

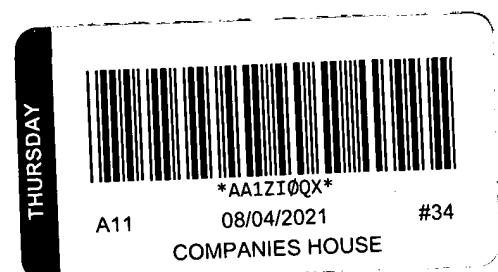
## **Ardmore Group Limited**

Annual Report and Financial Statements

Year Ended

30 September 2020

Company Number 10379475



# Ardmore Group Limited

## Company Information

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<b>Directors</b>	C J Byrne P J Byrne
<b>Registered number</b>	10379475
<b>Registered office</b>	6 Wharf Studios 28 Wharf Road London N1 7GR
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>Bankers</b>	Natwest Group (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 Year Ended 30 September 2020**

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The Directors present their strategic report together with the audited financial statements of the Company, together with its subsidiaries (the "Ardmore Group") for the year ended 30 September 2020.

### **Principal activities**

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, to 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.

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**

The Board's expectation at the start of the financial to 30th September 2020 was one of optimism tempered with concern; the anticipation of what was expected to be a record year's output for the Group contrasted with the uncertainty over a general election, its impact on Brexit and the UK construction sector. By the end of the first quarter the Group posted results broadly in line with forecast and the UK Government was elected with a near landslide majority. Pleasing corporate results and the path to Brexit seemed clearer than it did in any of the previous three years. For the remaining three quarters of the year the challenges of work during a pandemic dominated the business life.

### **Performance**

Turnover increased from £211m in 2019 to £273m this year. This increase is as much attributable to starting from a low base (political uncertainty around Brexit slowing the building sector) as it is to an exceptional year. Indeed, the output for the year was expected to be nearer £400m but for the trials triggered by Coronavirus.

Although margins are down from 15.8% in 2019 to 10.4% in the year, it was largely driven by the stages of project completion, and was therefore anticipated. The additional cost of the changes to working practices has, in a small part, contributed to the weaker margin.

The manufacturing activities of the Group continues to improve following restructuring in 2018 and together with the property group, they both remain contributors to the overall profitability of the Group.

Administrative expenses and interest payable/receivable remained much the same as 2019, while other operating income increased as the Group accessed the UK Governments furlough scheme during the peak of the Coronavirus pandemic.

The profit after tax, although down on 2019, was a very good result in a year of unprecedented challenges.

# **Ardmore Group Limited**

## **Group Strategic Report (continued) For the Year Ended 30 September 2020**

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### **Cash and working capital**

The Company and Group's cash position has improved despite the challenges in the year the start of three significant projects, the continued profitability on live projects and the improvement in the recovery of outstanding retention monies have been key. The rise in creditors is a feature of the increasing level of construction activity. Altogether these have taken the cash balances of the Group from £60.3m to £90.5m and the Company's from £36.2m to £46.9m.

The increase in net current assets (excluding debtors falling due after more than one year) from £3.4m in 2019 to £18.2m at the end of the year represents a third consecutive year of improvement. The individual Group companies' payment behaviour scores remain good, as do the D&B credit ratings.

The Group continue to enjoy and cultivate a very good relationship with the principal bankers National Westminster Bank (Natwest) as well as the Surety companies that are both essential to our operational success.

### **Net assets and reserves**

The net assets of the Group moved beyond £50m in the year. This milestone represents significant success in achieving one of the key objectives for 2020 set by the board back in 2017.

Looking more closely at the composition of the balance sheet, the assets include cash and property with a combined value of in excess of £125m. The liabilities are largely normal trading balances; there are no bank loans with the rigorous obligations they bring but include appropriate provisions to meet our obligations to our customers (both past and present) as well as providing a return for the shareholders.

The property portfolio of residential and commercial units were revalued in Q4 and although the value of the commercial office has weakened, the logistics centres and residential properties have made small gains. Together a gain of £260k has been reported.

### **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 include 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.

# Ardmore Group Limited

## Group Strategic Report (continued) For the Year Ended 30 September 2020

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### Principal risks and uncertainties (continued)

#### *Brexit*

The Group sources some materials and labour from the EU. The terms of a new deal, or impact of 'no deal' could cause disruption to the operations and supply chain. The Group continues to monitor the government announcements and discussions, and has developed contingency plans wherever possible to mitigate the uncertainty. This includes robust risk assessments and alternative plans for the supply chain, and other measures. The Group does not operate outside the UK.

#### *Coronavirus*

The virus has had significant impact to the economy and the full impact is yet to fully play out. The construction sector has been robust and has continued to operate throughout the pandemic however the impact of changes to working practices and the disruption to sites continues. The directors and management have performed risk assessments and put in place appropriate precautions on all sites and head office however the risk of local lockdowns and outbreaks will continue until the wider situation improves.

### Outlook

Looking ahead the Group is forecasting to do a record level of turnover of c.£389m in FY21 and the gross margins are expected to be consistent with 2020.

On the face of it the forecast suggests the next 12 months should be another good year, which is true, but there remain significant challenges. The full impact of the Coronavirus pandemic is yet to fully play out globally and here in the UK. Conventional wisdom amongst economic pundits suggests the UK economy is more vulnerable, perhaps because it has also to deal with the challenges of Brexit and a possible failure to negotiate a trading relationship with its largest trading block. Weak growth or global recession is a difficult environment for brokering trade agreements.

The Group will remain fully active in its core markets offering customers a viable route to designing and building their residential, commercial and mixed-use schemes. The market is tough, but the Group remains focused on being competitive while not surrendering to the bad habits of the past nor a market habit of racing to the bottom.

### People and awards

The emphasis at the start of the year was primarily recruitment; the business needed to increase levels of staff to help deliver the rise in turnover.

However, the onset of the Pandemic, in March 2020, had a dramatic impact on the focus and priorities of the HR department. From March, HR had to help with the transition of moving all of our people from offices and sites, to working from home, and then it managed the Coronavirus Job Retention Scheme (CJRS) once introduced.

There were a number of redundancies resulting from Coronavirus as managers identified areas where they would have to reduce their teams to cope with a reduced workload.

The annual pay review in March was postponed to 2021, as were the annual Performance and Development Reviews. A new 'HR Cycle' will be launched in early 2021 that will realign performance reviews, pay reviews and budget reviews.

A new training programme was in development at the end of 2019, and a relaunch of the online training programme was set for the Summer in 2020. However, due to the Pandemic, training & development was reduced to compliance Health and Safety training, as well as long term academic training courses.

The HR department have continued to develop the library of HR policies and processes and are continuously reviewing these to ensure they remain up to date, open and inclusive, and relevant to the business.

# **Ardmore Group Limited**

## **Group Strategic Report (continued) For the Year Ended 30 September 2020**

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### **People and awards (continued)**

Working from home, flexible working and annual leave have unalterably changed in the business; as the working world approaches a return to normalcy in 2021, Ardmore will have to adapt to the new requirements of its staff as well as potential recruits.

Diversity in the workplace has come under sharp scrutiny this year due to social and political forces, and Ardmore must place Diversity as a key priority in the business. HR must examine the Equal Opportunities policy, recruitment, retention to ensure Ardmore continues on its target of being an Employer of choice.

Overall, the average staff numbers have increased from 270 in 2019 to 324 in 2020; the staff turnover increased due mainly to redundancies resulting from the pandemic.

The focus for next year is to help the transition for staff to new ways of working, changing the HRIS, promoting diversity and developing a leadership programme for emerging talent and senior management.

### **Directors' statement of compliance with duty to promote the success of the Group**

The Board of directors of Ardmore Group Limited consider, both individually and together, that they have acted in the way they consider good faith and promote the success of the company for the benefit of its members.

The Company is not required to adopt an official recognised corporate government code. However, the Board of Directors have introduced an internal corporate governments code which establish rules and guidelines for strategic, commercial, financial, legal and employment matters. These duties are detailed in this section 172 of the UK Companies Act 2006 which is summarise below:

#### *Risk Management*

The Group provides business critical services for the client, in an highly regulated environment. It is therefore vital that the company effectively identify, evaluate, manage and mitigate the risks the business faces, and the company continues to evolve its approach to its risk management.

#### *The People*

The Group is committed to being a responsible business. The Group behaviour is aligned with the expectation of its people, clients, shareholders and communities and society. People are at the heart of the delivery of excellent customer service. For our business to succeed we manage people's performance and develop and bring through talent while ensuring the Company operate as efficiently as possible.

The Board of Directors of the Company engage directly with the employees through regular visits and meetings taking place across all construction sites. This is particularly relevant for the health and safety of our people, who work within a recognised high-risk sector, now working with the additional challenges of the coronavirus pandemic.

Both the Board of Directors and the executive management team are holding regular meeting with teams to discuss current matters and to address any concerns and to maintain a positive constructive working relationship. This approach was instrumental in the Director's decision to close all sites at the end of March 2020 when there was great uncertainty about the impact of the Coronavirus on the health of our people and their families, and again when reopening in early May 2020.

# **Ardmore Group Limited**

## **Group Strategic Report (continued) For the Year Ended 30 September 2020**

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### **Directors' statement of compliance with duty to promote the success of the Group (continued)**

#### ***Business Relationship***

The Group strategy is focused on delivering excellent customer service. To do this, the Group need to develop and maintain strong client relationships, often providing valuable input to develop designs to ensure the viability of the proposed schemes.

The Group recognises the value of all suppliers as they are key in enabling the Company to deliver its construction projects. The Group has long term business relationships with many of its key suppliers; working together to align business objectives while ensuring our payments terms and behaviours don't prevent them from achieving their goals.

#### ***Community and environment***

The Group's approach is to use its position of strength to create positive changes for the people and the communities with which the Group interact. As highlighted in the strategic report the Group have been recognised by Considerate Contractor Scheme with a gold and two bronze awards, placing it as one of the top ten construction companies in the scheme.

#### ***Shareholders***

The Executive team and the Board of Directors are openly engaged with the Group shareholders as they recognise the importance of continuing an effective dialogue with the shareholders. The shareholders are actively engaged in the Group's affairs with their representatives being members of the Board of Directors and Executive management. They support the Group by helping to deliver its key objectives and strengthening the client relationship with existing and prospective customers.



# **Ardmore Group Limited**

## **Group Strategic Report (continued) For the Year Ended 30 September 2020**

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### **Health and safety**

We are pleased to report that we have had no major injuries or significant incidents during the year, and just three that were reportable as they involved more than 7 days off work (RIDDOR injuries). Overall, the company RIDDOR frequency rate has improved in line with industry best practice to 0.07 injuries per 100,000 hours, or 1.5 million hours worked between each incident. We remain committed to doing things better and having investigated these incidents and implemented the resultant lessons learned we continue to strive to improve.

We find ourselves amid a global pandemic. This has had a profound impact on us all. In Ardmore we did what we had to. We paused our work on site and brought construction to a safe stop. Every member of staff who was able to, began working from home. We gave assurances to our supply chain so in turn they could protect their own workforce. This has meant that we have been able to safely re-mobilise our operations, with the same, highly skilled teams in place.

Following extensive health and safety reviews at our sites we are now back to full production. We have many additional controls in place to protect our workers and the public, all based on the advice from the government, and we expect this to be the case for some time to come. Our teams have worked tirelessly and creatively to make our new environment safe. Measures include face masks and protective equipment, testing for anyone with symptoms; and social distancing procedures.

Throughout the year we have continued to invest in health and safety and have increased the department to 21 professional staff. Training has been maintained in the four areas of management, first aid, plant operator and individual skills. Our associate membership of the Considerate Constructors scheme goes from strength to strength with every project achieving high scores beyond compliance, with the best winning awards. We have maintained our ROSPA gold award, the ISO 45001:2018 health and safety standard, as well as ISO 9001 for quality and ISO 14001 for environment.

During the year 440 persons were provided with accredited health and safety training covering management and legislation, first aid, plant operator, and individual safety related skills. All operatives received weekly tool box talks and daily safe start briefings.

Ardmore is a Partner member of the Considerate Constructors scheme. Last year our sites won a gold and two bronze awards, placing Ardmore as one of the top ten construction companies in the scheme. Considerate Constructors assesses health and safety, site appearance, care for the environment, community engagement, and care for the workforce.

Ardmore won a respected ROSPA gold award for its health and safety procedures and practice, and transitioned its existing BS OHSAS 18001 to the new ISO 45001:2018 Occupational Health and Safety Management Systems standard. ISO 9001 for quality and ISO 14001 for environment were also maintained.

This report was approved by the board on 23 December 2020 and signed on its behalf.

**Patrick Byrne**

**P J Byrne**  
Director

# **Ardmore Group Limited**

## **Directors' Report For the Year Ended 30 September 2020**

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The directors present their report and the financial statements for the year ended 30 September 2020.

### **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.

See page 1 for the strategic report which covers the business update, including a business review, outlook, awards and people as well as financial management risks and uncertainties.

### **Results and dividends**

The profit for the year, after taxation, amounted to £9,164,845 (2019 - £8,204,565).

The directors approved an interim dividend of £2.509 (2019 - £2.509) per ordinary A share and £3,333.33 (2019 - £3,333.33) per ordinary B share for the year ended 30 September 2020. Final dividends of £2.509 (2019 - £8.362) per ordinary A share and £3,333.33 (2019 - £4,444.44) were also approved in the year.

### **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. See note 2.4 for further details.

### **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 year and to the date of this report were:

C J Byrne  
P J Byrne

# Ardmore Group Limited

## Directors' Report (continued) For the Year Ended 30 September 2020

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### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make 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.

### Greenhouse gas emissions, energy consumption and energy efficiency action

The Group puts its environmental responsibilities high on the agenda and has continued to make progress in reducing the energy footprint of the Group, including moving into its new London offices in 2017. At a site level, much of the energy usage is from generators. Due to the disruption from the coronavirus, the groups head office has not been fully utilised and some site and transport activities have been reduced.

The Group's internal reporting of energy, gas and transport use continues to improve. The below are the estimated amounts for the activities in the year to September 2020 and management anticipate making further disclosures in 2021. As this is the first year of disclosure, no comparative information has been included.

UK energy use\* (kWh) 2,450,000  
GHG emissions \*\* 497 tCO<sub>2</sub>  
Intensity ratio\*\*\* 1.829 gCO<sub>2</sub>/£

\* UK energy use is the estimated purchased electricity consumption of the head office and sites. The group does not significantly use gas. The Group does not yet have a suitable process to capture the information for transport and it is not practical to obtain this information, however management will seek to include this in future reports.

\*\* Using the market based approach (scope 2 purchased electricity)

\*\*\* Total emissions divided by revenue

# **Ardmore Group Limited**

## **Directors' Report (continued) For the Year Ended 30 September 2020**

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### **Disclosure of information to auditor**

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

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

### **Auditor**

The auditor, 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 23 December 2020 and signed on its behalf.

Patrick Byrne

**P J Byrne**  
Director

# **Ardmore Group Limited**

## **Independent Auditor's Report to the Members of Ardmore Group Limited**

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### **Opinion**

We have audited the financial statements of Ardmore Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2020 which comprise Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and Consolidated Statement of Cash Flows, and the 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 2020 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 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.

# **Ardmore Group Limited**

## **Independent Auditor's Report to the Members of Ardmore Group Limited (continued)**

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### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 year 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 Directors' report.

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

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

# Ardmore Group Limited

## Independent Auditor's Report to the Members of Ardmore Group Limited (continued)

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### 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.

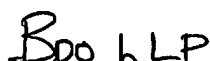
### Auditor's responsibilities for the audit of the financial statements

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: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 BDO LLP

**Geraint Jones** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London  
United Kingdom

24 December 2020

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 Year Ended 30 September 2020

	Note	2020 £	2019 £
Turnover	4	273,005,285	211,024,447
Cost of sales		(244,539,869)	(177,722,229)
<b>Gross profit</b>		<b>28,465,416</b>	<b>33,302,218</b>
Administrative expenses		(20,495,713)	(20,881,695)
Exceptional administrative expenses	6	-	(1,460,760)
Loss on disposal of fixed assets	6	-	(34,821)
Other operating income	5	1,543,205	174,316
Fair value movement on revaluation of investment property		830,574	(396,362)
<b>Operating profit</b>	7	<b>10,343,482</b>	<b>10,702,896</b>
Interest receivable and similar income	10	535,745	480,087
Interest payable and expenses	11	(35,781)	(43,377)
<b>Profit before taxation</b>		<b>10,843,446</b>	<b>11,139,606</b>
Tax on profit	12	(1,678,601)	(2,935,041)
<b>Profit for the financial year</b>		<b>9,164,845</b>	<b>8,204,565</b>
Unrealised (deficit)/surplus on revaluation of tangible fixed assets		(568,644)	438,376
<b>Other comprehensive income for the year</b>		<b>(568,644)</b>	<b>438,376</b>
<b>Total comprehensive income for the year</b>		<b>8,596,201</b>	<b>8,642,941</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		9,164,845	8,204,565
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent company		8,596,201	8,642,941

The notes on pages 22 to 46 form part of these financial statements.



# Ardmore Group Limited

Registered number:10379475

## Consolidated Statement of Financial Position As at 30 September 2020

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Intangible assets			128,829		2,852
Tangible assets	14		25,282,167		25,318,946
Investment property	15		19,474,822		18,644,248
Investments	16		1		1
			<u>44,885,819</u>		<u>43,966,047</u>
<b>Current assets</b>					
Stocks	17	5,615,308		4,975,448	
Debtors: amounts falling due after more than one year	18	14,976,658		19,418,699	
Debtors: amounts falling due within one year	18	35,663,194		49,987,751	
Current asset investments	19	7,056,000		10,000,000	
Cash at bank and in hand	20	90,466,353		60,465,467	
		<u>153,777,513</u>		<u>144,847,365</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	21	(120,610,970)		(122,070,336)	
<b>Net current assets</b>			<u>33,166,543</u>		<u>22,777,029</u>
<b>Total assets less current liabilities</b>			<u>78,052,362</u>		<u>66,743,076</u>
Creditors: amounts falling due after more than one year	22		(3,671,109)		(4,159,986)
<b>Provisions for liabilities</b>					
Deferred taxation	24	(1,854,675)		(1,743,061)	
Other provisions	25	(20,638,548)		(14,548,200)	
			<u>(22,493,223)</u>		<u>(16,291,261)</u>
<b>Net assets</b>			<u><u>51,888,030</u></u>		<u><u>46,291,829</u></u>

**Ardmore Group Limited**  
Registered number:10379475

**Consolidated Statement of Financial Position (continued)**  
**As at 30 September 2020**

	Note	2020 £	2019 £
<b>Capital and reserves</b>			
Called up share capital	26	358,956	358,956
Share premium account	27	11,520	11,520
Revaluation reserve	27	13,336,366	13,074,436
Merger reserve	27	3,053,437	3,053,437
Profit and loss account	27	35,127,751	29,793,480
<b>Equity attributable to owners of the parent company</b>		<u><u>51,888,030</u></u>	<u><u>46,291,829</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

Patrick Byrne

**P J Byrne**  
Director

The notes on pages 22 to 46 form part of these financial statements.

**Ardmore Group Limited**  
Registered number:10379475

**Company Statement of Financial Position**  
**As at 30 September 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Investments	16		534,522		534,522
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	18	3,460,787		3,000,000	
Debtors: amounts falling due within one year	18	23,739,600		23,356,546	
Current asset investments	19	7,056,000		10,000,000	
Cash at bank and in hand	20	46,917,849		36,229,615	
		<u>81,174,236</u>		<u>72,586,161</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	21	(60,220,608)		(54,425,932)	
<b>Net current assets</b>			<u>20,953,628</u>		<u>18,160,229</u>
<b>Total assets less current liabilities</b>			<u>21,488,150</u>		<u>18,694,751</u>
<b>Provisions for liabilities</b>					
Deferred taxation	24		-		(37,024)
<b>Net assets</b>			<u><u>21,488,150</u></u>		<u><u>18,657,727</u></u>
<b>Capital and reserves</b>					
Called up share capital	26		358,956		358,956
Share premium account	27		11,520		11,520
Profit and loss account	27		21,117,674		18,287,251
			<u><u>21,488,150</u></u>		<u><u>18,657,727</u></u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £5,830,423 (2019 - £10,131,441).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2020.

Patrick Byrne  
P J Byrne  
Director

The notes on pages 22 to 46 form part of these financial statements.

## Ardmore Group Limited

### Consolidated Statement of Changes in Equity For the Year Ended 30 September 2020

	Called up share capital	Share premium account	Revaluation reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 October 2019	358,956	11,520	13,074,436	3,053,437	29,793,480	46,291,829
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	9,164,845	9,164,845
Unrealised surplus on revaluation of tangible fixed assets	-	-	(568,644)	-	-	(568,644)
<b>Total comprehensive income for the year</b>	-	-	(568,644)	-	9,164,845	8,596,201
Dividends (see note 13)	-	-	-	-	(3,000,000)	(3,000,000)
Transfer from changes in fair value of investment property	-	-	830,574	-	(830,574)	-
<b>Total transactions with owners</b>	-	-	830,574	-	(3,830,574)	(3,000,000)
<b>At 30 September 2020</b>	<b>358,956</b>	<b>11,520</b>	<b>13,336,366</b>	<b>3,053,437</b>	<b>35,127,751</b>	<b>51,888,030</b>

The notes on pages 22 to 46 form part of these financial statements.

## Ardmore Group Limited

### Consolidated Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £	Share premium account £	Revaluation reserve £	Merger reserve £	Profit and loss account £	Total equity £
At 1 October 2018	358,956	11,520	13,032,422	3,053,437	26,492,553	42,948,888
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	8,204,565	8,204,565
Unrealised surplus on revaluation of tangible fixed assets	-	-	438,376	-	-	438,376
<b>Other comprehensive income for the year</b>	-	-	438,376	-	-	438,376
<b>Total comprehensive income for the year</b>	-	-	438,376	-	8,204,565	8,642,941
Dividends (see note 13)	-	-	-	-	(5,300,000)	(5,300,000)
Transfer from the changes in fair value of investment property	-	-	(396,362)	-	396,362	-
<b>Total transactions with owners</b>	-	-	(396,362)	-	(4,903,638)	(5,300,000)
<b>At 30 September 2019</b>	<b>358,956</b>	<b>11,520</b>	<b>13,074,436</b>	<b>3,053,437</b>	<b>29,793,480</b>	<b>46,291,829</b>

The notes on pages 22 to 46 form part of these financial statements.

## Ardmore Group Limited

### Company Statement of Changes in Equity For the Year Ended 30 September 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2019	358,956	11,520	18,287,251	18,657,727
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	5,830,423	5,830,423
<b>Total comprehensive income for the year</b>	-	-	5,830,423	5,830,423
<b>Contributions by and distributions to owners</b>				
Dividends (see note 13)	-	-	(3,000,000)	(3,000,000)
<b>Total transactions with owners</b>	-	-	(3,000,000)	(3,000,000)
<b>At 30 September 2020</b>	<b>358,956</b>	<b>11,520</b>	<b>21,117,674</b>	<b>21,488,150</b>

### Company Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2018	358,956	11,520	13,455,810	13,826,286
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	10,131,441	10,131,441
<b>Total comprehensive income for the year</b>	-	-	10,131,441	10,131,441
<b>Contributions by and distributions to owners</b>				
Dividends (see note 13)	-	-	(5,300,000)	(5,300,000)
<b>Total transactions with owners</b>	-	-	(5,300,000)	(5,300,000)
<b>At 30 September 2019</b>	<b>358,956</b>	<b>11,520</b>	<b>18,287,251</b>	<b>18,657,727</b>

The notes on pages 22 to 46 form part of these financial statements.

# Ardmore Group Limited

## Consolidated Statement of Cash Flows For the Year Ended 30 September 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	9,164,845	8,204,565
<b>Adjustments for:</b>		
Amortisation of intangible assets	853	855
Depreciation of tangible assets	576,125	599,361
(Profit)/loss on disposal of tangible assets	(67,504)	34,821
Interest paid	35,781	43,377
Interest received	(535,745)	(480,087)
Taxation charge	1,678,601	2,935,041
Increase in stocks	(639,860)	(193,241)
Decrease in debtors	19,314,060	2,099,894
Increase/(decrease) in creditors	1,379,155	(679,501)
Increase in provisions	6,090,348	2,455,200
Net fair value (gains)/losses recognised in P&L	(830,574)	396,362
Corporation tax paid	(2,397,063)	(3,593,738)
<b>Net cash generated from operating activities</b>	<b>33,769,022</b>	<b>11,822,909</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(126,830)	-
Purchase of tangible fixed assets	(1,184,221)	(231,051)
Sale of tangible fixed assets	143,735	141,756
Issue of loan note	-	(3,000,000)
Current asset investments	(7,056,000)	(10,000,000)
Withdrawal from current asset investments	10,000,000	-
Interest received	-	480,087
HP interest paid	-	(565)
Other interest paid	(47,498)	(42,812)
<b>Net cash from investing activities</b>	<b>1,729,186</b>	<b>(12,652,585)</b>

# Ardmore Group Limited

## Consolidated Statement of Cash Flows (continued) For the Year Ended 30 September 2020

	2020 £	2019 £
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(1,034,385)
Dividends paid	(5,300,000)	(10,500,000)
<b>Net cash used in financing activities</b>	<b>(5,300,000)</b>	<b>(11,534,385)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,198,208</b>	<b>(12,364,061)</b>
Cash and cash equivalents at beginning of year	60,268,145	72,632,206
<b>Cash and cash equivalents at the end of year</b>	<b>90,466,353</b>	<b>60,268,145</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	90,466,353	60,465,467
Bank overdrafts	-	(197,322)
	<b>90,466,353</b>	<b>60,268,145</b>



# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **1. General information**

Ardmore Group Limited is a private company limited by shares and incorporated in England & Wales under the Companies Act 2006. 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 judgement in applying the group accounting policies (see note 3).

The group and company have applied FRS 102 (March 2018) in these financial statements, which includes the amendments as a result of the Triennial Review 2017. The policies applied by the group and company under the previous edition of FRS 102 are not materially different to FRS 102 (March 2018) and have not impacted on equity or profit or loss.

The following principal accounting policies have been applied:

#### **2.2 Basis of consolidation**

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

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 Statement of Financial Position 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 Statement of Financial Position 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 are taken to reserves.

# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **2. Accounting policies (continued)**

#### **2.4 Going concern**

The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to do so. The activities of the Ardmore Group, along with the factors that may affect its future performance and position are set out in the Directors' report.

The Group continues to hold substantial cash reserves, has no external debt, and access to secured bank facilities (through the Ardmore Group Limited facility). The directors regularly review the working capital requirements of the company and Group while reviewing sensitivities to future performance. Net current assets totalled £33.2m at the balance sheet date (2019 - £22.8m).

As part of the Ardmore Group's response to the Covid-19 outbreak, the directors have reviewed the forecast future performance based on their current expectation of profits and cash flows. Despite the challenges following the immediate aftermath of the outbreak, the Group has remained profitable and cash generative. This is expected to continue and the directors are anticipating that next year will generate record levels of turnover whilst maintaining profitability. These forecasts consider the lower levels of efficiency arising as a result of Covid safe working, any impacts on site programme, delays in accessing required materials and adhering to the industry mandated Site Operating Procedures.

Due to the potential volatility at the subsidiary level, Ardmore Group Limited has committed to provide sufficient operational and financial support to the subsidiaries, to the extent that it is required to enable them to meet their liabilities as and when they fall due for a period of at least 12 months from the date of approval of the financial statements for the subsidiaries for the year ended 30 September 2020.

The Ardmore Group has prepared a robust cash flow forecast until the end of December 2021 and the Ardmore Group considers it has sufficient cash reserves to continue trading throughout this period with significant headroom.

The Ardmore Group recognises the economic and trading uncertainties resulting from Covid-19 and has modelled a range of potential scenarios of escalating impact and duration including reduced efficiency on site, delays in the site programme and local lockdowns. Whilst, the cash flow impacts of these scenarios are materially different to the current forecast, the Ardmore Group considers that it would be able to continue trading for at least 12 months from the date of approval of the financial statements without needing to implement significant cash mitigation measures.

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

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

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### 2. Accounting policies (continued)

#### 2.5 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 Statement of Financial Position 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.

#### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Properties are included under the revaluation model, see note 2.6.

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

Depreciation is provided 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.

# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **2. Accounting policies (continued)**

#### **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 presented as 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.

#### **2.10 Current assets investment**

Current asset investments relate to medium term deposits with a minimum fixed term of 90 days and investments in bonds and liquid assets. Assets are held at fair value with any movement recognised in the income statement.

# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **2. Accounting policies (continued)**

#### **2.11 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 the Income Statement.

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 income statement 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.

#### **2.12 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.

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

#### **2.13 Debtors**

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

# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **2. Accounting policies (continued)**

#### **2.14 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.

#### **2.15 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.

#### **2.16 Coronavirus Job Retention Grant**

The Coronavirus Job Retention Grant ("Furlough Scheme") is accounted under the accruals model as permitted by FRS 102. Income received under the furlough scheme is recognised in the statement of comprehensive income as other income in the same period as the related expenditure.

#### **2.17 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'.

# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **2. Accounting policies (continued)**

#### **2.18 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.

#### **2.19 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.

#### **2.20 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.

#### **2.21 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.

#### **2.22 Interest income**

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

#### **2.23 Borrowing costs**

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

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

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### 2. Accounting policies (continued)

#### 2.24 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.

#### 2.25 Current and deferred taxation

The tax expense for the Year 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 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.

#### 2.26 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.



# **Ardmore Group Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2020**

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### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

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

- 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.
- Determine where accruals, provisions or contingent liabilities exist for any remedial works required to completed contracts. The directors and senior management assess all construction contracts on a regular basis alongside the company's surveyors, customer communications and industry developments, and consider if any liability exists. Where a liability is identified, the directors and senior management consider if a probable outflow and reliable estimate exist and record an accrual, provision or contingent liability accordingly.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 14)

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 and properties included in fixed assets (see notes 14 and 15)

Investment properties and properties included in fixed assets 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.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 4. Turnover

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

	2020 £	2019 £
Construction contracts	272,242,539	210,262,962
Investment property rental income	762,746	761,485
	<u>273,005,285</u>	<u>211,024,447</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	<u>273,005,285</u>	<u>211,024,447</u>

### 5. Other operating income

	2020 £	2019 £
Other operating income	235,257	174,316
Furlough scheme	1,307,948	-
	<u>1,543,205</u>	<u>174,316</u>

### 6. Exceptional items

	2020 £	2019 £
Provision for related party receivable (see note 30)	-	1,450,000
Head office relocation costs	-	10,760
Loss on disposal of plant and machinery	-	34,821
	<u>-</u>	<u>1,495,581</u>

The Group relocated its head office early in 2018, resulting in one off costs of £10,760 in 2019.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 7. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	576,125	599,631
Amortisation of intangible assets, including goodwill	853	855
Fees payable to the group's auditor for the audit of the company's annual financial statements	20,210	19,710
- The audit of the group's subsidiaries pursuant to legislation	151,210	146,710
- Taxation compliance services	64,000	47,663
- Taxation advisory services	-	8,713
- Other services	7,000	12,514
Defined contribution pension cost	584,963	483,827
Exceptional items (see note 6)	-	1,495,581
Other operating lease rentals	407,048	378,394

### 8. Employees

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	22,555,472	23,103,135	2,181,093	2,192,039
Social security costs	2,315,088	2,068,789	-	200,866
Cost of defined contribution scheme	584,963	483,827	-	-
	<b>25,455,523</b>	<b>25,655,751</b>	<b>2,181,093</b>	<b>2,392,905</b>

The group operates a defined contribution 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 (2019 - £Nil) were payable to the fund at the reporting date.

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

	2020 No.	2019 No.
Directors	3	3
Production and technical	273	196
Administrative	80	103
	<b>356</b>	<b>302</b>

The company has no employees other than the 2 directors.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>1,380,000</u>	<u>1,251,537</u>

The highest paid director received remuneration of £724,350 (2019 - £679,000). During the year awards were granted under the group's employee benefit trust totalling £Nil (2019 - £572,025) to the directors.

### 10. Interest receivable

	2020 £	2019 £
Loan note interest receivable	265,925	194,862
Bank interest	269,820	285,225
	<u>535,745</u>	<u>480,087</u>

### 11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	98	26,534
Loan interest payable	-	14,216
Finance leases and hire purchase contracts	-	565
Other interest payable	35,683	2,062
	<u>35,781</u>	<u>43,377</u>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 12. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,866,890	2,773,114
Adjustments in respect of previous periods	(299,903)	22,102
<b>Total current tax</b>	<b>1,566,987</b>	<b>2,795,216</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	109,069	139,825
Changes to tax rates	104,916	-
Adjustment in respect of previous periods	(102,371)	-
<b>Taxation on profit on ordinary activities</b>	<b>1,678,601</b>	<b>2,935,041</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	10,843,446	10,958,603
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	2,060,255	1,949,970
<b>Effects of:</b>		
Expenses not deductible for tax purposes	183,315	423,700
Utilisation of tax losses brought forward	(152,538)	(105,100)
Adjustments to prior year	(402,274)	11,715
Other	(115,073)	654,756
Changes to tax rates	104,916	-
<b>Total tax charge for the year</b>	<b>1,678,601</b>	<b>2,935,041</b>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 13. Dividends

	2020 £	2019 £
<b>A Ordinary</b>		
Interim paid of £2.509 (2019 - £2.509) per ordinary share	900,000	900,000
Final payable of £2.509 (2019 - £8.362) per ordinary share	900,000	3,000,000
<b>B Ordinary</b>		
Interim paid of £3,333.33 (2019 - £3,333.33) per ordinary share	600,000	600,000
Final payable of £4,444.44 (2019 - £4,444.44) per ordinary share	600,000	800,000
	<u>3,000,000</u>	<u>5,300,000</u>

### 14. Tangible fixed assets

#### Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 October 2019	23,678,801	7,706,978	162,125	2,127,164	33,675,068
Additions	110,866	959,996	-	113,359	1,184,221
Disposals	-	(990,324)	(6,593)	(65,226)	(1,062,143)
Revaluations	(568,644)	-	-	-	(568,644)
At 30 September 2020	<u>23,221,023</u>	<u>7,676,650</u>	<u>155,532</u>	<u>2,175,297</u>	<u>33,228,502</u>
<b>Depreciation</b>					
At 1 October 2019	184,881	6,173,614	121,851	1,875,776	8,356,122
Charge for the year	-	390,802	7,760	177,563	576,125
Disposals	-	(927,543)	(4,897)	(53,472)	(985,912)
At 30 September 2020	<u>184,881</u>	<u>5,636,873</u>	<u>124,714</u>	<u>1,999,867</u>	<u>7,946,335</u>
<b>Net book value</b>					
At 30 September 2020	<u>23,036,142</u>	<u>2,039,777</u>	<u>30,818</u>	<u>175,430</u>	<u>25,282,167</u>
At 30 September 2019	<u>23,493,920</u>	<u>1,533,364</u>	<u>40,274</u>	<u>251,388</u>	<u>25,318,946</u>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 14. Tangible fixed assets (continued)

The freehold properties totalling £23,036,142 (2019 - £23,493,920) have been valued at open market value at 30 September 2020 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.

### 15. Investment property

#### Group

	Freehold investment property £
<b>Valuation</b>	
At 1 October 2019	18,644,248
Net surplus on revaluation	830,574
<b>At 30 September 2020</b>	<b>19,474,822</b>

The group's investment properties totalling £19,474,822 (2019 - £18,644,248) have been valued at fair market value at 30 September 2020 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 £818,000 (2019 - £766,000) in less than one year and £516,667 (2019 - £716,667) in 1-5 years.

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

	2020 £	2019 £
Historic cost	14,521,705	14,410,840

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 16. Fixed asset investments

#### Group

#### Investments in joint ventures £

#### Cost

At 1 October 2019 and as at 30 September 2020

1

#### Net book value

At 30 September 2020

1

At 30 September 2019

1

#### Company

#### Investments in subsidiary companies £

#### Cost

At 1 October 2019 and as at 30 September 2020

5,057,074

#### Impairment

At 1 October 2019 and as at 30 September 2020

4,522,552

#### Net book value

At 30 September 2020

534,522

At 30 September 2019

534,522



# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

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### 16. Fixed asset investments (continued)

#### Direct subsidiary undertakings

The following were direct subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Ardmore Construction Limited	Ordinary	100%	General builder
Paddington Construction Limited	Ordinary	100%	Manufacturing
Systemhaven Limited	Ordinary	100%	Holding company
British Contractors Plant Limited	Ordinary	100%	Dormant
Ardmore Construction Group Ltd	Ordinary	100%	Dormant

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

#### Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Ardmore Enabling Ltd	Ordinary	100%	Dormant
Ardmore Hotels & Commercial Ltd	Ordinary	100%	Dormant
Ardmore Regeneration Ltd	Ordinary	100%	Dormant
Ardmore Residential Ltd	Ordinary	100%	Dormant
Paddington Fitout Ltd	Ordinary	100%	Dormant
Byrne Properties Limited	Ordinary	100%	Property investment & development
Celebration Homes Limited	Ordinary	100%	Property investment & development
Byrne Estates (Kensal Green) Limited	Ordinary	100%	Property development

#### 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.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 17. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	2,480,748	1,325,819
Work in progress	1,016,969	1,579,212
Finished goods and goods for resale	204,925	157,751
Development properties	1,912,666	1,912,666
	<u>5,615,308</u>	<u>4,975,448</u>

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.

Development properties are held at cost less provision for impairment. The properties were valued by the directors at open market value at 30 September 2020 at £5,352,000 (2019 - £4,645,000).

### 18. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Due after more than one year</b>				
Trade debtors	11,429,196	16,332,024	-	-
Loan Notes	3,547,462	3,086,675	3,460,787	3,000,000
	<u>14,976,658</u>	<u>19,418,699</u>	<u>3,460,787</u>	<u>3,000,000</u>

Trade debtors due after more than one year relate to retentions due under normal terms on long term contracts. Loan Notes relates to an interest bearing external loan provided to an unconnected party due for repayment in December 2021.

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Due within one year</b>				
Trade debtors	19,502,705	26,382,026	-	-
Amounts owed by group undertakings	-	-	23,144,297	22,422,466
Amounts owed by related parties	5,519,819	5,487,924	222,307	222,307
Other debtors	5,638,097	5,887,027	372,996	711,773
Prepayments and accrued income	1,754,168	1,458,256	-	-
Amounts recoverable on long term contracts	3,248,405	10,772,518	-	-
	<u>35,663,194</u>	<u>49,987,751</u>	<u>23,739,600</u>	<u>23,356,546</u>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 18. Debtors (continued)

Amounts owed by related parties (net of provisions) includes £3,042,232 (2019 - £3,033,307) 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 £Nil (2019 - £Nil) 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 two 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 agreement 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.

### 19. Current asset investments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Current asset investment	<u>7,056,000</u>	<u>10,000,000</u>	<u>7,056,000</u>	<u>10,000,000</u>

### 20. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	90,466,353	60,465,467	46,917,849	36,229,615
Less: bank overdrafts	-	(197,322)	-	(1,427)
	<u>90,466,353</u>	<u>60,268,145</u>	<u>46,917,849</u>	<u>36,228,188</u>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 21. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	-	197,322	-	1,427
Payments received on account	5,973,661	4,931,756	-	-
Trade creditors	6,800,577	11,649,763	-	-
Subcontractor liabilities	43,123,214	35,458,469	-	-
Amounts owed to group undertakings	-	-	58,211,070	49,807,764
Corporation tax	667,804	1,497,880	96,812	109,639
Other taxation and social security	2,070,303	1,617,303	-	-
Obligations under finance lease and hire purchase contracts	-	2,495	-	-
Other creditors	2,578,356	5,327,554	1,912,726	4,507,102
Accruals and deferred income	59,397,055	61,387,794	-	-
	<u>120,610,970</u>	<u>122,070,336</u>	<u>60,220,608</u>	<u>54,425,932</u>

The company's 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 2020 £	Group 2019 £
Subcontractor liabilities	<u>3,671,109</u>	<u>4,159,986</u>

The company's overdrafts are secured by a fixed and floating charge over certain group properties as well as other guarantees as detailed in note 33.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 23. Financial instruments

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2020 £	Group 2019 £
<b>Interest income/(expense)</b>		
Total interest income for financial assets at amortised cost	535,745	480,087
Total interest income for financial assets at amortised cost	(35,781)	(43,377)
	<u>499,964</u>	<u>436,710</u>

### 24. Deferred taxation

#### Group

	2020 £
At beginning of year	(1,743,061)
Charged to the Consolidated Statement of Comprehensive Income	(111,614)
<b>At end of year</b>	<u><u>(1,854,675)</u></u>

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 24. Deferred taxation (continued)

#### Company

	2020 £
At beginning of year	(37,024)
Charged to profit or loss	37,024
<b>At end of year</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(144,421)	(38,052)
Rollover relief on disposed property	(613,120)	(548,582)
Revaluation of properties	(1,097,134)	(1,156,427)
	-	-
	<b>(1,854,675)</b>	<b>(1,743,061)</b>

Certain group companies have tax losses available for offset against future profits of approximately £6,842,500 (2019 - £7,854,500). The potential deferred tax asset of £1,300,075 (2019 - £1,492,355) using a rate of 19% (2019 - 19%) has not been provided for in respect of these losses.

### 25. Provisions

#### Group

	Provision for remedial work £
At 1 October 2019	14,548,200
Charged to profit or loss	16,172,987
Utilised / released in the year	(10,082,639)
<b>At 30 September 2020</b>	<b>20,638,548</b>

The directors, based on internal and external advice available, have made a provision for remedial work required on previous projects. The timing for settlement of amounts provided is uncertain. The cost reflects the anticipated cost to the group.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 26. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
358,776 (2019 - 358,776) A Ordinary shares of £1.00 each	358,776	358,776
180 (2019 - 180) B Ordinary shares of £1.00 each	180	180
	<u>358,956</u>	<u>358,956</u>

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 have a separate dividend entitlement.

### 27. Reserves

#### Called up share capital

This reserve represents the nominal value of the shares issued.

#### Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

#### 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 group profit and loss account are non-distributable reserves of £9,281,484 (2019 - £9,281,484).

### 28. Contingent liabilities

The Directors have accrued for costs based on their best estimate of known claims, investigations and legal actions in progress. The group 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.

# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 29. 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 2020 £	Group 2019 £
<b>Balance due from (to) related party, net of provisions</b>		
Byrne Estates (Chatham) Limited	3,042,232	3,033,307
Byrne Estates Limited	215,223	165,223
Ardmore Contracting (Ireland) Limited	533,955	549,255
Stylo Estates Limited	1,736,592	1,689,117
Georgia Properties Limited	(8,182)	(8,182)
Continental Trust Company Limited	-	-
	<u>5,519,820</u>	<u>5,428,720</u>

The amount stated above is net of provisions. A provision of £2,039,134 (2019 - £2,039,134) is set against amounts due from Byrne Estates (Chatham) Limited to reflect uncertainty over the timing and amount of the eventual profit share forecast to be achieved, see note 18.

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. The directors continue to review the development potential of the properties against which the recoverability of the debt is dependent 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 its property portfolio.

Amounts owing from trusts based in Gibraltar (of which C J and P J Byrne are the beneficiaries) at the year end totalled £Nil (2019 - £Nil) and are included in other debtors. Amounts owed to the group are interest free and repayable on demand.

During the prior year the company disposed of PPE to the directors with a net book value of £79,210 realising a loss on disposal of £2,717. At the Statement of Financial Position date there were amounts due to C J Byrne and P J Byrne totalling £394,922 (2019 - £535,151). Dividends of £1,500,000 (2019 - £4,223,423) were also due to C J Byrne and P J Byrne at the Statement of Financial Position date.

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 £2,381,000 (2019 - £2,230,970) including EBT awards of £Nil (2019 - £572,025).



# Ardmore Group Limited

## Notes to the Financial Statements For the Year Ended 30 September 2020

### 30. Post statement of financial position events

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

### 31. 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.

### 32. Guarantees

The group has entered into an unlimited cross guarantee in respect of an overdraft facility secured over all of the assets of British Contractors Plant Limited and Paddington Construction Limited. The net indebtedness of the above companies in respect of the overdraft facility at 30 September 2020 was £Nil (2019 - £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 (2019 - £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.

### 33. Analysis of net debt

	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	60,465,467	30,000,886	90,466,353
Bank overdrafts	(197,322)	197,322	-
	<u>60,268,145</u>	<u>30,198,208</u>	<u>90,466,353</u>

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank and in hand, and bank overdrafts.