

Registered number: 06816610

JOHN MORRIS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



JOHN MORRIS HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr D J Morris Mr J M O Morris
Registered number	06816610
Registered office	Madoc Works Hanfaes Lane Welshpool Powys SY21 7BE
Independent auditor	MHA Rutland House 148 Edmund Street Birmingham B3 2FD

JOHN MORRIS HOLDINGS LIMITED

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JOHN MORRIS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report to the financial statements for the year ended 31 December 2022.

Business review

During 2022 the Group continued to thrive. Turnover grew ahead of expectations and with the management of margins and costs the business achieved a pleasing level of profitability.

The Group continued to expand into new markets and to develop new products while making significant investments in the latest equipment. New sales channels have been identified to contribute towards the future growth of sales and minimise any reliance on a particular group of customers or particular market segment. At the start of the year the Group had an average headcount of 208 and by the end of the year the number increased to 209.

The Group continues to fund its closed defined benefit pension scheme at a level which will eliminate any deficit or surplus over an agreed period. This deficit or surplus is recognised in the Group's balance sheet and is subject to the volatility inherent in the accounting valuation from year to year.

Principal risks and uncertainties

The risks facing the Group are constantly monitored and assessed.

The Group's business activities, financial condition and trading results could be affected by any or all of the following risks and uncertainties:

General business conditions and economy

The directors are of the opinion that the principal risks facing the Group relate to the wider economic conditions, in particular global inflationary pressures which will influence raw material costs, pricing and an anticipated growth in the demand for its products.

The Group seeks to manage these risks by maintaining an appropriate spread of market segments, product range, supplier base, production systems and active cash management.

Information Systems

The Group is reliant upon a number of business systems which, if disrupted for any length of time due to damage or interruption from loss of power, failure of telecommunications, sabotage or vandalism could have an adverse effect on the efficient running of the Group's business. As part of its Business Continuity Plan the Group has put in place a number of contingency plans, utilising the Company's multi site set up and access to cloud based IT support, to ensure that such system failures could not adversely affect the efficient running of the Group's business.

Health and safety

In common with all manufacturing businesses the factory environment exposes the Group to health and safety risk. The directors take the health and safety of its employees and any third party on its sites very seriously and are mindful of health and safety regulatory compliance. Consequently, they have in place stringent policies and procedures which are appropriately communicated and monitored by a designated Health and Safety Compliance Officer.

JOHN MORRIS HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial Risk Management

The Group's operations expose it to a variety of financial risks that include the effects of credit risk, currency risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit any adverse effects on the financial performance of the Group.

Credit risk

The Group operates procedures that require appropriate credit checks on potential customers before sales are made. Credit insurance is taken out on major debtors, where available, with credit insurers and credit limits set in accordance with that insurance. The amount of exposure to any uninsured debtors is also subject to an appropriate limit, which is reassessed on an ongoing basis by using appropriate Credit Reference Agencies.

Currency risk

The Group's principal currency exposures are to the Euro and US Dollar. The Group has a partial natural hedge for much of its currency risk as it has sales and purchases in both currencies. When there is an imbalance in the natural hedge for both currencies this is managed through other hedging techniques such as, but not limited to, forward foreign exchange contracts. The Group continues to monitor potential exposures to risks, and considers effective risk management solutions.

Liquidity risk

Liquidity risk relates to the Group having sufficient financial resources to pay for the goods and services required to operate.

The directors are confident that the banking and financing facilities currently in place are more than adequate for the Group's working capital requirements and that the Group will have sufficient available funds for operations, planned expansions and any other opportunity that may arise.

Interest rate risk

The Group maintains a mix of fixed and variable rate borrowing, all of which are linked to Bank of England Base Rate. The directors are of the opinion that the Group benefits from competitive interest rates, in comparison to industry averages, by virtue of its strong balance sheet and profitability. The proportions of fixed and variable rate borrowings and any hedging requirement are constantly reviewed in the light of current and anticipated Money Market movements.

Financial key performance indicators

The Balance Sheet of the business remains strong and profits have been strong over the period. The Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, and associated notes (as detailed on the following pages) adequately show the development, performance and position of the Group over the course of the year ended 31 December 2022. The principal financial KPI's that are monitored on a daily, weekly and monthly basis are the cash position of the business, the turnover and profitability all of which exceeded a challenging budget.

Other key performance indicators

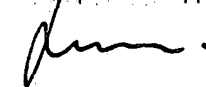
The Group has a policy to protect the environment wherever it operates or sources materials, with KPI's being used to measure the proportion of timber purchased from forests that are well managed environmentally according to the Forest Stewardship Council (FSC) Standards.

In addition, other non financial areas of the business such as customer service, staff productivity and wellbeing indicators are considered key to the business and are also monitored using KPI's.

JOHN MORRIS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

This report was approved by the board on 27/06/23 and signed on its behalf.



Mr J M O Morris
Director

JOHN MORRIS HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £4,006,428 (2021 - £2,931,705).

During the year dividends of £512,000 were paid (2021: £461,000).

Directors

The directors who served during the year were:

Mr D J Morris
Mr J M O Morris

Directors' responsibilities statement

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

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

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

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

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

Future developments

Trading during 2022 was satisfactory and with careful control over costs produced a pleasing result, the directors' projections for 2023 have been to see a reasonable amount of growth in sales and the maintenance of profitability.

JOHN MORRIS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Qualifying third party indemnity provisions

During the year, and at the date of signing this report, the Group maintained liability insurance and third party indemnification provisions for its directors, under which the Group has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities of directors of the companies within the Group.

Disclosure of information to auditor

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

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

Post balance sheet events

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

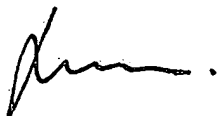
Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from MHA MacIntyre Hudson to MHA.

The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27/06/23

and signed on its behalf.



**Mr J M O Morris
Director**

JOHN MORRIS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MORRIS HOLDINGS LIMITED

Opinion

We have audited the financial statements of John Morris Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

JOHN MORRIS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MORRIS HOLDINGS LIMITED
(CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

JOHN MORRIS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MORRIS HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for evidence of management bias;
- Reviewing minutes of meetings of those charged with governance and management; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditor's report.

JOHN MORRIS HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN MORRIS HOLDINGS LIMITED
(CONTINUED)**

Use of our report

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



Christopher Barlow BFP FCA FCCA (Senior statutory auditor)

for and on behalf of

MHA, Statutory Auditor

Birmingham, United Kingdom

Date: 27 June 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

JOHN MORRIS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Turnover	4	41,849,957	34,168,368
Cost of sales		(30,315,309)	(24,668,610)
Gross profit		11,534,648	9,499,758
Distribution costs		(1,878,346)	(1,622,464)
Administrative expenses		(4,864,397)	(4,668,217)
Other operating income	5	33,525	14,964
Operating profit	6	4,825,430	3,224,041
Share of profit of joint venture		85,413	130,442
Total operating profit		4,910,843	3,354,483
Interest receivable and similar income	10	3,504	421
Interest payable and similar expenses	11	(137,601)	(51,974)
Other finance income	12	(71,000)	(81,000)
Profit before taxation		4,705,746	3,221,930
Tax on profit	13	(745,955)	(309,359)
Profit for the financial year		3,959,791	2,912,571
Currency translation differences		13,976	(100,068)
Actuarial gains on defined benefit pension scheme		2,365,000	1,395,000
Movement of deferred tax relating to pension deficit		(591,250)	(265,050)
Other comprehensive income for the year		1,787,726	1,029,882
Total comprehensive income for the year		5,747,517	3,942,453
Profit for the year attributable to:			
Non-controlling interests		(46,637)	(19,134)
Owners of the parent Company		4,006,428	2,931,705
		3,959,791	2,912,571

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED
REGISTERED NUMBER: 06816610

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

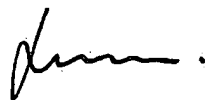
	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	8,053,481	7,629,021
Investments	16	1,024,092	956,510
		<u>9,077,573</u>	<u>8,585,531</u>
Current assets			
Stocks	17	7,566,353	9,111,425
Debtors: amounts falling due after more than one year	18	222,709	813,960
Debtors: amounts falling due within one year	18	6,607,051	4,833,119
Cash at bank and in hand	19	3,153,801	638,514
		<u>17,549,914</u>	<u>15,397,018</u>
Creditors: amounts falling due within one year	20	(6,748,800)	(7,282,987)
Net current assets		<u>10,801,114</u>	<u>8,114,031</u>
Total assets less current liabilities		<u>19,878,687</u>	<u>16,699,562</u>
Creditors: amounts falling due after more than one year	21	(1,655,211)	(990,342)
Provisions for liabilities			
Deferred taxation	24	(417,126)	(364,387)
Net assets excluding pension liability		<u>17,806,350</u>	<u>15,344,833</u>
Pension liability		(1,141,000)	(3,915,000)
Net assets		<u><u>16,665,350</u></u>	<u><u>11,429,833</u></u>

JOHN MORRIS HOLDINGS LIMITED
REGISTERED NUMBER: 06816610

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	25	1,507,502	1,507,502
Capital redemption reserve	26	7,500	7,500
Pension benefit reserve	26	(2,843,290)	(4,617,040)
Merger reserve	26	2,124,619	2,124,619
Profit and loss account	26	16,310,747	12,802,343
Equity attributable to owners of the parent Company		<u>17,107,078</u>	<u>11,824,924</u>
Non-controlling interests		(441,728)	(395,091)
		<u>16,665,350</u>	<u>11,429,833</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27/06/2023



Mr J M O Morris
Director

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED
REGISTERED NUMBER: 06816610

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	15	5,779,043	5,782,177
Investments	16	6,565,401	6,539,619
		<u>12,344,444</u>	<u>12,321,796</u>
Current assets			
Debtors: amounts falling due within one year	18	37,371	2,610
Cash at bank and in hand	19	293	162
		<u>37,664</u>	<u>2,772</u>
Creditors: amounts falling due within one year	20	(1,858,481)	(2,925,115)
Net current liabilities		<u>(1,820,817)</u>	<u>(2,922,343)</u>
Total assets less current liabilities		<u>10,523,627</u>	<u>9,399,453</u>
Creditors: amounts falling due after more than one year	21	(1,219,013)	(771,672)
Provisions for liabilities			
Deferred taxation	24	(362)	2,797
Net assets		<u>9,304,252</u>	<u>8,630,578</u>
Capital and reserves			
Called up share capital	25	1,507,502	1,507,502
Capital redemption reserve	26	7,500	7,500
Merger reserve	26	2,124,619	2,124,619
Profit and loss account		5,664,631	4,990,957
		<u>9,304,252</u>	<u>8,630,578</u>

JOHN MORRIS HOLDINGS LIMITED
REGISTERED NUMBER: 06816610

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The profit after tax of the parent Company for the year was £1,185,674 (2021 - £3,045,853).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27/06/2023



Mr J M O Morris
Director

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Pension benefit reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2022	1,507,502	7,500	(4,617,040)	2,124,619	12,802,343	11,824,924	(395,091)	11,429,833
Comprehensive income for the year								
Profit for the year	-	-	-	-	4,006,428	4,006,428	(46,637)	3,959,791
Currency translation differences	-	-	-	-	13,976	13,976	-	13,976
Actuarial gains on pension scheme	-	-	-	-	2,365,000	2,365,000	-	2,365,000
Deferred tax movements	-	-	-	-	(591,250)	(591,250)	-	(591,250)
Other comprehensive income for the year	-	-	-	-	1,787,726	1,787,726	-	1,787,726
Total comprehensive income for the year	-	-	-	-	5,794,154	5,794,154	(46,637)	5,747,517
Contributions by and distributions to owners								
Dividends: Equity capital	-	-	-	-	(512,000)	(512,000)	-	(512,000)
Transfer to/from profit and loss account	-	-	1,773,750	-	(1,773,750)	-	-	-
Total transactions with owners	-	-	1,773,750	-	(2,285,750)	(512,000)	-	(512,000)
At 31 December 2022	1,507,502	7,500	(2,843,290)	2,124,619	16,310,747	17,107,078	(441,728)	16,665,350

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

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

	Called up share capital	Capital redemption reserve	Pension benefit reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£	£
At 1 January 2021	1,507,502	7,500	(5,746,990)	2,124,619	10,431,706	8,324,337	(395,091)	7,929,246
Comprehensive income for the year								
Profit for the year	-	-	-	-	2,931,705	2,931,705	-	2,931,705
Currency translation differences	-	-	-	-	(100,068)	(100,068)	-	(100,068)
Actuarial gains on pension scheme less deferred tax	-	-	-	-	1,129,950	1,129,950	-	1,129,950
Other comprehensive income for the year	-	-	-	-	1,029,882	1,029,882	-	1,029,882
Total comprehensive income for the year	-	-	-	-	3,961,587	3,961,587	-	3,961,587
Contributions by and distributions to owners								
Dividends: Equity capital	-	-	-	-	(461,000)	(461,000)	-	(461,000)
Transfer to/from profit and loss account	-	-	1,129,950	-	(1,129,950)	-	-	-
Total transactions with owners	-	-	1,129,950	-	(1,590,950)	(461,000)	-	(461,000)
At 31 December 2021	1,507,502	7,500	(4,617,040)	2,124,619	12,802,343	11,824,924	(395,091)	11,429,833

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	1,507,502	7,500	2,124,619	4,990,957	8,630,578
Comprehensive income for the year					
Profit for the year	-	-	-	1,185,674	1,185,674
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,185,674	1,185,674
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(512,000)	(512,000)
Total transactions with owners	-	-	-	(512,000)	(512,000)
At 31 December 2022	1,507,502	7,500	2,124,619	5,664,631	9,304,252

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

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

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	1,507,502	7,500	2,124,619	2,406,104	6,045,725
Comprehensive income for the year					
Profit for the year	-	-	-	3,045,853	3,045,853
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,045,853	3,045,853
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(461,000)	(461,000)
Total transactions with owners	-	-	-	(461,000)	(461,000)
At 31 December 2021	1,507,502	7,500	2,124,619	4,990,957	8,630,578

The notes on pages 22 to 51 form part of these financial statements:

JOHN MORRIS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	3,959,791	2,912,571
Adjustments for:		
Depreciation of tangible assets	382,427	300,881
Loss on disposal of tangible assets	516	36,711
Decrease/(increase) in stocks	1,545,072	(4,476,864)
Interest paid	137,601	51,974
Other financing costs	71,000	81,000
Interest received	(3,504)	(421)
Taxation charge	745,955	309,359
(Increase) in debtors	(1,227,923)	(1,058,681)
Increase in amounts owed to participating interests	3,061	-
Decrease in amounts owed by groups	45,241	17,743
Increase in creditors	132,088	438,618
Pension scheme contributions	(480,000)	(450,000)
Share of operating profit in joint ventures	(85,413)	(130,442)
Corporation tax (paid)	(1,002,446)	(89,302)
Increase in provisions	191,055	-
Foreign exchange differences	13,976	(100,086)
Net cash generated from operating activities	4,428,497	(2,156,939)
Cash flows from investing activities		
Purchase of tangible fixed assets	(812,846)	(301,988)
Sale of tangible fixed assets	5,444	46,820
Interest received	1,466	245
Joint ventures interest received	2,038	176
Net cash from investing activities	(803,898)	(254,747)

JOHN MORRIS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Repayment of loans	(53,200)	(1,201,467)
Repayment of other loans	(88,477)	-
Repayment of/new finance leases	209,495	(63,629)
Dividends paid	(512,000)	(461,000)
Interest paid	(125,840)	(50,845)
Joint ventures interest paid	(11,761)	(1,129)
Other financing costs	(71,000)	(81,000)
Trade finance facility	(456,529)	456,529
Net cash used in financing activities	(1,109,312)	(1,402,541)
Net increase/(decrease) in cash and cash equivalents	2,515,287	(3,814,227)
Cash and cash equivalents at beginning of year	638,514	4,452,741
Cash and cash equivalents at the end of year	3,153,801	638,514
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,153,801	638,514

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	638,514	2,515,287	3,153,801
Debt due after 1 year	(37,124)	(1,347,729)	(1,384,853)
Debt due within 1 year	(2,349,690)	1,945,935	(403,755)
Finance leases	(293,865)	(209,495)	(503,360)
	<u>(2,042,165)</u>	<u>2,903,998</u>	<u>861,833</u>

The notes on pages 22 to 51 form part of these financial statements.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The principal activities of the Group are the manufacture and sale of timber-based fit out products including laminated panels, architectural profiles and doors and the manufacture and sale of wallcoverings.

The Company operates in England and Wales and is a private company limited by shares, incorporated and domiciled in the UK. The address of its registered office is Madoc Works, Henfaes Lane, Welshpool, Powys, SY21 7BE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

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

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

After making enquiries and considering trading expectations and cashflow forecasts for the next 12 months together with cash balances and available financing facilities, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

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

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

The Company receives rental income. This is recognised on a straight line basis over the lease term.

2.6 Government grants

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.7 Operating leases: the Group as lessee

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

2.8 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Interest income

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

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.11 Borrowing costs

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

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

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 company 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 other comprehensive income. 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'.

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.14 Tangible fixed assets

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

Depreciation is provided on the following basis:

Plant and machinery	-	10% straight line (2021: 15% reducing balance)
Motor vehicles	-	20% straight line (2021: 33% reducing balance)
Office equipment	-	33% straight line (2021: 30% straight line)

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

No further depreciation is being provided in Freehold Property on the basis that the net book value is equal to the residual value of the asset.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.16 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.18 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 Standard Cost of raw materials, work in progress and finished goods as adjusted by variances to actual costs of materials, labour and overheads incurred.

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

2.19 Debtors

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

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

2.21 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.23 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.24 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.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

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

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. During the year, management have reassessed the fixed asset depreciation policy as referred to in note 2.14.

Stock

Certain factors could affect the net realisable value of the Group's stocks, including customer demand and market conditions. The Group considers usage, anticipated sales price, effect of new product introductions, product obsolescence and other factors when evaluating the value.

Defined benefit pension scheme

The directors have appointed the Atkin Pension to provide advice relating to the Newmor Group Limited Retirement Benefits Scheme ("the Scheme") in respect of the accounting disclosures required under Section 28 of FRS 12. Assumptions applied to the valuation of the defined benefit scheme have been detailed within note 28, which are subjective and on which the directors have based advice from the scheme actuaries and advisers.

4. Turnover

The whole of the turnover is attributable to the manufacture and sale of timber-based fit out products including laminated panels, architectural profiles and doors; and the manufacture and sale of wallcoverings.

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	38,849,951	30,055,816
Rest of Europe	1,858,349	486,074
Rest of the world	1,141,657	3,626,478
	<u>41,849,957</u>	<u>34,168,368</u>

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Other operating income

	2022 £	2021 £
Rental income	16,381	-
Government grants receivable	17,144	14,964

In the current year £17,144 was received in relation to other government grants and in the prior year £14,964 was received in relation to the coronavirus job retention scheme.

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation on tangible fixed assets	382,426	300,494
Loss on disposal of tangible fixed assets	516	36,710
Exchange differences	(6,277)	49,738
Other operating lease rentals	151,041	26,085
Defined contribution pension cost	379,521	325,459

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	29,500	22,000

Fees payable to the Group's auditor and its associates in respect of all other services is £7,875 (2021: £7,000).

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Employees

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,882,716	4,874,813	-	-
Social security costs	578,701	548,051	-	-
Cost of defined contribution scheme	200,511	325,459	20,000	-
	<u>6,661,928</u>	<u>5,748,323</u>	<u>20,000</u>	<u>-</u>

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

	2022 No.	2021 No.
Sales and administration	60	58
Production	149	150
	<u>209</u>	<u>208</u>

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	43,233	46,145
Group contributions to defined contribution pension schemes	20,323	300
	<u>63,556</u>	<u>46,445</u>

The directors were remunerated through the subsidiary company, Interior Products Group Limited.

During the year retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

Key management personnel is defined as the directors of the company.

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Interest receivable and similar income

	2022 £	2021 £
Share of joint ventures' interest receivable	2,038	176
Other interest receivable	1,466	245
	<u>3,504</u>	<u>421</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	79,561	45,456
Other loan interest payable	45,506	5,389
Share of joint ventures interest payable	11,761	1,129
Other interest payable	773	-
	<u>137,601</u>	<u>51,974</u>

12. Other finance costs

	2022 £	2021 £
Net interest on net defined pension scheme liability	<u>71,000</u>	<u>81,000</u>

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	675,421	543,672
Adjustments in respect of previous periods	(4,289)	(234,025)
	<u>671,132</u>	<u>309,647</u>
Foreign tax		
Joint venture taxation	22,084	19,039
Total current tax	<u>693,216</u>	<u>328,686</u>
Deferred tax		
Origination and reversal of timing differences	52,739	(19,327)
Taxation on profit on ordinary activities	<u>745,955</u>	<u>309,359</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	4,705,746	3,221,930
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	894,092	612,167
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,497	20,440
Fixed asset differences	(80,925)	(25,737)
Higher rate taxes on overseas earnings	7,703	-
Adjustments to tax charge in respect of prior periods	(4,289)	(234,025)
Defined benefit pension movement	(77,797)	(70,110)
Other timing differences leading to an increase in taxation	17,297	-
Research and development tax credit	(58,661)	-
Unrelieved tax losses carried forward	40,038	6,624
Total tax charge for the year	745,955	309,359

Factors that may affect future tax charges

In the spring budget 2021, the UK Government announced that the UK corporation tax rate would increase to 25% with effect from 1 April 2023.

14. Dividends

	2022 £	2021 £
Ordinary	391,000	340,000
Preference	121,000	121,000
	512,000	461,000

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost					
At 1 January 2022	4,005,427	10,294,907	123,299	3,266	14,426,899
Additions	4,326	707,663	5,750	95,107	812,846
Disposals	-	(148,159)	(1,351)	-	(149,510)
At 31 December 2022	4,009,753	10,854,411	127,698	98,373	15,090,235
Depreciation					
At 1 January 2022	12,548	6,721,709	63,295	326	6,797,878
Charge for the year	4,453	366,305	8,247	3,421	382,426
Disposals	-	(142,200)	(1,350)	-	(143,550)
At 31 December 2022	17,001	6,945,814	70,192	3,747	7,036,754
Net book value					
At 31 December 2022	3,992,752	3,908,597	57,506	94,626	8,053,481
At 31 December 2021	3,992,879	3,573,198	60,004	2,940	7,629,021

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

	2022 £	2021 £
Plant and machinery	564,607	578,237

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

15. Tangible fixed assets (continued)

Company

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2022	5,750,321	101,420	5,851,741
Additions	4,326	-	4,326
At 31 December 2022	<u>5,754,647</u>	<u>101,420</u>	<u>5,856,067</u>
Depreciation			
At 1 January 2022	-	69,564	69,564
Charge for the year	-	7,460	7,460
At 31 December 2022	<u>-</u>	<u>77,024</u>	<u>77,024</u>
Net book value			
At 31 December 2022	<u>5,754,647</u>	<u>24,396</u>	<u>5,779,043</u>
At 31 December 2021	<u>5,750,321</u>	<u>31,856</u>	<u>5,782,177</u>

The carrying amount of investment property, which the Company rents to another group entity when it has chosen to account for such properties using the cost model is £5,754,647 (2021 - £5,750,321).

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments

Group

	Investments in joint venture £
Cost or valuation	
At 1 January 2022	956,510
Foreign exchange movement	13,976
Share of profit	53,606
At 31 December 2022	<u>1,024,092</u>

Company

	Investments in subsidiary companies £	Investments in joint venture £	Total £
Cost or valuation			
At 1 January 2022	6,539,619	-	6,539,619
Additions	-	25,782	25,782
At 31 December 2022	<u>6,539,619</u>	<u>25,782</u>	<u>6,565,401</u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Interior Products Group Limited	Madoc Works, Henfaes Lane, Welshpool, Powys, Wales, SY21 7YE	Ordinary	100%
Designsingle Limited	Madoc Works, Henfaes Lane, Welshpool, Powys, Wales, SY21 7YE	Ordinary	100%

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments (continued)**Direct subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Interior Products Group Limited	13,940,337	3,316,845
Designsingle Limited	(498,154)	-

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Newmor Group Limited	Madoc Works, Henfaes Lane, Welshpool, Powys, Wales, SY21 7YE	Ordinary	100%
Newmor Limited	Madoc Works, Henfaes Lane, Welshpool, Powys, Wales, SY21 7YE	Ordinary	100%
Newmor Wallcoverings LLC	Madoc Works, Henfaes Lane, Welshpool, Powys, Wales, SY21 7YE	Ordinary	49%

The Group holds a 49% holding in Newmor Wallcoverings LLC. This continued to be treated as a subsidiary in the accounts due to the control held over the operations and activities of Newmor Wallcoverings LLC.

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
	£	£
Newmor Group Limited	1	-
Newmor Limited	1	-
Newmor Wallcoverings LLC	(787,940)	(91,445)

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Fixed asset investments (continued)**Joint venture**

The following was a joint venture of the Company:

Name	Registered office	Holding
Newmor Polska	30-435 Kraków, Zaköpianska 144	50%

17. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	4,350,682	6,066,235
Work in progress	132,995	35,470
Finished goods and goods for resale	2,520,578	1,948,429
Stock in transit	562,098	1,061,291
	<u>7,566,353</u>	<u>9,111,425</u>

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

The carrying value of stocks are stated net of impairment losses totalling £101,797 (2021 - £325,000). Impairment losses totalling £117,000 (2021 - £455,612) were recognised in the Statement of Comprehensive Income.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Deferred tax asset (note 24)	222,709	813,960	-	-
	<u>222,709</u>	<u>813,960</u>	<u>-</u>	<u>-</u>
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	5,681,885	4,410,239	2,371	2,610
Amounts owed by group undertakings	3,081	48,322	-	-
Other debtors	519,386	115,892	35,000	-
Prepayments and accrued income	402,699	258,666	-	-
	<u>6,607,051</u>	<u>4,833,119</u>	<u>37,371</u>	<u>2,610</u>

Amounts owed by group undertakings are unsecured with no interest payable on the outstanding balances. There is no fixed date of repayment and the balances are repayable on demand.

An impairment loss of £97,288 (2021: £25,856) was recognised against trade debtors.

19. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	3,153,801	638,514	293	162
	<u>3,153,801</u>	<u>638,514</u>	<u>293</u>	<u>162</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	297,315	1,031,806	297,315	1,031,806
Other loans	106,440	106,440	106,440	106,440
Trade creditors	2,455,593	2,161,915	(2,135)	-
Trade finance facility	-	456,529	-	-
Amounts owed to group undertakings	-	-	1,249,288	1,614,819
Amounts owed to other participating interests	3,061	-	-	-
Corporation tax	619,426	426,237	194,812	159,289
Other taxation and social security	1,107,346	937,664	-	-
Obligations under finance lease and hire purchase contracts	233,002	95,562	-	-
Other creditors	977,356	559,996	-	-
Accruals and deferred income	949,261	1,506,838	12,761	12,761
	<u>6,748,800</u>	<u>7,282,987</u>	<u>1,858,481</u>	<u>2,925,115</u>

Amounts owed to group undertakings are unsecured with no interest payable on the outstanding balances. There is no fixed date of repayment and the balances are repayable on demand.

The following liabilities were secured:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	297,315	1,031,806	-	1,031,806
Obligations under finance lease and hire purchase contracts	386,865	95,562	-	-
Other loans	106,440	106,440	-	106,440
Trade finance facility	-	456,529	-	-
	<u>790,620</u>	<u>1,690,337</u>	<u>-</u>	<u>1,138,246</u>

Details of security provided:

Bank and other loans are secured by a first legal charge over specific freehold properties held by the Group.

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

The trade finance facility is secured by a fixed and floating charge over the Group's assets.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	701,658	20,367	535,818	-
Other loans	683,195	771,672	683,195	771,672
Net obligations under finance leases and hire purchase contracts	270,358	198,303	-	-
	<u>1,655,211</u>	<u>990,342</u>	<u>1,219,013</u>	<u>771,672</u>

The following liabilities were secured:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loan	701,658	20,367	535,818	-
Other loans	683,195	771,672	683,195	771,672
Net obligations under finance leases and hire purchase contracts	116,495	198,303	-	-
	<u>1,501,348</u>	<u>990,342</u>	<u>1,219,013</u>	<u>771,672</u>

Details of security provided:

Bank and other loans are secured by a first legal charge over specific freeholder properties held by the Group.

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Repayable by instalments	<u>257,435</u>	<u>452,352</u>	<u>257,435</u>	<u>452,352</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	297,315	1,031,806	297,315	1,031,806
Other loans	106,440	106,440	106,440	106,440
	<u>403,755</u>	<u>1,138,246</u>	<u>403,755</u>	<u>1,138,246</u>
Amounts falling due 1-2 years				
Bank loans	468,702	20,367	302,862	-
Other loans	106,440	106,440	106,440	106,440
	<u>575,142</u>	<u>126,807</u>	<u>409,302</u>	<u>106,440</u>
Amounts falling due 2-5 years				
Bank loans	232,956	-	232,956	-
Other loans	319,320	212,880	319,320	212,880
	<u>552,276</u>	<u>212,880</u>	<u>552,276</u>	<u>212,880</u>
Amounts falling due after more than 5 years				
Other loans	257,435	452,352	257,435	452,352
	<u>1,788,608</u>	<u>1,930,285</u>	<u>1,622,768</u>	<u>1,909,918</u>

The balances included within bank and other loans are secured by a first legal charge over specific freehold properties held by the Group.

Interest of at least 1.85% per annum is charged on the bank loan and the balance is expected to be repaid in full by September 2025.

Interest of 2% per annum is charged on the other loan. The balance is expected to be repaid in full by 26 September 2030.

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £
Within one year	233,002	95,562
Between 1-5 years	270,358	198,303
	<u>503,360</u>	<u>293,865</u>

24. Deferred taxation**Group**

	2022 £
At beginning of year	449,573
Charged to profit or loss	(52,739)
Charged to other comprehensive income	(591,250)
At end of year	<u>(194,416)</u>

JOHN MORRIS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

24. Deferred taxation (continued)

Company

	2022 £
At beginning of year	2,797
Charged to profit or loss	(3,159)
At end of year	<u>(362)</u>

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Accelerated capital allowances	(417,126)	(362,343)	(362)	2,797
Pension surplus	222,710	811,916	-	-
	<u>(194,416)</u>	<u>449,573</u>	<u>(362)</u>	<u>2,797</u>
Comprising:				
Asset - due after one year	222,710	813,960	-	-
Liability	(417,126)	(364,387)	(362)	2,797
	<u>(194,416)</u>	<u>449,573</u>	<u>(362)</u>	<u>2,797</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
7,500 (2021 - 7,500) Ordinary share capital shares of £1.00 each	7,500	7,500
1 (2021 - 1) B Ordinary shares share of £1.00	1	1
1 (2021 - 1) C Ordinary shares share of £1.00	1	1
499,999 (2021 - 499,999) Redeemable preference shares shares of £1.00 each	499,999	499,999
500,000 (2021 - 500,000) Redeemable A preference shares shares of £1.00 each	500,000	500,000
1 (2021 - 1) Redeemable B preference shares share of £1.00	1	1
500,000 (2021 - 500,000) Redeemable preference shares shares of £1.00 each	500,000	500,000
	<u>1,507,502</u>	<u>1,507,502</u>

The redeemable shares are entitled to dividends as determined by the holders of the ordinary shares. The redemption options are determined by the holders of the ordinary shares.

26. Reserves**Capital redemption reserve**

The capital redemption reserve represents the nominal value of share capital redeemed by the Group.

Pension benefit reserve

The capital redemption reserve represents the nominal value of share capital redeemed by the Group.

Merger Reserve

The merger reserve was created upon the 2009 restructure of the business.

Profit and loss account

The profit and loss account represents accumulated undistributed retained profits since incorporation.

27. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements	<u>383,100</u>	<u>512,460</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £359,521 (2021: £325,459). Contributions totalling £39,720 were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a Defined benefit pension scheme.

The Group operates a pension scheme (Newmor Group Limited Retirement Benefits Scheme) providing defined benefits for employees with pensionable service before July 2005. The scheme is closed to new entrants. Benefits earned after that date are on a defined contribution basis and these benefits have been excluded below. The date of the most recent actuarial valuation was at 31 January 2023.

Reconciliation of present value of plan liabilities:

	2022 £	2021 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	(18,041,000)	(18,245,000)
Interest cost	(346,000)	(268,000)
Actuarial (gains)/losses	6,241,000	(227,000)
Benefits paid	572,000	699,000
At the end of the year	(11,574,000)	(18,041,000)

Reconciliation of present value of plan assets:

	2022 £	2021 £
At the beginning of the year	14,126,000	12,566,000
Interest income	275,000	187,000
Actuarial gains/(losses)	(3,876,000)	1,622,000
Contributions	480,000	450,000
Benefits paid	(572,000)	(699,000)
At the end of the year	10,433,000	14,126,000

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

Composition of plan assets:

	2022 £	2021 £
Equities	1,940,000	3,651,000
Bonds	1,638,000	3,143,000
Property	-	663,000
Cash	-	30,000
Liability driven instruments	3,610,000	1,311,000
Alternative investments	1,857,000	2,763,000
Dynamic strategies	-	2,565,000
Absolute return funds	1,388,000	-
Total plan assets	10,433,000	14,126,000

The actual return on scheme assets was £3,601,000 loss (2021: £1,809,000 gain). This comprised of £275,000 interest income (2021: £187,000) and £3,876,000 actuarial losses on plan assets (2021: £1,622,000 gain).

	2022 £	2021 £
Fair value of plan assets	10,433,000	14,126,000
Present value of plan liabilities	(11,574,000)	(18,041,000)
Net pension scheme liability	(1,141,000)	(3,915,000)

The amounts recognised in profit or loss are as follows:

	2022 £	2021 £
Interest on obligation and other expenses	(346,000)	(268,000)
Interest income on plan assets	275,000	187,000
Total	(71,000)	(81,000)

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

The amount recognised in the statement of other comprehensive income are as follows:

	2022 £	2021 £
Actuarial gain on plan assets	(3,876,000)	1,622,000
Actuarial loss on defined benefit obligation	6,241,000	(227,000)
	<u>2,365,000</u>	<u>1,395,000</u>

The Group expects to contribute £480,000 to its Defined benefit pension scheme in 2023.

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

	2022 %	2021 %
Discount rate	4.7	1.95
Price inflation (RPI)	3.35	3.5
Price inflation (CPI)	2.85	3.05
Mortality rates		
- for a male aged 65 now	20.1	20.8
- at 65 for a male aged 45 now	21	21.9
- for a female aged 65 now	22.6	23.1
- at 65 for a female member aged 45 now	23.8	24.3

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2022 £	2021 £	2020 £	2019 £	2018 £
Defined benefit obligation	(11,574,000)	(18,041,000)	(18,245,000)	(17,197,000)	(15,664,000)
Related deferred tax asset	222,710	813,960	1,079,010	683,810	521,220
Scheme assets	10,433,000	14,126,000	12,566,000	13,598,000	12,589,000
Deficit	<u>(918,290)</u>	<u>(3,101,040)</u>	<u>(4,599,990)</u>	<u>(2,915,190)</u>	<u>(2,553,780)</u>

JOHN MORRIS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

29. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	24,092	20,758
Later than 1 year and not later than 5 years	4,079	32,938
	<u>28,171</u>	<u>53,696</u>

30. Related party transactions

The Group has taken advantage of the exemption available in section 33.1A of FRS 102 and has not disclosed transactions between wholly owned members of the Group.

Newmor Polska, a 50% joint venture of the Group, purchased goods of £367,073 and made sales of £Nil to the Group during the year. At the year end, the Group had a related party debtor balance of £3,111.

Newmor Wallcovering LLC, a 49% subsidiary of the Group, purchased goods of £458,332 and made sales of £Nil to the Group during the year.

During the year the Group loaned a director £35,000 which remained outstanding at the year end and is included in other debtors.

31. Controlling party

The Company is under the control of J.M.O. Morris, director, by virtue of his shareholding in this parent company.