

Company Registration No. 08850452 (England and Wales)

MORALIS GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

LB GROUP
Swift House
Ground Floor
18 Hoffmanns Way
Chelmsford
Essex
UK
CM1 1GU

MORALIS GROUP LIMITED

COMPANY INFORMATION

Directors	Mr G M Hobson Mr G D Thompson Mr D W Thompson Mr S Motala
Company number	08850452
Registered office	Swift House Ground Floor 18 Hoffmanns Way Chelmsford Essex UK CM1 1GU
Auditor	LB Group Limited (Chelmsford) Swift House Ground Floor 18 Hoffmanns Way Chelmsford Essex UK CM1 1GU

MORALIS GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 5
Directors' responsibilities statement	6
Independent auditor's report	7 - 10
Profit and loss account	11 - 12
Group statement of comprehensive income	13
Company balance sheet	14
Group balance sheet	15
Company statement of changes in equity	16
Group statement of changes in equity	17
Company statement of cash flows	18
Group statement of cash flows	19
Notes to the financial statements	20 - 44

MORALIS GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

S172 Statement

During the year, the Directors have acted to promote the success of the Company for the benefit of its members.

Throughout the year, while discharging their duties section 172(1) requires a Director to have regard to, among other matters, the;

- Likely long-term consequences
- Interests of the Company's employees
- Business relationships with suppliers and customers
- Impact on the community and environment
- Reputation for high standards of business conduct
- Acting fairly between members of the company

The nature of our Group encompasses various industries and entails constant communication with industry leaders, government, suppliers, customers, employees and communities.

To enable the continued success of the Moralis Group the Directors value the points shown above as imperative for future growth of our businesses and as such will continue to strive to reach the highest standards in each sector.

This can only be achieved by constantly evolving and adapting to the requirements of all stakeholders focusing on the environment and the ways in which we as a company can contribute to making the world a better place.

MORALIS GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Fair review of the business

The directors aim to provide a balanced and comprehensive review of the development and performance of the business during the period and its position at the period end. The review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties faced.

Business Review

The directors consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, operating profit and profit on ordinary activities before taxation. The figures are disclosed below:

Turnover £38,806,849 (2020: £43,965,878)

Operating profit £1,977,698 (2020: £3,483,969)

Profit on ordinary activities before taxation £1,048,173 (2020: £3,352,728)

The directors are satisfied with the group's financial position at the year end and are pleased that the group achieved a profit for the year on its trading activities.

The group's capital and reserves have increased by £972,229 to £51,135,148.

Risks and Uncertainties

As for many businesses of this size, the business environment in which the group operates continues to be challenging. The group faces competition in its markets, and is of course subject to consumer and commercial spending patterns and the overall level of disposable income within the economy.

In addition to the above the impact of Covid-19 and Brexit are a risk to the group. The directors are continuously monitoring the situation and positioning the business so that it can continue to thrive in the future.

On behalf of the board

Mr D W Thompson

Director

2 December 2021

MORALIS GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

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

Principal activities

The principal activity of the company continued to be that of a holding company, whilst those of the group continued to comprise the following: real estate, storage facilities, waste management, forwarding agents, haulage logistics and investment activities

Results and dividends

The results for the year are set out on pages 11 - 12

Ordinary dividends were paid amounting to £30,191. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G M Hobson
Mr G D Thompson
Mr D W Thompson
Mr S Motala

Financial instruments

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks and interest rate risks arising from the group's activities, and bank overdrafts, loans and corporate bonds, the main purpose of which is to raise finance for the group's operations. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the group enters into principally comprise forward exchange contracts. In accordance with group's treasury policy, derivative instruments are not entered into for speculative purposes.

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The group uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

The group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

MORALIS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Auditor

In accordance with the company's articles, a resolution proposing that LB Group Limited (Chelmsford) be reappointed as auditor of the group will be put at a General Meeting.

Energy and carbon report

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting

Energy consumption

Aggregate of energy consumption in the year	kWh
	28,089,290

Emissions of CO2 equivalent

	Metric tonnes	Metric tonnes
Gas combustion	79	
Fuel consumed for owned transport	6,345	
		6,424
Electricity purchased		250
Total gross emissions		6,674

Intensity ratio

Tonnes of CO2 per £m of revenue	207
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Measures taken to improve energy efficiency

The company has implemented the policies below for the purpose of increasing the businesses energy efficiency in the current reported financial year:

- Improved video conferencing availability and encouragement of its use;
- Reduced emissions & travel costs by reducing non-essential face to face meetings with customers & suppliers;
- Continuous renewal of its motor vehicle fleet to ensure they are using the most efficient combustion engines.

MORALIS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr D W Thompson
Director

2 December 2021

MORALIS GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. They 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.

MORALIS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MORALIS GROUP LIMITED

Opinion

We have audited the financial statements of Moralis Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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.

MORALIS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MORALIS GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 strategic report and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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 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.

MORALIS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MORALIS GROUP LIMITED

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, incorporated the following:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of a management company;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, money laundering, employment, and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, our work included:

- Performance of analytical procedures to identify any unusual or unexpected relationships;
- Testing journal entries to identify unusual transactions. Investigated the rationale behind significant or unusual transactions; and
- Observation and identification of internal controls in place, specifically around payroll and bank transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting evidence;
- Enquiring of management as to actual and potential litigation and claims; and
- Reviewing correspondence with HMRC and reviewing for evidence of correspondence with legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MORALIS GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MORALIS GROUP LIMITED

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.

Stuart Sheldrick (Senior Statutory Auditor)
For and on behalf of LB Group Limited (Chelmsford)

6 December 2021

Chartered Accountants
Statutory Auditor

Swift House
Ground Floor
18 Hoffmanns Way
Chelmsford
Essex
UK
CM1 1GU

MORALIS GROUP LIMITED

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

	Notes	Continuing operations	Discontinued operations	31 March 2021	Continuing operations	Discontinued operations	31 March 2020
		£	£	£	£	£	£
Turnover	3	38,806,849	-	38,806,849	43,935,878	-	43,935,878
Cost of sales		(30,630,904)	-	(30,630,904)	(34,129,018)	-	(34,129,018)
Gross profit		8,175,945	-	8,175,945	9,806,860	-	9,806,860
Administrative expenses		(7,287,943)	-	(7,287,943)	(6,354,747)	-	(6,354,747)
Other operating income		1,096,343	-	1,096,343	67,281	-	67,281
Exceptional item	4	(6,647)	-	(6,647)	(35,425)	-	(35,425)
Operating profit	5	1,977,698	-	1,977,698	3,483,969	-	3,483,969
Interest receivable and similar income	9	999	-	999	5,772	-	5,772
Interest payable and similar expenses	10	(923,292)	-	(923,292)	(1,036,783)	-	(1,036,783)
Fair value adjustment of investment property	11	(7,232)	-	(7,232)	899,770	-	899,770
Profit before taxation		1,048,173	-	1,048,173	3,352,728	-	3,352,728
Tax on profit	12	(45,753)	-	(45,753)	(631,767)	-	(631,767)
Profit for the financial year		1,002,420	-	1,002,420	2,720,961	-	2,720,961

MORALIS GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Notes	Continuing operations	Discontinued operations	31 March 2021	Continuing operations	Discontinued operations	31 March 2020
	£	£	£	£	£	£
Profit for the financial year is attributable to:						
- Owners of the parent company			1,002,527			2,720,961
- Non-controlling interests			(107)			-
			<u>1,002,420</u>			<u>2,720,961</u>
			<u><u>1,002,420</u></u>			<u><u>2,720,961</u></u>

MORALIS GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Profit for the year	1,002,420	2,720,961
Other comprehensive income	-	-
Total comprehensive income for the year	1,002,420	2,720,961
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	1,002,527	2,720,961
- Non-controlling interests	(107)	-
	1,002,420	2,720,961

MORALIS GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	15		19,188		-
Investments	17		18,885,394		18,885,394
			<u>18,904,582</u>		<u>18,885,394</u>
Current assets					
Debtors	19	1,486,766		60,353	
Cash at bank and in hand		2,089		2,089	
		<u>1,488,855</u>		<u>62,442</u>	
Creditors: amounts falling due within one year	20	(2,618,755)		(1,116,191)	
Net current liabilities			<u>(1,129,900)</u>		<u>(1,053,749)</u>
Total assets less current liabilities			17,774,682		17,831,645
Creditors: amounts falling due after more than one year	21	(1,040,000)		(1,100,000)	
Net assets			<u>16,734,682</u>		<u>16,731,645</u>
Capital and reserves					
Called up share capital	28		77,361		86,436
Share premium account	26		15,510,857		15,510,857
Capital redemption reserve	27		9,075		-
Shares held in treasury	29		(650,000)		(650,000)
Profit and loss reserves			<u>1,787,389</u>		<u>1,784,352</u>
Total equity			<u>16,734,682</u>		<u>16,731,645</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £33,227 (2020 - £26,720 profit).

The financial statements were approved by the board of directors and authorised for issue on 2 December 2021 and are signed on its behalf by:

Mr D W Thompson
Director

Company Registration No. 08850452

MORALIS GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed assets			
Goodwill	14	283,155	734,599
Tangible assets	15	41,492,883	41,824,756
Investment properties	16	28,734,147	28,131,558
Investments	17	193,589	231
		<u>70,703,774</u>	<u>70,691,144</u>
Current assets			
Stocks	18	3,726,376	2,288,912
Debtors	19	11,749,820	12,687,796
Cash at bank and in hand		4,571,264	4,031,690
		<u>20,047,460</u>	<u>19,008,398</u>
Creditors: amounts falling due within one year	20	(14,370,685)	(13,564,644)
Net current assets		<u>5,676,775</u>	<u>5,443,754</u>
Total assets less current liabilities		<u>76,380,549</u>	<u>76,134,898</u>
Creditors: amounts falling due after more than one year	21	(22,776,001)	(23,520,679)
Provisions for liabilities	24	(2,469,400)	(2,451,300)
Net assets		<u><u>51,135,148</u></u>	<u><u>50,162,919</u></u>
Capital and reserves			
Called up share capital	28	77,361	86,436
Share premium account	26	60,940	60,940
Capital redemption reserve	27	9,075	-
Other reserves	29	(3,633,361)	(3,633,361)
Profit and loss reserves		54,621,240	53,648,904
Equity attributable to owners of the parent company		<u>51,135,255</u>	<u>50,162,919</u>
Non-controlling interests		<u>(107)</u>	<u>-</u>
		<u><u>51,135,148</u></u>	<u><u>50,162,919</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 December 2021 and are signed on its behalf by:

Mr D W Thompson
Director

MORALIS GROUP LIMITED

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

	Share capital	Share premium account	Capital redemption reserve	Own shares	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 April 2019	86,436	15,510,857	-	(650,000)	1,784,867	16,732,160
Year ended 31 March 2020:						
Profit and total comprehensive income for the year	-	-	-	-	26,719	26,719
Dividends	-	-	-	-	(27,234)	(27,234)
Balance at 31 March 2020	86,436	15,510,857	-	(650,000)	1,784,352	16,731,645
Year ended 31 March 2021:						
Profit and total comprehensive income for the year	-	-	-	-	33,228	33,228
Dividends	-	-	-	-	(30,191)	(30,191)
Redemption of shares	-	-	9,075	-	-	9,075
Reduction of shares	(9,075)	-	-	-	-	(9,075)
Balance at 31 March 2021	77,361	15,510,857	9,075	(650,000)	1,787,389	16,734,682

MORALIS GROUP LIMITED

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

	Share capital	Share premium account	Capital redemption reserve	Other reserves/loss	Profit and reserves	Non-controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£	£	£
Balance at 1 April 2019	86,436	60,940	-	(3,633,361)	50,955,177	47,469,192	-	47,469,192
Year ended 31 March 2020:								
Profit and total comprehensive income for the year	-	-	-	-	2,720,961	2,720,961	-	2,720,961
Dividends	13	-	-	-	(27,234)	(27,234)	-	(27,234)
Balance at 31 March 2020	86,436	60,940	-	(3,633,361)	53,648,904	50,162,919	-	50,162,919
Year ended 31 March 2021:								
Profit and total comprehensive income for the year	-	-	-	-	1,002,527	1,002,527	(107)	1,002,420
Dividends	13	-	-	-	(30,191)	(30,191)	-	(30,191)
Redemption of shares	28	-	9,075	-	-	9,075	-	9,075
Reduction of shares	28	(9,075)	-	-	-	(9,075)	-	(9,075)
Balance at 31 March 2021	77,361	60,940	9,075	(3,633,361)	54,621,240	51,135,255	(107)	51,135,148

MORALIS GROUP LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	33	(125,360)	(839,632)
Interest paid		(34,979)	(26,305)
Income taxes paid		-	(15,005)
Net cash outflow from operating activities		(160,339)	(880,942)
Investing activities			
Purchase of tangible fixed assets		(21,173)	-
Purchase of subsidiaries		-	(288,101)
Dividends received		211,100	80,000
Net cash generated from/(used in) investing activities		189,927	(208,101)
Financing activities			
Proceeds of new bank loans		(60,000)	1,100,000
Payment of finance leases obligations		(3,821)	3,821
Dividends paid to equity shareholders		(30,191)	(27,234)
Net cash (used in)/generated from financing activities		(94,012)	1,076,587
Net decrease in cash and cash equivalents		(64,424)	(12,456)
Cash and cash equivalents at beginning of year		(12,456)	-
Cash and cash equivalents at end of year		(76,880)	(12,456)
Relating to:			
Cash at bank and in hand		2,089	2,089
Bank overdrafts included in creditors payable within one year		(78,969)	(14,545)

MORALIS GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	32	6,119,934		12,611,387	
Interest paid		(923,292)		(1,036,783)	
Income taxes paid		(357,898)		(267,449)	
Net cash inflow from operating activities		<u>4,838,744</u>		<u>11,307,155</u>	
Investing activities					
Purchase of intangible assets		-		(227,794)	
Purchase of tangible fixed assets		(4,054,357)		(15,103,452)	
Proceeds on disposal of tangible fixed assets		763,674		411,320	
Purchase of investment property		(1,602,589)		(4,859,716)	
Proceeds on disposal of investment property		1,082,974		2,462,135	
Proceeds on disposal of subsidiaries		-		(230)	
Proceeds on disposal of investments		(193,358)		-	
Receipts arising from loans made		58,116		(100,230)	
Interest received		999		5,772	
Net cash used in investing activities		<u>(3,944,541)</u>		<u>(17,412,195)</u>	
Financing activities					
Repayment of bank loans		(1,280,788)		5,726,779	
Payment of finance leases obligations		639,820		544,389	
Dividends paid to equity shareholders		(30,191)		(27,234)	
Net cash (used in)/generated from financing activities		<u>(671,159)</u>		<u>6,243,934</u>	
Net increase in cash and cash equivalents		<u>223,044</u>		<u>138,894</u>	
Cash and cash equivalents at beginning of year		<u>3,507,908</u>		<u>3,369,014</u>	
Cash and cash equivalents at end of year		<u><u>3,730,952</u></u>		<u><u>3,507,908</u></u>	
Relating to:					
Cash at bank and in hand		4,571,264		4,031,690	
Bank overdrafts included in creditors payable within one year		<u>(840,312)</u>		<u>(523,782)</u>	

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Moralis Group Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Swift House, Ground Floor, 18 Hoffmanns Way, Chelmsford, Essex, UK, CM1 1GU.

The group consists of Moralis Group Limited and all of its direct and indirect subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Moralis Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2021, except for GBN Commercial Vehicle Repairs & Rental Ltd, William Thompson Homes (PTY) Ltd and RVL Huntingdon Ltd which have year ends of 30/04/2021, 28/02/2021 and 31/12/2020 respectively. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The reporting currency in William Thompson Homes (PTY) Ltd is South African Rand. For the purposes of the consolidation the profit and loss items have been translated using a historic average exchange rate. The balance sheet items have been translated using the historical exchange rate as at the year end.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	over the length of the lease
Leasehold improvements	
Plant and equipment	10% / 15% straight line
Fixtures and fittings	20% straight line
Computers	20% / 33.33% straight line
Motor vehicles	20% / 25% / 33.33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historic cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

1.7 Investment properties

Investment property, which is property held to earn rentals and / or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Gains or losses arising from changes in the fair value of investment property are included in profit and loss account for the period in which they arise

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.11 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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 or 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.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Real Estate	3,485,722	2,933,899
Storage Facilities	978,009	952,049
Waste Management	31,659,701	37,282,319
Haulage Logistics	2,677,417	2,761,612
Management Agents	6,000	5,999
	<u>38,806,849</u>	<u>43,935,878</u>

	2021 £	2020 £
Other significant revenue		
Interest income	999	5,772
Grants received	1,097,633	35,778
	<u>1,098,632</u>	<u>41,550</u>

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	36,884,001	41,527,080
Overseas	1,922,848	2,408,798
	<u>38,806,849</u>	<u>43,935,878</u>

4 Exceptional item

	2021 £	2020 £
Expenditure		
Loan write off	6,647	35,425
	<u>6,647</u>	<u>35,425</u>

During the year the group wrote off a loan to a third party as this amount was no longer recoverable.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	542	-
Government grants	(1,097,633)	(35,778)
Depreciation of owned tangible fixed assets	1,444,400	1,408,921
Depreciation of tangible fixed assets held under finance leases	2,530,059	2,265,362
Profit on disposal of tangible fixed assets	(351,903)	(122,856)
Profit on disposal of investment property	(82,974)	(982,135)
Amortisation of intangible assets	451,444	500,923

6 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,000	6,300
Audit of the financial statements of the company's subsidiaries	43,000	41,700
	52,000	48,000
For other services		
Taxation compliance services	18,248	17,545
Other taxation services	-	913
	18,248	18,458

7 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Distribution	222	238	-	-
Production	1	1	-	-
Admin	39	46	4	6
Management	3	7	3	3
Drivers	27	27	-	-
Total	292	319	7	9

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	10,792,695	11,571,062	421,571	322,339
Social security costs	1,111,908	1,205,169	47,108	32,164
Pension costs	285,314	270,871	25,757	-
	<u>12,189,917</u>	<u>13,047,102</u>	<u>494,436</u>	<u>354,503</u>

8 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	449,483	394,853
Company pension contributions to defined contribution schemes	4,200	3,240
	<u>453,683</u>	<u>398,093</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	<u>103,440</u>	<u>75,178</u>

9 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	999	5,772
Other income from investments		
Dividends received	-	150,750
Total income excluding fixed asset investments	<u>999</u>	<u>156,522</u>
Income from fixed asset investments		
Income from shares in group undertakings	-	(150,750)
Total income	<u>999</u>	<u>5,772</u>

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9	Interest receivable and similar income	(Continued)	
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	999	5,772
		<u> </u>	<u> </u>
10	Interest payable and similar expenses		
		2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	306,735	335,728
	Other interest on financial liabilities	394,230	452,389
		<u> </u>	<u> </u>
		700,965	788,117
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	180,036	197,301
	Other interest	42,291	51,365
		<u> </u>	<u> </u>
	Total finance costs	923,292	1,036,783
		<u> </u>	<u> </u>
11	Amounts written off investments		
		2021	2020
		£	£
	Fair value gains/(losses) on financial instruments		
	Change in value of financial assets held at fair value through profit or loss	(7,232)	-
	Other gains/(losses)		
	Changes in the fair value of investment properties	-	1,000,000
	Amounts written back to/(written off) investments held at fair value	-	(100,230)
		<u> </u>	<u> </u>
		(7,232)	899,770
		<u> </u>	<u> </u>
12	Taxation		
		2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	332,327	621,820
	Adjustments in respect of prior periods	(304,674)	(71,853)
		<u> </u>	<u> </u>
	Total current tax	27,653	549,967
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	18,100	81,800
		<u> </u>	<u> </u>
	Total tax charge	45,753	631,767
		<u> </u>	<u> </u>

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	1,048,173	3,352,728
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	199,153	637,018
Tax effect of expenses that are not deductible in determining taxable profit	43,073	59,584
Tax effect of income not taxable in determining taxable profit	(99,197)	(409,642)
Unutilised tax losses carried forward	128,092	113,098
Losses on discontinued operations not recognised	4,002	-
Permanent capital allowances in excess of depreciation	(161,016)	(828,482)
Depreciation on assets not qualifying for tax allowances	99,270	689,826
Amortisation on assets not qualifying for tax allowances	85,774	95,177
Effect of revaluations of investments	(3,734)	-
Under/(over) provided in prior years	(304,674)	(71,853)
Deferred tax adjustments in respect of prior years	18,100	81,800
Capital gains	36,910	265,241
Taxation charge	45,753	631,767

13 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	30,191	27,234

14 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	4,320,987
Amortisation and impairment	
At 1 April 2020	3,586,388
Amortisation charged for the year	451,444
At 31 March 2021	4,037,832

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14	Intangible fixed assets	(Continued)
	Carrying amount	
	At 31 March 2021	283,155
		<u><u> </u></u>
	At 31 March 2020	734,599
		<u><u> </u></u>

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
Cost	£	£	£	£	£	£	£	£
At 1 April 2020	26,635,866	5,769,671	64,490	11,918,930	180,898	189,778	14,797,927	59,557,560
Additions	-	370,211	157,492	691,009	12,526	6,283	2,816,836	4,054,357
Disposals	-	(358,722)	-	(1,401,735)	-	(650)	(1,579,231)	(3,340,338)
At 31 March 2021	26,635,866	5,781,160	221,982	11,208,204	193,424	195,411	16,035,532	60,271,579
Depreciation and impairment								
At 1 April 2020	320,459	858,739	18,647	7,067,614	98,761	73,709	9,294,875	17,732,804
Depreciation charged in the year	113,124	213,445	20,751	1,463,926	23,525	36,961	2,102,727	3,974,459
Eliminated in respect of disposals	-	(135,148)	-	(1,352,929)	-	(361)	(1,440,129)	(2,928,567)
At 31 March 2021	433,583	937,036	39,398	7,178,611	122,286	110,309	9,957,473	18,778,696
Carrying amount								
At 31 March 2021	26,202,283	4,844,124	182,584	4,029,593	71,138	85,102	6,078,059	41,492,883
At 31 March 2020	26,315,407	4,910,932	45,843	4,851,316	82,137	116,069	5,503,052	41,824,756

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Company	Motor vehicles
	£
Cost	
At 1 April 2020	-
Additions	21,173
At 31 March 2021	21,173
Depreciation and impairment	
At 1 April 2020	-
Depreciation charged in the year	1,985
At 31 March 2021	1,985
Carrying amount	
At 31 March 2021	19,188

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2021 £	2020 £	Company 2021 £	2020 £
Plant and equipment	2,346,430	3,048,596	-	-
Motor vehicles	5,014,400	4,276,486	-	-
	7,360,830	7,325,082	-	-

16 Investment property

	Group 2021 £	Company 2021 £
Fair value		
At 1 April 2020 and 31 March 2021	27,712,331	-
Additions through external acquisition	1,629,068	-
Additions through business combinations	392,748	-
Disposals	(1,000,000)	-
At 31 March 2021	28,734,147	-

Investment property comprises £28,734,147. The fair value of the investment property has been arrived at on the basis of a number of valuations carried out both by Chartered Surveyors, who are not connected with the company, and the company's directors. The valuations have been made on an open market value basis by reference to market evidence of transaction prices for similar properties.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Investment property (Continued)

17 Fixed asset investments

	Group		Company	
	2021	2020	2021	2020
Notes	£	£	£	£
Investments in subsidiaries	230	230	18,885,394	18,885,394
Investments in joint ventures	1	1	-	-
Listed investments	193,358	-	-	-
	<u>193,589</u>	<u>231</u>	<u>18,885,394</u>	<u>18,885,394</u>
Listed investments included above:				
Listed investments carrying amount	193,358	-	-	-

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Fixed asset investments

(Continued)

The company owns 100% of the ordinary issued share capital of the companies listed below, either directly or indirectly via immediate companies. All companies below are incorporated in England and Wales unless otherwise stated:

Development and investment in real estate:

RVL Properties Limited

William Thompson Homes Limited

William Thompson Homes (PTY) Ltd - a company incorporated in South Africa

RVL Properties Limited - a company incorporated in Dubai

William Thompson Homes (Horns) Ltd

William Thompson Homes (Theydon Meadows) Ltd

Landvest Crews Hill Ltd

Provision of storage facilities:

GBN Self Store Limited

Waste management and waste disposal:

GBN Services Limited

Haulage logistics:

GBN Logistics Limited

Vehicle rental and repairs:

GBN Commercial Vehicle Repairs Ltd

Investment activities:

GT 2 Invest Ltd

Dormant and Holding Companies:

RVL Holdings Plc - a holding company

Uxbridge Skip Hire Limited

Uxbridge Skip Hire Holdings Limited

Uxbridge Skip Hire Properties Limited

Edmonton Property Company Limited

All subsidiaries are included in the consolidation.

The £1 joint venture relates to Burntwood Ridge Ltd. This is 50% of the ordinary share capital.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Fixed asset investments (Continued)

Movements in fixed asset investments Group	Shares in group undertakings and participating interests £	Other investments other than loans £	Total £
Cost or valuation			
At 1 April 2020	231	-	231
Additions	-	173,705	173,705
Valuation changes	-	19,653	19,653
At 31 March 2021	231	193,358	193,589
Carrying amount			
At 31 March 2021	231	193,358	193,589
At 31 March 2020	231	-	231

Movements in fixed asset investments Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 and 31 March 2021	18,885,394
Carrying amount	
At 31 March 2021	18,885,394
At 31 March 2020	18,885,394

18 Stocks	Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables	37,105	39,502	-	-
Work in progress	3,689,271	2,249,410	-	-
	3,726,376	2,288,912	-	-

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

19 Debtors

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	7,204,542	7,197,635	-	-
Corporation tax recoverable	4,684	-	-	-
Amounts owed by group undertakings	-	-	1,446,819	32,303
Other debtors	3,459,199	4,665,123	31,274	4,200
Prepayments and accrued income	1,081,395	825,038	8,673	23,850
	<u>11,749,820</u>	<u>12,687,796</u>	<u>1,486,766</u>	<u>60,353</u>

20 Creditors: amounts falling due within one year

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Bank loans and overdrafts	23	6,428,660	6,455,784	78,969	14,545
Obligations under finance leases	22	2,441,313	1,993,949	-	3,821
Trade creditors		2,403,327	2,258,291	21,109	9,202
Amounts owed to group undertakings		-	-	2,294,095	835,056
Corporation tax payable		236,866	562,427	-	-
Other taxation and social security		1,139,067	1,076,888	33,920	34,082
Other creditors		333,551	361,809	52,941	212,206
Accruals and deferred income		1,387,901	855,496	137,721	7,279
		<u>14,370,685</u>	<u>13,564,644</u>	<u>2,618,755</u>	<u>1,116,191</u>

The hire purchase and finance leases are secured on the individual assets to which they relate.

Included within bank loans and overdrafts is £3,748,900 (2020: £4,292,710) invoice discounting secured on the trade debtors to which they relate.

Bank loans under one year are secured against the properties and trades to which they relate. As at the year end, within the group, debentures and fixed and floating charges were held by National Westminster Bank Plc and Barclays Bank Plc.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts	23	20,141,173	21,078,307	1,040,000	1,100,000
Obligations under finance leases	22	2,634,828	2,442,372	-	-
		<u>22,776,001</u>	<u>23,520,679</u>	<u>1,040,000</u>	<u>1,100,000</u>

The hire purchase and finance leases are secured on the individual assets to which they relate.

Bank loans over one year are secured against the properties and trades to which they relate. At the year end, within the group, debentures and fixed and floating charges were held by National Westminster Bank Plc and Barclays Bank Plc.

Amounts included above which fall due after five years are as follows:

Payable by instalments	2,394,529	2,431,397	-	-
	<u>2,394,529</u>	<u>2,431,397</u>	<u>-</u>	<u>-</u>

22 Finance lease obligations

	Group 2021 £	2020 £	Company 2021 £	2020 £
Future minimum lease payments due under finance leases:				
Within one year	2,441,313	1,993,949	-	3,821
In two to five years	2,634,828	2,442,372	-	-
	<u>5,076,141</u>	<u>4,436,321</u>	<u>-</u>	<u>3,821</u>

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

23 Loans and overdrafts

	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans	25,729,521	27,010,309	1,040,000	1,100,000
Bank overdrafts	840,312	523,782	78,969	14,545
	<u>26,569,833</u>	<u>27,534,091</u>	<u>1,118,969</u>	<u>1,114,545</u>
Payable within one year	6,428,660	6,455,784	78,969	14,545
Payable after one year	<u>20,141,173</u>	<u>21,078,307</u>	<u>1,040,000</u>	<u>1,100,000</u>
Amounts included above which fall due after five years:				
Payable by instalments	<u>2,394,529</u>	<u>2,431,397</u>	<u>-</u>	<u>-</u>

24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2021 £	Liabilities 2020 £
Accelerated capital allowances	270,741	136,200
Investment property	<u>2,198,659</u>	<u>2,315,100</u>
	<u>2,469,400</u>	<u>2,451,300</u>

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 April 2020	2,451,300	-
Charge to profit or loss	<u>18,100</u>	<u>-</u>
Liability at 31 March 2021	<u>2,469,400</u>	<u>-</u>

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	285,314	270,871

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The number of directors who accrued benefits under company pension schemes was 2 (2020: 2).

26 Share premium account

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning and end of the year	60,940	60,940	15,510,857	15,510,857

27 Capital redemption reserve

	Group 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	-	-	-	-
Transfers	9,075	-	9,075	-
At the end of the year	9,075	-	9,075	-

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Share capital

	Group and company	
	2021	2020
	£	£
Ordinary share capital		
Issued and fully paid		
65,830 Ordinary A of £1 each	65,830	74,905
1 Ordinary B of £1 each	1	1
11,530 Preference of £1 each	11,530	11,530
	<u>77,361</u>	<u>86,436</u>

During the year 9,075 Ordinary A shares were cancelled from the treasury.

The Ordinary A shares carry one vote per share, rights to dividends and rights to share in residual assets on sale of company or winding up after deduction of liabilities.

The Ordinary B share carries one vote and no rights to dividends. Payment of nominal amount paid up on share or amount credited as paid up on share only on the sale of company or winding up of company.

The Preference shares are non voting cumulative preference shares which entitle the holder to payments of sums due in accordance with a twenty five year sliding scale, from 01/02/2016. These payments are to be taken ahead of dividends paid on the other share classes.

29 Other reserves

	Own shares	Merger reserve	Total
	£	£	£
Group			
At the beginning of the prior year	(650,000)	(2,983,361)	(3,633,361)
As restated	(650,000)	(2,983,361)	(3,633,361)
At the end of the prior year	(650,000)	(2,983,361)	(7,266,722)
At the end of the current year	(650,000)	(2,983,361)	(7,266,722)
	<u>(650,000)</u>	<u>(2,983,361)</u>	<u>(7,266,722)</u>
Company			
At the beginning of the prior year	(650,000)	-	(650,000)
As restated	(650,000)	-	(650,000)
At the end of the prior year	(650,000)	-	(1,300,000)
At the end of the current year	(650,000)	-	(1,300,000)
	<u>(650,000)</u>	<u>-</u>	<u>(1,300,000)</u>

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	295,801	200,000	-	-
Between two and five years	1,128,352	800,000	-	-
In over five years	616,667	816,667	-	-
	<u>2,040,820</u>	<u>1,816,667</u>	<u>-</u>	<u>-</u>

31 Related party transactions

The group has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transaction with group entities that are wholly owned.

Group

At the balance sheet date:

Included within debtors is £3,271,658 (2020: £2,968,202) owed by company's under common control.

The following balances were (owed to) / owed by the directors:

Mr D W Thompson - (£52,575) (2020: (£113,668))

Mr G Hobson - £3,775 (2020: £38,703))

Mr G D Thompson - £1,227 (2020: £10,624)

These amounts represent non interest bearing loans and are repayable on demand.

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

32 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,002,420	2,720,961
Adjustments for:		
Taxation charged	45,753	631,767
Finance costs	923,292	1,036,783
Investment income	(999)	(5,772)
Gain on disposal of tangible fixed assets	(351,903)	(122,856)
Gain on disposal of investment property	(82,974)	(982,135)
Amortisation and impairment of intangible assets	451,444	500,923
Depreciation and impairment of tangible fixed assets	3,974,459	3,674,283
Amounts written off investments	7,232	(899,770)
Movements in working capital:		
Increase in stocks	(1,437,464)	(484,115)
Decrease in debtors	877,312	7,179,056
Increase/(decrease) in creditors	711,362	(637,738)
Cash generated from operations	6,119,934	12,611,387

33 Cash absorbed by operations - company

	2021 £	2020 £
Profit for the year after tax	33,228	26,719
Adjustments for:		
Taxation charged	-	15,005
Finance costs	34,979	26,305
Investment income	(211,100)	(80,000)
Depreciation and impairment of tangible fixed assets	1,985	-
Movements in working capital:		
Increase in debtors	(1,426,413)	(60,353)
Increase/(decrease) in creditors	1,441,961	(767,308)
Cash absorbed by operations	(125,360)	(839,632)

MORALIS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

34 Analysis of changes in net debt - group

	1 April 2020	Cash flows 31 March 2021	
	£	£	£
Cash at bank and in hand	4,031,690	539,574	4,571,264
Bank overdrafts	(523,782)	(316,530)	(840,312)
	<u>3,507,908</u>	<u>223,044</u>	<u>3,730,952</u>
Borrowings excluding overdrafts	(27,010,309)	1,280,788	(25,729,521)
Obligations under finance leases	(4,436,321)	(639,820)	(5,076,141)
	<u>(27,938,722)</u>	<u>864,012</u>	<u>(27,074,710)</u>

35 Analysis of changes in net debt - company

	1 April 2020	Cash flows 31 March 2021	
	£	£	£
Cash at bank and in hand	2,089	-	2,089
Bank overdrafts	(14,545)	(64,424)	(78,969)
	<u>(12,456)</u>	<u>(64,424)</u>	<u>(76,880)</u>
Borrowings excluding overdrafts	(1,100,000)	60,000	(1,040,000)
Obligations under finance leases	(3,821)	3,821	-
	<u>(1,116,277)</u>	<u>(603)</u>	<u>(1,116,880)</u>

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