)	Comparison reporting year (2021) Location based
Intensity Ratios	tCO ₂ e/ (£M) Annual Turnover	20.00	11.62	1.73

Quantification and reporting methodology

Morris Group Holdings Limited have followed the 2019 HM Government Environmental Reporting Guidelines and have used the 2022 UK Government's Conversion Factors for Company Reporting. We have used an operational approach to define our boundary.

Morris Group Holdings Limited

Directors' report for the year ended 31 December 2022 (continued)

Quantification and reporting methodology (continued)

The primary source for energy consumption is invoices and supplier interval data. Electricity and gas data has been recorded over the year from 1 January 2022 to 31 December 2022. Data was collated directly from monthly invoices generated by suppliers. The reporting spreadsheet provides a breakdown of monthly and annual consumption for each meter in KWh. The figure for January 2022 for Meter 5052825804 has been pro rated as the invoice has been billed from 26 November 2021 to 31 January 2022

Company transport data was provided by Morris Group Holdings Limited; data was generated over the course of the mentioned supply period. Livingston Building Services was acquired by Morris & Spottiswood Limited in February 2022 as such no data after January 2022 will be recorded for this report. Transport has been displayed by total mileage for all vehicles used by Morris Group Holdings Limited. An assumption has been used of 40.0% petrol and 60.0% diesel for recorded mileage entries.

Morris Group Holdings Limited have no onsite generation.

Energy efficiency commentary

The group recognises the environmental issues associated with its principal activities and particularly those relating to waste, water, energy management and vehicle emissions. The company is actively involved in practical measures to prevent or offset pollution to the environment and to comply with all the current environmental regulations, legislation and approved codes of practice.

Morris Group Holdings Limited continue to monitor and review their energy usage and associated carbon dioxide emissions. There have been two main initiatives instigated in the year.

- Installation of Energy consumption meters in some owned offices providing a better understanding of energy usage instigating initiatives to reduce consumption. The installations were delayed due to issues with supply of equipment and started to take place in early 2022.
- Installation of car charging points at the office on Nettlehill road and are currently being installed at another office at Almondvale.

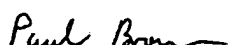
Further initiatives are planned for 2023 through consultation with the tenants within our properties.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

By order of the Board



Paul Brown

Company secretary

28 September 2023

Registered Number: SC589873

Morris Group Holdings Limited

Independent auditors' report to the members of Morris Group Holdings Limited for the year ended 31 December 2022

Report on the audit of the financial statements

Opinion

In our opinion, Morris Group Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Consolidated and company balance sheets as at 31 December 2022; the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and company statements of changes in equity, and the Consolidated statement of cash flows for the year then ended; the Accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Morris Group Holdings Limited

Independent auditors' report to the members of Morris Group Holdings Limited for the year ended 31 December 2022 (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 company or to cease operations, or have no realistic alternative but to do so.

Morris Group Holdings Limited

Independent auditors' report to the members of Morris Group Holdings Limited for the year ended 31 December 2022 (continued)

Auditors' responsibilities for the audit of the financial statements

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and the risk of management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management around known or suspected instances of non-compliance with laws and regulations, claims and litigation, and instances of fraud;
- Understanding management's controls designed to prevent and deter irregularities;
- Challenging assumptions and judgements made by management in areas involving significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted by senior management and/ or with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Morris Group Holdings Limited

Independent auditors' report to the members of Morris Group Holdings Limited for the year ended 31 December 2022 (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Kenneth Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Glasgow
28 September 2023

Morris Group Holdings Limited

Consolidated profit and loss account for the year ended 31 December 2022

	Note	2022			2021		
		Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
		£	£	£	£	£	£
Turnover	1	2,096,992	1,984,008	4,081,000	427,402	37,082,611	37,510,013
Cost of Sales		(1,307,603)	(1,523,152)	(2,830,755)	(101,750)	(28,649,608)	(28,751,358)
Gross profit		789,389	460,856	1,250,245	325,652	8,433,003	8,758,655
Administrative expenses		(715,737)	(551,578)	(1,267,315)	(287,137)	(6,060,918)	(6,348,055)
Other operating income	4	-	-	-	-	59,438	59,438
Operating Profit	5	73,652	(90,722)	(17,070)	38,515	2,431,523	2,470,038
Profit on disposal of operations	6	14,280,829	-	14,280,829	-	-	-
Profit before interest and taxation		14,354,481	(90,722)	14,263,759	38,515	2,431,523	2,470,038
Interest receivable and similar income	7	20,863	-	20,863	-	165	165
Interest payable and similar expenses	8	(39,377)	(1,667)	(41,044)	(58,534)	(20,965)	(79,499)
Profit before taxation		14,335,967	(92,389)	14,243,578	(20,019)	2,410,723	2,390,704
Taxation on profit	9	(22,654)	-	(22,654)	(58,027)	(275,337)	(333,364)
Profit for the financial year		14,313,313	(92,389)	14,220,924	(78,046)	2,135,386	2,057,340

Consolidated statement of comprehensive income for the year ended 31 December 2022

	2022			2021		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	£	£	£	£	£	£
Profit for financial year	14,313,313	(92,389)	14,220,924	(78,046)	2,135,386	2,057,340
Deferred tax current year charge (note 9)	(22,542)	-	(22,542)	-	-	-
Total comprehensive income for the financial year	14,290,771	(92,389)	14,198,382	(78,046)	2,135,386	2,057,340

Morris Group Holdings Limited

Consolidated statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total Equity £
At 1 January 2021	100	1,646,184	1,646,284
Profit for the financial year	-	2,057,340	2,057,340
At 31 December 2021	100	3,703,524	3,703,624
Profit for the financial year	-	14,220,924	14,220,924
Other Comprehensive Expenditure	-	(22,542)	(22,542)
Total Comprehensive Income for the financial year	-	14,198,382	14,198,382
At 31 December 2022	100	17,901,906	17,902,006

Company statement of changes in equity for the year ended 31 December 2022

	Called up share capital £	Profit and loss account £	Total Equity £
At 1 January 2021	100	257,448	257,548
Profit for the financial year	-	202,717	202,717
At 31 December 2021	100	460,165	460,265
Profit for the financial year	-	17,519,319	17,519,319
At 31 December 2022	100	17,979,484	17,979,584

Morris Group Holdings Limited

Consolidated and company balance sheets as at 31 December 2022

		Group		Company	
	Note	2022	2021 restated*	2022	2021
		£	£	£	£
Fixed assets					
Intangible assets	10	58,352	1,684,569	-	-
Tangible assets	11	270,763	2,169,697	-	-
Investment Properties	12	6,096,020	6,414,071	5,926,020	6,414,071
Investments	13	1,327,084	1,198,176	1,323,184	6,409,075
		7,752,219	11,466,513	7,249,204	12,823,146
Current assets					
Inventories	14	3,831,254	1,015,779	-	-
Debtors	15	9,847,737	11,581,593	13,059,239	1,665,885
Cash at bank and in hand	16	1,388,964	6,002,012	1,178,635	1,908,803
		15,067,955	18,599,384	14,237,874	3,574,688
Creditors- amounts falling due within one year	17	(3,877,015)	(11,101,318)	(2,886,021)	(1,040,249)
Net current assets		11,190,940	7,498,066	11,351,853	2,534,439
Total assets less current liabilities		18,943,159	18,964,579	18,601,057	15,357,585
Creditors - amounts falling due after more than one year	18	(1,003,338)	(15,260,955)	(618,718)	(14,897,320)
Provisions for liabilities	19	(37,813)	-	(2,755)	-
Net assets		17,902,006	3,703,624	17,979,584	460,265
Capital and reserves					
Called up share capital	20	100	100	100	100
Profit and loss account		17,901,906	3,703,524	17,979,484	460,165
Total Equity		17,902,006	3,703,624	17,979,584	460,265

* details of what has been restated are in the notes to the accounts, notes 12 and 14.

The Company's profit after tax for the financial year was £17,519,319 (2021: £202,717).

The notes on pages 22 to 36 form an integral part of the financial statements. The financial statements on pages 13 to 36 were approved by the board of directors on 28 September 2023 and were signed on its behalf by:



G Morris
Director

Morris Group Holdings Limited

Consolidated statement of cash flows for the year ended 31 December 2022

	Note	2022	2021
		£	£
Net cash (outflow) /inflow from operating activities	21	(15,810,117)	3,542,701
Taxation Paid		(21,200)	(109,946)
Net cash (used in) / generated from operating activities		(15,831,317)	3,432,755
Cash flow from investing Activities			
Interest received		20,863	165
Purchase of investments		(128,908)	(943,055)
Purchase of investment properties		(528,690)	(2,534,706)
Purchase of tangible fixed assets		(93,393)	(428,302)
Proceeds from sale of Investment properties		733,436	691,417
Purchase of Subsidiaries (net of cash acquired)		(86,600)	-
Proceeds from sale of Subsidiaries		12,499,175	-
Loans to Directors		(1,520,863)	-
Net cash generated from/(used in) investment activities		10,895,020	(3,214,481)
Cash flow from financing Activities			
Interest paid		(41,044)	(79,499)
New loan facilities		698,590	-
Repayment of bank loans		(334,297)	(857,409)
Net cash used in financing activities		323,249	(936,908)
Net decrease in cash		(4,613,048)	(718,634)
Cash at 1st January		6,002,012	6,720,646
Cash at 31st December		1,388,964	6,002,012

The Company is a qualifying entity for the purposes of FRS102 and has elected to take the exemption under FRS102, para 1.12 (b), not to present the Company statement of cash flows.

Morris Group Holdings Limited

Accounting policies

Statement of compliance

The group and individual financial statements of Morris Group Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The group has adopted FRS 102 in these financial statements.

Basis of preparation

These consolidated and separate financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through the profit and loss account in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Companies Act 2006. The financial statements are presented in GBP as this is the relevant currency of nearly of the Groups trading. Morris Group Holdings Limited is a private company limited by shares and is incorporated in The United Kingdom.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from presenting the profit and loss account for the company.

Going concern

The Group meets its day-to-day working capital requirements from cash in bank. The level cash held by the Group is sufficient to fund expected requirements based on forecast and projections taking account of reasonable possible changes in trading performance. After making enquiries, the directors have reasonable expectation, that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore allowing the Group to prepare its financial statements on a going concern basis.

(a) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity, certain disclosure exemptions, subject to certain conditions, which have been complied with the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions in its individual financial statements:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.40 to 11.48A and paragraphs 12.26 to 12.27 and 12.29, as the information is provided in the consolidated financial statement disclosures;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7;
- iv. from disclosing related party transaction between group companies.

Morris Group Holdings Limited

Accounting policies (continued)

(b) Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 December.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50.0% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity it accounts for that entity as a subsidiary

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Group holds a long-term interest and where the Group has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. The results of associates are accounted for using the equity method of accounting.

Any subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

Where control of a subsidiary is achieved in stages, the initial acquisition that gave the Group control is accounted for as a business combination. Thereafter where the Group increases its controlling interest in the subsidiary the transaction is treated as a transaction between equity holders. Any difference between the fair value of the consideration paid and the carrying amount of the non-controlling interest acquired is recognised directly in equity. No changes are made to the carrying value of assets, liabilities or provisions for contingent liabilities.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

(c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Morris Group Holdings Limited

Accounting policies (continued)

(c) Critical accounting judgements and key sources of estimation uncertainty (continued)

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 judgements and estimates concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These judgements and estimates 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.

Estimation uncertainty

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. Refer to note 11 for the carrying amount of the tangible assets, and below for the useful economic lives for each class of assets.

(ii) Fair value of investment properties

The Group has investment properties that are carried at fair value. The calculation of fair values depends on a number of factors including the conditions and location of the property, potential uses, revenue streams and current property yields. Management estimate these factors in their determination of fair value at each reporting date.

Critical judgements

(i) Contract accounting

The values recognised in relation to long term contracts that are in progress at the balance sheet date are based on the proportion of work carried out on a contract by contract basis generally determined by a review of progress on site by a quantity surveyor which is reviewed periodically. Profit on these contracts is calculated on a prudent basis and reflects turnover and related costs as the contract progresses. Profit is only recognised when the final outcome of each project can be assessed with reasonable certainty. Where a contract is likely to make a loss, full provision is made in the period in which the loss is foreseen.

Tangible fixed assets

Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual value, on a straight-line basis over their estimated economic lives. The depreciation rates used for this purpose are:

Land and buildings	2.0% on cost or over the remaining term of the lease, whichever is shorter
Improvements to buildings	5.0% on cost or over the remaining term of the lease, whichever is shorter
Plant and machinery	10.0%, 20.0% or 33.3% on cost

Morris Group Holdings Limited

Accounting policies (continued)

Intangible Fixed Assets

Intangible assets are stated at cost less accumulated amortisation. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives which is 5 years for goodwill.

Amortisation is included in administration expenses in the profit and loss account.

The Group conducts a review for impairment of its intangible assets based on market conditions and expected future demand. Any change to the expected useful life of goodwill is reflected in the amortisation rate adopted.

Fixed asset investments

These comprise investments in shares that the Company intends to hold on a continuing basis. The investments are stated at cost, less provisions for impairment. The Company carries out a review for the potential impairment of an investment if events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. Such impairment reviews are performed in accordance with Financial Reporting Standard ("FRS") 102. Any impairments are recorded in the profit and loss account.

Inventories and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Pre-start contract costs

Costs incurred on contracts which are not fully underway at the balance sheet date are deferred and held within work in progress.

Cash

Cash at bank and in hand includes money in current accounts available on demand, as well as funds in short term deposit accounts which are available after giving the required notice, although funds are available on demand from these accounts with the loss of interest being the only penalty.

Current Tax

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted, or substantially enacted, by the balance sheet date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Morris Group Holdings Limited

Accounting policies (continued)

Deferred taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted

Leases

Rentals paid under operating leases are charged on a straight-line basis over the period.

Distribution to shareholders

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Government grants

Grants for capital items are credited to a deferred income account and are released to other income to match them with the related depreciation charge.

Turnover

Turnover deriving from long term contracts is calculated as per the contract accounting note above.

Long term contract balances classified under "inventories" are stated at net cost, less foreseeable losses and payments on account. Amounts recoverable on contracts are valued at cost plus attributable profit less payments on account.

Pension costs

The amount charged against profit represents the contributions payable to staff defined contribution pension schemes in respect of the accounting year.

Investment properties

Investment properties are held at fair value in accordance with FRS102 and not depreciated. Movements in fair value of investment properties are recognised in the profit and loss account. Deferred tax is provided at the rate expected to apply when the property is sold.

Other investments

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial Instruments

The company is applying section 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments.

Morris Group Holdings Limited

Notes to the financial statements for the ended 31 December 2022

1 Turnover

Turnover comprises the invoiced value, excluding value added tax, of goods, services and properties supplied as part of the group's ordinary activities. A further break down of turnover by type and nature has not been disclosed as it is felt this would be prejudicial to the business given the nature of the industries operated in. All turnover originates from the United Kingdom.

2 Employee costs

	2022	2021
	£	£
Wages and salaries	664,751	6,172,641
Social security costs	71,818	756,671
Other pension costs (note 22)	23,625	324,650
	760,194	7,253,962

There were no directors emoluments paid by Morris Group Holdings Limited for the years ending 31 December 2021 or 31 December 2022.

3 Employee information

The average monthly number of persons (including directors) employed by the group during the year was:

	2022	2021
	Number	Number
Office and management	5	46
Mechanical & Electrical	9	103
Funeral Group	5	-
	19	149

4 Other operating income

	2022	2021
	£	£
Grants received	-	59,438

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5 Operating profit

	2022	2021
	£	£
Operating profit is stated after (crediting) / charging:		
Grant income	-	(59,428)
Revaluation of investment properties	222,129	(138,199)
Operating lease rentals - land and buildings	43,137	113,650
Operating lease rentals - plant and machinery	32,197	-
Depreciation	42,255	292,093
Amortisation	6,483	280,761
Auditors' remuneration:		
- Audit services	36,800	7,500
- Non-audit services	19,800	-

6 Profit on disposal of operations

Livingston Building Services Limited was sold in February 2022 with the business having been built up to a size that the group board felt it was the right time to sell and recognise the gain on sale as calculated below.

	2022	2021
	£	£
Consideration for the sale of Subsidiary	22,678,000	-
Less:		
Fees	(35,400)	-
Assets and liabilities at time of disposal		
Property, plant and equipment	(2,146,229)	-
Cash and cash equivalents	(1,465,425)	-
Inventories	(6,450)	-
Trade and other receivables	(12,573,878)	-
Trade and other payables	9,514,780	-
Total identified net assets	(6,677,202)	-
Unamortised goodwill	(1,684,569)	-
Profit on sale of Subsidiary	14,280,829	-

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Interest receivable and similar income

	2022 £	2021 £
Other interest received	20,863	165

8 Interest payable and similar expenses

	2022 £	2021 £
Bank interest charged	41,044	79,499

9 Tax on profit

The charge for taxation is comprised of the following:

	2022 £	2021 £
Current tax		
UK corporation tax at 19.0% (2021: 19.0%)	71,592	293,456
Adjustment in respect of prior periods	-	(27)
Total current tax (below (a))	71,592	293,429
Deferred tax		
Origination and reversal of timing differences	(37,978)	35,806
Adjustment in respect of prior periods	527	(7,132)
Changes in tax rates and laws	(11,487)	11,261
Total deferred tax (below (b))	(48,938)	39,935
Tax charge	22,654	333,364

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Tax on profit (continued)

(a) Factors affecting tax charge for the year

The tax assessed for the year is lower (2021: lower) than that calculated using the standard rate of corporation tax of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £	2021 £
Profit before taxation	14,243,578	2,390,704
Tax thereon at 19.0% (2021: 19.0%)	2,706,280	454,234
Effects of:		
Expenses not deductible	(3,862)	217,427
Income not taxable	(2,713,357)	(77,199)
Effects of R&D enhanced deduction	-	(265,200)
Chargeable Gains	20,676	-
Adjustment in respect of prior periods	527	(7,159)
Tax rate changes	(3,534)	11,261
Deferred tax not recognised	15,924	-
Total tax charge for the year	22,654	333,364

(b) Deferred tax

The deferred tax liability at 31 December 2022 and 31 December 2021 relates to accelerated capital allowances and short-term timing differences and has been calculated using the rate of 19.0% (2021: 19.0%).

	2022 £	2021 £
Fixed Asset timing differences (Note 19)	(37,813)	(54,296)
Short term timing differences (Note 15)	-	7,376
Losses (Note 15)	25,629	-
Deferred tax liability	(12,184)	(46,920)

The movement on deferred tax liability is as follows:	2022 £	2021 £
At 1 January	(46,920)	(6,985)
Adjustment in respect of prior periods	-	(1,343)
Deferred tax liability disposed on sale of subsidiary	11,608	-
Deferred tax liability acquired on purchase of subsidiary	(3,268)	-
Deferred tax arising in the year	48,938	(38,592)
Deferred tax to OCI for the period	(22,542)	-
At 31 December	(12,186)	(46,920)

The UK Corporation tax rate fell to 19.0% from 1 April 2017 and remained at 19.0% throughout 2022. The rate of corporation tax will increase from 19.0% to 25.0% from 1 April 2023. The proposal to increase the rate to 25.0% has been substantively enacted at the balance sheet date, and its effects are included in the deferred tax workings.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

10 Intangible assets

Group	Goodwill £
Cost	
As at 1 January 2022	2,807,613
Acquisitions	64,835
Disposals	(2,807,613)
As at 31 December 2022	64,835
Accumulated Amortisation	
As at 1 January 2022	(1,123,044)
Acquisitions	-
Disposals	1,123,044
Amortisation	(6,483)
As at 31 December 2022	(6,483)
Net book value	
As at 31 December 2022	58,352
As at 31 December 2021	1,684,569

Disposal of goodwill is in relation to the sale of Livingston Building Services Limited on 2 February 2022. The acquisition of goodwill in 2022 is in relation to the purchase of Abercorn Funeral Services Limited (formerly Edinburgh Eastern Cemetery Limited) on 20 June 2022. Goodwill arising through the purchase is being amortised over the estimated useful life of 5 years.

Company

The company had no intangible fixed assets at 31 December 2022 (2021: £Nil).

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

11 Tangible assets

Group	Land & Buildings	Improvements to buildings	Plant & Machinery	Total
	£	£	£	£
Cost				
As at 1 January 2022	605,122	1,671,419	545,149	2,821,690
Acquisitions	162,000	-	36,480	198,480
Additions	35,623	1,567	56,203	93,393
Disposals	(605,122)	(1,671,419)	(545,149)	(2,821,690)
As at 31 December 2022	197,623	1,567	92,683	291,873
Accumulated Depreciation				
As at 1 January 2022	(233,467)	-	(418,526)	(651,993)
Acquisitions	-	-	(2,324)	(2,324)
Depreciation	(22,211)	(157)	(19,887)	(42,255)
Disposals	252,923	-	422,539	675,462
As at 31 December 2022	(2,755)	(157)	(18,198)	(21,110)
Net Book Value				
As at 31 December 2022	194,868	1,410	74,485	270,763
As at 31 December 2021	371,655	1,671,419	126,623	2,169,697

There were no tangible assets in the company balance sheet as at 31 December 2022 or 31 December 2021.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

12 Investment Properties

	Group £	Company £
Cost or valuation at 1 January 2022 restated	6,414,071	6,414,071
Additions	528,690	358,690
Disposals	(624,612)	(624,612)
Revaluations	(222,129)	(222,129)
Net book value at 31 December 2022	6,096,020	5,926,020
Net book value at 31 December 2021 restated	6,414,071	6,414,071
Historical cost at 31 December 2022	6,804,562	6,634,562

A restatement has been made in relation to the Group investment properties balance as at 31 December 2021. The effect of this is to decrease the balance by £1,009,329 in relation to a land owned by Crosbie Homes Sandal Limited and Crosbie Homes Blanford Limited, both indirect subsidiaries of Morris Group Holdings Limited. The cost of this land has been reclassified to work in progress within inventories as the land is being developed for future private sale of domestic houses meaning this is the most appropriate classification.

All properties have been recently valued by a member of the RICs either at the date of acquisition or after refurbishment works in the case of the revaluation in the year.

13 Investments

	Group			Company		
	Sub-sidiaries	Other Investments	Total	Sub-sidiaries	Other Investments	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	-	1,198,176	1,198,176	5,210,799	1,198,276	6,409,075
Additions	-	128,908	128,908	-	124,908	124,908
Disposals	-	-	-	(5,210,799)	-	(5,210,799)
At 31 December 2022	-	1,327,084	1,327,084	-	1,323,184	1,323,184
Provision						
At 1 January 2022	-	-	-	-	-	-
At 31 December 2022	-	-	-	-	-	-
Net book value						
At 31 December 2021	-	1,198,176	1,198,176	5,210,799	1,198,276	6,409,075
At 31 December 2022	-	1,327,084	1,327,084	-	1,323,184	1,323,184

The Directors believe that the carrying value of the investments is supported by their underlying net assets. Disposal in the year was in relation to Livingston Building Services. Other investment additions in the year are mainly investments in Artwork with a small value in Drinks investments.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

13 Investments (continued)

The company's investments in the ordinary share capital of unlisted companies at the balance sheet date comprise of the following:

Company Name	% Holding	Country of incorporation	Registered office address	Nature of trade
Livingston Mechanical Services Limited	100	Scotland	Nettlehill Road Houston Industrial Estate, Livingston, EH54 5DL	Dormant
Builders Station Limited	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Builders Merchant
Finsbay Fishing & Holiday Company Limited	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Holiday Letting
Family Funeral Group Limited	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Funeral Services
Abercorn Funeral Services Musselburgh Limited*	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Dormant
Newco Spoke 2 Limited*	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Dormant
Abercorn Funeral Services Limited*	100	Scotland	204 Piersfield Terrace, Edinburgh Midlothian, EH8 7BN	Funeral Services
Crosbie Homes Limited	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Housing Developments
Crosbie Homes Bargeddie Limited*	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Housing Developments
Crosbie Homes Blanefield Limited*	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Housing Developments
Crosbie Homes Sandal Limited*	100	Scotland	54 Helen Street, Glasgow, G51 3HQ	Housing Developments

* denotes indirectly owned subsidiaries

The following subsidiaries, Builders Station Limited (Co Reg. SC711516), Crosbie Homes Limited (Co. Reg. SC603313), Finsbay Fishing & Holiday Company Limited (Co. Reg SC711520) and Family Funeral Group Limited (Co. Reg SC691566) have taken advantage of the permitted exemption from the requirements under the Companies Act 2006 relating to the audit of financial statements under section 479A of the Companies Act 2006. As such Morris Group Holdings has provided guarantees to these subsidiaries under section 479C of the Companies Act for the financial year ended 31 December 2022.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

14 Inventories

	Group		Company	
	2022	2021 Restated	2022	2021
	£	£	£	£
Raw materials and consumables	18,928	6,450	-	-
Work in progress	3,645,607	1,009,329	-	-
Finished Goods held for resale	166,719	-	-	-
	3,831,254	1,015,779	-	-

A restatement has been made in relation to the Group inventories balance as at 31 December 2021. The effect of this is to increase the balance by £1,009,329 in relation to a land owned by Crosbie Homes Sandal Limited and Crosbie Homes Blanefield Limited, both indirect subsidiaries of Morris Group Holdings Limited. The cost of this land has been reclassified from investment properties to work in progress within inventories as the land is being developed for future private sale of domestic homes meaning this is the most appropriate classification.

15 Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	579,059	1,310,619	349,464	8,512
Amounts recoverable on contracts	-	8,375,156	-	78,807
Other debtors	7,676,589	1,888,442	7,671,267	15,716
Amounts owed by group undertakings	-	-	3,495,262	1,357,509
Deferred tax (note 9)	25,629	7,376	-	-
Other taxation and social security	45,597	-	22,383	205,341
Directors Loans	1,520,863	-	1,520,863	-
	9,847,737	11,581,593	13,059,239	1,665,885

Other debtors include £7,701,166 (2021: £nil) falling due after more than one year. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

16 Cash at bank and in hand

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank	1,388,964	6,002,012	1,178,635	1,908,803

17 Creditors - amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	1,020,481	3,380,477	723,770	557,017
Other creditors	1,954,294	180,009	1,793,696	95,126
Corporation tax (Note 9)	71,592	293,429	71,567	22,714
Other Taxation and social security	10,064	251,087	-	-
Deferred tax Liability	-	19,746	-	763
Bank Loans and overdrafts	756,086	977,272	266,788	250,000
Accruals and deferred income	64,498	5,999,298	30,200	114,629
	3,877,015	11,101,318	2,886,021	1,040,249

The company loan balance relates to a loan taken out in 2020 for £1,250,000 secured against investment properties at an interest rate of 2.5% above the bank of England base and is repayable over six years.

Crosbie Homes Blanford Limited, an indirect subsidiary of Morris Group Holdings Limited, took out a loan facility in 2022 with Close Brothers to fund the construction of a housing development. The loan facility is for £1,220,000 at an interest rate of 5.5% above the bank of England base rate. The balance at the year end was £489,298. Security was granted over the assets of Crosbie Homes Blanford Limited for the loan.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

18 Creditors – amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank Loans and overdrafts	876,117	1,233,501	618,718	869,864
Other Creditors	-	13,992,904	-	13,992,906
Deferred Tax Liability	-	34,550	-	34,550
Accruals and deferred income	127,221	-	-	-
Total Creditors due after more than one year	1,003,338	15,260,955	618,718	14,897,320

The company loan balance relates to a loan taken out in 2020 for £1,250,000 secured against investment properties at an interest rate of 2.5% above the bank of England base and is repayable over six years.

Crosbie Homes Sandal Limited, an indirect subsidiary of Morris Group Holdings Limited, took out a loan facility in 2022 with The Royal Bank of Scotland plc to fund the construction of a housing development. The loan facility is for £3,431,000 at an interest rate of 4.0% above the bank of England base rate. The balance at the year end was £257,399. Security was granted over the assets of Crosbie Homes Sandal Limited for the loan.

19 Provisions for liabilities

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Provision for deferred tax liabilities (Note 9)	37,813	-	2,755	-

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

20 Called up share capital

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Authorised, allotted and fully paid	100	100	100	100
Ordinary shares of £1 each				

21 Reconciliation of consolidated operating profit to net cash from operating activities

	2022	2021
	£	£
<u>Continuing operations</u>		
Operating (loss)/profit	(17,070)	2,470,038
Amortisation of intangible assets	6,483	280,761
Depreciation	42,255	292,093
Revaluation of investment property	222,129	(138,199)
Profit on sale of investment properties	(108,822)	(406,726)
Increase in inventories	(2,802,998)	(1,450)
Increase in debtors	(8,931,464)	(7,506,228)
(Decrease) / Increase in creditors	(4,220,630)	8,552,412
Net cash (outflow)/inflow from operating activities	(15,810,117)	3,542,701

22 Pension schemes

The Group operates defined contribution pension schemes in the UK. The Group cost for the year was £23,625 (2021: £324,650) and for the Company £nil (2021: £nil). At the year-end £nil (2021: £29,503) was due to be paid to the pension schemes for the Group and £nil (2021: £nil) for the Company.

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

23 Business Combinations

On 20 June 2022, Family Funeral Group Limited, a subsidiary of Morris Group Holdings limited, acquired control of Abercorn Funeral Services Limited (formerly Edinburgh Eastern Cemetery Company Limited).

Consideration at 20 June 2022

	£
Cash	250,000
Directly attributable costs	24,950
Total Consideration	274,950

For cash flow disclosure purposes the amounts are disclosed as follows

	£
Cash consideration	250,000
Directly attributable costs	24,950
Less:	
Cash and cash equivalents acquired	(188,350)
Net cash outflow	86,600

Recognised amounts of identifiable assets acquired and liabilities assumed

	Fair and book values £
Property, plant and equipment	196,156
Cash and cash equivalents	188,350
Investments	4,000
Inventories	18,927
Trade and other receivables	776
Trade and other payables	(54,231)
Deferred Revenue	(140,595)
Deferred Tax provision	(3,268)
Total identified net assets	210,115
Goodwill	64,835
Total identified net assets	274,950

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

24 Related party transactions

Morris and Spottiswood Limited

During the year, the group leased certain properties, and sold goods to Morris and Spottiswood Ltd, the group's associate. Revenue of £217,124 was recognised. The group also purchased services of £97,148 from this associate, which is shown in admin expenses for the group.

Livingston Building Services Limited

During the year, the group leased certain properties to Livingston Building Services Ltd, the group's associate. Revenue of £144,156 was recognised.

During the year, the group sold Livingston Building Services Ltd to its associate, Morris and Spottiswood. The details of this transaction can be seen within note 6 of the notes to the accounts.

Company Directors

During the year, the group sold goods to company directors. Revenue of £11,707 was recognised. The group provided loans to company directors of £1,520,863 during the year, this is repayable within 1 year of the balance sheet date.

Group related party receivables / (payables) as at 31 December 2022 were as follows;

Group Related party receivables / (payables) as at 31 December 2022

	Morris and Spottiswood Ltd £	Livingston Building Services Ltd £	Company Directors £	Total £
Receivables				
Trade Debtors	116,577	318,009	11,489	446,075
Directors Loans	-	-	1,520,863	1,520,863
Other Debtors	7,701,166	-	-	7,701,166
Total Receivables	7,817,744	318,009	1,532,352	9,668,104
Payables				
Trade Creditors	(788,178)	-	-	(788,178)
Other Creditors	(155,283)	(1,694,319)	-	(1,849,602)
Total Payables	(943,461)	(1,694,319)	-	(2,637,780)

Morris Group Holdings Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

25 Controlling party

The largest and smallest group to consolidate these financial statements is Morris Group Holdings Limited. The address of the registered office is 54 Helen Street, Glasgow, G51 3HQ. The company considers the ultimate controlling party to be J A Morris by virtue of her majority voting rights.