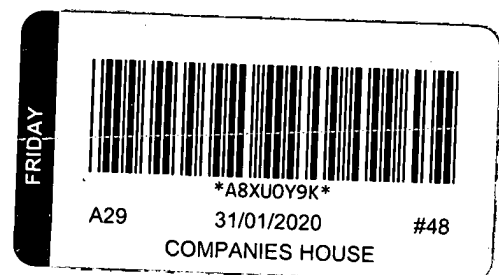


Company Registration No. 4153939 (England and Wales)

Jarvis Group Limited

**Annual report and
group financial statements
for the year ended 30 April 2019**



Jarvis Group Limited

Company information

Directors	David Jump Christopher Lewis Michael Peters Emma Parkinson (Chairman) Samuel Chandler Aidan Mortimer	(Appointed 5 July 2018)
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Company number	4153939
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Registered office	No 1 Waterside Station Road Harpenden Hertfordshire AL5 4US
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Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
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Jarvis Group Limited

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The directors present the strategic report for the year ended 30 April 2019.

Fair review of the business

The turnover of £54.0m was slightly lower than the previous year (2018: £58.8m), but gross profit was higher at £8.2m (2018: £6.7m), a margin of 15% (2018: 11%). Although, in the previous year the business did benefit from the share sale of a Special Purpose Vehicle (SPV), which resulted in a £1.5m gain on investments.

The Group's balance sheet remains strong with shareholder's funds of £17.1m (2018: £17.1m) including a cash balance of £6.0m (2018: £11.1m).

The overall performance of the Group was satisfactory. The Contracting business continues to secure high volume residential contracts with key clients and this client base continues to grow and has a very positive forward opportunity pipeline. This is assisted by the growth and development in both its in-house expertise and external supply chain.

The Development business has had another good year, completing on several key projects whilst securing planning consents and purchases of core sites to provide the business with satisfactory opportunities for the foreseeable future.

Trading Divisions

Jarvis Group Construction Ltd, which includes the activities of Jarvis Contracting Ltd, continues to operate in a market which typically has low profit margins, the directors continue therefore to focus their activities on lower risk types of contracts and away from the lowest areas of competitive tendering.

During the year the Group disposed of its M&E business, E7 Building Services Limited in order to focus on its core business as a main contractor.

Jarvis Group Developments Ltd comprises of a number of subsidiaries, the main trading company Jarvis Homes Ltd remains focused on developing high quality residential properties in Harpenden and the surrounding areas. The group also includes The Whitehouse Developments (Boxmoor) Ltd, which was set up solely to manage a specific development and Jarvis Commercial Ltd, which manages commercial developments.

During the year the Group set up Jarvis Partnership Homes Ltd, a new division with a focus on providing land-led residential schemes to the affordable housing sector on a turn-key or joint venture basis.

Principal risks and uncertainties

The directors are satisfied with the results for 2019 and continue to maintain good relationships with existing clients, whilst seeking to obtain and develop relationships with new ones.

The economic uncertainty that the ongoing political situation poses a number of risks to the markets in which the business operates, therefore the emphasis on both cost and cash control remains paramount to the continued success of the business throughout a period of uncertainty.

The business recognises that staff are a key component of the Groups ongoing success and so works to both retain and develop key personnel, whilst investing in initiatives that will attract new talent into the Group.

Key performance indicators

The business maintains and regularly reviews a number of key financial performance indicators and these are set each year as part of the Group and divisional budgets.

Turnover	£54.0m	(2018: £58.8m)
Gross profit %	15.2%	(2018: 11.4%)
Operating profit %	3.1%	(2018: 0.0%)
Cash balance	£6.0m	(2018: £11.1m)

Other performance indicators

Given the nature of the group and its activities, the directors are of the opinion that analysis using non-financial KPIs is not necessary for an understanding of the development, performance and position of the business.

On behalf of the board



Emma Parkinson (Chairman)

Director

15/01/20

Jarvis Group Limited

Directors' report

For the year ended 30 April 2019

The directors present their annual report and financial statements for the year ended 30 April 2019.

Principal activities

Jarvis Group Limited is a holding company. The principal activities of the group in the period under review are those of builders, contractors, developers, heating, ventilation and electrical engineers.

Directors

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

David Jump	
Christopher Lewis	
Michael Peters	
Peter Popper	(Resigned 1 January 2019)
Emma Parkinson (Chairman)	
Samuel Chandler	
Aidan Mortimer	(Appointed 5 July 2018)

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £604,900.

Financial instruments

Treasury operations and financial instruments

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

The group's principal financial instruments include bank overdrafts and loans, 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.

Liquidity risk

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.

Credit risk

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.

Directors' report (continued)
For the year ended 30 April 2019

Auditor

Saffery Champness LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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:

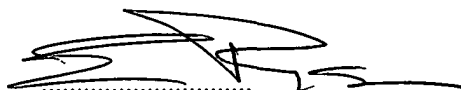
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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.

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



Emma Parkinson (Chairman)
Director

Date: 15/01/20

Opinion

We have audited the financial statements of Jarvis Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2019 which comprise the group statement of comprehensive income, the group statement of financial position, 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 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 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 30 April 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report (continued)

To the members of Jarvis Group Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Independent auditor's report (continued)
To the members of Jarvis Group Limited

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 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 financial statements.

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

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.

 23-1-20
Lucy Brennan (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Jarvis Group Limited

**Group statement of comprehensive income
For the year ended 30 April 2019**

	Notes	2019 £	2018 £
Turnover	3	53,995,999	58,787,694
Cost of sales		(45,845,179)	(52,040,520)
Gross profit		8,150,820	6,747,174
Administrative expenses		(6,657,383)	(6,953,415)
Other operating income		177,173	2,729
Operating profit/(loss)	4	1,670,610	(203,512)
Interest receivable and similar income	8	177	7,802
Interest payable and similar expenses	9	(98,799)	(15,705)
Other gains and losses	10	(342,543)	1,735,155
Profit before taxation		1,229,445	1,523,740
Tax on profit	11	(405,331)	(286,875)
Profit for the financial year	30	824,114	1,236,865
Other comprehensive income			
Revaluation of tangible fixed assets		-	(800)
Actuarial (loss)/gain on defined benefit pension schemes		(263,000)	651,000
Total comprehensive income for the year		561,114	1,887,065

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Income Statement has been prepared on the basis that all operations are continuing operations.

Jarvis Group Limited

Group and company statements of financial position
As at 30 April 2019

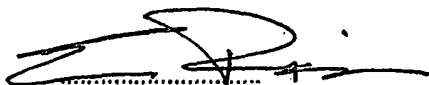
		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Fixed assets					
Intangible assets	14	258,765	268,385	258,765	268,385
Tangible assets	15	974,815	1,152,598	553,451	546,486
Investment properties	16	1,250,000	1,250,000	1,250,000	1,250,000
Investments	17	-	-	2	2
		<u>2,483,580</u>	<u>2,670,983</u>	<u>2,062,218</u>	<u>2,064,873</u>
Current assets					
Stocks	20	20,145,671	14,073,366	-	-
Debtors	21	7,866,504	10,326,092	7,507,474	5,971,190
Cash at bank and in hand		5,978,929	11,068,480	76,065	540,175
		<u>33,991,104</u>	<u>35,467,938</u>	<u>7,583,539</u>	<u>6,511,365</u>
Creditors: amounts falling due within one year	22	(17,102,533)	(20,426,391)	(5,097,562)	(2,460,455)
Net current assets		<u>16,888,571</u>	<u>15,041,547</u>	<u>2,485,977</u>	<u>4,050,910</u>
Total assets less current liabilities		<u>19,372,151</u>	<u>17,712,530</u>	<u>4,548,195</u>	<u>6,115,783</u>
Creditors: amounts falling due after more than one year	23	(3,264,552)	(1,966,855)	-	-
Provisions for liabilities	26	(333,384)	(184,674)	-	-
Net assets excluding pension surplus		<u>15,774,215</u>	<u>15,561,001</u>	<u>4,548,195</u>	<u>6,115,783</u>
Defined benefit pension surplus	28	1,323,000	1,586,000	1,323,000	1,586,000
Net assets		<u>17,097,215</u>	<u>17,147,001</u>	<u>5,871,195</u>	<u>7,701,783</u>
Capital and reserves					
Called up share capital	29	2,419,600	2,419,600	2,419,600	2,419,600
Share premium account	30	105,789	105,789	105,789	105,789
Revaluation reserve	30	82,903	88,903	70,903	70,903
Profit and loss reserves	30	14,488,923	14,532,709	3,274,903	5,105,491
Total equity		<u>17,097,215</u>	<u>17,147,001</u>	<u>5,871,195</u>	<u>7,701,783</u>

Jarvis Group Limited

Group and company statements of financial position (continued)
As at 30 April 2019

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £962,688 (2018 - £1,782,735 profit).

The financial statements were approved by the board of directors and authorised for issue on 15/01/20 and are signed on its behalf by:



Emma Parkinson (Chairman)
Director

Company Registration No. 04153939

Jarvis Group Limited

**Group statement of changes in equity
For the year ended 30 April 2019**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		2,419,600	105,789	89,703	13,249,744	15,864,836
Year ended 30 April 2018:						
Profit for the year		-	-	-	1,236,865	1,236,865
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	(800)	-	(800)
Actuarial gains on defined benefit plans		-	-	-	651,000	651,000
Total comprehensive income for the year		-	-	(800)	1,887,865	1,887,065
Dividends	12	-	-	-	(604,900)	(604,900)
Balance at 30 April 2018		2,419,600	105,789	88,903	14,532,709	17,147,001
Year ended 30 April 2019:						
Profit for the year		-	-	-	824,114	824,114
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	(263,000)	(263,000)
Total comprehensive income for the year		-	-	-	561,114	561,114
Dividends	12	-	-	-	(604,900)	(604,900)
Other movements		-	-	(6,000)	-	(6,000)
Balance at 30 April 2019		2,419,600	105,789	82,903	14,488,923	17,097,215

Jarvis Group Limited

Company statement of changes in equity
For the year ended 30 April 2019

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 May 2017		2,419,600	105,789	70,903	3,276,656	5,872,948
Year ended 30 April 2018:						
Profit for the year		-	-	-	1,782,735	1,782,735
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	651,000	651,000
Total comprehensive income for the year		-	-	-	2,433,735	2,433,735
Dividends	12	-	-	-	(604,900)	(604,900)
Balance at 30 April 2018		2,419,600	105,789	70,903	5,105,491	7,701,783
Year ended 30 April 2019:						
Loss for the year		-	-	-	(962,688)	(962,688)
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	(263,000)	(263,000)
Total comprehensive income for the year		-	-	-	(1,225,688)	(1,225,688)
Dividends	12	-	-	-	(604,900)	(604,900)
Balance at 30 April 2019		2,419,600	105,789	70,903	3,274,903	5,871,195

Jarvis Group Limited

Group statement of cash flows
For the year ended 30 April 2019

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash (absorbed by)/generated from operations	35	(6,109,307)	3,287,284
Interest paid		(98,799)	(15,705)
Income taxes paid		(164,952)	(307,838)
Net cash (outflow)/inflow from operating activities		(6,373,058)	2,963,741
Investing activities			
Purchase of intangible assets		(65,742)	(182,522)
Proceeds on disposal of intangibles		(6,000)	-
Purchase of tangible fixed assets		(139,355)	(368,320)
Proceeds on disposal of tangible fixed assets		188,487	78,511
Proceeds on disposal of subsidiaries		-	1,215,155
Payments on disposal of fixed asset investments		(342,543)	-
Interest received		177	7,802
Net cash (used in)/generated from investing activities		(364,976)	750,626
Financing activities			
Proceeds of new bank loans		-	4,334,365
Cash from/(repayment of) bank loans		2,215,458	(2,357,140)
Payment of finance leases obligations		37,925	(46,391)
Dividends paid to equity shareholders		(604,900)	(604,900)
Net cash generated from financing activities		1,648,483	1,325,934
Net (decrease)/increase in cash and cash equivalents		(5,089,551)	5,040,301
Cash and cash equivalents at beginning of year		11,068,480	6,028,179
Cash and cash equivalents at end of year		5,978,929	11,068,480

Jarvis Group Limited

Company statement of cash flows

For the year ended 30 April 2019

	Notes	£	2019 £	£	2018 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	36		863,662		(4,120,197)
Interest paid			-		(5,126)
Income taxes (paid)/refunded			(251,281)		576,935
Net cash inflow/(outflow) from operating activities			612,381		(3,548,388)
Investing activities					
Purchase of intangible assets		(65,742)		(182,522)	
Purchase of tangible fixed assets		(30,950)		(27,071)	
Proceeds on disposal of tangible fixed assets		-		108	
Proceeds on disposal of subsidiaries		-		5,815,766	
Proceeds on disposal of fixed asset investments		-		(1,349,500)	
Payments on disposal of fixed asset investments		(374,899)		-	
Interest received		-		351	
Dividends received		-		3,000,000	
Net cash (used in)/generated from investing activities			(471,591)		7,257,132
Financing activities					
Repayment of borrowings		-		(2,670,000)	
Dividends paid to equity shareholders		(604,900)		(604,900)	
Net cash used in financing activities			(604,900)		(3,274,900)
Net (decrease)/increase in cash and cash equivalents			(464,110)		433,844
Cash and cash equivalents at beginning of year			540,175		106,331
Cash and cash equivalents at end of year			76,065		540,175

1 Accounting policies

Company information

Jarvis Group Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is No 1 Waterside, Station Road, Harpenden, Hertfordshire, AL5 4US.

The group consists of Jarvis Group Limited and all of its 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.

Notes to the financial statements (continued)

For the year ended 30 April 2019

1 Accounting policies (continued)

The group financial statements incorporate those of Jarvis 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 30 April 2019. 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.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company 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.

Property development turnover is recognised once the value of the transaction can be reliably measured and the significant risks and rewards of ownership have been transferred. Turnover is recognised on the sale of residential properties on legal exchange of contracts as long as the sale is completed within 3 months of the year end.

Revenue from construction and service activities represents the value of work carried out during the year, including amounts not invoiced.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of E7 Buildings Services Limited represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities 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 20 years. Goodwill is inseparable from the business in which it is generated and is transferred when a business is disposed of as a going concern.

Notes to the financial statements (continued)
For the year ended 30 April 2019

1 Accounting policies (continued)

1.6 Intangible fixed assets other than goodwill

Software	Over 5 years
----------	--------------

1.7 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.

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:

Land & buildings	No depreciation
Leasehold improvements	33% on cost
Plant & machinery	25% - 50% on cost
Fixtures, fittings & equipment	25% on cost

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 income statement.

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

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

1.9 Fixed asset investments

In the parent company financial statements, investments in subsidiaries 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.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies (continued)

1.10 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.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies (continued)

1.12 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.13 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 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 statement of financial position 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, 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.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities

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.

Notes to the financial statements (continued)
For the year ended 30 April 2019

1 Accounting policies (continued)

1.15 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.

1.16 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 income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has 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.

1.17 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1 Accounting policies (continued)

1.18 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.

1.19 Retirement benefits

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

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The costs are recognised as an expense in measuring profit or loss in the period.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1 Accounting policies (continued)

1.20 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 statement of financial position 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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Critical accounting 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Work in progress

The directors exercise judgement in allocating costs attributable to stock and work in progress.

Recoverability of work in progress

The recoverability of work in progress is a key area of judgement. The directors perform interim job appraisals over the period of the contract to validate the recoverability of each contract.

Revenue and margin recognition

The revenue recognition and margin recognition policies, which are set out in note 1.12, are central to how the group values the work it has carried out in each financial year.

These policies require forecasts to be made of the outcomes of long-term construction services and support services contracts, which require assessments and judgements to be made on recovery pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities and changes in costs.

Provisions

Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

More specifically on the company's provisions set aside for any liabilities arising due to defects, there is a 12-month latent defect period for which the provision is held, but where there are known identified issues when the provision may be required to cover rectification work over a more extended period.

The group recognised provisions at 30 April 2019 of £333,384 (2018: £184,674).

Useful life of goodwill

The useful life used to amortise Goodwill relates to the expected future performance of the Goodwill acquired and management's estimate of the period over which economic benefit will be derived from the asset.

Notes to the financial statements (continued)
For the year ended 30 April 2019

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Defined benefit pension costs

The estimates used in retirement benefit costs are arrived at in conjunction with the scheme's actuary and advisers, those having the most significant impact being the liabilities discount rate, CPI and mortality rates. Note 24 to the financial statements give details of the valuation methods used and the sensitivity surrounding these estimates.

Goodwill on acquisition

The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover analysed by class of business		
Building and contracting	38,688,460	43,192,911
Property investment	609,390	285,410
Property development	14,451,907	11,433,580
Heating and electrical contracting	246,242	3,875,793
	<u>53,995,999</u>	<u>58,787,694</u>
	2019	2018
	£	£
Other significant revenue		
Interest income	<u>177</u>	<u>7,802</u>

Notes to the financial statements (continued)

For the year ended 30 April 2019

4 Operating profit/(loss)

	2019	2018
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	255,326	268,742
Depreciation of tangible fixed assets held under finance leases	29,335	6,319
Profit on disposal of tangible fixed assets	(156,011)	(39,232)
Amortisation of intangible assets	64,469	-
Impairment of intangible assets	-	92,831
Loss on disposal of intangible assets	10,893	-
Cost of stocks recognised as an expense	44,720,860	50,170,387
Stocks impairment losses recognised or reversed	-	508,073
Operating lease charges	95,041	100,812
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	42,375	18,000
Audit of the financial statements of the company's subsidiaries	53,450	52,000
	<u>95,825</u>	<u>70,000</u>
For other services		
Taxation compliance services	15,000	15,000
	<u> </u>	<u> </u>

6 Employees

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

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Management and administration	118	122	19	17
Construction	59	65	-	-
	<u>177</u>	<u>187</u>	<u>19</u>	<u>17</u>

Notes to the financial statements (continued)
For the year ended 30 April 2019

6 Employees (continued)

Their aggregate remuneration comprised:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	7,697,687	7,769,723	953,868	706,101
Social security costs	772,213	866,511	-	5,280
Pension costs	293,169	177,837	74,871	88,854
	<u>8,763,069</u>	<u>8,814,071</u>	<u>1,028,739</u>	<u>800,235</u>
Redundancy payments made or committed	<u>4,333</u>	<u>48,462</u>	<u>-</u>	<u>30,000</u>

7 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	730,680	487,726
Compensation for loss of office	-	48,462
	<u>730,680</u>	<u>536,188</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 2).

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

	2019	2018
	£	£
Remuneration for qualifying services	505,194	245,467
Company pension contributions to defined contribution schemes	<u>10,400</u>	<u>9,221</u>

Jarvis Group Limited

Notes to the financial statements (continued)

For the year ended 30 April 2019

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	177	7,802
	<u>177</u>	<u>7,802</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	177	7,802
	<u>177</u>	<u>7,802</u>

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	13,174	10,579
Other interest on financial liabilities	85,625	5,126
	<u>98,799</u>	<u>15,705</u>

10 Other gains and losses

	2019	2018
	£	£
Gain on disposal of fixed asset investments	-	1,515,155
Changes in the fair value of investment properties	-	220,000
Other gains and losses	(342,543)	-
	<u>(342,543)</u>	<u>1,735,155</u>

Notes to the financial statements (continued)
For the year ended 30 April 2019

11 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	356,107	286,875
Adjustments in respect of prior periods	68,475	-
Total current tax	<u>424,582</u>	<u>286,875</u>
Deferred tax		
Origination and reversal of timing differences	(19,251)	-
Total tax charge	<u>405,331</u>	<u>286,875</u>

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:

	2019 £	2018 £
Profit before taxation	<u>1,229,445</u>	<u>1,523,740</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	233,595	289,511
Tax effect of expenses that are not deductible in determining taxable profit	99,673	3,939
Tax effect of utilisation of tax losses not previously recognised	(291)	-
Permanent capital allowances in excess of depreciation	29,830	(1,995)
Depreciation on assets not qualifying for tax allowances	-	700
Under/(over) provided in prior years	68,475	-
Provisions	17,930	2,174
Deferred tax	(19,251)	-
Profit/(loss) on disposal of fixed assets	(24,630)	(7,454)
Taxation charge	<u>405,331</u>	<u>286,875</u>

Notes to the financial statements (continued)

For the year ended 30 April 2019

12 Dividends

	2019 £	2018 £
Final paid	604,900	604,900

13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2019 £	2018 £
In respect of:			
Goodwill		-	92,831
Stocks	20	-	508,073
Recognised in:			
Cost of sales		-	508,073
Administrative expenses		-	92,831

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

14 Intangible fixed assets

Group	Goodwill £	Software £	Total £
Cost			
At 1 May 2018	116,031	268,385	384,416
Additions - separately acquired	-	65,742	65,742
Disposals	(116,031)	(10,893)	(126,924)
At 30 April 2019	-	323,234	323,234
Amortisation and impairment			
At 1 May 2018	116,031	-	116,031
Amortisation charged for the year	-	64,469	64,469
Disposals	(116,031)	-	(116,031)
At 30 April 2019	-	64,469	64,469

Notes to the financial statements (continued)
For the year ended 30 April 2019

14 Intangible fixed assets (continued)

Carrying amount

At 30 April 2019	-	258,765	258,765
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At 30 April 2018	-	268,385	268,385
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Company

Software
£

Cost

At 1 May 2018		268,385
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Additions - separately acquired		65,742
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Disposals		(10,893)
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At 30 April 2019		323,234
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Amortisation and impairment

At 1 May 2018		-
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Amortisation charged for the year		64,469
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At 30 April 2019		64,469
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Carrying amount

At 30 April 2019		258,765
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At 30 April 2018		268,385
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More information on the impairment arising in the year is given in note 13.

Notes to the financial statements (continued)

For the year ended 30 April 2019

15 Tangible fixed assets

Group	Land & buildings	Leasehold improvements	Plant & machinery	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2018	542,000	143,904	1,403,792	265,913	2,355,609
Additions	-	-	96,127	43,228	139,355
Disposals	(15,000)	(143,904)	(324,730)	(54,509)	(538,143)
At 30 April 2019	527,000	-	1,175,189	254,632	1,956,821
Depreciation and impairment					
At 1 May 2018	-	107,075	918,495	177,441	1,203,011
Depreciation charged in the year	-	36,829	176,872	70,960	284,661
Eliminated in respect of disposals	-	(143,904)	(290,617)	(71,145)	(505,666)
At 30 April 2019	-	-	804,750	177,256	982,006
Carrying amount					
At 30 April 2019	527,000	-	370,439	77,376	974,815
At 30 April 2018	542,000	36,829	485,297	88,472	1,152,598

Notes to the financial statements (continued)
For the year ended 30 April 2019

15 Tangible fixed assets (continued)

Company	Land & buildings	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 May 2018	505,000	106,949	611,949
Additions	-	30,950	30,950
Disposals	-	(7,180)	(7,180)
At 30 April 2019	505,000	130,719	635,719
Depreciation and impairment			
At 1 May 2018	-	65,463	65,463
Depreciation charged in the year	-	22,491	22,491
Eliminated in respect of disposals	-	(5,686)	(5,686)
At 30 April 2019	-	82,268	82,268
Carrying amount			
At 30 April 2019	505,000	48,451	553,451
At 30 April 2018	505,000	41,486	546,486

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Motor vehicles	76,426	3,653	-	-

16 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 May 2018 and 30 April 2019	1,250,000	1,250,000

Notes to the financial statements (continued)

For the year ended 30 April 2019

16 Investment property (continued)

Investment property comprises 28/32 Coldharbour Lane. The fair value of the investment property has been arrived at on the basis of an offer made to purchase the property by an unconnected third party. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

17 Fixed asset investments

		Group		Company	
	Notes	2019	2018	2019	2018
		£	£	£	£
Investments in subsidiaries	18	-	-	2	2
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included on the balance sheet.

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 May 2018 and 30 April 2019	2
	<u> </u>
Carrying amount	
At 30 April 2019	2
	<u> </u>
At 30 April 2018	2
	<u> </u>

Notes to the financial statements (continued)
For the year ended 30 April 2019

18 Subsidiaries

Details of the company's subsidiaries at 30 April 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct/Indirect
Carlton Road Developments (Harpenden) England	1	Property developers	Ordinary	100.00
DKOS Trading Limited	1	Property developers	Ordinary	100.00
E7 Holdings Ltd	1	Holding company	Ordinary	100.00
Harpenden Estates Limited	1	Dormant	Ordinary	100.00
Jarvis Commercial Limited	1	Building and development	Ordinary	100.00
Jarvis Construction Limited	1	Dormant	Ordinary	100.00
Jarvis Contracting Limited	1	Building contractors	Ordinary	100.00
Jarvis Electrical Limited	1	Dormant	Ordinary	100.00
Jarvis Group Construction Limited	1	Holding Company	Ordinary	100.00
Jarvis Group Developments Limited	1	Holding company	Ordinary	100.00
Jarvis Harpenden Limited	1	Dormant	Ordinary	100.00
Jarvis Heating Limited	1	Heating and electrical engineers	Ordinary	100.00
Jarvis Homes Limited	1	Property developers	Ordinary	100.00
Jarvis M & E Services Limited	1	Holding Company	Ordinary	100.00
Jarvis Maintenance Limited	1	Dormant	Ordinary	100.00
Rockwell London Number Five Limited	1	Property developers	Ordinary	50.00
The White House Developments 1 (Boxmoor) Limited	1	Property developers	Ordinary	100.00

Registered office addresses:

1 No.1 Waterside, Station Road, Harpenden, AL5 4US

Notes to the financial statements (continued)

For the year ended 30 April 2019

19 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	6,115,633	7,390,908	7,054,529	5,888,768
Carrying amount of financial liabilities				
Measured at amortised cost	19,727,077	22,103,658	4,762,192	2,234,800

20 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Work in progress	20,145,671	14,073,366	-	-

21 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,994,614	4,911,062	134,720	49,692
Gross amounts owed by contract customers	1,399,229	2,628,324	-	-
Corporation tax recoverable	-	13,523	110,000	13,523
Amounts owed by group undertakings	-	-	6,610,017	5,837,989
Other debtors	575,826	305,065	557,016	26,410
Prepayments and accrued income	1,465,387	1,612,680	95,721	43,576
	7,435,056	9,470,654	7,507,474	5,971,190
Amounts falling due after more than one year:				
Gross amounts owed by contract customers	431,448	855,438	-	-
Total debtors	7,866,504	10,326,092	7,507,474	5,971,190

Notes to the financial statements (continued)
For the year ended 30 April 2019

22 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	24	5,352,018	4,368,152	-	-
Obligations under finance leases	25	42,601	70,781	-	-
Trade creditors		2,688,774	5,051,407	86,251	117,325
Amounts owed to group undertakings		-	-	4,305,002	1,908,123
Corporation tax payable		246,107	33,178	-	-
Other taxation and social security		391,901	256,410	335,370	225,655
Deferred income	27	2,000	-	-	-
Other creditors		2,249,722	418,801	14,665	17,258
Accruals and deferred income		6,129,410	10,227,662	356,274	192,094
		<u>17,102,533</u>	<u>20,426,391</u>	<u>5,097,562</u>	<u>2,460,455</u>

23 Creditors: amounts falling due after more than one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	24	3,198,447	1,966,855	-	-
Obligations under finance leases	25	66,105	-	-	-
		<u>3,264,552</u>	<u>1,966,855</u>	<u>-</u>	<u>-</u>

24 Loans and overdrafts

		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Bank loans		<u>8,550,465</u>	<u>6,335,007</u>	<u>-</u>	<u>-</u>
Payable within one year		5,352,018	4,368,152	-	-
Payable after one year		<u>3,198,447</u>	<u>1,966,855</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the year ended 30 April 2019

24 Loans and overdrafts (continued)

The company has secured bank and other loans of £8,550,465 (2018: £6,335,007) included in creditors, split between due within one year and due in more than one year as detailed above. The loans are for development purposes and are for a flexible term to finance the purchase of land and the costs of development work. The loans are regularly reviewed and are repaid from the proceeds of developments. The loans and overdrafts are secured on the land and buildings concerned. The rates of interest applicable to the above loans range from LIBOR plus 3.00% to a fixed rate of 6.5%.

25 Finance lease obligations

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	42,601	70,781	-	-
In two to five years	66,105	-	-	-
	<u>108,706</u>	<u>70,781</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

26 Provisions for liabilities

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Provision held for potential remedial works to completed developments	293,384	182,613	-	-
Provision for insurance claim excess	40,000	-	-	-
	<u>333,384</u>	<u>182,613</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	-	2,061	-	-
	<u>333,384</u>	<u>184,674</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)
For the year ended 30 April 2019

26 Provisions for liabilities (continued)

Movements on provisions apart from deferred tax liabilities:

	Provision held for potential remedial works to completed developments	Provision for insurance claim excess	Total
Group	£	£	£
At 1 May 2018	182,614	-	182,614
Additional provisions in the year	293,384	40,000	333,384
Reversal of provision	(134,152)	-	(134,152)
Utilisation of provision	(48,462)	-	(48,462)
At 30 April 2019	<u>293,384</u>	<u>40,000</u>	<u>333,384</u>

The provision for remedial works represents the expected costs of works beyond the 12-month latent defect period for construction contracts. The payment for the costs is expected within 12 months.

The provision for insurance claim excess represents the insurance excess due on a current insurance claim. The payment for the excess is expected within 12 months.

27 Deferred income

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other deferred income	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the financial statements (continued)

For the year ended 30 April 2019

28 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	10,871	24,854

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.

Defined benefit schemes*Funding policy*

The defined benefit obligations arise from plans which are wholly or partly funded.

	2019	2018
	%	%
<i>Key assumptions</i>		
Discount rate	2.50	2.70
Expected rate of increase of pensions in payment	2.20	2.00
CPI inflation	2.20	2.00
Revaluation in deferment	2.20	2.00

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the Group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2019	2018
	Years	Years
Retiring today		
- Males	85.8	85.9
- Females	88.1	87.9
Retiring in 20 years		
- Males	87.1	87.2
- Females	89.5	89.3

Notes to the financial statements (continued)
For the year ended 30 April 2019

28 Retirement benefit schemes (continued)

	2019	2018
	£	£
<i>Amounts recognised in the income statement</i>		
Net interest on defined benefit liability/(asset)	(44,000)	(25,000)
Other costs and income	132,000	-
Total costs/(income)	88,000	(25,000)

	2019	2018
	£	£
<i>Amounts taken to other comprehensive income</i>		
Actual return on scheme assets	(379,000)	(362,000)
Less: calculated interest element	379,000	362,000
Return on scheme assets excluding interest income	-	-
Actuarial changes related to obligations	724,000	(335,000)

The amounts included in the statement of financial position arising from obligations in respect of defined benefit plans are as follows:

	2019	2018
	£	£
Group		
Present value of defined benefit obligations	(13,343,000)	(12,674,000)
Fair value of plan assets	14,666,000	14,260,000
Surplus in scheme	1,323,000	1,586,000

Notes to the financial statements (continued)

For the year ended 30 April 2019

28 Retirement benefit schemes (continued)

Company	2019 £	2018 £
Present value of defined benefit obligations	(13,343,000)	(12,674,000)
Fair value of plan assets	14,666,000	14,260,000
Surplus in scheme	1,323,000	1,586,000
	Group 2019 £	Company 2019 £
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 May 2018	12,674,000	12,674,000
Past service cost	132,000	132,000
Benefits paid	(522,000)	(522,000)
Actuarial gains and losses	724,000	724,000
Interest cost	335,000	335,000
At 30 April 2019	13,343,000	13,343,000

The defined benefit obligations arise from plans which are wholly or partly funded.

	Group 2019 £	Company 2019 £
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 May 2018	14,260,000	14,260,000
Interest income	379,000	379,000
Benefits paid	(522,000)	(522,000)
Contributions by the employer	64,000	64,000
Other	485,000	485,000
At 30 April 2019	14,666,000	14,666,000

The actual return on plan assets was £864,000 (2018 - £589,000).

Notes to the financial statements (continued)
For the year ended 30 April 2019

28 Retirement benefit schemes (continued)

Fair value of plan assets at the reporting period end

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Equity instruments	10,971,000	11,186,000	10,971,000	11,186,000
Property	983,000	990,000	983,000	990,000
Invested assets	2,871,000	2,185,000	2,871,000	2,185,000
Cash	8,000	8,000	8,000	8,000
Net current assets	(167,000)	(109,000)	(167,000)	(109,000)
	<u>14,666,000</u>	<u>14,260,000</u>	<u>14,666,000</u>	<u>14,260,000</u>

29 Share capital

	Group and company	
	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
2,419,600 ordinary shares of £1 each	<u>2,419,600</u>	<u>2,419,600</u>

30 Reserves**Share premium**

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluation of land and buildings.

Profit and loss reserves

The profit and loss reserves represents cumulative profit or losses, net of dividends paid and other adjustments.

31 Financial commitments, guarantees and contingent liabilities

The parent has a cross guarantee structure with the following subsidiaries: Jarvis Harpenden Limited, Jarvis Heating Limited, Jarvis Group Construction Limited, Jarvis Construction Limited, Jarvis Electrical Limited, Harpenden Estates Limited, Jarvis Contracting Limited, Carlton Road (Harpenden) Limited, Jarvis M&E Services Limited and Jarvis Commercial Limited (the group). All group entities guarantee each other for the bank loan facility of £1,600,000.

At the period end the loan facility has not been utilised.

32 Operating lease commitments

Lessee

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		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	203,221	55,000	203,221	-
Between two and five years	185,178	187,904	185,178	-
	<u>388,399</u>	<u>242,904</u>	<u>388,399</u>	<u>-</u>

33 Related party transactions

Group

During the year Jarvis Group Limited and its subsidiaries paid rent of £217,500 (2018: £214,900) to Jarvis Commercial Properties Limited and its subsidiaries. Jarvis Group Limited also received management fees totalling £30,000 (2018: £35,000) from Jarvis Commercial Properties Limited and its subsidiaries. During the year Jarvis Group Limited paid expenses of £22,903 (2018: £60,167) on Jarvis Commercial Properties Limited behalf. Jarvis Commercial Properties Limited shares common directors with Jarvis Group Limited. The transactions were carried out on an arm's length basis.

During the year Jarvis Homes Limited received management fees of £nil (2018: £10,095) from Rockwell London Number Five Limited, a jointly controlled entity. The transactions were carried out on an arm's length basis.

During the year Jarvis Homes Limited received management fees of £19,000 (2018: £15,000) from Broad Street Place Developments Limited, who share a common director with Jarvis Homes. The transactions were carried out on an arm's length basis.

During the year Jarvis Homes Limited received management fees of £44,000 (2018: £40,750) and paid rent of £27,500 (2018: £23,169) in transactions with Jarvis Commercial Properties Limited. Included in debtors at the year end is £nil (2018: £87,255) due from Jarvis Indcom Limited, a wholly owned subsidiary of Jarvis Commercial Properties Limited. Jarvis Commercial Properties Limited shares common directors with Jarvis Homes Limited. The transactions were carried out on an arm's length basis.

Company

During the year Jarvis Group Limited paid rent of £190,590 (2018: £199,254) to Jarvis Commercial Properties Limited and its subsidiaries. Jarvis Group Limited also received management fees totalling £30,000 (2018: £35,000) from Jarvis Commercial Properties Limited and its subsidiaries. At the year end an amount of £35,000 due from Jarvis Commercial Properties Limited was included in trade debtors. The directors of Jarvis Commercial Properties Limited are also directors of Jarvis Group Limited. The transactions were carried out on an arm's length basis.

34 Directors' transactions

Dividends totalling £45,000 (2018 - £56,325) were paid in the year in respect of shares held by the company's directors.

Jarvis Group Limited

Notes to the financial statements (continued)

For the year ended 30 April 2019

35 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	824,114	1,236,865
Adjustments for:		
Taxation charged	405,331	286,875
Finance costs	98,799	15,705
Investment income	(177)	(7,802)
Gain on disposal of tangible fixed assets	(156,011)	(39,232)
Loss on disposal of intangible assets	10,893	-
Amortisation and impairment of intangible assets	64,469	92,831
Depreciation and impairment of tangible fixed assets	284,661	275,061
Gain on sale of investments	-	(1,515,155)
Other gains and losses	342,543	(220,000)
Increase in provisions	150,771	182,613
Movements in working capital:		
(Increase) in stocks	(6,072,304)	(845,415)
Decrease in debtors	2,446,065	6,112,998
(Decrease) in creditors	(4,510,461)	(2,288,060)
Increase in deferred income	2,000	-
Cash (absorbed by)/generated from operations	(6,109,307)	3,287,284

Notes to the financial statements (continued)
For the year ended 30 April 2019

36 Cash generated from operations - company

	2019 £	2018 £
(Loss)/profit for the year after tax	(962,688)	1,782,735
Adjustments for:		
Taxation charged	154,804	-
Finance costs	-	5,126
Investment income	-	(3,000,351)
Loss on disposal of tangible fixed assets	1,494	-
Loss on disposal of intangible assets	10,893	-
Amortisation and impairment of intangible assets	64,469	-
Depreciation and impairment of tangible fixed assets	22,491	20,770
Other gains and losses	374,899	1,129,500
Movements in working capital:		
(Increase) in debtors	(1,439,807)	(4,340,429)
Increase in creditors	2,637,107	282,452
Cash generated from/(absorbed by) operations	<u><u>863,662</u></u>	<u><u>(4,120,197)</u></u>