

## **Ardmore Group Limited**

Annual Report and Financial Statements

Year ended

30 September 2022

Company Number 10379475

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# Ardmore Group Limited

## Annual report and financial statements for the year ended 30 September 2022

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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>Auditor</b>	MHA MacIntyre Hudson 2 London Wall Place London EC2Y 5AU
<b>Bankers</b>	Natwest Group (principal banker) Lloyds Bank plc Handelsbanken

# **Ardmore Group Limited**

## **Group strategic report for the year ended 30 September 2022**

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The directors present their strategic report together with the audited consolidated financial statements for the year ended 30 September 2022.

### **Principal activities**

The Group's principal activity is that of a main contractor for the construction of residential and commercial developments in the UK. In addition to the main construction operations, the Group manufactures joinery, steel and masonry products, and holds a portfolio of commercial and residential properties.

The Company's principal activity is that of a holding Company.

### **Nature of the business**

The main contracting activities, the Ardmore Construction Group of Companies, 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 principal consumer of these products is Ardmore Construction Ltd.

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

### **Business review**

Following the awards in the final quarter of 2021 the Board were optimistic about reporting a record year with turnover of £550m+ and reasonable results on the increased levels of activity. Disappointingly, neither were achieved. There was recognition of the challenges the year would bring, particularly around inflation, but it wasn't anticipated there would be significant macro-economic and geo-political events that would turbo charge inflation and restrict supply of materials from two key trading areas (Europe and China).

The combination of these significant external and internal events, together with other more normal wins and losses of trading, has set us back. That said it would be easy to overlook the positive, as withstanding these events and remaining in good shape is a testimony to the strength of the Group.

The activity within the new structure is slowly increasing and some of the organisational benefits have started to filter through. The Board are increasingly positive of the changes delivering the expected benefits.

### **Performance**

The Group's turnover of £435m (2021 - £405m), although a record for the Group, has fallen well short of the £550m expected when we last reported. The Board's expectation was based on four pipeline opportunities progressing as planned, but all four have either had start dates delayed, or construction delayed by others. These factors, together with disruption caused by supply chain failure on three projects and the serious accident at our Hammersmith site, account for the significant reduction.

Inflation and poor performance mentioned earlier has eroded profitability which is 6.5% down from the 8.5% expected at the start of the year. Having to procure the incomplete works at premium rates, following supply chain failures, has doubled the impact of inflation. Also contributing to the margin decline is the ongoing challenge of remedial works. The past two years has seen a marked increase in matters being reported as defects, perhaps heightened concerns linked to the lessons of Grenfell.

# **Ardmore Group Limited**

## **Group strategic report for the year ended 30 September 2022**

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The Group added administrative resources to the business to support the increased levels of trading activity. The main increases have been legal, customer care and insurances which added to the inflationary impact on general overhead cost. This sees the cost base rise to £22.7m which is broadly in line with expectation albeit up from £21.4m in the previous year.

The resulting profit after interest and tax has fallen to £5.1m when compared to the prior year's £14.9m, but given the difficult trading environment discussed above represents a reasonable outcome.

### **Cash and working capital**

Although the cash balances have reduced from £113.6m to £93.7m the working capital remains in a strong position with net current assets of £69.7m up from £56.0m (excluding debtors falling due after more than one year). This despite the investment in five properties (three commercial and two residential) which accounts for some of this reduction in the cash balances.

Payment behaviour scores remain good for all group companies, as do the D&B credit ratings.

The Group's principal bankers National Westminster Bank as well as the Surety companies remain involved and supportive and are recognised as essential to our operational success.

### **Net assets and reserves**

The net assets of the Group increased from £63.9m in 2021 to £67.5m at the end of the year, this after total dividends paid of £1.5m (2021 - £2.9m). This was the first year where the growth in net assets has fallen short of the Board's target of 10% year-on-year set back in 2017.

The cash and property remain the solid assets which provide the valuable liquidity and substance to the Group's trading position. The non-performing secured commercial loan provided to a development management group of companies was settled in the year. As second charge holders Ardmore settled the borrower's debt with the primary lenders and have added the three properties to the Group's property investment portfolio. This transaction gave rise to a further charge of £1.1m to the profit for the year.

The Group remain free of any structured debt and creditors made up of largely normal trading balances and accruals to meet our obligations to our customers.

The residential and commercial property portfolios were revalued at the end of the fourth quarter to reflect an unrealised surplus of £0.7m (2021 - £0.7m). The residential portfolio (all in London) has seen modest but steady growth while the commercial portfolio has made some gains.

### **Outlook**

With the challenging economic environment expected to continue into 2023 management have reset expectations. Turnover has been trimmed to just below £450m and profit after tax has been reduced to a more modest level of just under £7m. The expectation is this will allow the inflationary pressures on fixed price construction contracts to work its way through before margins recover to more normal levels in 2024.

Overheads will fall under greater scrutiny and serious strategic decisions will need to be made. Investment in systems, structures and process cannot become the victims of inertia. It is essential we collectively reduce risk, root out waste and inefficiency.

The next 18 months promises to present significant examinations for the UK economy, the construction sector, Ardmore and our people. We must aim to pass with distinction.

# Ardmore Group Limited

## Group strategic report for the year ended 30 September 2022

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### Health and Safety

The Ardmore Group have recently combined their Health, Safety, Environment, and Quality (HSQE) as one function. This allows us to analyse and implement practical measures to protect the Ardmore Group, its employees, and customers from health, safety, environmental, and quality issues.

The combined function allows us to develop robust occupational health processes, working practices, and activities that can prevent or lower the risk of harm to our employees. The function can now create and maintain procedures that identify workplace hazards and put tight control measures in place to reduce accidents and exposure to harmful situations and substances. The Ardmore Group HSQE function will further improve the quality management processes to check, control, and manage our ISO certification bodies including ISO 45001, ISO9001, and ISO14001. (Health & Safety, Quality, and Environmental compliance).

Overall, the company's RIDDOR frequency rate is 0.13 which is industry-leading. A significant Incident review Pack is now in place and circulated to all staff at the end of each month. The pack contains the initial details of the incident which occurred across the business. The pack must be discussed and briefed where relevant to ensure controls are in place to prevent similar incidents and that any learnings are implemented on each site.

We have recently reviewed and improved our Project Controls to ensure that planners, project managers or and other members of the project team undertaking planning and project control role to follow a general set of rules to ensure common standards across all sites and projects. These minimum expectations are intended to promote best practices and reinforce a robust approach to the timely delivery of projects for our customers. By carefully following this procedure we will reduce the risk and increase the likelihood of timely delivery and profitability of all our projects. These improved controls include the appointment of a Third-Party Crane Management auditor to carry out 3rd party monthly compliance audits on all tower cranes and lifting operations.

Following a detailed review, we have now introduced new KPI metrics known as Ardmore Heat maps. The Heat Map measurements are designed to drive site focus on key HSQE issues, encouraging them to exercise effective control over HSQE performance, protecting workers from harm, and meeting our legal obligations. The intention of the framework is not to introduce any new metrics, rather it is to use the information we already gather more effectively and help target our intervention programs.

Organisations such as ours need to measure what we are doing in health and safety terms for a variety of reasons including the need to assess how effectively we are controlling risks and how well we are developing a positive health and safety culture. It is well known that a low accident rate, even over a period of years, is no guarantee that risks are being effectively controlled and will not lead to accidents or ill health in the future. This is particularly true in our business where there is a low probability of accidents but where major hazards are present.

In the absence of better alternatives, businesses rely solely on lagging indicators such as the rates of accidents, ill health, and absence. A common approach is to look at the number of accidents that occurred in the previous year and try to do better next year.

The HSE in its guidance on measuring health and safety performance advises organisations to recognise that there is no single reliable measure of health and safety performance. What is required is a 'basket' of measures or a 'balanced scorecard', providing information on a range of health and safety activities. Thus in the development of the proposed health and safety measurement framework, we have taken this guidance into account in addition to measurement frameworks operated by our peer organisations.

The Heat Map combines lagging indicators, such as injury lost time frequency rates, and Accident frequency rates with lead indicators, such as monitoring and close-out of action results. The Heat Map is designed to be flexible, allowing it to be tailored to individual work streams. It can be as streamlined or as comprehensive as the business needs. The Heat map uses a traffic light system to see at a glance whether measures are on track (green), slipping a little (amber), or falling seriously behind (red).

# **Ardmore Group Limited**

## **Group strategic report**

### **for the year ended 30 September 2022**

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#### **Health and Safety (continued)**

A new HSQE CDM Compliance auditing process has been introduced. This Procedure is designed for all HSQE inspections to meet minimum standards that address Safety, Health, Environmental, and Sustainability issues relating to a specific site.

The objectives:

- Ensure that management/staff can show an understanding of the Management System requirements by demonstrating compliance.
- Establish where there is non-compliance to allow the site management staff to address the problem.
- Allow management to establish a corrective action.
- Encourage a culture of ownership and continuous improvement.

Throughout the year we have continued to invest in health and safety and have increased the department to 27 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.

Finally, Ardmore have successfully transitioned its existing ISO 45001, ISO 9001, and ISO 14001 certifications to a UKAS-accredited body.

#### **People and awards**

Post covid, the business has struggled to adjust like many others, and there has been some change in the HR team. However, despite some initial instability, towards the end of 2022, the team is led by a newly internally appointed head of HR with a mix of recently added team members within compliance, learning and development and recruitment combining with existing experience in key areas so that the team can look forward to regaining focus on strategic planning for 2023.

#### *Resourcing*

Resourcing has been at the forefront of the team's activity as the business scaled up to meet the demands of increased turnover. A highly competitive labour market where candidates are perhaps focused on short term gains rather than long term stability has made it a challenging year, however the recruiters have performed admirably. The challenge for 2023 is to improve Ardmore's position in the market and introduce a new ATS to refine the recruiting process to ensure maximum value.

#### *Learning & Development*

One of the areas most impacted by Covid as the move away from 'class learning' exposed some shortcomings in the approach and the lack of resource in the department. The objectives for 2023 is to launch a new L&D Strategy with a focus on managing performance, succession planning and talent management. The drive of the department will be to champion modern and evidence based approaches and co-create processes which will meet the organisation's needs.

#### *Systems*

A thorough systems selection process has concluded with the team submitting the final stage of evaluation for Board review and sign off with a plan for implementation in early 2023.

#### *Recruitment*

The Group gives full and fair consideration to applications for employment made by disabled people, having regard to their particular aptitudes and abilities. Appropriate arrangements are made to assist the recruitment, training, career development and promotion of disabled people. The Group endeavours to retain and adjust the environment of employees who become disabled during the course of their employment.

# Ardmore Group Limited

## Group strategic report for the year ended 30 September 2022

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### 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:

#### *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.

#### *Supply chain*

The Group's supply chain is a key element of business operations. The risk of supply chain failure continues to increase and can have a significant impact on projects. The Group manages this risk wherever possible with proactive engagement of the supply chain, and robust monitoring, including a newly introduced PQQ (pre-qualification questionnaire) and due diligence process, and contingency plans where appropriate.

#### *Political and economic risks*

The Group follows industry best practice in its operations and on its sites. Any changes to the legislative environment may impact the Group. The Group is also impacted by UK direct and indirect tax changes, together with inflation and government actions to manage or mitigate this. The Group manages these risks wherever possible through active management an engagement with stakeholders, reforecasting and monitoring for changes in the wider environment.

### Financial risk management objectives and policies

The Group is exposed to a variety of financial risks including liquidity and credit risk. The Group has in place a risk management programme that seeks to limit any adverse effect on the financial performance of the Group.

#### *Credit risk*

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

#### *Liquidity risk*

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

#### *Market risk*

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

# **Ardmore Group Limited**

## **Group strategic report for the year ended 30 September 2022**

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

The Group is not required to adopt an official recognised corporate governance code. However the directors continue to utilise an internal corporate governance code which established rules and guidelines for strategic, commercial, financial, legal and employment matters. These duties are detailed in the section 172 statement below.

This report sets out how the directors of the Group and Company comply with the requirements of section 172 of the UK Companies Act 2006 and how these requirements have been considered as part of the Board's decision making throughout the year.

#### ***Decision making***

The Board consider, both individually and together, that they have acted in the way they consider good faith and promote the success of the company and group for the benefit of its members as a whole.

The Board ensures that strategic initiatives feed directly into one or more of the fundamental ambitions. They review and consider the various stakeholders when arising at recommended business decisions consistent with the strategy.

#### ***People***

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

The management continues to engage directly with employees through regular visits and meetings taking place across the Group including all construction sites.

#### ***Business relationship***

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

Supply chain management continues to be a focus for management and site teams. During the year the Company introduced new procedures for supply chain engagement and monitoring, including a PQQ (pre-qualification questionnaire) and due diligence process. The Company maintains a close working relationship with its supply chain.

#### ***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 interacts.



## **Ardmore Group Limited**

### **Group strategic report for the year ended 30 September 2022**

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#### ***Culture and values***

The Group's culture is characterised by a 'can do' attitude, mutual respect and trust. Lawful conduct and fair competition are integral to its business activities and an important condition for maintaining a reputation for high standards of business conduct securing long term success.

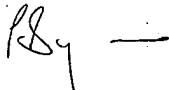
The Group embraces diversity, flexibility, sustainability and continuous improvement throughout the organisation. The Group has a customer centric philosophy with transparent, fair and simple processes. The Board and management have taken active steps to drive cultural change and to ensure corporate strategy and customer orientation principles and values are embraced across the organisation.

#### ***Shareholders***

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

#### **Approval**

This report was approved by the Board on 22 December 2022 and signed on its behalf.



**P J Byrne  
Director**

# **Ardmore Group Limited**

## **Directors' report for the year ended 30 September 2022**

The directors present their report together with the audited financial statements for the year ended 30 September 2022.

### **Principal activities, review of business and future developments**

The Group's principal activity is that of a main contractor for the construction of residential and commercial developments in the UK. In addition to the main construction operations, the Group manufactures joinery, steel and masonry products, and holds a portfolio of commercial and residential properties.

The Company's principal activity is that of a holding company.

See the Strategic Report which covers the business update, review of the year and future developments.

As permitted by paragraph 1A of schedule 7 to the Large and Medium sized Companies and Groups (Accounts and Reports) Regulation 2008, certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report.

### **Results and dividends**

The profit for the year, after taxation, amounted to £5.1m (2021 - £14.9m).

The directors approved an interim dividend of £2.226 (2021 - £2.509) per ordinary A share and £3,896.50 (2021 - £3,333.33) per ordinary B share for the year ended 30 September 2022. No final dividends (2021 - £3.902 per ordinary A share and £Nil per ordinary B share) were 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 and Company have 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.

Further details regarding the directors' going concern assessment have been provided in note 2.

### **Subsequent 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

The above directors are covered by the Group's directors and officers' indemnity insurance.

# Ardmore Group Limited

## Directors' report for the year ended 30 September 2022

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

The Group is committed to reducing its environmental impact and has made recent Environment and Sustainability appointments to drive this agenda.

Key successes in 2022 included the prioritisation of renewable electricity procurement which accounted for 55.17% of total electricity procured and saved 610.82tCO<sub>2</sub>e\*\*\*.

As committed to in the previous declaration, the Group has improved its internal data capture mechanisms and as a result is able to report energy use with greater transparency and accuracy. This has also allowed the Group to restate the comparative figures to include further fuel use on sites. The below information includes the Ardmore Construction Group. Other subsidiaries are not currently required to report this information.

	2022	2021
Scope 1 emissions (kWh)	4,029,617	3,227,724
Scope 2 emissions (kWh)	5,163,944	5,982,749
UK energy use (kWh)	9,193,561	9,210,473
GHG emissions* (tCO <sub>2</sub> )	1,416	2,766
Intensity ratio** (kgCO <sub>2</sub> /£k)	3.3	6.8

Key milestones taken place since year end include establishing a carbon Baseline for Scope 1, 2 and 3 Emissions and developing a strategy to reduce identified hotspots. This will continue to be developed and rolled out throughout the group in the coming months.

\* The carbon intensity of procured electricity is based on energy company declarations where known as opposed to GHG averages.  
\*\* Total emissions divided by revenue  
\*\*\* Carbon intensity for saving used  
\*\*\*\* The Group is developing its data capture process for transport emissions and it is not practicable to obtain this information yet, however management will seek to include this in future reports.

### Auditor

Following a competitive tender in the year, MHA MacIntyre Hudson were appointed auditors to the Company and wider group, and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

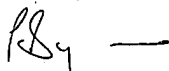
### Disclosure of information to auditor

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.

### Approval

This report was approved by the board on 22 December 2022 and signed on its behalf.



P J Byrne  
Director

## **Ardmore Group Limited**

### **Directors' responsibilities statement**

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

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

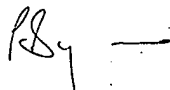
In preparing these financial statements the directors are required to:

- Select suitable accounting policies for the 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 Company will continue in business.

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

#### **Approval**

This statement was approved by the board on 22 December 2022 and signed on its behalf.



**P J Byrne**  
**Director**

# **Ardmore Group Limited**

## **Annual report and financial statements for the year ended 30 September 2022**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDMORE GROUP LIMITED**

#### **Opinion**

We have audited the financial statements of Ardmore Group Limited ("the parent Company") and its subsidiaries ("the Group") for the year ended 30 September 2022 which comprise the Group Statement of Comprehensive Income, the Group and the Company Statements of Financial Position, the Group and the Company Statements of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2022, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

We have nothing to report in this regard.

# **Ardmore Group Limited**

**Annual report and financial statements  
for the year ended 30 September 2022**

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDMORE GROUP LIMITED (continued)**

### **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 Group Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and their 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the directors**

As explained more fully in the directors' responsibilities statement set out on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

## **Ardmore Group Limited**

### **Annual report and financial statements for the year ended 30 September 2022**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDMORE GROUP LIMITED (continued)**

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

- Enquiry of management, those charged with governance and the entity's in-house legal team around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

A further description of our responsibilities for the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Atul Kariya FCCA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**  
Statutory Auditors

London

22 December 2022

## Ardmore Group Limited

### Consolidated statement of comprehensive income for the year ended 30 September 2022

	Note	2022 £'000	2021 £'000
<b>Revenue</b>	4	<b>435,095</b>	<b>404,838</b>
Cost of sales		<u>(406,797)</u>	<u>(368,980)</u>
<b>Gross profit</b>		<b>28,298</b>	<b>35,857</b>
Other operating income	5	167	185
Administrative expenses		(22,671)	(21,367)
Fair value movement on revaluation of investment property	13	661	644
<b>Operating profit</b>	6	<b>6,455</b>	<b>15,319</b>
Interest receivable and similar income	8	91	39
Interest payable and similar expenses	9	-	(41)
<b>Profit before tax</b>		<b>6,546</b>	<b>15,317</b>
Tax expense	10	(1,402)	(3,015)
<b>Profit for the financial year attributable to owners of the parent company</b>		<b>5,144</b>	<b>12,301</b>
Unrealised gain on revaluation of tangible fixed assets	12	-	2,596
<b>Total comprehensive income for the financial year attributable to owners of the parent company</b>		<b>5,144</b>	<b>14,897</b>

The notes on pages 20 to 40 form part of these financial statements.

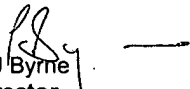


# Ardmore Group Limited

## Consolidated statement of financial position as at 30 September 2022

Company number: 10379475	Note	2022 £'000	2022 £'000	2021 Restated £'000	2021 Restated £'000
<b>Fixed assets</b>					
Intangible assets	14		225		251
Tangible fixed assets	12		28,928		28,784
Investment property	13		33,529		20,118
			<u>62,682</u>		<u>49,154</u>
<b>Current assets</b>					
Stocks	17	7,269		9,284	
Debtors: amounts falling due after one year	18	15,912		18,504	
Debtors: amounts falling due within one year	18	88,394		63,199	
Cash and cash equivalents	19	93,712		113,588	
		<u>205,287</u>		<u>204,576</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	20	(119,635)		(130,083)	
		<u></u>		<u></u>	
<b>Net current assets</b>			85,652		74,493
<b>Total assets less current liabilities</b>			148,334		123,647
<b>Non-current liabilities</b>					
Creditors: amounts falling due after one year	20		(18,297)		(8,483)
<b>Provisions for liabilities</b>					
Deferred tax liability	23	(3,173)		(3,212)	
Other provisions	22	(59,334)		(48,067)	
		<u></u>	(62,507)	(51,279)	
<b>NET ASSETS</b>			<u>67,530</u>		<u>63,885</u>
<b>Capital and reserves</b>					
Share capital	24		359		359
Share premium			12		12
Revaluation reserve			17,237		16,576
Merger reserve			3,053		3,053
Retained earnings			46,869		43,886
<b>TOTAL EQUITY</b>			<u>67,530</u>		<u>63,885</u>

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2022 and were signed on its behalf by:

  
P J Byrne  
Director

The notes on pages 20 to 40 form part of these financial statements.

## Ardmore Group Limited

### Consolidated statement of cash flows for the year ended 30 September 2022

	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Profit for the year		5,144	12,301
<i>Adjustments for:</i>			
Amortisation of intangible fixed assets	14	46	30
Depreciation of tangible fixed assets	12	680	231
Loss on disposal of fixed assets		17	
Interest payable and similar expenses	9	-	41
Interest receivable and similar income	8	(91)	(39)
Fair value movement on revaluation of investment property	13	(661)	(644)
Tax expense	10	1,402	3,015
		<hr/>	<hr/>
		6,537	14,935
Increase in trade and other receivables		(23,508)	(30,007)
Decrease/(Increase) in stocks		2,015	(3,669)
(Increase)/Decrease in trade and other payables		(634)	40,105
Increase in provisions		11,267	2,274
		<hr/>	<hr/>
<b>Cash (used in)/generated from operations</b>		(4,323)	23,638
Income taxes paid		(3,333)	(3,380)
		<hr/>	<hr/>
<b>Net cash flows (used in)/from operating activities</b>		(7,656)	20,258
		<hr/>	<hr/>
<b>Investing activities</b>			
Purchases of Tangible fixed assets	12	(841)	(1,137)
Purchases of investment property	13	(9,950)	-
Purchase of intangible assets	14	(20)	(152)
Withdrawal from current asset investments		-	7,056
Interest received	8	91	38
Interest paid	9	-	(41)
		<hr/>	<hr/>
<b>Net cash (used in)/from investing activities</b>		(10,720)	5,764
		<hr/>	<hr/>
<b>Financing activities</b>			
Dividends paid to the holders of the parent	11	(1,500)	(2,900)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		(1,500)	(2,900)
		<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(19,876)	23,122
<b>Cash and cash equivalents at beginning of year</b>		113,588	90,466
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	19	93,712	113,588
		<hr/>	<hr/>

The notes on pages 20 to 40 form part of these financial statements.

## Ardmore Group Limited

### Consolidated statement of changes in equity For the year ended 30 September 2022

	Share capital £'000	Revaluation reserves £'000	Retained earnings £'000	Other reserves £'000	Total equity £'000
At 1 October 2020	359	13,336	35,129	3,065	51,889
Profit for the year	-	-	12,301	-	12,301
Unrealised surplus on revaluation of fixed assets	-	2,596	-	-	2,596
Changes in fair value of investment property	-	644	(644)	-	-
<b>Total comprehensive income for the year</b>	-	3,240	11,657	-	14,897
Dividends	-	-	(2,900)	-	(2,900)
<b>Total transactions with owners</b>	-	-	(2,900)	-	(2,900)
<b>At 30 September 2021</b>	<b>359</b>	<b>16,576</b>	<b>43,886</b>	<b>3,065</b>	<b>63,886</b>
Profit for the year	-	-	5,144	-	5,144
Unrealised surplus on revaluation of fixed assets	-	-	-	-	-
Changes in fair value of investment property	-	661	(661)	-	-
<b>Total comprehensive income for the year</b>	-	661	4,483	-	5,144
Dividends	-	-	(1,500)	-	(1,500)
<b>Total transactions with owners</b>	-	-	(1,500)	-	(1,500)
<b>At 30 September 2022</b>	<b>359</b>	<b>17,237</b>	<b>46,869</b>	<b>3,065</b>	<b>67,530</b>

The notes on pages 20 to 40 form part of these financial statements.

# **Ardmore Group Limited**

## **Notes forming part of the consolidated financial statements for the year ended 30 September 2022**

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### **1 General information**

Ardmore Group Limited is a private company limited by shares and incorporated in England and 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**

#### **A. Basis of preparation**

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 ("FRS 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 FRS102 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 consolidated financial statements are presented in Sterling, which is also the Group's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

The following principal accounting policies have been applied:

#### **B. Basis of consolidation**

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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.

#### **C. Prior period error**

The comparative financial statements have been restated for the reclassification of certain contract provisions which were previously included in creditors due in less than one year. The directors consider the treatment of these contract provisions is more accurately represented within the provisions heading.

This results in a reduction of creditors due in less than one year of £25.2m, and an increase in net current assets and provisions of an equal amount. There is no change to net assets, nor the reported result.

#### **D. 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. 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 forming part of the consolidated financial statements for the year ended 30 September 2022**

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#### **E. 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 Company and 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. The directors regularly review the working capital requirements of the Company and the Group whilst reviewing sensitivities in future performance.

The directors have reviewed the forecast future performance of the Group based on their current expectation of profits and cash flows. Despite the challenges following the aftermath of the pandemic and the wider economy, the Group has remained profitable and cash generative. This is expected to continue and the directors are anticipating that next year the Ardmore Group will record strong turnover and profitability. These forecasts include the anticipated impacts of continued margin pressure.

The directors have prepared a cash flow forecast for 12 months from the date of approval of these financial statements and consider the Group has sufficient cash reserves to continue trading throughout this period with significant headroom.

The directors of the Company recognise the economic and trading uncertainties and have considered a range of potential scenarios of escalating impact and duration including a significant contract loss, 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 directors consider that the Group would be able to continue trading for at least 12 months from the date 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 annual financial statements.

#### **F. Turnover**

Turnover represents consideration receivable, net of VAT and discounts, on the Group's activities.

##### ***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 Group's surveyors in liaison with third parties.

Turnover from contract variations 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 building 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 Group.

##### ***Investment property rental income***

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

# **Ardmore Group Limited**

## **Notes forming part of the consolidated financial statements for the year ended 30 September 2022**

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### **G. Foreign currency**

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

### **H. Finance income and costs**

#### ***Finance income***

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

#### ***Finance costs***

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

### **I. Government grants**

Government grants are accounted under the accruals model as permitted by FRS102. Government grants are recognised in the Consolidated statement of comprehensive income as other income in the same period as the related expenditure.

### **J. Employee benefits**

#### ***Pensions***

The Group operates a defined contribution scheme. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The assets of the plan are held separately from the Group in independently administered funds. Once the contributions have been paid the Group has no further payment obligations.

Contributions to defined contribution pension schemes are charged to the Consolidated statement of comprehensive income in the year to which they relate.

#### ***Other long-term service benefits***

Other employee benefits that are expected to be settled wholly within 12 months after the end of the reporting period are presented as current liabilities.

Other employee benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected unit credit method and then discounted using yields available on high quality corporate bonds that have maturity dates approximating to the expected remaining period to settlement and are denominated in the same currency as the post-employment benefit obligations.

## **Ardmore Group Limited**

### **Notes forming part of the consolidated financial statements for the year ended 30 September 2022**

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#### **K. Taxation**

The tax expense comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except for a charge attributable to an item of income or expense recognised within other comprehensive income or to an item recognised directly in equity, which are recognised in other comprehensive income or equity respectively.

##### **Current tax**

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.

##### **Deferred tax**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting state, except for:

- 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 interest in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent timing 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 value of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **L. Intangible assets**

Intangible assets relate to externally acquired software. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and impairment losses. Amortisation is recognised in administrative expenses.

All intangible assets are considered to have a finite useful life and are amortised using a 15% reducing balance method.

#### **M. Tangible fixed assets**

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

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

Plant and machinery	- 15% reducing balance
Motor vehicles	- 20% reducing balance
Fixtures and fittings	- 15% reducing balance

Freehold land is not depreciated. Land and Buildings are held at valuation, see below.

## **Ardmore Group Limited**

### **Notes forming part of the consolidated financial statements for the year ended 30 September 2022**

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The assets' residual values, useful lives and depreciation methods are reviewed regularly or if there is a significant change since the last reporting date. Any change in accounting estimate is adjusted prospectively.

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.

#### **N. Revaluation of tangible fixed assets**

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

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

Revaluation gains and losses are recognised as other comprehensive income 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.

#### **O. 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 profit or loss within the Consolidated statement of comprehensive income.

Investment property held in individual entity financial statements as investment proper in which the asset is used by other group companies are presented as tangible fixed assets on consolidation to reflect the usage by the Group.

#### **P. Impairment**

At each reporting date the Group assess whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

#### **Q. Current asset investments**

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

#### **R. Stocks**

Stocks are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to complete and sell.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition. Cost is based on the cost of raw materials on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

Cost of stock properties is calculated at the original purchase cost together with other attributable costs of the purchase, including finance costs where applicable.



# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022

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### **S. Financial instruments**

The Group has no financial instruments recognised at fair value. The Group's policies relating to financial assets and liabilities are summarised below.

#### ***Financial assets***

Financial assets are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

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

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.

Debt instruments that are receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

Trade debtors are monitored for indicators of impairment. Impairment provisions are assessed by management and are recognised on specific trade receivables when required. Impairment provisions for trade debtors are recognised in the Consolidated statement of comprehensive income in administrative expenses.

#### ***Financial liabilities***

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are measured initially at transaction price (including transaction costs) and subsequently held at amortised cost.

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

Debt instruments that are payable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

#### ***Long term contracts***

Long term contracts are assessed on a contract by contract basis and are reflected in the Consolidated statement of comprehensive income 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 as long term contract balances.

The amount by which 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 basis 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 provisions.

## **Ardmore Group Limited**

### **Notes forming part of the consolidated financial statements for the year ended 30 September 2022**

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#### **T. Provisions**

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 the Group becomes aware of the obligation, and is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, taking into account relevant risks and uncertainties.

When the settlement is made, this is deducted from the provision previously recognised.

#### **U. Operating leases - lessor**

The Group utilise operating leases, primarily relating to property. The Group have no finance leases.

Rentals received under operating leases are credited to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits given as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from using the leased asset.

#### **V. Share capital**

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Group's ordinary shares are classified as equity instruments.

#### **W. Dividends**

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

### 3 Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *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 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.

#### *Estimates and assumptions*

- 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 reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the future market conditions, the remaining life of the asset and projected disposal values.
- Investment property and properties included in tangible fixed assets are valued by the Directors using a yield methodology. This uses estimates on the likely sales proceeds upon disposal of the properties, as such there is an inevitable degree of judgement included.

## Ardmore Group Limited

Notes forming part of the consolidated financial statements  
for the year ended 30 September 2022 (continued)

### 4 Revenue

All revenue arose within the United Kingdom.

	2022 £'000	2021 £'000
An analysis of turnover by class of business is as follows:		
Construction contracts	434,072	404,098
Investment property rental income	1,023	740
	<u>435,095</u>	<u>404,838</u>

### 5 Other operating income

	2022 £'000	2021 £'000
Government grants (Coronavirus job retention scheme)	-	19
Other operating income	167	166
	<u>167</u>	<u>185</u>

### 6 Operating profit

The operating profit is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets	680	340
Amortisation of intangible assets	46	30
Head office relocation costs	-	11
Operating lease rentals	295	160
	<u>1,021</u>	<u>541</u>
Fees payable to the Company's auditor (2021 – previous auditor) for:		
- Audit of the Company's annual accounts	28	21
- Audit of the Company's subsidiaries pursuant to legislation	130	167
- Non audit services – Taxation compliance services	40	64
- Non audit services – Other services	-	7
	<u>198</u>	<u>259</u>

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

### 7 Employees

	2022 £'000	2021 £'000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	31,510	26,939
Social security contributions	3,517	2,529
Defined contribution pension cost	919	711
	<u>35,947</u>	<u>30,179</u>
	2022 No.	2021 No.
The average number of employees during the year was as follows:		
Directors	2	3
Production and technical	337	300
Administrative	93	87
	<u>432</u>	<u>390</u>

### Pension

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 expense in the year is shown above. Contributions payable to the fund outstanding at the balance sheet total £336,000. (2021 - £143,000).

### Directors' remuneration

	2022 £'000	2021 £'000
Emoluments	<u>1,233</u>	<u>1,292</u>

The highest paid director received remuneration of £633,000 (2021 - £743,343).  
No directors are accruing pension benefits under company pension schemes.

### Key management personnel compensation

Key management personnel include all directors and a number of senior management across the Group who together have authority and responsibility for planning, directing and controlling Group activities.

	2022 £'000	2021 £'000
Salary	<u>2,250</u>	<u>2,367</u>

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

### 8 Interest receivable and similar income

	2022 £'000	2021 £'000
Bank interest receivable	91	39
	<u>91</u>	<u>39</u>

### 9 Interest payable and similar expenses

	2022 £'000	2021 £'000
Other interest payable	-	41
	<u>-</u>	<u>41</u>

### 10 Tax expense

	2022 £'000	2021 £'000
<b>Current tax expense</b>		
Current tax on profits for the year	616	2,550
Adjustments in respect of previous periods	-	(166)
	<u>616</u>	<u>2,384</u>
<b>Total current tax</b>	<b>616</b>	<b>2,384</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	804	33
Adjustments in respect of previous periods	(117)	10
Effect of tax rate change on opening balance	-	589
	<u>687</u>	<u>631</u>
<b>Total deferred tax</b>	<b>687</b>	<b>631</b>
<b>Total tax charge for the year</b>	<b>1,402</b>	<b>3,015</b>

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (*continued*)

#### 10 Tax expense (*continued*)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2022 £'000	2021 £'000
Profit for the year	6,546	15,317
Tax using the Company's domestic tax rate of 19% (2021 - 19%)	1,244	2,910
Expenses not deductible for tax purposes	275	150
Utilisation of tax losses where no deferred tax asset recognised	-	(326)
Recognition of deferred tax asset relating to trading losses	-	(726)
Adjustment for under/(over) provision in previous periods	(117)	(157)
Remeasurement of deferred tax for changes in tax rate	-	771
Tax relating to property revaluations	-	389
<b>Total tax charge for the year</b>	<b>1,402</b>	<b>3,015</b>

#### 11 Dividends

	2022 £'000	2021 £'000
<i>A Ordinary</i>		
Interim paid of £2.226 (2021 - £2.590) per share	799	900
Final payable of £Nil (2021 - £3.902) per ordinary share	-	1,400
<i>B Ordinary</i>		
Interim paid of £3,896.50 (2021 - £3,333.33) per share	701	600
Final payable of £Nil (2021 - £Nil) per share	-	-
	<b>1,500</b>	<b>2,900</b>

# Ardmore Group Limited

Notes forming part of the consolidated financial statements  
for the year ended 30 September 2022 (continued)

## 12 Tangible fixed assets

	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>					
At 1 October 2021	25,901	8,568	156	2,336	36,961
Additions	-	371	100	370	841
Disposals	-	(60)	(14)	-	(74)
<b>At 30 September 2022</b>	<b>25,901</b>	<b>8,879</b>	<b>242</b>	<b>2,706</b>	<b>37,728</b>
<b>Depreciation</b>					
At 1 October 2021	185	5,756	131	2,105	8,177
Charge for the year	-	508	20	152	680
On disposals	-	(44)	(13)	-	(57)
<b>At 30 September 2022</b>	<b>185</b>	<b>6,220</b>	<b>138</b>	<b>2,257</b>	<b>8,880</b>
<b>Net book value</b>					
At 30 September 2021	25,716	2,812	25	231	28,784
At 30 September 2022	25,716	2,659	104	449	28,928

Land and buildings totalling £25,715,953 (2021 - £25,715,953), have been valued at open market value at the reporting date by C J Byrne and P J Byrne, who are directors of the Group, with reference to independent valuation reports. 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 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. There was a revaluation gain on the land and buildings of £2,596,000 in the comparative period.

Net book value of land and buildings is further analysed as:

	2022 £'000	2021 £'000
Freehold	18,179	18,179
Leasehold	7,537	7,537
	<b>25,716</b>	<b>25,716</b>



## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

#### 13 Investment property

	2022 £'000	2021 £'000
<b>Valuation</b>		
At 1 October	20,118	19,475
Additions	12,750	-
Surplus on revaluation	661	644
	<hr/>	<hr/>
<b>At 30 September</b>	<b>33,529</b>	<b>20,118</b>
	<hr/>	<hr/>

The Group's investment properties have been valued to fair value based on market value at the reporting date by C J Byrne and P J Byrne, who are directors of the Group. The directors are qualified to make valuations on the basis of their knowledge of the commercial and residential property markets. In making the valuation, the directors have considered the value in use of the properties, present market conditions, and advice from internal and external valuation specialists.

Net book value of investment properties is further analysed as:

	2022 £'000	2021 £'000
Freehold	20,521	11,392
Leasehold	13,008	8,726
	<hr/>	<hr/>
	<b>33,529</b>	<b>20,118</b>
	<hr/>	<hr/>

If investment properties had been accounted for under the historic cost accounting rules, the properties would have a historic cost of £27,161,000 (2021 - £14,411,000).

The Group had annual lessor income commitments on its externally rented investment properties of:

	2022 £'000	2021 £'000
Less than one year	763	200
1 to 5 years	117	313
	<hr/>	<hr/>
	<b>880</b>	<b>513</b>
	<hr/>	<hr/>

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (*continued*)

#### 14 Intangible assets

	Total £'000
<b>Cost</b>	
At 1 October 2021	276
Additions - purchased	20
	<hr/>
<b>At 30 September 2022</b>	<b>296</b>
	<hr/>
<b>Accumulated amortisation</b>	
At 1 October 2021	25
Amortisation charge	46
	<hr/>
<b>At 30 September 2022</b>	<b>71</b>
	<hr/>
<b>Net book value</b>	
At 30 September 2021	251
At 30 September 2022	225
	<hr/>

#### 15 Investments

The Group holds a £1 (2021 - £1) investment in a dormant joint venture, Ardmore First Base Partnership Limited. The Groups interest is 50% of the ordinary share capital, and the registered office is the same as that shown on the company information page.

#### 16 Subsidiaries

The subsidiaries of Ardmore Group Limited, which are wholly owned directly unless stated by \*, have been included in these consolidated financial statements, are as follows:

Name	Principal activity
Ardmore Construction Group Limited	Holding company
Ardmore Construction Limited*	General builder
Ardmore Major Project Limited*	General builder
Ardmore Enabling Limited*	General builder
Ardmore Hotels & Commercial Limited*	Dormant
Ardmore Regeneration Limited*	Dormant
Ardmore Fitout Limited*	General builder
Paddington Construction Limited	Manufacturing
British Contractors Plant Limited	Dormant
Systemhaven Limited	Holding company
Byrne Properties Limited*	Property investment and development
Celebration Homes Limited*	Property investment and development
Byrne Estates (Kensal Green) Limited*	Property development
Kensal Green Management Company Ltd*	Dormant

The registered office of all subsidiaries is the same as the Company.

\* denotes 100% indirectly owned.

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

#### 17 Stocks

	2022 £'000	2021 £'000
Raw materials and consumables	3,888	3,609
Work-in-progress	912	2,859
Finished goods and goods for resale	556	903
Development properties	1,913	1,913
	<u>7,269</u>	<u>9,284</u>

Development properties are held at cost less provision for impairment. The properties were valued by the directors at open market value at the reporting date at £5.3m (2021 - £5.3m).

#### 18 Debtors

	2022 £'000	2021 £'000
<b>Due after more than one year</b>		
Trade debtors	15,912	18,504
<b>Due within one year</b>		
Trade debtors	53,551	37,357
Amounts owed by related parties (see note 26)	4,412	4,520
Other debtors	2,479	8,576
Corporation tax recoverable	2,621	
Prepayments and accrued income	3,004	1,652
Amounts recoverable on long term contracts	22,327	7,595
Loan notes	-	2,773
Deferred tax asset (see note 23)	-	726
	<u>88,394</u>	<u>63,199</u>

The impairment loss recognised in the Consolidated Statement of comprehensive income in respect of bad and doubtful trade debtors was £200,000 (2021 - £Nil).

Trade debtors due after more than one year relate to retentions due under normal terms on long term contracts. Loan notes relate to an interest bearing external loan provided to an unconnected party.

Amounts owed by related parties (net of provisions) includes £1,841,210 (2021 - £1,841,210) due from Byrne Estates (Chatham) Limited (herein "Chatham"), a related party due to common control. The directors, who have a common interest in the Ardmore Group and Chatham, have recognised a provision of £Nil (2021 - £1.2m) against the debt during the year to reflect the uncertainty over the anticipated amount and timing of recovery, which includes the impact of discounting 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 in an agreement linked to the sale of developed residential properties along with profits forecast on a supplementary agreement linked to additional commercial property. 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.

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

### 18 Debtors (continued)

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 recovery the unprovided debt, although the timing of repayment is uncertain. It should be noted that whilst 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 the disposal.

The Loan note was settled in the year by way of offset against investment properties acquired by the Group. The Loan note reduced the cash paid to acquire these properties, with a £1.1m bad debt recorded on unrecovered loan note interest.

### 19 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	93,712	113,588

### 20 Creditors

	2022 £'000	2021 Restated £'000
<b>Due after more than one year</b>		
Trade creditors	18,297	8,483
<b>Due within one year</b>		
Payments received on account	3,363	5,468
Trade creditors	41,655	21,809
Other taxation and social security	5,207	5,279
Other creditors	658	1,109
Accruals and deferred income	68,752	96,418
	<b>119,635</b>	<b>130,083</b>

### 21 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 Strategic report.

The Group does not have any financial instruments carried at fair value other than tangible fixed assets – land and buildings (see note 12) and investment property (see note 13). Fair value gains on these assets in the year totalled £661,000 (2021 - £644,000) through profit or loss and £Nil (2021 - £2,596,000) through other comprehensive income.

The Group's income, expense, gains and losses in respect of financial instruments are summarised in notes 8, 9 and 19.

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

#### 22 Provisions

	2022 £'000	2021 Restated £'000
Provision for remedial work	32,288	35,521
Provision for loss on contracts	27,046	12,546
<b>At 30 September 2022</b>	<b>59,334</b>	<b>48,067</b>

Movement in the year:	Provision for remedial work £'000	Provision for loss on contracts £'000	Total £'000
At 1 October 2021 - restated	35,521	12,546	48,067
(Credited)/Charged to profit or loss	(3,233)	14,500	11,267
<b>At 30 September 2022</b>	<b>32,288</b>	<b>27,046</b>	<b>59,334</b>

#### *Provision for remedial work*

The directors, based on internal and external advice, have made a provision for remedial work required on previous projects. The obligation is likely to crystallise more than one year after the balance sheet date, although the timing for settlement of these amounts is uncertain. The provision reflects the anticipated loss to the Group.

#### *Provision for loss on contracts*

This provision relates to live contracts where the directors estimate that costs will exceed revenue on a construction contract. The provision reflects the expected loss and is recognized immediately.

#### 23 Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2021 - 25%).

The movement on the deferred tax liability is as shown below:

	2022 £'000	2021 £'000
At 1 October	2,486	1,855
Recognised in profit and loss	687	631
<b>At 30 September</b>	<b>3,173</b>	<b>2,486</b>

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

#### 23 Deferred tax (continued)

The provision for deferred taxation relates to:

	2022 £'000	2021 £'000
Accelerated capital allowances	169	261
Rollover relief on disposed property	807	807
Revaluation of properties	2,268	2,144
Tax losses	(71)	-
	<hr/>	<hr/>
Deferred tax liability	3,173	3,212
Deferred tax asset	-	(726)
	<hr/>	<hr/>
Total	<u>3,173</u>	<u>2,486</u>

Certain Group companies have tax losses available for offset against future profits of approximately £2.0m (2021 - £2.0m) where no deferred tax asset has been provided for due to uncertainty of the timing and extent of utilisation. The unrecognised deferred tax asset totals £0.5m (2021 - £0.5m) using a rate of 25%.

#### 24 Share capital

	2022 Number	2022 £'000	2021 Number	2021 £'000
Allotted, called up and fully paid				
A Ordinary shares of £1 each	358,776	359	358,776	359
B Ordinary shares of £1 each	180	-	180	-
	<hr/>	<hr/>	<hr/>	<hr/>

The B Ordinary shares do not carry voting rights, no participation rights in the event of a winding up, other than a return of nominal value, but do have a separate dividend entitlement.

#### 25 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of the shares issued.
Share premium	The share premium account includes the premium on issue of equity shares above nominal value, net of any issue costs.
Revaluation reserve	This reserve represents the net accumulated unrealised gains in respect of investment properties and properties held as tangible fixed assets.
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.
Retained earnings	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.
	Included in the Group retained earnings are non-distributable reserves of £9,281,484 (2021 - £9,281,484).

## Ardmore Group Limited

### Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (continued)

#### 26 Related party transactions

The outstanding balances with related parties are detailed below. All parties are related due to being under common control of C J Byrne and P J Byrne, or their trusts:

Balance due to/(owed by) the Group, net of provisions	2022 £'000	2021 £'000
Byrne Estates (Chatham) Limited	1,841	1,841
Byrne Estates Limited	167	227
Stylo Estates Limited	1,813	1,769
Ardmore Contracting (Ireland) Limited	541	541
Georgia Properties Limited	(7)	(8)
Ardmore Special Projects Limited	(2)	150
Other	59	-
	<u>4,412</u>	<u>4,520</u>

Movements in the year relate to cash. Balances are unsecured, interest free and due on demand.

The Group have previously made provisions where amounts are considered irrecoverable.

During the prior year the Group made a provision of £1.2m against amounts due from Byrne Estates (Chatham) Limited. See note 18 for further background.

The directors continue to review the recoverable amount from Stylo Estates Limited and Ardmore Contracting (Ireland) Limited, which is supported by a property portfolio in Ireland. There has been no movement in the provision in the current or prior year.

At the reporting date there were amounts due to C J Byrne and P J Byrne totalling £54,667 (2021 - £428,369). Dividends of £Nil (2021 - £Nil) were due to C J Byrne and P J Byrne at the reporting date.

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022 (*continued*)

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### 27 Contingent liabilities

The directors have provided for costs based on their best estimate of known claims, investigations and legal action 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 Group cannot make a sufficiently reliable estimate of the potential obligation.

### 28 Guarantees

The Group has entered into an unlimited cross guarantee in respect of an overdraft facility secured over all the assets of Ardmore Construction Limited, British Contractors Plant Limited and Paddington Construction Limited. The net indebtedness of the above companies in respect of the overdraft facility at the balance sheet date was £Nil (2021 – £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. The life insurance 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.

### 29 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.

### 30 Events after the reporting date

There are no material subsequent events that require disclosure.

### 31 Notes supporting statement of cash flows

#### *Significant non-cash transactions*

During the year the Group acquired a number of investment properties. The Group offset a £2.8m loan due to the Group from the seller, with the balance paid in cash.

#### *Net debt reconciliation*

The Group has no external debt.



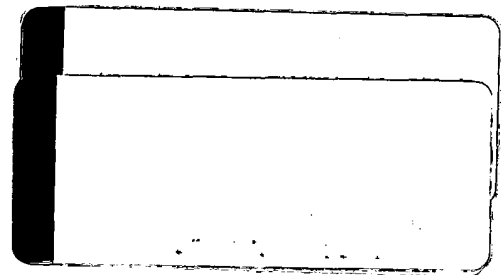
**Ardmore Group Limited**

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**Ardmore Group Limited**

Parent Company  
Financial Statements

Year ended 30 September 2022



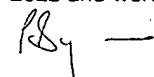
# Ardmore Group Limited

## Company statement of financial position as at 30 September 2022

Company number: 10379475	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Investments	3		535		535
			<u>535</u>		<u>535</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	4	34,561		29,064	
Cash and cash equivalents	5	55,924		69,281	
		<u>90,485</u>		<u>98,345</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	6	(67,262)		(75,990)	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>23,223</u>		<u>22,354</u>
<b>NET ASSETS</b>			<u>23,758</u>		<u>22,889</u>
<b>Capital and reserves</b>					
Share capital	7		359		359
Share premium			12		12
Retained earnings			23,387		22,518
			<u>23,758</u>		<u>22,889</u>
<b>TOTAL EQUITY</b>			<u>23,758</u>		<u>22,889</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 £2,368,944 (2021 - £4,300,816).

The financial statements were approved and authorised for issue by the Board of Directors on 22 December 2022 and were signed on its behalf by:



P J Byrne  
Director

The notes on pages 44 to 45 form part of these financial statements.

## Ardmore Group Limited

### Company statement of changes in equity For the year ended 30 September 2022

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 October 2020	359	12	21,118	21,489
Profit for the year	-	-	4,301	4,301
<b>Total comprehensive income for the year</b>	-	-	4,301	4,301
Dividends	-	-	(2,900)	(2,900)
<b>Total transactions with owners</b>	-	-	(2,900)	(2,900)
<b>At 30 September 2021</b>	<b>359</b>	<b>12</b>	<b>22,518</b>	<b>22,889</b>
Profit for the year	-	-	2,369	2,369
<b>Total comprehensive income for the year</b>	-	-	2,369	2,369
Dividends	-	-	(1,500)	(1,500)
<b>Total transactions with owners</b>	-	-	(1,500)	(1,500)
<b>At 30 September 2022</b>	<b>359</b>	<b>12</b>	<b>23,387</b>	<b>23,758</b>

The notes on pages 44 to 45 form part of these financial statements.

# Ardmore Group Limited

## Notes forming part of the consolidated financial statements for the year ended 30 September 2022

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### 1 Basis of preparation

The accounting policies applied by the Company are consistent to those disclosed in note 2 of the Group financial statements where applicable. Where the policies differ, or are additional to those used by the Group, they are explained below.

General information for the Company is consistent with note 1 to the Group financial statements.

The financial statements are presented in sterling (£), which is also the functional currency of the Company. Amounts are rounded to the nearest thousand, unless otherwise stated.

#### ***Basis of preparation***

The financial statements have been prepared in accordance with FRS 102 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to prepare its own profit and loss account.

#### ***Parent company disclosure exemptions***

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented: equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The Company has taken advantage of the exemption available under FRS 102 and has not disclosed transactions and balances with entities that form part of the group headed by Ardmore Group Limited.

#### ***Investments in subsidiaries***

Investments in subsidiaries are measured at cost less accumulated impairment. Where group reconstruction 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 Employees

The Company has no employees other than the 2 (2021 – 2) directors, who did not receive any remuneration from the Company (2021 – £Nil).

### 3 Investments

Investments represents investments in subsidiary undertakings and is unchanged in the year. A list of subsidiaries can be found in note 16 of the consolidated financial statements.

## Ardmore Group Limited

Notes forming part of the consolidated financial statements  
for the year ended 30 September 2022 *(continued)*

### 4 Debtors

	2022 £'000	2021 £'000
<b>Due within one year</b>		
Amounts owed by fellow group undertakings	34,285	25,928
Corporation tax recoverable	54	141
Amounts due from related parties	222	222
Loan notes	-	2,773
	<u>34,561</u>	<u>29,064</u>

Amounts owed by fellow group undertakings are unsecured, interest free and due on demand.

### 5 Cash and cash equivalents

	2022 £'000	2021 £'000
Cash at bank and in hand	<u>55,924</u>	<u>69,281</u>

### 6 Creditors

	2022 £'000	2021 £'000
<b>Due within one year</b>		
Amounts owed to fellow group undertakings	67,016	75,805
Trade creditors	19	3
Other taxation and social security	72	-
Other creditors	127	182
Accruals and deferred income	28	-
	<u>67,262</u>	<u>79,990</u>

Amounts owed to fellow group undertakings are unsecured, interest free and due on demand.

### 7 Share capital

Details of the Company's share capital is disclosed in note 24 of the consolidated financial statements.

### 8 Events after the reporting date

There have been no material subsequent events that require disclosure.