

Registered number: 07155322

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**ALLFORD HALL MONAGHAN MORRIS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**



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**ALLFORD HALL MONAGHAN MORRIS LIMITED**

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**COMPANY INFORMATION**

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**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

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**ALLFORD HALL MONAGHAN MORRIS LIMITED**

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

The directors present their strategic report of the company and the group for the year ended 31st March 2020.

#### 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 significant growth in the financial year ending March 2020, responding to the needs of repeat and new clients in respect of projects across all stages of development. This resulted in a very strong financial performance – discussed in more depth below – allowing the practice to make continued progress against its key financial targets. A profit share payout for all eligible staff has also been provided at 9% of relevant earnings – a similar level to previous years – but subject to ongoing review in light of the emerging coronavirus pandemic. Since 19th March, the practice has successfully continued to serve the needs of our clients, working together and collaborating from our homes. The Trustee Board of AHMM's Employee Ownership Trust (EOT), formed in 2017, continued to develop its governance role as the practice's majority shareholder with the EO Working Group planning to publish its first, annual newsletter and the establishment of a Gender Pay Gap Working Group.

#### Project News

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

Over 20 projects completed on site across the UK, Europe and the US including:

- Hawley Wharf – the transformation of a neglected canal-side site in Camden to create a mix of affordable and private homes, a school, workplace units and workshops, a cinema, and a variety of retail opportunities including a flexible multi-storey open market space
- West Grove Elephant Park – part of the second phase of the Lendlease masterplan in south London, has created 593 new homes within a series of mansion blocks and two towers. The taller of the two residential towers is the Highwood at 31 stories, making it the tallest building in the masterplan, and AHMM's tallest building to date
- Google Berlin – a new home for Google and YouTube created within the Forum an der Museumsinsel development which celebrates the existing building, adapting it with a series of thoughtful interventions
- Uptown Theater, Oklahoma – its completion marks the conclusion of several AHMM projects as part of the wider redevelopment of a 1940's cinema which includes an indoor street market, the Elk Valley Brewing Company, and offices for Hudson Legal.

This year Television Centre won eight awards including the British Council for Offices' (BCO) Best of the Best award and an RIBA National Award whilst The Ray in Farringdon won two awards: the Brick Award for Commercial Projects, and the Schueco Excellence Awards Commercial Building Winner and Overall Commendation. The Bower won the Building Awards Office Refurbishment of the Year and an RIBA London Region Award and its neighbour, White Collar Factory, was recognised with commendations for the New London Architecture (NLA) Mayor's Award for Sustainable and Environmental Planning, and the Civic Trust Awards.

In Oklahoma, Squirrel Park won an American Institute of Architects (AIA) national Small Project Award and an AIA Central States Region Honor Award. 1212 Hudson was also awarded the AIA Oklahoma Design Excellence Merit Award for Adaptive Reuse, whilst Oso on Paseo and 8th Street Market were recognised with AIA Oklahoma Design Excellence Citation Awards.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Strategy and Future Development

The practice's ongoing investment in IT infrastructure capability and capacity has allowed an almost seamless transition to remote-working over a secure Virtual Private Network (VPN) since mid-March and significant additional studio capacity has been added at AHMM-designed White Collar Factory – this will be brought into use later in the year. Several new appointments were made to strengthen digital design capabilities, Microsoft Teams was introduced across the practice and work commenced on the establishment of a fully catalogued materials library. 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 as did the recently established Employee Working Group, which has 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 £55.3m (2019: £44.2m) showed a significant increase of 25.1% versus 2019 reflecting several ongoing large projects and continued growth in the UK and Rest of World. Sales per employee improved slightly relative to 2019 whilst our ongoing focus on resourcing levels and general cost management helped Gross Margins to improve from 50% in 2019 to 52% in 2020. Operating profit is stated after, and therefore distorted by, Profit Share. Net Profit Before Tax was £6,106k (2019: £1,632k) and, with a very small Corporation Tax liability arising in 2020 – 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 After Tax was £5,763k (2019: £1,632k), both significantly higher than the previous year.

On a Full Time Equivalent (FTE) basis, the average staff headcount, at 488, was 76 (18%) higher than the previous year, whilst actual FTE's increased in the year by 44 (10%) to 499. There were 535 staff on payroll at March 2020. 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 2020 and the distribution of profit (in respect of year ending March 2019) equated to 9.0% of relevant earnings (2019: 9.0%). 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 UK income tax. Provision has been made within the 2020 accounts for a distribution in respect of year ending March 2020.

#### Key Performance Indicators

Key performance indicators monitored by the group include:

	2020	2019
Turnover (% increase on previous year)	25.1%	14.3%
Sales per Employee	£113k	£107k
Gross Margin (% of turnover)	52.3%	50.3%
Average Debtor days	42	45
Average Creditor days	31	34
Current Ratio	2.0	1.8

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Principal Risks and Uncertainties

##### Coronavirus

The likely impact of the emerging Covid-19 pandemic remains very difficult to predict but the transition from the office to having some five hundred staff working remotely has gone swiftly and smoothly. Work continues largely unaffected and we continue to collaborate efficiently amongst ourselves as well as with clients and suppliers.

##### Winning new work and competition from other practices

The Board is particularly conscious in these challenging times 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 extended its engagement with architectural apprentices in 2019-20.

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. Despite leaving the EU at the end of January, the outcome of the current trade negotiations, both at home and abroad, remain far from clear; 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 the 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.

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**ALLFORD HALL MONAGHAN MORRIS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Section 172 (1) Statement**

The Board of Directors of Allford Hall Monaghan Morris strive to act in ways most likely to promote the success of the business for the benefit of its members having regard to the matters set out in a) to f) of Section 172 of the Companies Act 2006 when making strategic decisions.

As an Employee Ownership Trust (EOT), our employees are our shareholders and, through the EOT Board, they retain control over most strategic issues which are identified as reserved matters. Employees are kept updated of the performance of the business through bi-annual meetings and an annual newsletter published by the EOT; all employees also have the ability to raise any matters of concern through the Employee Ownership Working Group (EOWG).

We focus on maintaining and developing strong relations with our clients – retention of clients is a key aspect of our organic growth – and suppliers, many of whom we have worked for over many years. We have an in-house Sustainability team who drive our efforts in this area through iterative performance analysis, strategic and detailed specification support and post occupancy evaluation and a Partnerships Group (set up in 2016) which supports AHMM's charitable and corporate responsibility work building strong relationships with our local, and wider, community.

**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.

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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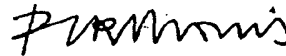
GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020

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This report was approved by the board on 16 July 2020 and signed on its behalf.



.....  
N Harris  
Director



.....  
P Morris  
Director



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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### 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.

#### Directors

The directors who served during the year were:

S Allford  
J Hall  
P Monaghan  
P Morris  
N Harris

#### 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £5,762,539 (2019 - £1,631,953).

No dividends will be distributed for the year ended 31 March 2020.

#### 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.

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**ALLFORD HALL MONAGHAN MORRIS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**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.

**COVID-19**

The company is continuing to monitor developments of the COVID-19 virus and the associated near-term uncertainty on the global economy outlook. The company is assessing the potential future operational and financial impact of the coronavirus and is seeking to take mitigating actions, such as a reduction on all non essential operating expenditure, utilisation of government aid where required and negotiating terms with suppliers. Management continues to monitor the situation and has further plans that can be implemented as they assess the COVID-19 impact.

**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.

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020

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**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 16 July 2020 and signed on its behalf.

  
.....  
**N Harris**  
Director

  
.....  
**P Morris**  
Director

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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

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#### 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 2020, 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 2020 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.

#### Emphasis of matter

Impact of the outbreak of COVID-19 on the financial statements. In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 7, and the consideration in the going concern basis of preparation on page 20.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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

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The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

#### 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 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.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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

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#### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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.

#### 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](http://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 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 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

16 July 2020

ALLFORD HALL MONAGHAN MORRIS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
Turnover	4	55,328,275	44,211,253
Cost of sales		(26,384,017)	(21,968,677)
<b>Gross profit</b>		<b>28,944,258</b>	<b>22,242,576</b>
Administrative expenses		(22,504,805)	(20,783,681)
Other operating income/(charges)	5	96,906	5,812
Fair value movements on current asset investments		(522,779)	74,295
<b>Operating profit</b>	6	<b>6,013,580</b>	<b>1,539,002</b>
Income from current asset investments		91,635	92,951
Interest receivable and similar income		460	-
<b>Profit before taxation</b>		<b>6,105,675</b>	<b>1,631,953</b>
Tax on profit	11	(343,136)	-
<b>Profit for the financial year</b>		<b>5,762,539</b>	<b>1,631,953</b>
Currency translation differences		(6,745)	(49,239)
<b>Other comprehensive income for the year</b>		<b>(6,745)</b>	<b>(49,239)</b>
<b>Total comprehensive income for the year</b>		<b>5,755,794</b>	<b>1,582,714</b>
<b>Profit for the year attributable to:</b>			
Owners of the parent company		5,762,539	1,631,953
		<b>5,762,539</b>	<b>1,631,953</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent company		5,755,794	1,582,714
		<b>5,755,794</b>	<b>1,582,714</b>

The notes on pages 20 to 39 form part of these financial statements.

**ALLFORD HALL MONAGHAN MORRIS LIMITED**  
**REGISTERED NUMBER: 07155322**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	1,460,000	2,190,000
Tangible assets	14	3,815,617	3,124,018
		<u>5,275,617</u>	<u>5,314,018</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	16,792,045	13,889,403
Current asset investments	17	2,935,998	3,195,779
Cash at bank and in hand	18	7,436,470	3,248,884
		<u>27,164,513</u>	<u>20,334,066</u>
Creditors: amounts falling due within one year	19	(13,571,123)	(11,484,871)
<b>Net current assets</b>		<u>13,593,390</u>	<u>8,849,195</u>
<b>Total assets less current liabilities</b>		<u>18,869,007</u>	<u>14,163,213</u>
<b>Provisions for liabilities</b>			
Deferred taxation	21	(7,054)	(7,054)
		<u>(7,054)</u>	<u>(7,054)</u>
<b>Net assets</b>		<u><u>18,861,953</u></u>	<u><u>14,156,159</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	1,554,760	1,554,760
Other reserves		286,096	286,096
Profit and loss account		17,021,097	12,315,303
<b>Equity attributable to owners of the parent company</b>		<u><u>18,861,953</u></u>	<u><u>14,156,159</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 July 2020.

  
**N Harris**  
 Director

  
**P Morris**  
 Director

The notes on pages 20 to 39 form part of these financial statements.



**ALLFORD HALL MONAGHAN MORRIS LIMITED**  
**REGISTERED NUMBER: 07155322**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	1,460,000	2,190,000
Tangible assets	14	3,672,049	3,010,505
Investments	15	16,071	16,071
		<u>5,148,120</u>	<u>5,216,576</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	17,448,374	14,153,123
Current asset investments	17	2,935,998	3,195,779
Cash at bank and in hand	18	7,302,226	3,172,751
		<u>27,686,598</u>	<u>20,521,653</u>
Creditors: amounts falling due within one year	19	(13,424,237)	(11,366,092)
<b>Net current assets</b>		<u>14,262,361</u>	<u>9,155,561</u>
<b>Total assets less current liabilities</b>		<u>19,410,481</u>	<u>14,372,137</u>
<b>Provisions for liabilities</b>			
Deferred taxation	21	(7,054)	(7,054)
		<u>(7,054)</u>	<u>(7,054)</u>
		<u>19,403,427</u>	<u>14,365,083</u>
<b>Net assets</b>		<u>19,403,427</u>	<u>14,365,083</u>
<b>Capital and reserves</b>			
Called up share capital	22	1,554,760	1,554,760
Other reserves		286,096	286,096
Profit and loss account		17,562,571	12,524,227
		<u>19,403,427</u>	<u>14,365,083</u>

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ALLFORD HALL MONAGHAN MORRIS LIMITED  
REGISTERED NUMBER: 07155322

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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2020

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 July 2020.

  
.....  
**N Harris**  
Director

  
.....  
**P Morris**  
Director

The notes on pages 20 to 39 form part of these financial statements.

**ALLFORD HALL MONAGHAN MORRIS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Other reserves £	Distributable profit and loss reserve £	Equity attributable to owners of parent company £	Total equity £
<b>At 1 April 2018</b>	<b>1,554,760</b>	<b>179,868</b>	<b>12,188,817</b>	<b>13,923,445</b>	<b>13,923,445</b>
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)
<b>At 1 April 2019</b>	<b>1,554,760</b>	<b>286,096</b>	<b>12,315,303</b>	<b>14,156,159</b>	<b>14,156,159</b>
Profit for the year	-	-	5,762,539	5,762,539	5,762,539
Currency translation differences	-	-	(6,745)	(6,745)	(6,745)
Distribution	-	-	(1,050,000)	(1,050,000)	(1,050,000)
<b>At 31 March 2020</b>	<b>1,554,760</b>	<b>286,096</b>	<b>17,021,097</b>	<b>18,861,953</b>	<b>18,861,953</b>

The notes on pages 20 to 39 form part of these financial statements.

**ALLFORD HALL MONAGHAN MORRIS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Other reserves £	Distributable profit and loss reserve £	Total equity £
<b>At 1 April 2018</b>	<b>1,554,760</b>	<b>179,868</b>	<b>12,734,940</b>	<b>14,469,568</b>
Profit for the year	-	-	1,245,515	1,245,515
<b>Contributions by and distributions to owners</b>				
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)
<b>At 1 April 2019</b>	<b>1,554,760</b>	<b>286,096</b>	<b>12,524,227</b>	<b>14,365,083</b>
Profit for the year	-	-	6,088,344	6,088,344
Distribution	-	-	(1,050,000)	(1,050,000)
<b>At 31 March 2020</b>	<b>1,554,760</b>	<b>286,096</b>	<b>17,562,571</b>	<b>19,403,427</b>

The notes on pages 20 to 39 form part of these financial statements.

**ALLFORD HALL MONAGHAN MORRIS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	5,762,539	1,631,953
<b>Adjustments for:</b>		
Amortisation of intangible assets	730,000	730,000
Depreciation of tangible assets	1,193,192	975,369
(Profit)/loss on disposal of tangible assets	4,171	(475)
Interest received	(91,635)	(92,951)
Taxation charge	343,136	-
(Increase) in debtors	(2,934,406)	(3,285,705)
Increase in creditors	1,743,355	2,562,167
Net fair value losses/(gains) recognised in P&L	522,779	(74,295)
Corporation tax (paid)	(240)	(510)
Currency translation differences	(6,745)	(49,239)
Other non cash movement	32,121	6,398
<b>Net cash generated from operating activities</b>	<b>7,298,267</b>	<b>2,402,712</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,888,962)	(1,591,714)
Purchase of short term listed investments	(675,444)	(253,392)
Sale of short term listed investments	411,630	399,014
Interest received	460	-
Income from investments	351	71
Dividends received	91,284	92,880
<b>Net cash from investing activities</b>	<b>(2,060,681)</b>	<b>(1,353,141)</b>
<b>Cash flows from financing activities</b>		
Distribution	(1,050,000)	(1,350,000)
<b>Net cash used in financing activities</b>	<b>(1,050,000)</b>	<b>(1,350,000)</b>

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020

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	2020 £	2019 £
Net increase/(decrease) in cash and cash equivalents	4,187,586	(300,429)
Cash and cash equivalents at beginning of year	3,248,884	3,549,313
Cash and cash equivalents at the end of year	7,436,470	3,248,884
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,436,470	3,248,884
	7,436,470	3,248,884

The notes on pages 20 to 39 form part of these financial statements.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 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.

##### 2.3 Going concern

In assessing the ability of the company to operate as a going concern, management have evaluated current and forecasted operational results, and the solvency of the company. As a result, the directors consider it appropriate to prepare the financial statements on a going concern basis. Potential sources of uncertainty noted by the directors include the COVID-19 pandemic. However at the date of this report it is not possible to reliably determine the effects that this will have on the company. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.4 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.

##### 2.5 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.

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

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

##### 2.6 Tangible fixed assets

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

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.



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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets (continued)

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

##### 2.7 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.

##### 2.8 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.

##### 2.9 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.

##### 2.10 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 ordinary shares.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.10 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer 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.

##### 2.11 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.

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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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 Interest income

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

2.17 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.

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## ALLFORD HALL MONAGHAN MORRIS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.18 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.

##### 2.19 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.

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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

In preparing these financial statements, the directors have made 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:

	2020 £	2019 £
Fees Receivable	54,707,802	43,639,353
Other Income	620,473	571,900
	<u>55,328,275</u>	<u>44,211,253</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	51,932,689	41,925,242
Rest of Europe	1,074,391	1,038,545
Rest of the world	2,321,195	1,247,466
	<u>55,328,275</u>	<u>44,211,253</u>

5. Other operating (charges)/income

	2020 £	2019 £
Foreign exchange differences	<u>96,906</u>	<u>5,812</u>

**ALLFORD HALL MONAGHAN MORRIS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**6. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,193,192	975,369
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	38,000	37,500
Auditors non-audit fees	24,800	14,950
Exchange differences	(96,906)	(16,217)
Defined contribution pension cost	2,276,337	1,376,636

**7. Employees**

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	28,707,191	24,762,632	28,107,952	24,273,629
Social security costs	3,593,971	2,851,694	3,548,287	2,816,026
Cost of defined contribution scheme	2,276,337	1,376,636	2,264,002	1,365,953
	<u>34,577,499</u>	<u>28,990,962</u>	<u>33,920,241</u>	<u>28,455,608</u>

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

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Architects and administration	488	412	478	401

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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8. Directors' emoluments

	2020 £	2019 £
Directors' emoluments	2,036,453	1,932,544
	<u>2,036,453</u>	<u>1,932,544</u>

The highest paid director received remuneration of £434,397 (2019 - £412,786).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The number of directors to whom retirement benefits were accruing was 0 (2019 - 0)

9. Income from investments

	2020 £	2019 £
Interest from current asset investments	351	71
	<u>351</u>	<u>71</u>
Dividends from current asset investments	91,284	92,880
	<u>91,284</u>	<u>92,880</u>

10. Interest receivable

	2020 £	2019 £
Other interest receivable	460	-
	<u>460</u>	<u>-</u>



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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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11. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	342,896	-
Adjustments in respect of previous periods	240	-
<b>Total current tax</b>	<b>343,136</b>	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	<b>343,136</b>	-

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	6,105,675	1,631,953
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,160,078	310,071
Effects of:		
Disallowable costs for tax purposes	124,702	23,950
Capital allowances for year in excess of depreciation	19,211	150,605
Utilisation of tax losses	(311,563)	-
Net costs relating to non-trading activities adjusted for tax purposes	-	(13)
Research and development claim	(679,572)	(667,984)
Non-taxable income	-	(31,763)
Dividends from UK companies	(17,344)	-
Unrelieved tax losses carried forward	-	288,558
Other tax differences	47,624	(73,424)
Total tax charge for the year	343,136	-

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 £6,088,344 (2019 - £1,245,515).

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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13. Intangible assets

Group and Company

	Goodwill £
<b>Cost</b>	
At 1 April 2019	7,300,000
At 31 March 2020	<u>7,300,000</u>
<b>Amortisation</b>	
At 1 April 2019	5,110,000
Charge for the year on owned assets	730,000
At 31 March 2020	<u>5,840,000</u>
<b>Net book value</b>	
At 31 March 2020	<u>1,460,000</u>
At 31 March 2019	<u>2,190,000</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 2020

14. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	1,881,813	693,598	841,332	3,249,283	6,666,026
Additions	12,180	67,116	71,902	1,737,764	1,888,962
Disposals	-	(31,350)	(880)	(315,148)	(347,378)
At 31 March 2020	1,893,993	729,364	912,354	4,671,899	8,207,610
<b>Depreciation</b>					
At 1 April 2019	390,813	576,984	608,738	1,965,472	3,542,007
Charge for the year on owned assets	94,907	59,290	93,414	945,581	1,193,192
Disposals	-	(30,523)	-	(312,683)	(343,206)
At 31 March 2020	485,720	605,751	702,152	2,598,370	4,391,993
<b>Net book value</b>					
At 31 March 2020	1,408,273	123,613	210,202	2,073,529	3,815,617
At 31 March 2019	1,491,000	116,613	232,594	1,283,812	3,124,019

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

14. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 April 2019	1,804,199	649,939	841,332	3,128,120	6,423,590
Additions	12,180	58,929	71,902	1,662,958	1,805,969
Disposals	-	(31,350)	(880)	(298,447)	(330,677)
At 31 March 2020	1,816,379	677,518	912,354	4,492,631	7,898,882
<b>Depreciation</b>					
At 1 April 2019	377,373	549,254	608,738	1,877,721	3,413,086
Charge for the year on owned assets	90,514	52,808	93,414	903,517	1,140,253
Disposals	-	(30,523)	-	(295,983)	(326,506)
At 31 March 2020	467,887	571,539	702,152	2,485,255	4,226,833
<b>Net book value</b>					
At 31 March 2020	1,348,492	105,979	210,202	2,007,376	3,672,049
At 31 March 2019	1,426,826	100,685	232,594	1,250,399	3,010,504

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	16,071
At 31 March 2020	<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 2020 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	(541,473)	(325,803)

**ALLFORD HALL MONAGHAN MORRIS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	10,514,890	9,866,942	10,186,957	9,579,287
Amounts owed by group undertakings	-	-	1,259,824	630,088
Other debtors	47,344	85,368	32,164	70,184
Prepayments and accrued income	6,229,811	3,937,093	5,969,429	3,873,564
	<u>16,792,045</u>	<u>13,889,403</u>	<u>17,448,374</u>	<u>14,153,123</u>

**17. Current asset investments**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Listed investments	2,935,998	3,195,779	2,935,998	3,195,779
	<u>2,935,998</u>	<u>3,195,779</u>	<u>2,935,998</u>	<u>3,195,779</u>

The above investments are stated at market value.

**18. Cash and cash equivalents**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	7,436,470	3,248,884	7,302,226	3,172,751

**19. Creditors: Amounts falling due within one year**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	2,041,947	1,305,710	2,010,992	1,258,594
Corporation tax	342,896	-	342,896	-
Other taxation and social security	2,087,121	2,228,057	2,087,121	2,228,057
Other creditors	1,000,364	1,027,667	1,000,364	1,027,667
Accruals and deferred income	8,098,795	6,923,437	7,982,864	6,851,774
	<u>13,571,123</u>	<u>11,484,871</u>	<u>13,424,237</u>	<u>11,366,092</u>

ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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20. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	10,372,468	6,444,663	10,238,224	6,368,530
Financial assets that are debt instruments measured at amortised cost	13,290,730	12,130,235	13,974,085	12,402,528
	<u>23,663,198</u>	<u>18,574,898</u>	<u>24,212,309</u>	<u>18,771,058</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>7,394,931</u>	<u>5,401,760</u>	<u>7,308,017</u>	<u>5,306,729</u>

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

21. Deferred taxation

Group

	2020 £
At beginning of year	(7,054)
At end of year	<u>(7,054)</u>



ALLFORD HALL MONAGHAN MORRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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21. Deferred taxation (continued)

Company

	2020 £
At beginning of year	(7,054)
At end of year	(7,054)

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	(7,054)	(7,054)	(7,054)	(7,054)
	(7,054)	(7,054)	(7,054)	(7,054)

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,554,760 (2019 - 1,554,760) Ordinary shares of £1.00 each	1,554,760	1,554,760

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 £10,800,000 (2019 - £11,850,000).

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ALLFORD HALL MONAGHAN MORRIS LIMITED

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**24. Capital commitments**

At 31 March 2020 the Group and company had capital commitments as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Contracted for but not provided in these financial statements	672,676	-	672,676	-
	<u>(672,676)</u>	<u>-</u>	<u>(672,676)</u>	<u>-</u>

The group's outstanding capital commitments relate to the works carried out at the White Collar Factory.

**25. 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 £2,276,337 (2019 - £1,376,636).

**26. Commitments under operating leases**

At 31 March 2020 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	1,854,382	1,567,078	1,854,382	1,567,078
Later than 1 year and not later than 5 years	7,024,832	6,475,102	7,024,832	6,475,102
Later than 5 years	5,052,840	6,276,723	5,052,840	6,276,723
	<u>13,932,054</u>	<u>14,318,903</u>	<u>13,932,054</u>	<u>14,318,903</u>

**27. Related party transactions**

During the year, the company made a non-dividend distribution of £1,050,000 (2019 - £1,350,000) to the company's ultimate controlling party.

**28. Controlling party**

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