
ALLFORD HALL MONAGHAN MORRIS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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ALLFORD HALL MONAGHAN MORRIS LIMITED

COMPANY INFORMATION

Directors	S Allford J Hall P Monaghan P Morris N Harris
Registered number	07155322
Registered office	Morelands 5-23 Old Street London EC1V 9HL
Independent auditors	Harris & Trotter LLP Chartered Accountants & Statutory Auditor 64 New Cavendish Street London W1G 8TB
Bankers	Lloyds Bank PLC 39 Threadneedle Street London EC2R 8AU

ALLFORD HALL MONAGHAN MORRIS LIMITED

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ALLFORD HALL MONAGHAN MORRIS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

Introduction

The directors present their strategic report of the company and the group for the year ended 31st March 2019.

Business Review

The principal activity of the business is the provision of a full range of architectural services across a broad spectrum of project types and scales, the majority being located within the UK but with an increasing international workload.

Allford Hall Monaghan Morris (AHMM) experienced continuing growth in the financial year ending March 2019 in responding to the needs of repeat and new clients in respect of projects across all stages of development. This resulted in a strong financial performance – discussed in more depth below – allowing the practice to make selective progress against its key financial targets. A profit share payout for all eligible staff has also been set at 9% of relevant earnings – a similar level to previous years. The Trustee Board of AHMM's majority shareholding Employee Ownership Trust (EOT), formed in the previous year, continued to develop its governance role as the practice's majority shareholder.

Projects

The practice continues to work on projects across a wide variety of sectors, scales and geographies.

A number of significant projects completed on site including.

- Television Centre – the transformation of the Grade II listed former home of the BBC, creating 437 new homes, 25,000 sqm of office space, a hotel shops, restaurants and 3 newly refurbished studios
- The Bower – the transformation of a 1960s building on Old Street Roundabout into a coherent mix of workspace, shops and restaurants introducing a new pedestrian route through to Baldwin Street and City Road
- The Ray – a seven-storey, BREEAM Outstanding building with workspace, hospitality and retail units which has become the new London headquarters of LinkedIn
- The Fitzroy – a high quality retirement housing on the Falmouth seafront for Pegasus Life comprising 34 modern apartments with communal facilities and gardens
- Benjamin Street – a new build five-storey "city sandwich" adjacent to the new Crossrail hub at Farringdon Station with retail space at ground floor, three levels of open-plan offices in the middle, and penthouse apartments at roof level, for the Girdlers' Company.

The recently completed White Collar Factory for Derwent London won a number of awards including three British Council for Offices awards and an RIBA National Award, while Weston Street for developer Solidspace also received an RIBA National Award among eight awards in total. There were two Architects' Journal (AJ) Architecture Project of the Year Awards: Cultural – for the latest phase of the refurbishment of the Royal Court Theatre, Liverpool and Mixed Use – for Television Centre. Recognition also came for the practice as a whole, winning both the AJ100 Practice of the Year and Building Magazine Architectural Practice of the Year.

ALLFORD HALL MONAGHAN MORRIS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Strategy and Future Development

The practice's critical Information and Technology function was brought in-house and expanded following the introduction of professional leadership last year and this was backed by significant, and ongoing, investment to enhance capability and capacity. The Legal and Appointments team also developed with two staff achieving their qualifications as solicitors. There was also further investment in additional studio space at our London offices. These investments reflect the practice's continuing growth and ensure that it remains best placed to deliver the quality of architectural projects that its reputation has been built upon.

The elected Trustee Board of our Employee Ownership Trust (EOT) met on a regular basis and significant steps have been taken to deepen employee participation with the establishment of an Employee Working Group, with members in all three offices.

Financial Performance

The results for the year and financial position of the group are as shown in the annexed financial statements.

Turnover of £44.2m (2018: £38.7m) showed an increase of 14.3% versus 2018 reflecting continued growth in the UK. Sales per employee remained in line with the previous year whilst our ongoing focus on resourcing levels and general cost management helped gross margins to improve slightly from 49% in 2018 to 50% in 2019. Operating profit is stated after, and therefore distorted by, Profit Share. With no corporation tax liability arising in 2019 – reflecting Profit Share payments through PAYE and a UK tax position which benefitted, once again, from tax credits in respect of Research & Development activities – net profit before, and after, tax at £1,632k (2018: £908k and £1,029k respectively) were both higher than the previous year.

On a Full Time Equivalent (FTE) basis, the average staff headcount, at 412, was 54 (15%) higher than the previous year, whilst actual FTE's increased in the year by 81 (22%) to 456. There were 485 staff on payroll at March 2019. The practice supports, and continues to develop, a range of models for flexible working.

The company's profit share scheme continued in the year ended March 2019 and the distribution of profit (in respect of year ending March 2018) equated to 9.0% of relevant earnings (2018: 9.1%). Meeting the qualifying EOT rules means that Profit Share payments are based on earnings and allows the first £3,600 to be distributed free of income tax. Provision has been made within the 2019 accounts for a distribution in respect of year ending March 2019.

Key Performance Indicators

Key performance indicators monitored by the group include:

	2018	2017
Turnover (% increase on previous year)	14.3%	13.3%
Gross Margin (% of turnover)	50.3%	49.1%
Average Debtor days	45	45
Average Creditor days	34	36
Current Ratio	1.77	1.95

ALLFORD HALL MONAGHAN MORRIS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

Principal Risks and Uncertainties

Winning new work and competition from other practices

The Board is conscious of the need to maintain sufficient workload to optimise its resources and so support its financial targets and continues to seek new work, via both competitions and bids, and through fostering its relationships with existing clients.

The ability to recruit and retain staff of appropriate experience and calibre

The practice continues to receive a steady supply of applications, both speculative and in response to advertised roles, and has in place a regular and rigorous review process which results in a good supply of potential candidates for recruitment for all but the most specialised roles. In these cases, the practice will work with recruitment agencies with whom it has built up a close relationship. Strong relationships with a number of schools of architecture further supports the process of seeking the best recruits for the practice. The practice employed its first architectural apprentices in 2018-19.

The company considers its salary and benefits package to offer it competitive advantage in the recruitment market, but continues to keep it under review to ensure that this remains the case.

The changed political environment and the continued uncertainties arising from Brexit

The Board remains conscious of developments in Europe and at home and aims to keep abreast of emerging trends and information. However, it is clear that the precise outcome of the current negotiations at home and abroad is a long way from being understood; and so, in the meantime, the Board believes that the best it can do is to maintain business as usual, delivering excellent work in a professional manner for its clients, while keeping a watchful eye on events around the world.

Financial Risks

The company's objective is to minimise financial risk and uncertainties through its well-established internal controls and procedures.

Liquidity Risk

The company establishes an annual budget including cash flow projections and the finance team produces regular detailed forecasts looking three months ahead so that management can ensure sufficient funding is in place to meet the company's payment obligations as they arise. The company is debt averse and avoids financing loans and leases wherever possible. The company has a long-established objective to build and maintain a substantial cash reserve.

Credit Risk

The company monitors credit risk closely and considers that its current procedures for debtor management meet its objectives of managing exposure to risks

Currency Risk

The company monitors its exposure to currency risks and currently considers the exposure to be low with revenues and costs well matched.

Annual Report

Persons entitled to copies of the annual accounts can obtain them from the registered office with written notice.

Audit Report

Please note that the audit report was not qualified in these accounts.

ALLFORD HALL MONAGHAN MORRIS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

This report was approved by the board on 26 July 2019 and signed on its behalf.



N Harris
Director



P Morris
Director

ALLFORD HALL MONAGHAN MORRIS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of the business is the provision of a full range of architectural services across a broad spectrum of building sectors, the majority being located within the UK but with an increasingly international workload.

Directors

The directors who served during the year were:

S Allford
J Hall
P Monaghan
P Morris
N Harris

Results and dividends

The profit for the year, after taxation, amounted to £1,631,953 (2018 - £1,028,956).

No dividends will be distributed for the year ended 31 March 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

ALLFORD HALL MONAGHAN MORRIS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Employment Policies

Allford Hall Monaghan Morris is an equal opportunities employer and treats all employees and job applicants equally, irrespective of race, ethnicity, gender, sexual orientation, marital status, age, disability or religion.

Gender Pay Gap

The company's published Gender Pay Gap data, together with more detailed accompanying reports, are available within the "Work with us" section of the company's website.

Disclosure of information to auditors

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

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

Auditors

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

This report was approved by the board on 26 July 2019 and signed on its behalf.



N Harris
Director



P Morris
Director

ALLFORD HALL MONAGHAN MORRIS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALLFORD HALL MONAGHAN MORRIS LIMITED

Opinion

We have audited the financial statements of Allford Hall Monaghan Morris Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of Comprehensive Income, the Group and company Balance Sheets, the Group Statement of Cash Flows, the Group and company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

ALLFORD HALL MONAGHAN MORRIS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALLFORD HALL MONAGHAN MORRIS LIMITED (CONTINUED)

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

We have nothing to report in this regard.

Opinion 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 year 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALLFORD HALL MONAGHAN
MORRIS LIMITED (CONTINUED)**

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Stephen Haffner (Senior Statutory Auditor)

for and on behalf of

Harris & Trotter LLP

Chartered Accountants & Statutory Auditor

64 New Cavendish Street

London

W1G 8TB

26 July 2019

ALLFORD HALL MONAGHAN MORRIS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	44,211,253	38,679,564
Cost of sales		(21,968,677)	(19,670,903)
Gross profit		22,242,576	19,008,661
Administrative expenses		(20,783,681)	(18,023,946)
Other operating income/(charges)	5	5,812	(121,087)
Fair value movements on current asset investments		74,295	(138,504)
Operating profit	6	1,539,002	725,124
Income from current asset investments		92,951	184,294
Interest payable and similar expenses	10	-	(1,638)
Profit before taxation		1,631,953	907,780
Tax on profit	11	-	121,176
Profit for the financial year		1,631,953	1,028,956
Currency translation differences		(49,239)	48,450
Other comprehensive income for the year		(49,239)	48,450
Total comprehensive income for the year		1,582,714	1,077,406
Profit for the year attributable to:			
Owners of the parent company		1,631,953	1,028,956
		1,631,953	1,028,956
Total comprehensive income for the year attributable to:			
Owners of the parent company		1,582,714	1,077,406
		1,582,714	1,077,406

The notes on pages 17 to 36 form part of these financial statements.

ALLFORD HALL MONAGHAN MORRIS LIMITED
REGISTERED NUMBER: 07155322

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	2,190,000	2,920,000
Tangible assets	14	3,124,018	2,511,966
		<u>5,314,018</u>	<u>5,431,966</u>
Current assets			
Debtors: amounts falling due within one year	16	13,889,403	10,603,189
Current asset investments	17	3,195,779	3,268,737
Cash at bank and in hand	18	3,248,884	3,549,313
		<u>20,334,066</u>	<u>17,421,239</u>
Creditors: amounts falling due within one year	19	(11,484,871)	(8,922,706)
Net current assets		<u>8,849,195</u>	<u>8,498,533</u>
Total assets less current liabilities		<u>14,163,213</u>	<u>13,930,499</u>
Provisions for liabilities			
Deferred taxation	21	(7,054)	(7,054)
		<u>(7,054)</u>	<u>(7,054)</u>
Net assets		<u><u>14,156,159</u></u>	<u><u>13,923,445</u></u>
Capital and reserves			
Called up share capital	22	1,554,760	1,554,760
Other reserves		286,096	179,868
Profit and loss account		12,315,303	12,188,817
		<u>14,156,159</u>	<u>13,923,445</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 July 2019.



N Harris
Director



P Morris
Director

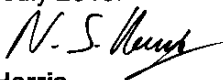
The notes on pages 17 to 36 form part of these financial statements.


ALLFORD HALL MONAGHAN MORRIS LIMITED
REGISTERED NUMBER: 07155322

COMPANY BALANCE SHEET
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	13	2,190,000	2,920,000
Tangible assets	14	3,010,505	2,369,313
Investments	15	16,071	16,071
		<u>5,216,576</u>	<u>5,305,384</u>
Current assets			
Debtors: amounts falling due within one year	16	14,153,123	11,135,451
Current asset investments	17	3,195,779	3,268,737
Cash at bank and in hand	18	3,172,751	3,519,765
		<u>20,521,653</u>	<u>17,923,953</u>
Creditors: amounts falling due within one year	19	(11,366,092)	(8,752,715)
Net current assets		<u>9,155,561</u>	<u>9,171,238</u>
Total assets less current liabilities		<u>14,372,137</u>	<u>14,476,622</u>
Provisions for liabilities			
Deferred taxation	21	(7,054)	(7,054)
		<u>(7,054)</u>	<u>(7,054)</u>
Net assets excluding pension asset		<u>14,365,083</u>	<u>14,469,568</u>
Net assets		<u>14,365,083</u>	<u>14,469,568</u>
Capital and reserves			
Called up share capital	22	1,554,760	1,554,760
Other reserves		286,096	179,868
Profit and loss account		12,524,227	12,734,940
		<u>14,365,083</u>	<u>14,469,568</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 July 2019.


N Harris
 Director


P Morris
 Director

The notes on pages 17 to 36 form part of these financial statements.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Other reserves £	Distributable profit and loss reserve £	Equity attributable to owners of parent company £	Total equity £
At 1 April 2017	1,554,760	-	13,691,279	15,246,039	15,246,039
Profit for the year	-	-	1,028,956	1,028,956	1,028,956
Currency translation differences	-	-	48,450	48,450	48,450
Transfer from distributable profit and loss reserve	-	-	(179,868)	(179,868)	(179,868)
Transfer between other reserves	-	179,868	-	179,868	179,868
Distribution	-	-	(2,400,000)	(2,400,000)	(2,400,000)
At 1 April 2018	1,554,760	179,868	12,188,817	13,923,445	13,923,445
Profit for the year	-	-	1,631,953	1,631,953	1,631,953
Currency translation differences	-	-	(49,239)	(49,239)	(49,239)
Transfer from distributable profit and loss reserve	-	-	(106,228)	(106,228)	(106,228)
Transfer between other reserves	-	106,228	-	106,228	106,228
Distribution	-	-	(1,350,000)	(1,350,000)	(1,350,000)
At 31 March 2019	1,554,760	286,096	12,315,303	14,156,159	14,156,159

The notes on pages 17 to 36 form part of these financial statements.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Other reserves £	Distributable profit and loss reserve £	Total equity £
At 1 April 2017	1,554,760	-	13,895,384	15,450,144
Profit for the year	-	-	1,419,424	1,419,424
Contributions by and distributions to owners				
Transfer from distributable profit and loss reserve	-	-	(179,868)	(179,868)
Transfer between other reserves	-	179,868	-	179,868
Distribution	-	-	(2,400,000)	(2,400,000)
At 1 April 2018	1,554,760	179,868	12,734,940	14,469,568
Profit for the year	-	-	1,245,515	1,245,515
Transfer from distributable profit and loss reserve	-	-	(106,228)	(106,228)
Transfer between other reserves	-	106,228	-	106,228
Distribution	-	-	(1,350,000)	(1,350,000)
At 31 March 2019	1,554,760	286,096	12,524,227	14,365,083

The notes on pages 17 to 36 form part of these financial statements.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	1,631,953	1,028,956
Adjustments for:		
Amortisation of intangible assets	730,000	730,000
Depreciation of tangible assets	975,369	1,131,932
(Profit)/loss on disposal of tangible assets	(475)	5,203
Interest paid	-	1,638
Interest received	(92,951)	(184,294)
Taxation charge	-	(121,176)
(Increase)/decrease in debtors	(3,285,704)	1,058,825
Increase/(decrease) in creditors	2,562,167	(688,643)
Net fair value (gains)/losses recognised in P&L	(74,295)	138,504
Corporation tax (paid)	(510)	(421,904)
Currency translation differences	(49,239)	48,450
Other non cash movement	6,397	12,376
Net cash generated from operating activities	2,402,712	2,739,867
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,591,714)	(864,667)
Purchase of short term listed investments	(253,392)	(436,601)
Sale of short term listed investments	399,014	153,181
Income from investments	71	288
Dividends received	92,880	184,006
Net cash from investing activities	(1,353,141)	(963,793)
Cash flows from financing activities		
Distribution	(1,350,000)	(2,400,000)
Interest paid	-	(1,638)
Net cash used in financing activities	(1,350,000)	(2,401,638)

ALLFORD HALL MONAGHAN MORRIS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Net (decrease) in cash and cash equivalents	(300,429)	(625,564)
Cash and cash equivalents at beginning of year	3,549,313	4,174,877
Cash and cash equivalents at the end of year	3,248,884	3,549,313
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,248,884	3,549,313
	3,248,884	3,549,313

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Allford Hall Monaghan Morris Limited is a private company limited by shares, and is incorporated in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The 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 following principal accounting policies have been applied:

2.2 Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

The goodwill in the financial statements relates to an amount paid in connection with the acquisition of a business in 2010, and is regarded as having an estimated useful life ending on 31 March 2022. Hence an amortisation rate of 10% per annum.

2.5 Tangible fixed assets

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

At each reporting date the company assesses 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to property	- Equal instalments over period of lease
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

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

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

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

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

2.9 Financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.11 Employee Ownership Trust

The company established AHMM Employee Ownership Trust with the object of ensuring that shares in the company are held by the trustees for the benefit of the company's employees and so that those employees shall have an interest in the company's business, a share in its profits and a voice in the direction of its affairs.

The distributions made by the company are treated as gift payments to the trust so that the trust can meet its obligations.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

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

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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

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

2.16 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.17 Current and deferred taxation

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

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

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

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

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

2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

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

In preparing these financial statements, the directors have made judgements and estimates that affect the profit and loss of the company as well as its net assets at the balance sheet date.

The stage of completion of a contract is assessed by comparing the costs incurred for work performed to date to the total estimated contract costs. This is then applied by accruing or deferring income as appropriate.

The carrying value of the goodwill is based on the directors' judgement of the group's financial value.

4. Turnover

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

	2019 £	2018 £
Fees receivable	44,211,253	38,679,564
	<u>44,211,253</u>	<u>38,679,564</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	41,925,242	35,860,090
Rest of Europe	1,038,545	1,547,183
Rest of the world	1,247,466	1,272,291
	<u>44,211,253</u>	<u>38,679,564</u>

5. Other operating (charges)/income

	2019 £	2018 £
Foreign exchange differences	5,812	(121,087)
	<u>5,812</u>	<u>(121,087)</u>

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

6. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	975,369	1,131,930
Amortisation of intangible assets, including goodwill	730,000	730,000
Fees payable to the group's auditor and its associates for the audit of the company's annual financial statements	37,500	37,500
- Auditors non-audit fees	14,950	14,617
Exchange differences	(16,217)	121,087
Defined contribution pension cost	<u>1,376,636</u>	<u>2,001,438</u>

7. Employees

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	24,762,632	20,910,038	24,273,629	20,545,642
Social security costs	2,851,694	2,528,742	2,816,026	2,500,467
Cost of defined contribution scheme	1,376,636	2,001,438	1,365,953	1,993,517
	<u>28,990,962</u>	<u>25,440,218</u>	<u>28,455,608</u>	<u>25,039,626</u>

The average monthly number of employees on full time equivalent basis, including the directors, during the year was as follows:

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Architects and administration	<u>412</u>	<u>358</u>	<u>401</u>	<u>351</u>

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

8. Directors' emoluments

	2019	2018
	£	£
Directors' emoluments	1,932,544	1,820,503
	1,932,544	1,820,503

The highest paid director received remuneration of £412,786 (2018 - £387,234).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL)

The number of directors to whom retirement benefits were accruing was 0 (2018 - 0)

9. Income from investments

	2019	2018
	£	£
Interest from current asset investments	71	288
Dividends from current asset investments	92,880	184,006

10. Interest payable and similar expenses

	2019	2018
	£	£
Other interest payable	-	1,638
	-	1,638

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	(32,003)
Total current tax	-	(32,003)
Deferred tax		
Origination and reversal of timing differences	-	(89,173)
Total deferred tax	-	(89,173)
Taxation on profit/(loss) on ordinary activities	-	(121,176)

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	1,631,953	907,780
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	310,071	172,478
Effects of:		
Disallowable costs for tax purposes	23,950	62,867
Capital allowances for year in excess of depreciation	150,605	237,109
Net costs relating to non-trading activities adjusted for tax purposes	(13)	(311)
Research and development claim	(667,984)	(542,085)
Non-taxable income	(31,763)	(34,961)
Deferred tax	-	(89,173)
Unrelieved tax losses carried forward	288,558	-
Unrelieved loss on foreign subsidiaries	-	74,811
Other tax differences	(73,424)	(1,911)
Total tax charge for the year	-	(121,176)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £1,245,515 (2018 - £1,419,424).

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2018	7,300,000
At 31 March 2019	<u>7,300,000</u>
Amortisation	
At 1 April 2018	4,380,000
Charge for the year	730,000
At 31 March 2019	<u>5,110,000</u>
Net book value	
At 31 March 2019	<u>2,190,000</u>
At 31 March 2018	<u>2,920,000</u>

The goodwill arose in 2010 following the acquisition of the group's business.

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2018	1,606,149	586,374	702,630	2,732,722	5,627,875
Additions	275,664	107,223	139,257	1,069,569	1,591,713
Disposals	-	-	(556)	(553,007)	(553,563)
At 31 March 2019	1,881,813	693,597	841,331	3,249,284	6,666,025
Depreciation					
At 1 April 2018	299,220	499,246	508,662	1,808,783	3,115,911
Charge for the year on owned assets	91,594	77,738	100,493	705,544	975,369
Disposals	-	-	(417)	(548,856)	(549,273)
At 31 March 2019	390,814	576,984	608,738	1,965,471	3,542,007
Net book value					
At 31 March 2019	1,490,999	116,613	232,593	1,283,813	3,124,018
At 31 March 2018	1,306,929	87,128	193,969	923,939	2,511,965

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 April 2018	1,528,535	542,716	702,630	2,630,202	5,404,083
Additions	275,664	107,223	139,257	1,050,926	1,573,070
Disposals	-	-	(556)	(553,007)	(553,563)
At 31 March 2019	1,804,199	649,939	841,331	3,128,121	6,423,590
Depreciation					
At 1 April 2018	290,033	477,143	508,662	1,758,932	3,034,770
Charge for the year on owned assets	87,340	72,110	100,493	667,645	927,588
Disposals	-	-	(417)	(548,856)	(549,273)
At 31 March 2019	377,373	549,253	608,738	1,877,721	3,413,085
Net book value					
At 31 March 2019	1,426,826	100,686	232,593	1,250,400	3,010,505
At 31 March 2018	1,238,502	65,572	193,969	871,270	2,369,313

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	16,071
At 31 March 2019	<u>16,071</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company.

Name	Registered office	Principal activity	Class of shares	Holding
AHMM Limited	United Kingdom	Dormant	Ordinary	100%
AHMM B.V.	The Netherlands	Dormant	Ordinary	100%
Allford Hall Monaghan Morris LLC	United States of America	Architectural services	No shares applicable	100%

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
AHMM Limited	1	-
AHMM B.V.	16,071	-
Allford Hall Monaghan Morris LLC	(208,925)	337,198

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	9,866,942	7,201,902	9,579,287	7,114,451
Amounts owed by group undertakings	-	-	630,088	648,215
Other debtors	85,368	129,272	70,184	114,508
Prepayments and accrued income	3,937,093	3,272,015	3,873,564	3,258,277
	<u>13,889,403</u>	<u>10,603,189</u>	<u>14,153,123</u>	<u>11,135,451</u>

17. Current asset investments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Listed investments	3,195,779	3,268,737	3,195,779	3,268,737
	<u>3,195,779</u>	<u>3,268,737</u>	<u>3,195,779</u>	<u>3,268,737</u>

The above investments are stated at market value.

18. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	3,248,884	3,549,313	3,172,751	3,519,765

19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	1,305,710	1,323,787	1,258,594	1,274,027
Other taxation and social security	2,228,057	1,779,619	2,228,057	1,779,619
Other creditors	1,027,667	416,072	1,027,667	416,069
Accruals and deferred income	6,923,437	5,403,228	6,851,774	5,283,000
	<u>11,484,871</u>	<u>8,922,706</u>	<u>11,366,092</u>	<u>8,752,715</u>

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

20. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	6,444,663	6,818,050	6,368,530	6,788,502
Financial assets that are debt instruments measured at amortised cost	12,130,235	9,416,316	12,402,528	10,057,675
	18,574,898	16,234,366	18,771,058	16,846,177
Financial liabilities				
Financial liabilities measured at amortised cost	(5,401,760)	(4,592,955)	(5,306,729)	(4,493,194)

Financial assets measured at fair value through profit or loss comprise of current asset investment and cash at bank and in hand

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors, other debtors, accrued income, work in progress and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

21. Deferred taxation

Group

	2019 £
At beginning of year	(7,054)
Charged to profit or loss	-
At end of year	(7,054)

ALLFORD HALL MONAGHAN MORRIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

21. Deferred taxation (continued)

Company

	2019 £
At beginning of year	(7,054)
Charged to profit or loss	-
At end of year	(7,054)

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Accelerated capital allowances	(7,054)	<i>(7,054)</i>	(7,054)	<i>(7,054)</i>
	(7,054)	<i>(7,054)</i>	(7,054)	<i>(7,054)</i>

22. Share capital

	2019 £	<i>2018 £</i>
Allotted, called up and fully paid		
1,554,760 (2018 - 1,554,760) Ordinary shares of £1.00 each	1,554,760	<i>1,554,760</i>

23. Contingent liabilities

The company has entered into a drawdown facility agreement with its controlling party, thereby allowing it to drawdown up to a maximum of £14,400,000. The amount is interest free and not repayable. It is at the company's discretion when such drawdowns can be made depending upon cash availability.

At the balance sheet date, the outstanding facility amount was £11,850,000 (2018 - £13,200,000).

24. Pension commitments

The group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the funds and amounted to £1,376,636 (2018 - £2,001,438).

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

25. Commitments under operating leases

At 31 March 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Not later than 1 year	1,567,078	<i>1,484,031</i>	1,567,078	<i>1,484,031</i>
Later than 1 year and not later than 5 years	6,475,102	<i>5,739,005</i>	6,475,102	<i>5,739,005</i>
Later than 5 years	6,276,723	<i>6,938,974</i>	6,276,723	<i>6,938,974</i>
	14,318,903	<i>14,162,010</i>	14,318,903	<i>14,162,010</i>

26. Related party transactions

During the year, the company made a non-dividend distribution of £1,350,000 (2018 - £2,400,000) to the company's ultimate controlling party.

27. Controlling party

The company is controlled by AHMM Employee Ownership Trust by virtue of its majority shareholding.