Ardmore Group Limited

Annual Report and Financial Statements

Period Ended

30 September 2017

Company Number 10379475

Ardmore Group Limited

Company Information

Directors	C J Byrne P J Byrne
Registered number	10379475
Registered office	6 Wharf Studios 28 Wharf Road London N1 7GR
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU
Bankers	Royal Bank of Scotland (Principal Banker) 63-65 Piccadilly London N1 7GR
	Lloyds Bank Plc 1 Silver Street Enfield EN1 3EE
	Handelsbanken Nicholas House River Front Enfield EN1 3TF

Ardmore Group Limited

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Ardmore Group Limited

Group Strategic Report
For the Period Ended 30 September 2017

Ardmore Group Limited was incorporated on 16 September 2016.

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 30 September 2017.

Principal activities, review of business and future developments

The Ardmore Group's principal activity is that of a main contractor for the construction of residential and commercial developments in the UK.

Nature of the business

In addition to the main construction operations, the group includes a manufacturing operation, as well as a mixed investment property portfolio.

The main contracting side of the Group, Ardmore Construction Ltd, has a geographic focus of London and the South East, with developments ranging from high end luxury apartments, hotel refurbishments and mixed residential schemes for private housebuilders and housing associations.

The manufacturing arm, Paddington Construction Ltd, supplies bespoke joinery, architectural steel and stonemasonry products. The sole consumer of these products is Ardmore Construction Ltd.

The subsidiary property group holds a portfolio of residential and light industrial properties that are occupied by the Group as well as third parties.

Business review

Early in the financial year the Company was involved in a Group reorganisation exercise. The aim of the reorganisation was to consolidate the number of companies that made up the Group and to create a structure that reflected the three distinct trading activities of Construction, Manufacturing and Property.

The reorganisation process involved the distribution of the investments in subsidiaries from Ardmore Construction Ltd to the Company as well as repositioning of Group reserves to reflect the needs of the businesses and the policies of the management.

Performance
The Board is pleased to see the Group reporting a record turnover of £371m for the year. This is a 22% increase on 2016 and is in line with an expected £374m, set at the start of its financial year. The increased turnover was driven largely by the awards of two residential projects in the second quarter of 2015 with a significant proportion of the works being delivered in the current year.

Having worked through the final low margin legacy contract, the Company has seen a further improvement in its gross margins from 5.8% in 2016 to 10.3% in 2017. This demonstrates the value of our revised approach to tendering, efficient delivery and conservative profit recognition policy. The reported margin should represent a baseline target for future contracts. This will ensure the Company remains in a position to be a reliable and financially stable contractor for its customers.

An increase in CITB levy and provision for overdue final retention has pushed up the overheads. The transfer of the administration functions of the plant, transport and scaffolding operations into the Company has also contributed to the increased overheads.

Business review (continued)

In assessing the recoverability of the related party debtor due from Ardmore Contracting (Ireland) Limited and Stylo Estates Limited the Board considered the fair value of the properties that underpinned these balances. The Board considered an updated report from a firm of Chartered Surveyors and the largely unfavourable outlook for the development of the principal site following the expiration of planning permission and less favourable outlook for the likely renewal of planning permission. The uncertainty surrounding Brexit and the border situation only adds to the difficulties of any development. In light of the poor prospects of recoverability the Board decided to make a further provision of £3.25m.

As reported in earlier years the amounts owed by Byrne Estates (Chatham) Limited is underpinned by the profits agreement linked to the eventual sale of the developed Chatham Quays. With the residential units now all sold and the commercial units largely rented the Board had expected to be in a position to receive a distribution of c.£4m. In the view of the Board an unexpected change in circumstances make this distribution unlikely before 2020. The Board have therefore made a provision of £1.8m to recognise the uncertainty in the amount of distribution expected as well as the uncertain timing of repayment due from Byrne Estates (Chatham) Limited

The two exceptional provisions noted above, together with relocation costs and profits/losses on the disposal of fixed assets gives rise to an exceptional charge of £4.3m in the year.

Although the Directors recognise this as an exceptional year of trading, they are pleased that it has not been overshadowed by the exceptional costs described earlier. Reporting operating profit of £15.0m in the year represents a significant improvement on 2016 where the operating profit £3.5m. Profits before tax in the year of £15.0m against a £2.9m profit for the same period in 2016 is again another improvement.

Cash and Working capital
It is pleasing to see the Group's cash position remains strong, particularly when you consider the difficulties commonly experienced by many businesses in a period of a sharp increased trading activities.

The increased trading activity in the year has pushed up the retentions held by customers for the contractual defect liability period. The Group remains committed to addressing any aftersales matters and therefore expects to fully recover these balances as they fall due.

Although creditors due within one year has increased, the Group's trading balances (trade creditors, subcontractor liabilities and accruals) all remain consistent with the balances at the end of 2016. The Company's prudent revenue recognition policy has contributed to the increase in creditors with payments on account pushing upwards.

Overall the Group's working capital management is very good but not at the expense of our supply chain. This is reflected in the company's credit score which remains good and with the planned upgrade to the payment systems and processes, we expect to build on recent improvements to the payment behaviour scores.

Net assets and reserves
The net assets at the balance sheet date of the Group sit at a healthy £37.8m. The Groups property portfolio provides a solid asset base. With only £1.1m of secured debt outstanding the loan to value ratio is very small.

The Group continues to work closely with their principal bankers RBS, Lloyds and Handlesbanken as well as their bond providers to ensure the Group has the necessary facilities to continue to trade successfully.

Outlook

The Economic outlook for the UK remains challenging. The apparent slow progress of the ongoing negotiation over Brexit seems to dominate investment decisions. Interest rates have nudged upwards and there is the expectation of additional increases but these are likely to be marginal. These uncertainties inevitably lead to customers delaying the award of contracts for the start of large projects.

The turbulence stemming from the unfavourable press coverage of the difficulties experienced by some of the more established contractors in the sector also affects decisions. Customers are understandably cautious over their choice of contractors.

The Board continues to be optimistic as the Group's activities are largely in London and the London economy has shown resilience over the years. The shortage in affordable housing in London remains and the UK government's policy on housing should encourage house building. The Group's established relationships with some of the leading Housing Associations and it's strong balance sheet (particularly its' cash position) means it is well placed to secure projects.

The outlook for the year to 30 September 2018 is likely to see the Group return to more normal trading levels with a turnover of c£290m expected. Further ahead, the pipeline has a number of opportunities with existing customers and for projects where it has a recognised track record.

Awards and People

Central to the company's mission is recognising the needs of the Client, People, and communities it works with; 2017 has been a busy year in terms of the people agenda and a number of key initiatives have been undertaken. These include:-

- Forming an Employee Representatives Forum
- Creating the Ardmore Academy which draws together all the training and development activities under one umbrella
- Revised both the Graduate and Apprenticeship Programmes

On the award front, a senior PM was confirmed as one of the top site managers in London after being presented with a prestigious Seal of Excellence at the 2017 NHBC Pride in the Job Awards. RAM Brewery was recognised at the Premier Guarantee National site awards, and we were awarded a bronze award for Health and Safety at the 2017 RoSPA awards.

In line with our 'Respect for People' policy, the Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continues employment and retraining of employees who become disabled whilst employed by the company.

With continued doubt surrounding the impact of Brexit on labour of all kind, we have to focus on growing internal talent and improving our management capabilities. That's why one of the big focus points of 2017 was the creation of the Ardmore Academy. Through this we can recognise the future talent of the business and help develop a training programme that aligns the needs of our best talent with the key objectives of the company. Upskilling, career development and offering opportunities to those often unrepresented form the core of our people agenda.

In addition to our internal agenda, we will be tackling Gender Pay Gap reporting, increasing the level of pension contributions and reviewing our Data Protection policy to meet legislative requirements.

In line with our 'Respect for People' policy we provide subsidised canteens at all of our sites with the same facilities being enjoyed by both management and workforce alike. The Company are committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the Company.

Health, Safety, Community and sustainability

The business holds health and safety, consideration of the community, and sustainability as core values.

For the first time this year the board set a reportable injury target of zero. This was achieved on some projects, including 1.3 million hours worked on our Chelsea Waterfront project without injury. Overall all projects, the frequency rate was 0.11 reportable injuries per 100,000 hours worked. To put this in context, with up to 3,200 people working on our sites all year, 9 received injuries that kept them off work for more than 7 days, with no injury life changing. However, we strive for zero.

Our engagement with the community is measured by audits conducted by the Considerate Constructors Scheme, that measures 5 key elements of performance: appearance, community, environment, safety, and workforce. Against a target of 40/50 this year, the business averaged 42, with many projects in the award winning range of 43-45.

Our main sustainability target is to recycle 95% of construction waste and send zero to landfill. This was achieved by only employing the best waste transfer companies that have the facilities to technically segregate and recycle waste streams. Ardmore is a zero waste to landfill company.

This report was approved by the board on 19 December 2017 and signed on its behalf.

P J Byrne
Director

Directors' Report
For the Period Ended 30 September 2017

The company was incorporated on 16 September 2016. The directors present their report and the financial statements for the period ended 30 September 2017.

Principal activities, review of business and future developments

The Group performed a restructure on 20 October 2016, with Ardmore Group Limited acquiring the total share capital of Ardmore Construction Limited in a share for share exchange, subsequently Ardmore Construction Limited transferred all its subsidiaries to Ardmore Group Limited.

The Ardmore Group's principal activity is that of a main contractor for the construction of residential and commercial developments in the UK.

See page 1 for the strategic report which covers the business update, including a business review, outlook, awards and people.

Results and dividends

The Group profit for the period, after taxation, amounted to £11,151,863 (2016 - £2,378,148).

The directors approved an interim dividend of £1.43 (2016 - £Nil) per ordinary share and £11,222.22 per ordinary B share for the year ended 30 September 2017. No final dividend is proposed.

Principal risks and uncertainties

The Group continues to operate within specific policies, agreed by the board, to control and monitor risks within the Group. The primary areas of risk are as follows:

Credit risk
The Group's financial assets are contract debtors and other receivables. All new clients are referenced with reputable credit reporting agencies. Across the Group contract debtors are regularly reviewed whereby any variance from agreed terms is immediately reported.

Liquidity risk
The Group maintains appropriate funding levels relative to the level of current and future requirements arising from the Group's strategy. Cash flow forecasts are prepared and are closely monitored. Having performed detailed analysis, we consider the degree of headroom within our current facilities to be adequate.

Market risk
The Group is aware of the risks inherent in the current market place which stem from wider economic issues facing the global economy. As such we continue to monitor closely our secured order books and prepare twelve month flexed forecasts focusing on the implications for liquidity and profitability. These are closely monitored by the board with remedial action taken as and when required.

Operational risk
The Group recognises the risks involved in the various stages of project completion. Budgets are prepared for all projects prior to commencement, with detailed planning performed in advance to support the operations on site. All projects are closely monitored via monthly Cost Valuation Reporting mechanisms with action taken where any variations are identified.

Going concern

The Directors have reviewed the cash flow projections for the Company and Group in light of the current economic conditions and have considered the financial resources of the Company and Group, having regard to additional resources available to related undertakings to support the related party indebtedness. Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue operations for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Post statement of financial position events

No material events have arisen since the reporting date which require disclosure.

Directors

The directors who served during the period and to the date of this report were:

C J Byrne
P J Byrne

Disclosure of information to auditors

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

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

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 19 December 2017 and signed on its behalf.

P J Byrne
Director

Ardmore Group Limited

Directors' Responsibilities Statement
For the Period Ended 30 September 2017

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

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

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

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

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

Independent Auditors' Report to the Members of Ardmore Group Limited

Opinion

We have audited the financial statements of Ardmore Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the period ended 30 September 2017 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2017 and of the Group's profit and the Parent Company's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent 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 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.

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 the audit:

- the information given in the Strategic report and Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 Director's report.

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

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

Independent Auditors' Report to the Members of Ardmore Group Limited (continued)

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 determines 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

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.

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 at the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BDO LLP

Kieran Storan (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

19 December 2017
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Ardmore Group Limited

Consolidated Statement of Comprehensive Income
For the Period Ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	**370,733,010**	303,575,847
Cost of sales		**(332,053,853)**	(285,732,858)
Gross profit		**38,679,157**	17,842,989
Administrative expenses		**(20,300,216)**	(15,108,467)
Profit on disposal of investment property and PPE	6	**1,204,029**	549,927
Other operating income		**219,490**	163,551
Fair value movement on revaluation of investment property	6	**713,956**	860,653
Exceptional administrative expenses	6	**(5,489,176)**	(839,000)
Operating profit	5	**15,027,240**	3,469,653
Interest receivable and similar income	9	**134,931**	10,611
Interest payable and expenses	10	**(125,968)**	(638,673)
Movement in interest swap		**-**	63,683
Profit before taxation		**15,036,203**	2,905,274
Tax on profit	11	**(3,884,340)**	(527,126)
Profit for the financial period		**11,151,863**	2,378,148
Unrealised surplus on revaluation of tangible fixed assets		**604,153**	1,643,957
Other comprehensive income for the period		**604,153**	1,643,957
Total comprehensive income for the period		**11,756,016**	4,022,105
Profit for the period attributable to:			
Owners of the parent company		**11,151,863**	2,378,148
		11,151,863	2,378,148

The notes on pages 20 to 46 form part of these financial statements.

Ardmore Group Limited
Registered number: 10379475

Consolidated Statement of Financial Position
As at 30 September 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	14		**3,707**		43,939
Tangible assets	15		**25,074,629**		23,973,474
Investments	16		**1**		1
Investment property	17		**18,572,105**		14,282,523
			43,650,442		38,299,937
Current assets					
Stocks	18	**5,611,528**		5,991,909	
Debtors: amounts falling due after more than one year	19	**23,505,325**		14,699,429	
Debtors: amounts falling due within one year	19	**34,377,499**		57,718,994	
Cash at bank and in hand	20	**96,637,793**		49,948,428	
		160,132,145		128,358,760	
Current liabilities					
Creditors: amounts falling due within one year	21	**(157,582,382)**		(126,677,767)	
Net current assets			**2,549,763**		1,680,993
Total assets less current liabilities			**46,200,205**		39,980,930
Creditors: amounts falling due after more than one year	22		**(7,128,706)**		(10,372,264)
Provisions for liabilities					
Deferred taxation	26		**(1,310,740)**		(1,084,009)
Net assets			**37,760,759**		28,524,657

Ardmore Group Limited
Registered number: 10379475

Consolidated Statement of Financial Position (continued)
As at 30 September 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital	27	**358,956**	358,776
Share premium account	28	**11,520**	-
Revaluation reserve	28	**11,858,236**	13,227,281
Merger reserve	28	**3,053,437**	3,053,437
Profit and loss account	28	**22,478,610**	11,885,163
		37,760,759	28,524,657

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2017.

P J Byrne
Director

The notes on pages 20 to 46 form part of these financial statements.

Ardmore Group Limited
Registered number: 10379475

Company Statement of Financial Position
As at 30 September 2017

	Note	2017 £	2017 £
Fixed assets			
Investments	16		534,422
Current assets			
Debtors: amounts falling due within one year	19	21,012,529	
Cash at bank and in hand	20	44,036,884	
		65,049,413	
Current liabilities			
Creditors: amounts falling due within one year	21	(51,845,265)	
Net current assets			13,204,148
Total assets less current liabilities			13,738,570
Net assets			13,738,570
Capital and reserves			
Called up share capital	27		358,956
Share premium account	28		11,520
Profit for the period		15,899,708	
Other changes in the profit and loss account		(2,531,614)	
Profit and loss account carried forward			13,368,094
			13,738,570

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1[illegible] December 2017.

P J Byrne
Director

The notes on pages 20 to 46 form part of these financial statements.

Ardmore Group Limited

Consolidated Statement of Changes in Equity
For the Period Ended 30 September 2017

	Called up share capital	Share premium account	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2016	358,776	-	13,227,281	3,053,437	11,885,163	28,524,657
Comprehensive income for the period						
Profit for the period	-	-	-	-	11,151,863	11,151,863
Unrealised surplus on revaluation of tangible fixed assets	-	-	604,153	-	-	604,153
Total comprehensive income for the period	-	-	604,153	-	11,151,863	11,756,016
Dividends (see note 12)	-	-	-	-	(2,531,614)	(2,531,614)
Shares issued during the period	180	11,520	-	-	-	11,700
Transfer on disposal of investment property	-	-	(2,687,154)	-	2,687,154	-
Gain from changes in fair value of investment property	-	-	713,956	-	(713,956)	-
Total transactions with owners	180	11,520	(1,973,198)	-	(558,416)	(2,519,914)
At 30 September 2017	358,956	11,520	11,858,236	3,053,437	22,478,610	37,760,759

Ardmore Group Limited

Consolidated Statement of Changes in Equity
For the Period Ended 15 September 2016

	Called up share capital	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2015	358,776	13,185,920	3,053,437	7,904,419	24,502,552
Comprehensive income for the period					
Profit for the period	-	-	-	2,378,148	2,378,148
Unrealised surplus on revaluation of tangible fixed assets	-	1,643,957	-	-	1,643,957
Total comprehensive income for the period	-	1,643,957	-	2,378,148	4,022,105
Transfer re unrealised property gains	-	860,653	-	(860,653)	-
Transfer re realised property gains on disposal	-	(2,463,249)	-	2,463,249	-
Total transactions with owners	-	(1,602,596)	-	1,602,596	-
At 30 September 2016	358,776	13,227,281	3,053,437	11,885,163	28,524,657

The notes on pages 20 to 46 form part of these financial statements.

Ardmore Group Limited

Company Statement of Changes in Equity
For the Period Ended 30 September 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Comprehensive income for the period				
Profit for the period	-	-	15,899,708	15,899,708
Total comprehensive income for the period	-	-	15,899,708	15,899,708
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(2,531,614)	(2,531,614)
Shares issued during the period	358,956	11,520	-	370,476
Total transactions with owners	358,956	11,520	(2,531,614)	(2,161,138)
At 30 September 2017	358,956	11,520	13,368,094	13,738,570

Ardmore Group Limited

Consolidated Statement of Cash Flows
For the Period Ended 30 September 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial period	**11,151,863**	2,378,148
Adjustments for:		
Amortisation of intangible assets	**40,232**	89,382
Depreciation of tangible assets	**636,223**	867,594
Loss on disposal of tangible assets	**(1,204,029)**	(545,511)
Interest paid	**125,968**	638,673
Interest received	**(134,931)**	(10,611)
Taxation charge	**3,884,340**	527,126
Decrease in stocks	**380,381**	4,800,547
Decrease/(increase) in debtors	**14,815,649**	(13,421,699)
Increase in creditors	**28,496,233**	45,346,672
Net fair value (gains) recognised in P&L	**(713,956)**	(860,653)
Corporation tax (paid)/received	**(2,075,407)**	12,080
Exceptional item	**5,125,000**	-
Net cash generated from operating activities	**60,527,566**	39,821,748
Cash flows from investing activities		
Purchase of tangible fixed assets	**(8,861,709)**	(371,477)
Sale of tangible fixed assets	**-**	6,233,043
Sale of investment properties	**-**	212,500
Interest received	**134,931**	10,611
HP interest paid	**(4,353)**	(7,675)
Net cash from investing activities	**(8,731,131)**	6,077,002

Ardmore Group Limited

Consolidated Statement of Cash Flows (continued)
For the Period Ended 30 September 2017

	2017 £	2016 £
Cash flows from financing activities		
Issue of ordinary shares	**11,700**	-
Repayment of loans	**(2,563,860)**	(6,798,283)
Repayment of/new finance leases	**(43,297)**	58,375
Dividends paid	**(2,531,614)**	-
Interest paid	**(121,615)**	(831,007)
Net cash used in financing activities	**(5,248,686)**	(7,570,915)
Net increase in cash and cash equivalents	**46,547,749**	38,327,835
Cash and cash equivalents at beginning of period	**49,948,428**	11,620,593
Cash and cash equivalents at the end of period	**96,496,177**	49,948,428
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	**96,637,793**	49,948,428
Bank overdrafts	**(141,616)**	-
	96,496,177	49,948,428

1. General information

Ardmore Group Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The group accounts consolidate the accounts of the company and its interests in subsidiaries. During the year there was a group reorganisation that introduced Ardmore Group Limited as the new parent company for the group. This has been accounted for using merger accounting principles.

Ardmore Group Limited was incorporated on 16 September 2016 and had its first accounting period end on 30 September 2017. The 31 September 2016 comparative consolidated figures reported are the subsidiaries results for the year to 30 September 2016, and have been included so as to provide a continuous record for the combined group. There is no duplication of the Ardmore Group Limited's company results as the company did not trade in the period from incorporation to 30 September 2016.

Where the acquisition method is used, the results of the subsidiary undertakings are included from the date of acquisition.

2.3 Merger accounting

Where merger accounting is used, the investment is recorded in the company's balance sheet at the nominal value of the shares issued together with the fair value of any additional consideration paid.

In the group financial statements, merged subsidiary undertakings are treated as if they had always been a member of the group. The results of such a subsidiary are included for the whole period in the year it joins the group. The corresponding figures for the previous year include its results for that period, the assets and liabilities at the previous balance sheet date and the shares issued by the company as consideration as if they had always been in issue. Any differences between the nominal value of the shares acquired by the company and those issued by the company to acquire them os taken to reserves.

2. Accounting policies (continued)

2.4 Turnover

Turnover represents consideration receivable net of VAT and discounts on the following group activities:

Construction contracts

Construction contracts turnover represents revenue received from construction work carried out in the year and includes an appropriate proportion of revenue receivable from construction contracts which are recognised by reference to the stage of completion of the contract at the balance sheet date as measured by the company's surveyors in liaison with third parties.

Variations in contract work and claims are included in the assessment of a contract position to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

Sale of goods and buildings services

Goods and services turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Sale of development property

Turnover from the sale of development properties is recognised at the point the sale is legally complete or binding on the company.

Investment property rental income

Rental income is recognised at the end of the month in which it relates to.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Intangible fixed assets represent external software development costs which meet the capitalisation criteria and are amortised over three years.

2.6 Tangible fixed assets

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

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:.

Freehold property	- over 50 years straight line
Plant and machinery	- 15% reducing balance
Motor vehicles	- 20% reducing balance
Fixtures and fittings	- 15% reducing balance
Leasehold improvements	- 7 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Investment property

Investment property is carried at fair value determined annually with reference to external valuations and internal experts and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

Investment property held in individual entity financial statement as investment property in which the asset is used by other group companies are transferred to freehold property on consolidation to reflect the usage by the group.

2.9 Valuation of investments

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

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

Cost of stock properties is calculated at the original purchase cost together with other attributable costs of the purchase.

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses.

The amount of long term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in work in progress and stock as long term contract balances. The amount by which recorded turnover is in excess of payments on account is included in debtors as amounts recoverable on long term contracts. Payments in excess of recorded turnover and long term contract balances are included in creditors as payments received on account on long term contracts. The amount by which provisions or accruals for foreseeable losses exceed costs incurred, after transfers to cost of sales, is included within either provisions for liabilities and charges or creditors, as appropriate.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment

2.12 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.13 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Derivatives, including interest rate swaps, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate derivatives.

The Group uses variable to fixed interest rate swaps to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date.

Debt instruments that are payable or receivable within one year, typically trade payables or

2. Accounting policies (continued)

2.13 Financial instruments (continued)

receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

2.14 Creditors

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

2.15 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.16 Finance costs

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

2. Accounting policies (continued)

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.18 Operating leases: the group as lessor

Rentals income from operating leases is credited to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

2.19 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.21 Interest income

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

2.22 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

2. Accounting policies (continued)

2.23 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.24 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.25 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessor are operating leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred to the lessee on a lease by lease basis.
- Determine the expected future profitability in respect of long term contracts, on a contract by contract basis, to recognise the appropriate stage of completion and profits as the project progresses. The directors employ chartered surveyors who work closely on the projects, together with regular update meetings with the senior finance team, to critically assess the current and expected positions to enable them to make these judgements.
- Determine the recoverability of trade and other debtors, retention balances, related party debtors and amounts recoverable on contracts. The directors and senior finance team monitor the recoverability, cash collection trends and creditworthiness of customers and make or reverse specific provisions where necessary.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 15)

  Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment property (see note 17)

  Investment properties are valued currently by the directors using a yield methodology. This uses estimates of the likely sales proceeds upon disposal of the properties but there is an inevitable degree of judgement included.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Construction contracts	**370,012,970**	302,855,763
Investment property rental income	**720,040**	720,084
	370,733,010	303,575,847

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	**370,733,010**	303,575,847
	370,733,010	303,575,847

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	**636,223**	867,594
Amortisation of intangible assets, including goodwill	**40,232**	89,382
Fees payable to the group's auditor for the audit of the company's annual financial statements	**23,430**	-
- The audit of the group's subsidiaries pursuant to legislation	**149,670**	197,560
- Taxation compliance services	**46,500**	49,500
- Taxation advisory services	**29,748**	108,730
- Other services	**37,240**	-
Defined contribution pension cost	**283,281**	243,437
Exceptional items (see note 6)	**4,285,147**	289,073

6. Exceptional items

	2017 £	2016 £
Provision against amounts due from related undertakings (see note 19)	**5,125,000**	839,000
Head office relocation costs	**364,176**	-
(Profit)/loss on disposal of freehold properties	**(1,448,330)**	(915,960)
Loss on disposal of plant and machinery	**244,301**	366,033
	4,285,147	289,073

During the year the group disposed of freehold properties which generated a profit on disposal of £1,448,330 (2016 - £915,960) and plant and machinery which generated a loss of £244,301 (2016 - £366,033).

The Group provided £5,125,000 in the year (2016 - £839,000) in relation to debts due from related parties, which comprise £3,250,000 (2016 - £Nil) relating to amounts due from Ardmore Contracting (Ireland) Limited (see note 30) and £1,875,000 (2016 - £839,000) relating to amounts due from Byrne Estates (Chatham) Limited (see note 19).

7. Employees

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

	2017 £	2016 £
Wages and salaries	**20,109,130**	18,555,458
Social security costs	**1,672,251**	1,560,141
Cost of defined contribution scheme	**283,281**	243,437
	22,064,662	20,359,036

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. Contributions totalling £Nil (2016 - £Nil) were payable to the fund at the reporting date.

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

	2017 No.	2016 No.
Directors	**3**	3
Production and technical	**223**	206
Administrative	**127**	101
	353	310

The company has no employees other than the 3 directors. Company staff costs were therefore £1,631,900 and social security costs were £225,202.

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**1,631,900**	1,631,900

The highest paid director received remuneration of £705,932 (2016 - £769,400). During the year awards were granted under the Group's employee benefit trust totalling £1,411,864 (2016 - £1,488,818) to the directors.

9. Interest receivable

	2017 £	2016 £
Other interest receivable	**134,931**	10,611
	134,931	10,611

10. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	**67,844**	412,791
Other loan interest payable	**14,124**	92,876
Finance leases and hire purchase contracts	**4,352**	7,675
Other interest payable	**39,648**	125,331
	125,968	638,673

11. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	**3,657,609**	348,955
Adjustments in respect of previous periods	**-**	28,901
Total current tax	**3,657,609**	377,856
Deferred tax		
Origination and reversal of timing differences	**226,731**	149,270
Taxation on profit on ordinary activities	**3,884,340**	527,126

11. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	**15,036,205**	6,193,188
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	**2,932,060**	1,238,638
Effects of:		
Expenses not deductible for tax purposes	**999,375**	377,201
Utilisation of tax losses brought forward	**(42,983)**	(237,206)
Unrecognised timing differences carried forward	-	66,973
Adjustments to tax charge in respect of prior periods	-	28,901
Difference on properties revaluation tax base	**(842,808)**	(829,714)
Movement in deferred tax rate	**(38,403)**	(28,042)
Capital gains	-	(183,192)
Other	**877,099**	93,567
Total tax charge for the period	**3,884,340**	527,126

Factors that may affect future tax charges

Certain group companies have tax losses available for offset against future profits of approximately £10,180,000 (2016 - £11,750,000). The potential deferred tax asset of £1,730,600 (2016 - £2,000,000) using a rate of 17% (2016 - 17%) has not been provided for in respect of these losses.

12. Dividends

	2017 £	2016 £
Ordinary		
Interim paid of £1.43 per ordinary share	**511,614**	-
B Ordinary		
Interim paid of £11,222.22 per ordinary share	**2,020,000**	-
	2,531,614	-

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the period was £15,899,708 (2016 - £NIL).

14. Intangible assets

Group and Company

	Software development £
Cost	
At 1 October 2016	**199,982**
At 30 September 2017	**199,982**
Amortisation	
At 30 September 2016	**156,043**
Charge for the year	**40,232**
At 30 September 2017	**196,275**
Net book value	
At 30 September 2017	**3,707**
At 30 September 2016	43,939

15. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 October 2016	21,648,468	8,373,112	1,331,476	1,960,798	33,313,854
Additions	7,539,000	1,149,064	-	173,645	8,861,709
Disposals	(3,877,538)	(1,505,971)	(319,788)	(287,101)	(5,990,398)
Transfers between classes	(3,575,625)	-	-	-	(3,575,625)
Revaluations	604,153	-	-	-	604,153
At 30 September 2017	22,338,458	8,016,205	1,011,688	1,847,342	33,213,693
Depreciation					
At 1 October 2016	184,881	6,507,265	982,641	1,665,593	9,340,380
Charge for the period	-	558,139	64,539	13,545	636,223
Disposals	-	(1,338,102)	(276,100)	(223,336)	(1,837,538)
At 30 September 2017	184,881	5,727,302	771,080	1,455,802	8,139,065
Net book value					
At 30 September 2017	22,153,577	2,288,903	240,608	391,540	25,074,628
At 30 September 2016	21,463,587	1,865,847	348,835	295,205	23,973,474

The freehold properties totalling £22,153,577 have been valued at open market value at 30 September 2017 by C J Byrne and P J Byrne, who are directors of the company. In line with the valuation policy, where the difference between the valuation and the carrying value of the property was significant then the revaluation has been applied to the carrying value. The last full valuation was carried out on 30 September 2016. The directors are qualified to make valuations on the basis of their knowledge of the commercial property market. In making the valuation the directors have considered the value in use of the properties and the present market conditions.

16. Fixed asset investments

Group

	Investment in joint venture £
Cost or valuation	
At 1 October 2016	1
At 30 September 2017	1
Net book value	
At 30 September 2017	1
At 30 September 2016	1

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Ardmore Construction Limited	Ordinary	100 %	General builder
Systemhaven Limited	Ordinary	100 %	Holding company
Byrne Estates (Kensal Green) Limited	Ordinary	100 %	Property development
Byrne Properties Limited	Ordinary	100 %	Property investment & development
Celebration Homes Limited	Ordinary	100 %	Property investment & development
British Contractors Plant Limited	Ordinary	100 %	Dormant
Paddington Construction Limited	Ordinary	100 %	Manufacturing

The registered office of the above subsidiaries and the dormant subsidiaries shown overleaf is the same as that shown on the company information page in respect of the parent.

16. Fixed asset investments (continued)

Dormant subsidiary undertakings

The following were dormant subsidiary undertakings of the company, which the company intends to strike of post year end

Name	Class of shares	Holding	Principal activity
Listria Limited	Ordinary	100 %	Dormant
Byrne Construction Limited	Ordinary	100 %	Dormant
BCL Rail Services Limited	Ordinary	100 %	Dormant
CMP Recruitment Limited	Ordinary	100 %	Dormant
CPC Mechanical and Engineering Limited	Ordinary	100 %	Dormant
Lintelcourt Limited	Ordinary	100 %	Dormant

Participating interests

The Group's interest in joint ventures is represented by a 50% interest in the ordinary share capital of Ardmore First Base Partnership Limited, a company incorporated in the United Kingdom, which is dormant.

Company

	Investments in subsidiary companies £
Cost	
Additions	**5,090,205**
At 30 September 2017	**5,090,205**
Impairment	
Charge for the period	**4,555,783**
At 30 September 2017	**4,555,783**
Net book value	
At 30 September 2017	**534,422**

As part of the group restructure, the Company acquired the subsidiaries as listed above, and restructured the capital as part of a capital reduction. In the accounts of Ardmore Group Limited as a single entity, provisions have been made against the additional investment made during the year in CMP Recruitment Limited and Paddington Construction Limited.

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 October 2016	**14,282,523**
Surplus on revaluation	**713,956**
Transfers between classes	**3,575,625**
At 30 September 2017	**18,572,104**

The Group's investment properties totalling £18,572,104 (2016 - £14,282,523) have been valued at fair market value at 30 September 2017 by C J Byrne and P J Byrne, who are directors of the Company. The directors are qualified to make valuations on the basis of their knowledge of the commercial property market. In making the valuation the directors have considered the value in use of the properties and the present market conditions.

The Group had annual lessor income commitments on its externally rented investment properties of £735,000 (2016 - £865,000).

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 £	2016 £
Historic cost	**14,214,555**	13,640,866

18. Stocks

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	**2,184,486**	3,119,869	-	-
Work in progress	**1,456,103**	880,316	-	-
Finished goods and goods for resale	**58,273**	79,058	-	-
Development properties	**1,912,666**	1,912,666	-	-
	5,611,528	5,991,909	-	-

The difference between purchase price or production cost of stocks and their replacement cost is not material, with the exception of development properties as below.

Stock recognised in cost of sales during the year as an expense was £53,730,219 (2016 - £50,154,231).

Development properties are held at cost less provision for impairment. The properties were valued by the directors at open market value at 30 September 2017 at £5,478,000 (2016 - £5,478,000).

19. Debtors

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Due after more than one year				
Trade debtors	**23,505,325**	14,699,429	-	-
	23,505,325	14,699,429	-	-

Trade debtors due after more than one year relate to retentions due under normal terms on long term contracts.

	Group	Group	Company	Company
	2017	2016	2017	2016
	£	£	£	£
Due within one year				
Trade debtors	**8,674,101**	19,500,894	-	-
Amounts owed by group undertakings	-	-	**21,012,529**	-
Amounts owed by related parties	**6,463,131**	11,500,642	-	-
Other debtors	**9,579,035**	5,252,051	-	-
Prepayments and accrued income	**541,628**	457,793	-	-
Amounts recoverable on long term contracts	**9,119,604**	21,007,614	-	-
	34,377,499	57,718,994	**21,012,529**	-

19. Debtors (continued)

Amounts owed by related parties (net of provisions) includes £3,036,615 (2016 - £5,152,000) due from Byrne Estates (Chatham) Limited "Chatham", a related party by virtue of common control. The directors, who have a common interest in the Ardmore Group and Chatham, have recognised a provision of £1,875,000 (2016 - £839,000) against the debt during the year to reflect the uncertainty over the anticipated timing of recovery and have discounted the amount due at 7.5% for three years.

The recoverability of this asset is dependent on the profits forecast to be achieved by Chatham as a result of its participation with Chatham Quays Residential Limited (CQRL) and Chatham Quays Commercial Limited (CQCL) in an agreement linked to the sale of developed residential properties by CQRL along with profits forecast on a supplementary agreement linked to additional commercial property with CQCL. Under the agreements Chatham is entitled to a share of the profits achieved from the sale or rentals of the properties on completion of the disposal of the portfolio. The directors best estimate of the level of profits expected to be achieved through these agreements, less relevant expenditure, is forecast to be sufficient to recover the debt although the timing of repayments is uncertain. It should be noted that while the directors are confident of achieving a sufficient level of profitability under these agreements, this is dependent on the liquidity of the local property market and rental agreements achieved at the time of disposal.

20. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	**96,637,793**	49,948,428	**44,036,884**	-
Less: bank overdrafts	**(141,616)**	-	-	-
	96,496,177	49,948,428	**44,036,884**	-

21. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank overdrafts	141,616	-	-	-
Bank loans	106,989	498,899	-	-
Payments received on account	9,397,176	3,844,053	-	-
Trade creditors	7,740,278	7,539,761	-	-
Subcontractor liabilities	37,260,292	33,568,484	-	-
Amounts owed to group undertakings	-	-	51,798,359	-
Corporation tax	1,960,464	378,261	46,906	-
Other taxation and social security	2,037,610	1,073,401	-	-
Obligations under finance lease and hire purchase contracts	30,684	43,297	-	-
Other creditors	35,068,055	13,178,843	-	-
Accruals and deferred income	63,839,218	66,340,572	-	-
Interest rate swaps	-	212,196	-	-
	157,582,382	126,677,767	51,845,265	-

The company's bank loans and overdrafts are secured by a fixed and floating charge over the assets of the company and certain group companies as well as other guarantees as detailed in note 33.

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Bank loans	1,024,107	2,983,861	-	-
Net obligations under finance leases and hire purchase contracts	19,165	49,849	-	-
Subcontractor liabilities	6,085,434	7,338,554	-	-
	7,128,706	10,372,264	-	-

23. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Amounts falling due within one year				
Bank loans	**106,989**	498,899	-	-
Amounts falling due 1-2 years				
Bank loans	**108,578**	511,475	-	-
Amounts falling due 2-5 years				
Bank loans	**333,805**	1,780,157	-	-
Amounts falling due after more than 5 years				
Bank loans	**581,724**	692,229	-	-
	1,131,096	3,482,760	-	-

The bank loans due in more than five years relate to mortgages on various freehold properties. Interest is charged on these loans at base rate plus a margin at rates between 1.6% and 3.2% per annum. The group entered into two interest rate swaps in 2011 at base rate plus 1.1% with a fixed rate of 4.04%. One swap was repaid in the prior year and the other repaid in the current year. No swaps remain at the reporting date.

24. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Group 2016 £
Within one year	**30,684**	43,297
Between 1-2 years	**19,165**	49,849
	49,849	93,146

25. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £
Financial assets			
Financial assets that are debt instruments measured at amortised cost	**153,596,617**	121,667,513	**65,049,413**
	153,596,617	121,667,513	**65,049,413**
Financial liabilities			
Financial liabilities measured at amortised cost	**(151,315,837)**	(135,404,470)	**(51,798,359)**
Derivative financial instruments designated as hedges of variable interest rate risk	**-**	(212,196)	**-**
	(151,315,837)	(135,616,666)	**(51,798,359)**

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed by group undertakings, other debtors and amounts owed by related parties

Financial Liabilities measured at amortised cost comprise trade creditors, accruals, payments received on account, hire purchase liabilities, amounts owed to group undertakings, bank and other loans.

Derivative financial instruments designated as hedges of variable interest rate risk are the fair value of cash flow swaps.

26. Deferred taxation

Group

	2017 £	2016 £
At beginning of year	**(1,084,009)**	(934,738)
Charged to profit or loss	**(226,731)**	(149,271)
At end of year	**(1,310,740)**	(1,084,009)

26. Deferred taxation (continued)

	Group 30 September 2017 £	Group 30 September 2016 £
Accelerated capital allowances	**(54,838)**	(28,382)
Rollover relief on disposed property	**(548,582)**	-
Revaluation of properties	**(707,320)**	(1,055,627)
	(1,310,740)	(1,084,009)

27. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
358,776 A Ordinary shares of £1 each	**358,776**	358,776
180 B Ordinary shares of £1 each	**180**	-
	358,956	358,776

The company was incorporated with share capital of 1 Ordinary share of £1 at par. On 7 December 2016 the company acquired Ardmore Construction Limited as part of a group reorganisation. As consideration of Ardmore Construction Limited, the company transferred the total share capital of 358,776 Ordinary shares of £1.

On 30 January 2017 the company alloted share capital of 180 B Ordinary shares of £1 at a consideration of £11,700. The B shares do not carry voting rights, or participation rights in the event of a winding up, other than a return of nominal value, but do not have a separate dividend entitlement.

28. Reserves

Revaluation reserve

This reserve represents the accumulated unrealised gains in respect of investment properties.

Merger Reserve

This reserve arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

Profit and loss account

This reserve represents cumulative profits or losses, net of dividends paid and other adjustments. Included in the Company profit and loss account are non-distributable reserves of £9,281,484 (2016 - £9,281,484).

Called up share capital

This reserve represents the nominal value of the shares issued.

29. Contingent liabilities

The Directors have accrued for costs based on their best estimate of known claims, investigations and legal actions in progress. The Company takes legal advice as to the potential outcomes of claims and actions and no provision is made where the directors consider, based on that advice, that the action is unlikely to succeed, or that the Company cannot make a sufficiently reliable estimate of the potential obligation.

The company made payments to overseas trusts in 2007 and 2008 relating to interest on outstanding loans. HMRC have challenged whether withholding tax should have been deducted from the payments made and were successful in this challenge at a First Tier Tribunal hearing in 2014 and subsequent appeal. As a consequence the Company paid £1,016,000 which has been offset against outstanding amounts due to the trusts as noted in note 30 of the financial statements. The company appealed the above decision of the tribunal with the Upper Tribunal hearing in 2015 which found in HMRC's favour. The company has appealed the decision of the Upper Tribunal to the Court of Appeal which is expected to be heard in early 2018. If successful the Company would recover the withholding tax and interest paid of £215,000 together with a contribution towards costs incurred as well as HMRC costs not being payable.

30. Related party transactions

During the year the group and company entered into transactions and outstanding balances with the following companies, which are within the definition of related parties, due to being under common control of C J Byrne & P J Byrne or their trusts. Movements relate to cash movements unless otherwise stated.

	Group 2017 £	Group 2016 £
Amounts due from/(to) related party (net of provisions)		
Byrne Estates (Chatham) Limited	3,153,483	5,151,642
Byrne Estates Limited	21,538	110,320
Ardmore Contracting (Ireland) Limited	1,701,282	4,930,492
Stylo Estates Limited	1,560,802	1,510,607
Georgia Properties Limited	6,813	6,642
PAC Scaffolding Limited	1,500	1,500
Chatham J5 Construction Limited	-	(228,274)
Continental Trust Company Limited	17,713	17,713
	6,463,131	11,500,642

During the year the Group increased its provision against amounts due from Byrne Estates (Chatham) Limited by £1,875,000 (2016 - £839,000), to reflect uncertainty over the timing and amount of the eventual profit share forecast to be achieved, see note 19.

During the year the Group made a provision of £3,250,000 against amounts due from Ardmore Contracting (Ireland) Limited, due to uncertainty over recoverability. The directors have reassessed the development potential of the properties against which the recoverability of the debt is dependant. Following the unlikely renewal of certain planning permissions together with continued uncertainty over the Irish economy, and the impact of Brexit the directors consider it prudent to make provisions against the amounts due. The directors of Ardmore Contracting (Ireland) Limited are currently reviewing the strategic options of that company and property portfolio.

Amounts owing from trusts based in Gibraltar (of which C J and P J Bryne are the beneficiaries) at the year end totalled £1,952,025 (2016 - £3,363,890) and were included in other debtors. Amounts owed to the group are on an interest free basis.

During the prior year, the Trusts to which the remaining creditor was due was dissolved, with the balance of £2,174,499 transferred to P J Byrne and C J Byrne.

At the balance sheet date there were amounts due to C J Byrne and P J Byrne totalling £1,752,507 (2016 - £3,139,271).

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £2,448,121 (2016 - £2,452,500) including EBT awards of £1,411,864 (2016 - £1,488,818).

On 20 October 2016 the company acquired the share capital of Ardmore Construction Limited following a share for share transfer. On the same day, Ardmore Construction Limited disposed of its interest in all its subsidiaries to Ardmore Group Limited as part of a share for share exchange which resulted in Ardmore Group Limited becoming the parent company of these entities.

31. Post balance sheet events

No material events have arisen since the reporting date which require disclosure.

32. Controlling party

Ultimate control of the group and company rests with the directors and shareholders C J Byrne and P J Byrne directly and via trusts in which they are beneficiaries.

33. Guarantees

The group has entered into an unlimited cross guarantee in respect of an overdraft facility secured over all of the assets of BCL Rail Services Limited, Byrne Construction Limited, British Contractors Plant Limited, Paddington Construction Limited, Lintelcourt Limited, CPC Mechanical & Electrical Services Limited and CMP Recruitment Limited. The net indebtedness of the above companies in respect of the overdraft facility at 30 September 2017 was £Nil (2016 - £Nil).

C J Byrne and P J Byrne have together provided personal guarantees in respect of the overdraft facility to the sum of £500,000 (2016 - £500,000). The life assurance policy for C J Byrne held by Ardmore Construction Limited and the policy for P J Byrne held by Paddington Construction Limited have been assigned to the lender as part of the overdraft guarantee.