

Company Registration Number 7884552

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Jerram Group Limited

Annual report

31 July 2012

Jerram Group Limited
Annual report
Year ended 31 July 2012

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Jerram Group Limited

Company information

The board of directors

M J A Jerram
Mrs J M Jerram
Mrs G M Jerram
W J Jerram
J M Jerram
R T Wood

Company secretary

R T Wood

Registered office

14 Anning Street
London
EC2A 3LQ

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Jerram Group Limited

Directors' report

Year ended 31 July 2012

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 July 2012

Incorporation

The company was incorporated on 16 December 2011. Merger accounting principles have been used and the results have been presented as if the new group had been established throughout the current and previous years.

Principal activities and business review

The principal activities of the group are building construction, property development, agricultural and land holdings and the manufacture of bespoke joinery.

This has been a successful year for the group with turnover increasing as previously predicted by 58% and, coupled with savings in administrative expenses and consistency in investment income, a resulting 29% increase in pre-tax profits.

The construction company, Jerram Falkus Construction Limited, is long established and delivers both refurbishment and new build projects across all sectors in the market, the largest proportion being education and Local Authority. It has a strong continuing presence in commercial, private residential, health, sports and leisure, hospitality, public, embassy and religious buildings and is currently involved in a major contract in the public housing sector to which further considerable involvement is anticipated.

The directors believe that successful delivery of projects leads to sustainable and profitable growth and it is through successful delivery that a high proportion of repeat opportunities are secured.

The development company, Jerram Developments Limited, acquired a development site in North London during the year with permission to build 12 apartments which will be completed in late Autumn 2013. The directors are confident that a substantial return will be made from this development.

Health and Safety remains a foremost priority within the group.

The pension deficit is being kept under close review and advice is being sought where necessary.

The Directors are optimistic that the current year to July 2013 will be similarly successful which is justified by a strong pipeline of secured work expected to produce a further increase in turnover. The directors have embarked on an investment plan designed to improve efficiency and ensure this higher level of turnover such that profitability can be sustained into the medium and long term future.

Results and dividends

The profit for the year, after taxation, amounted to £48,364. The directors have not recommended a dividend.

Financial risk management objectives and policies

Financial instruments are used for financing purposes only. It is group policy not to trade in financial instruments.

The board of directors sets out the financial risk management policies that are implemented by the finance department. The Board considers that financial risks do not pose a major threat to the group.

Directors

The directors who served the company during the year were as follows:

M J A Jerram (appointed on 16 December 2011)
Mrs J M Jerram (appointed on 21 December 2011)
Mrs G M Jerram (appointed on 21 December 2011)
W J Jerram (appointed on 16 December 2011)
J M Jerram (appointed on 16 December 2011)
R T Wood (appointed on 21 December 2011)

Jerram Group Limited

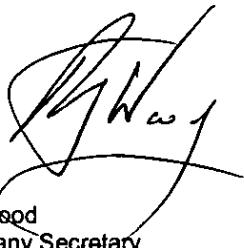
Directors' report *(continued)*

Year ended 31 July 2012

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'R T Wood', is written over a circular stamp or seal.

R T Wood
Company Secretary

Approved by the directors on 30 January 2013

Jerram Group Limited

Statement of directors' responsibilities

Year ended 31 July 2012

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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

- select suitable accounting policies and then apply them consistently,
- make judgements and 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Jerram Group Limited

Independent auditor's report to the shareholders of Jerram Group Limited

Year ended 31 July 2012

We have audited the group and parent company financial statements ("the financial statements") of Jerram Group Limited for the year ended 31 July 2012 which comprise the group profit and loss account, group balance sheet and company balance sheet, group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 July 2012 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



GARETH JONES FCA (Senior Statutory Auditor)
for and on behalf of **CHANTREY VELLACOTT DFK LLP**
Chartered Accountants and Statutory Auditor
London

30 January 2013

Jerram Group Limited**Group profit and loss account****Year ended 31 July 2012**

	Note	2012 £	2011 £
Group turnover	2	30,553,708	19,348,504
Cost of sales		27,977,992	16,808,819
Gross profit		2,575,716	2,539,685
Administrative expenses		2,907,327	2,916,011
Other operating income	3	(539,729)	(555,909)
Operating profit	4	208,118	179,583
Interest receivable		11,284	23,142
Interest payable and similar charges	7	(79,132)	(94,340)
Profit on ordinary activities before taxation		140,270	108,385
Tax on profit on ordinary activities	8	91,906	94,494
Profit for the financial year	9	48,364	13,891

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The notes on pages 11 to 26 form part of these financial statements

Jerram Group Limited

Group statement of total recognised gains and losses

Year ended 31 July 2012

	2012	2011
	£	£
Profit for the financial year		
attributable to the shareholders of the parent company	48,364	13,891
Actuarial gain/(loss) in respect of FRS 17 adjustment	(99,000)	68,000
Deferred tax in respect of FRS 17 adjustment	(22,770)	(17,680)
Total gains and losses recognised since the last annual report	<u>(73,406)</u>	<u>64,211</u>

The notes on pages 11 to 26 form part of these financial statements

Jerram Group Limited**Group balance sheet****As at 31 July 2012**

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	10	16,996,110	17,086,956
Investments	11	1,260,270	1,260,270
		<u>18,256,380</u>	<u>18,347,226</u>
Current assets			
Stocks	12	1,787,066	41,264
Debtors	13	9,468,358	5,368,208
Cash at bank		<u>2,480,788</u>	<u>2,260,819</u>
		13,736,212	7,670,291
Creditors amounts falling due within one year	15	<u>12,692,825</u>	<u>6,699,115</u>
Net current assets		1,043,387	971,176
Total assets less current liabilities		<u>19,299,767</u>	<u>19,318,402</u>
Net assets excluding pension liability		19,299,767	19,318,402
Defined benefit pension scheme liability	17	<u>(1,871,870)</u>	<u>(1,800,420)</u>
Net assets including pension liability		<u>17,427,897</u>	<u>17,517,982</u>
Capital and reserves			
Called up equity share capital	20	614,200	614,200
Revaluation reserve	21	9,535,295	9,535,295
Other reserves	21	1,743,758	1,743,758
Profit and loss account	21	5,534,644	5,624,729
Shareholders' funds	22	<u>17,427,897</u>	<u>17,517,982</u>

These financial statements were approved by the directors and authorised for issue on 30 January 2013, and are signed on their behalf by



M J A Jerram



W J Jerram

The notes on pages 11 to 26 form part of these financial statements

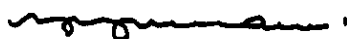
Jerram Group Limited

Balance sheet

As at 31 July 2012

	Note	2012 £
Fixed assets		
Tangible assets	10	6,182,000
Investments	11	614,200
Total assets less current liabilities		<u>6,796,200</u>
 Capital and reserves		
Called up equity share capital	20	614,200
Revaluation reserve	21	5,328,790
Profit and loss account	21	853,210
Shareholders' funds		<u>6,796,200</u>

These financial statements were approved by the directors and authorised for issue on 30 January 2013, and are signed on their behalf by



M J A Jerram



W J Jerram

Company Registration Number 7884552

The notes on pages 11 to 26 form part of these financial statements

Jerram Group Limited

Group cash flow statement

Year ended 31 July 2012

	Note	2012 £	2011 £
Net cash outflow from operating activities	23(a)	(274,229)	(3,343,489)
Returns on investments and servicing of finance	23(b)	11,152	20,802
Taxation	23(c)	(30,241)	-
Capital expenditure and financial investment	23(d)	(21,513)	(5,983)
Cash outflow before financing		(314,831)	(3,328,670)
Financing	23(e)	534,800	(22,855)
Increase/(Decrease) in cash	23(f)	219,969	(3,351,525)

The notes on pages 11 to 26 form part of these financial statements

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards

Merger accounting principles have been used and the results have been presented as if the new group had been established throughout the current and previous years. The consideration was satisfied by the issue of 614,200 Ordinary shares of £1 each

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006

Turnover

Turnover is the invoiced value of sales to third parties including attributable profits and losses for work executed in respect of construction activities

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Buildings	- 1% on cost
Plant & Machinery	- 10% on cost
Office Equipment & Fittings	- 10%-25% on cost
Motor Vehicles	- 20% on written down value

Freehold land and investment properties are not depreciated

Investment properties

In accordance with SSAP 19 investment properties are included in the balance sheet at open market value. Valuations are made annually by the directors and by independent valuers every 5 years

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account on a straight line basis

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

1 Accounting policies (*continued*)

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

A Group Personal Pension Plan was set up with effect from 6 April 2006 where individual funds are maintained for each member by financial institutions

Until 5 April 2006 the group operated a defined contribution pension scheme, the assets of which are held separately from those of the group

The group also contributes to a defined benefit pension scheme which is closed to new members and which the future accrual of final salary benefits has ceased. Pension contributions are paid to the scheme in accordance with the recommendations of the scheme actuary. The scheme is funded, with the assets of the scheme held separately from those of the group, in separate Trustee administered funds

In respect of the defined benefit scheme, current service costs, past service costs, gains and losses on settlement and curtailments, interest on pension scheme liabilities and the expected return on pension scheme assets are charged to operating profit. Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The resulting defined benefit pension scheme liability is presented separately after other net assets on the face of the balance sheet

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Long term contracts

The group's interest in long term contracts is stated as the accumulated cost charged to the contracts plus the attributable net profit or loss and less the amounts billed to customers. The resulting amounts recoverable on contracts are included in debtors. However, where the recorded value of work done is less than receipts, the excess is included in creditors as payments received on account

2 Turnover

The turnover and profit before tax are attributable to the principal activities of the group, as referred to in the Directors' report

An analysis of turnover is given below

	2012 £	2011 £
United Kingdom	<u>30,553,708</u>	<u>19,348,504</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

3 Other operating income

	2012 £	2011 £
Rent receivable	<u>539,729</u>	<u>555,909</u>

4 Operating profit

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of owned fixed assets	99,818	90,257
Depreciation of assets held under hire purchase agreements	–	20,261
Loss/(Profit) on disposal of fixed assets	4,297	(8,428)
Auditor's remuneration		
- as auditor	38,000	33,750
- for other services	<u>27,031</u>	<u>40,390</u>

5 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2012 No	2011 No
Site and construction staff	28	31
Manufacturing staff	5	5
Office and management	48	47
	<u>81</u>	<u>83</u>

The aggregate payroll costs of the above were

	2012 £	2011 £
Wages and salaries	2,880,613	2,661,246
Social security costs	360,859	325,593
Other pension costs	223,149	265,766
	<u>3,464,621</u>	<u>3,252,605</u>

Other pension costs are amounts charged to operating profit and do not include amounts charged to finance costs (see note 7) and amounts recognised in the statement of recognised gains and losses

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

6 Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were

	2012 £	2011 £
Management remuneration	234,984	251,924
Value of company pension contributions to money purchase schemes	23,022	20,480
Other emoluments	89,669	75,996
	<u>347,675</u>	<u>348,400</u>

Emoluments of highest paid director

	2012 £	2011 £
Total emoluments (excluding pension contributions)	<u>106,710</u>	<u>98,879</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2012 No	2011 No
Money purchase schemes	<u>3</u>	<u>3</u>

7 Interest payable and similar charges

	2012 £	2011 £
On hire purchase and finance lease contracts	132	2,340
Net finance costs in respect of the Defined benefit pension scheme	79,000	92,000
	<u>79,132</u>	<u>94,340</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

8 Taxation on ordinary activities

(a) Analysis of charge in the year

	2012 £	2011 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 25 33% (2011 27 33%)	(2)	363
(Over)/under provision in prior year	(363)	-
Total current tax	(365)	363
Deferred tax		
Origination and reversal of timing differences	92,271	94,131
Total deferred tax	92,271	94,131
Tax on profit on ordinary activities	91,906	94,494

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is at a lower rate than the standard rate of corporation tax in the UK of 25 33% (2011 27 33%)

	2012 £	2011 £
Profit on ordinary activities before taxation	140,270	108,385
Profit on ordinary activities multiplied by rate of tax	35,530	29,623
Expenses not deductible for tax purposes	4,355	3,179
Capital allowances for period in excess of depreciation	11,478	7,950
Tax chargeable at lower rates	-	(116)
Adjustments to tax charge in respect of previous periods	(363)	-
Chargeable gains less accounts profit	-	175
Unrelieved tax losses and other deductions in period	(27,625)	-
Short term timing differences	5,267	-
FRS 17 adjustment	(25,077)	(40,448)
Income not taxable	(3,930)	-
Total current tax (note 8(a))	(365)	363

9 Profit attributable to members of the parent company

The profit after taxation of the parent company was £853,210 (2011 - £Nil)

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

10 Tangible fixed assets

Group	Freehold Land and Buildings £	Plant & equipment Machinery £	Office equipment & fittings £	Motor Vehicles £	Investment Properties £	Total £
Cost or valuation						
At 1 Aug 2011	11,855,850	119,908	292,500	373,660	5,117,940	17,759,858
Additions	-	1,437	20,076	-	-	21,513
Disposals	-	-	(5,695)	(37,226)	-	(42,921)
At 31 Jul 2012	11,855,850	121,345	306,881	336,434	5,117,940	17,738,450
Depreciation						
At 1 Aug 2011	126,000	114,055	232,737	200,110	-	672,902
Charge for the year	42,000	2,324	21,567	33,927	-	99,818
On disposals	-	-	(3,349)	(27,031)	-	(30,380)
At 31 Jul 2012	168,000	116,379	250,955	207,006	-	742,340
Net book value						
At 31 Jul 2012	11,687,850	4,966	55,926	129,428	5,117,940	16,996,110
At 31 Jul 2011	11,729,850	5,853	59,763	173,550	5,117,940	17,086,956

The investment properties owned by a subsidiary were valued by the directors during the year, they are considered to be held at their fair value

Freehold land owned by a subsidiary was valued on 4 September 2008 at £5,507,980 on an open market basis by Messrs Mullucks Wells, Chartered Surveyors and this valuation has been incorporated in these financial statements. The valuation of the properties after the disposal in 2011 was £5,505,850

The freehold premises owned by the company and occupied by the group were valued on 21 July 2008 on an open market basis at £6,350,000 by Lamberts Surveyors

The valuations have been incorporated in these financial statements and the surplus transferred to the revaluation reserve

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £	2011 £
Net book value at end of year	16,805,790	16,847,790
Historical cost	6,707,441	6,707,441

Hire purchase agreements

Included within the net book value of £16,996,110 is £Nil (2011 - £60,797) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2011 - £20,261)

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2012**

10 Tangible fixed assets (continued)

Company	Freehold Land and Buildings £
Cost or valuation	
Transfer from subsidiary undertakings	6,350,000
At 31 July 2012	<u>6,350,000</u>
Depreciation	
Charge for the year	42,000
Transfer from subsidiary undertakings	126,000
At 31 July 2012	<u>168,000</u>
Net book value	
At 31 July 2012	<u>6,182,000</u>
At 31 July 2011	<u>-</u>

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows

	2012 £
Net book value at end of year	<u>6,182,000</u>
Historical cost	<u>1,021,210</u>

11 Investments

Group	Associated undertakings £
Cost and Net Book Value	
At 1 August and 31 July 2012	<u>1,260,270</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

The results for the period of Ambershire Limited have not been consolidated in these financial statements as the Directors are of the opinion that the trade is too dissimilar to the core activities of the Jerram Group

The Directors are also reviewing the group's investment in Ambershire Limited and in light of this feel that the consolidation of Ambershire could be potentially misleading to the users of these consolidated financial statements

Finally Ambershire Limited is also deemed to be immaterial on the basis of its current financial position and its historical profits over a number of years compared to the main Jerram Group

This treatment is permitted by section 405 (2) of the Companies Act 2006

	Net Assets at 30 April 2012	Profit for the year ended 30 April 2012
Ambershire Limited	<u>1,352,182</u>	<u>153,602</u>

	Registered in	Ordinary shares held	Nature of business
Directly held Subsidiary undertaking			
Jerram Falkus Limited	England	100%	Property Investment
Indirectly held subsidiary			
Jerram Falkus Construction Limited	England	100%	Building Construction
Jerram Developments Limited	England	100%	Property Development
Falkus Joinery Limited	England	100%	Bespoke Joinery Manufacture
W J Jerram Limited	England	100%	Dormant
William J Jerram (Agricultural Investments) Limited	England	100%	
Ambershire Limited	England	66%	Land Investment Farming and Ivernes

Company	Group companies £
Cost	
Additions	614,200
Net Book Value At 31 July 2012	<u>614,200</u>

The Investment relates to the company investment in 100% of the issued ordinary shares of Jerram Falkus Limited

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2012**

12 Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Stock	45,827	41,264	-	-
Development stock	1,741,239	-	-	-
	<u>1,787,066</u>	<u>41,264</u>	<u>-</u>	<u>-</u>

13 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	120,372	145,256	-	-
Amounts owed by undertakings in which the company has a participating interest	496,271	544,648	-	-
VAT recoverable	300,760	-	-	-
Amounts recoverable on contracts	8,277,268	4,304,735	-	-
Other debtors	36,075	89,559	-	-
Deferred taxation (Note 14)	165,405	206,996	-	-
Prepayments and accrued income	72,207	77,014	-	-
	<u>9,468,358</u>	<u>5,368,208</u>	<u>-</u>	<u>-</u>

14 Deferred taxation

The movement in the deferred taxation asset during the year was

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Asset brought forward	206,996	226,346	-	-
Decrease in asset	(41,591)	(19,350)	-	-
Asset carried forward	<u>165,405</u>	<u>206,996</u>	<u>-</u>	<u>-</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

14 Deferred taxation (continued)

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided £	Unprovided £	Provided £	Unprovided £
Excess of depreciation over taxation allowances	-	-	5,526	-
Tax losses available	165,405	-	201,470	-
	<u>165,405</u>	<u>-</u>	<u>206,996</u>	<u>-</u>

15 Creditors amounts falling due within one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Bank loans	535,946	-	-	-
Payments received on account	3,183,564	415,000	-	-
Trade creditors	1,438,982	894,840	-	-
Hire purchase agreements	-	1,146	-	-
Directors' loan accounts	169,251	284,643	-	-
Corporation tax	-	363	-	-
PAYE and social security	136,036	119,450	-	-
VAT	-	90,978	-	-
Other creditors	6,917,658	4,606,702	-	-
Accruals and deferred income	311,388	285,993	-	-
	<u>12,692,825</u>	<u>6,699,115</u>	<u>-</u>	<u>-</u>

Bank loans are supported by the unlimited guarantees of group undertakings

16 Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts payable within 1 year	-	1,146	-	-
	<u>-</u>	<u>1,146</u>	<u>-</u>	<u>-</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

17 Pensions and other post retirement benefits

The group previously operated a pension scheme which provided both defined benefit and defined contribution entitlements for those employed on administrative, technical and supervisory duties in the United Kingdom. The assets of the scheme are held separately from those of the company, being invested with financial institutions.

Following consultation with the scheme advisers it was decided to close the defined benefit section to future accrual of final salary benefits with effect from 7 April 2002. The scheme retains defined liabilities for deferred pensioners and for those active members as at 5 April 2002 who opted to retain deferred pensions.

Contributions into the defined contribution section continued until, following further consultation with the scheme advisers, it was decided to make no further contributions into the scheme with effect from 5 April 2006.

A new group personal pension plan was set up with effect from 6 April 2006 where individual funds are maintained for each member by financial institutions.

An analysis of the changes in the defined benefit section of the scheme during the year and the assumptions used are given below.

The amounts recognised in the profit and loss account are as follows:

	2012 £	2011 £
Amounts included in other finance cost		
Expected return on scheme assets	(244,000)	(229,000)
Interest on scheme liabilities	323,000	321,000
Other finance cost	79,000	92,000
Total charge to the profit and loss account	79,000	92,000

Other finance cost is included in the profit and loss account within interest payable and similar charges (Note 7).

Actuarial losses of £(99,000) (2011: £68,000) have been recognised in the statement of total recognised gains and losses.

The amounts recognised in the balance sheet are as follows:

	2012 £	2011 £
Present value of funded obligations	(6,183,000)	(6,180,000)
Fair value of scheme assets	3,752,000	3,747,000
Related deferred tax asset	(2,431,000) 559,130	(2,433,000) 632,580
Net pension liability	(1,871,870)	(1,800,420)

Changes in the present value of the defined benefit obligation scheme are as follows:

	2012 £	2011 £
Opening defined benefit obligation	6,180,000	6,062,000
Interest on scheme liabilities	323,000	321,000
Actuarial (gain)/loss	(158,000)	43,000
Benefits paid	(162,000)	(246,000)
Closing defined benefit obligation	6,183,000	6,180,000

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

17 Pensions and other post retirement benefits (continued)

Changes in the fair value of scheme assets are as follows

	2012 £	2011 £
Opening fair value of scheme assets	3,747,000	3,413,000
Expected return on scheme assets	244,000	229,000
Contributions by employer	180,000	240,000
Actuarial (loss)/gain	(257,000)	111,000
Benefits paid	(162,000)	(246,000)
Closing fair value of scheme assets	<u>3,752,000</u>	<u>3,747,000</u>

The fair value of the major categories of scheme assets are as follows

	2012 £	2011 £
European equities	2,333,000	2,193,000
Other equities	192,000	167,000
Other equities	928,000	1,133,000
European bonds	259,000	232,000
Cash	40,000	22,000
Fair value of scheme assets	<u>3,752,000</u>	<u>3,747,000</u>

The principal actuarial assumptions as at the balance sheet date were

	2012 %	2011 %
Discount rate	4.25	5.30
Expected return on scheme assets	6.50	6.50
Rate of increase in pensions in payment	2.50	3.20
Rate of increase in deferred pensions	2.50	3.20
Inflation	2.50	3.20

Amounts for the current and previous four periods are as follows

	2012 £	2011 £	2010 £	2009 £	2008 £
Defined benefit obligation	(6,183,000)	(6,180,000)	(6,062,000)	(5,442,000)	(5,206,000)
Fair value of scheme assets	<u>3,752,000</u>	<u>3,747,000</u>	<u>3,413,000</u>	<u>3,050,000</u>	<u>3,311,000</u>
Deficit in the scheme	<u>(2,431,000)</u>	<u>(2,433,000)</u>	<u>(2,649,000)</u>	<u>(2,392,000)</u>	<u>(1,895,000)</u>
Experience adjustments on scheme liabilities (£)	<u>648,000</u>	<u>—</u>	<u>—</u>	<u>399,000</u>	<u>366,000</u>
Experience adjustments on scheme assets (£)	<u>(257,000)</u>	<u>229,000</u>	<u>206,000</u>	<u>(653,000)</u>	<u>(654,000)</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

18 Commitments under operating leases

At 31 July 2012 the group had annual commitments under non-cancellable operating leases as set out below

Group	Assets other than Land and buildings	
	2012 £	2011 £
Operating leases which expire		
Within 1 year	379	7,813
Within 2 to 5 years	38,534	92,312
	<u>38,913</u>	<u>100,125</u>

19 Related party disclosures

During the year, William J Jerram (Agricultural Investments) Limited collected no interest on the £100,000 loan made to Ambershire Limited in 2008 to provide it with additional working capital. This loan remained outstanding at 31st July 2012 (2011 £100,000).

In addition, Jerram Falkus Construction Limited has an outstanding loan due from Ambershire Limited of £396,271 (2011 £444,648). During the year the Jerram Group made management charges of £nil (2011 £25,000) to Ambershire Limited.

All other transactions between the group companies have been removed on consolidation. The group has taken advantage of the exemption in FRS8 from disclosing transactions with members or investees of the Jerram Group Limited.

20 Share capital

Allotted, called up and fully paid

	Group 2012		Group 2011	
	No	£	No	£
614,200 Ordinary shares of £1 each	<u>614,200</u>	<u>614,200</u>	<u>614,200</u>	<u>614,200</u>
	Company 2012		Company 2011	
	No	£	No	£
614,200 Ordinary shares of £1 each	<u>614,200</u>	<u>614,200</u>	<u>-</u>	<u>-</u>

On incorporation the company issued 614,200 Ordinary shares of £1 each as part of a share for share exchange with the shareholders of Jerram Falkus Limited.

Merger accounting principles have been used and the results have been presented as if the new group had been established throughout the current and previous years.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

21 Reserves

Group	Revaluation reserve £	Reserve on consolidation £	Investment Revaluation Reserve £	Profit and loss account £
Balance brought forward	9,535,295	378,599	1,365,159	5,624,729
Profit for the year	–	–	–	48,364
Deferred tax adjustment relating to defined benefit pension scheme	–	–	–	(16,679)
Defined benefit pension scheme	–	–	–	(121,770)
Balance carried forward	<u>9,535,295</u>	<u>378,599</u>	<u>1,365,159</u>	<u>5,534,644</u>
Company			Revaluation reserve £	Profit and loss account £
Profit for the year			–	853,210
Transfer from group undertaking			5,328,790	–
Balance carried forward			<u>5,328,790</u>	<u>853,210</u>

22 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	48,364	13,891
	<u>48,364</u>	<u>13,891</u>
Defined benefit pension scheme	(121,770)	50,320
Deferred tax adjustment relating to defined benefit pension scheme	(16,679)	–
Net (reduction of)/addition to shareholders' funds	(90,085)	64,211
Opening shareholders' funds	17,517,982	17,453,771
Closing shareholders' funds	<u>17,427,897</u>	<u>17,517,982</u>

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2012**

23 Notes to the cash flow statement**(a) Reconciliation of operating profit to net cash inflow from operating activities**

	2012 £	2011 £
Operating profit	208,118	179,583
Depreciation	99,818	110,518
Loss/(Profit) on disposal of fixed assets	4,297	(8,428)
Change in stocks	(1,745,802)	1,157
Change in debtors	(4,119,933)	(1,332,908)
Change in creditors	5,459,273	(2,053,411)
Defined benefit pension scheme contributions paid	(180,000)	(240,000)
Net cash outflow from operating activities	<u>(274,229)</u>	<u>(3,343,489)</u>

(b) Returns on investments and servicing of finance

	2012 £	2011 £
Interest received	11,284	23,142
Interest element of hire purchase	(132)	(2,340)
Net cash inflow from returns on investments and servicing of finance	<u>11,152</u>	<u>20,802</u>

(c) Taxation

	2012 £	2011 £
Taxation	<u>(30,241)</u>	<u>-</u>

(d) Capital expenditure

	2012 £	2011 £
Payments to acquire tangible fixed assets	(21,513)	(26,219)
Receipts from sale of fixed assets	-	20,236
Net cash outflow from capital expenditure	<u>(21,513)</u>	<u>(5,983)</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2012

23 Notes to the cash flow statement (continued)

(e) Financing

	2012 £	2011 £
Increase in bank loans	535,946	–
Capital element of hire purchase	(1,146)	(22,855)
Net cash inflow/(outflow) from financing	<u>534,800</u>	<u>(22,855)</u>

(f) Reconciliation of net cash flow to movement in net funds

	2012 £	2011 £
Increase/(Decrease) in cash in the period	219,969	(3,351,525)
Net cash (inflow) from bank loans	(535,946)	–
Cash outflow in respect of hire purchase	1,146	22,855
Change in net funds	<u>(314,831)</u>	<u>(3,328,670)</u>
Net funds at 1 August 2011	2,259,673	5,588,343
Net funds at 31 July 2012	<u>1,944,842</u>	<u>2,259,673</u>

(g) Analysis of changes in net funds

	At 1 Aug 2011 £	Cash flows £	At 31 Jul 2012 £
Net cash			
Cash in hand and at bank	2,260,819	219,969	2,480,788
Debt			
Debt due within 1 year	–	(535,946)	(535,946)
Hire purchase agreements	(1,146)	1,146	–
	<u>(1,146)</u>	<u>(534,800)</u>	<u>(535,946)</u>
Net funds	<u>2,259,673</u>	<u>(314,831)</u>	<u>1,944,842</u>