

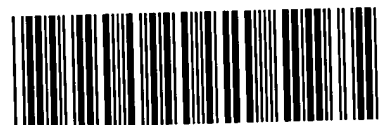
Company Registration Number 7884552

Jerram Group Limited

Annual report

31 July 2015

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Jerram Group Limited
Annual report
Year ended 31 July 2015

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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

Company secretary

J A Foskett

Registered office

14 Anning Street
London
England
EC2A LQ

Auditor

Moore Stephens LLP
Chartered Accountants and Statutory Auditor
150 Aldersgate Street
London
United Kingdom
EC1A 4AB

Jerram Group Limited

Strategic report

Year ended 31 July 2015

Business review

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

This has been a successful year for the group with turnover increasing as previously predicted by 36% and, coupled with savings in administrative expenses and consistency in investment income, a resulting 141% increase in pre-tax profits.

The construction company, Jerram Falkus Construction Limited is a long established building company that delivers both new build and refurbishment 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.

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, continues to acquire and develop sites in the London region. The directors are confident that a substantial return will be made from these developments. They are actively seeking further development opportunities.

Falkus Joinery continues to grow and evolve. Its established identity and brand and continued investment in equipment, complimented by its highly skilled workforce, has seen it deliver to an increasing client base resulting in year on year improvements in its results

Health and Safety remains a foremost priority within the group.

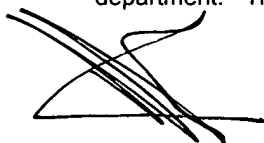
The pension deficit is being kept under close review and advice is being sought where necessary.

The Directors are confident that the current year to July 2016 will be similarly successful, optimism 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.

Financial risk management objectives and policies

Financial instruments are used for financing purposes only. It is company 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.



Signed by order of the directors
J A Foscett
Company Secretary

Approved by the directors on 3 March 2016

Jerram Group Limited

Directors' report

Year ended 31 July 2015

The directors present their report and the audited financial statements of the group for the year ended 31 July 2015.

Results and dividends

The profit for the year, after taxation, amounted to £1,840,685. Particulars of dividends proposed are detailed in note 11 to the financial statements.

Directors

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

M J A Jerram
Mrs J M Jerram
Mrs G M Jerram
W J Jerram
J M Jerram

Strategic report

The business review and risk management policies are located in the strategic report.

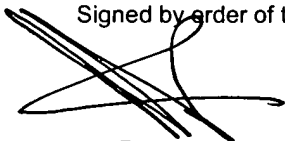
Auditor

Chantrey Vellacott DFK LLP merged its practice with Moore Stephens LLP with effect from 1 May 2015 and now practises under the name of Moore Stephens LLP. A resolution to appoint Moore Stephens LLP as auditor will be proposed at the forthcoming annual general meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed by order of the directors



J A Foskett
Company Secretary

Approved by the directors on 3 March 2016

Jerram Group Limited

Statement of directors' responsibilities

Year ended 31 July 2015

The directors are responsible for preparing the strategic report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

Jerram Group Limited

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

Year ended 31 July 2015

We have audited the group and parent company financial statements ("the financial statements") of Jerram Group Limited for the year ended 31 July 2015 which comprise the group profit and loss account, group statement of total recognised gains and losses, 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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.

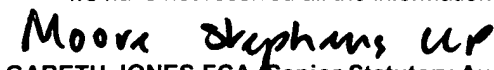
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and 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 MOORE STEPHENS LLP
Chartered Accountants and Statutory Auditor

3 March 2016

Jerram Group Limited**Group profit and loss account****Year ended 31 July 2015**

	Note	2015 £	2014 £
Group turnover	3	55,362,484	40,736,270
Cost of sales		<u>50,059,410</u>	<u>36,653,091</u>
Gross profit		5,303,074	4,083,179
Administrative expenses		3,662,273	3,610,608
Other operating income	4	<u>(597,847)</u>	<u>(453,470)</u>
Operating profit	5	2,238,648	926,041
Interest receivable		26,895	23,514
Other finance income	8	30,000	4,000
Profit on ordinary activities before taxation		<u>2,295,543</u>	<u>953,555</u>
Tax on profit on ordinary activities	9	454,858	74,715
Profit for the financial year		<u><u>1,840,685</u></u>	<u><u>878,840</u></u>

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.

There is no difference between the results shown above and their historical cost equivalents.

The notes on pages 11 to 25 form part of these financial statements.

Jerram Group Limited**Group statement of total recognised gains and losses****Year ended 31 July 2015**

	2015 £	2014 (restated) £
Profit for the financial year attributable to the shareholders of the parent company	1,840,685	878,840
Unrealised profit on revaluation of freehold property	12,016,650	—
Unrealised profit on revaluation of investment properties	107,500	—
	<u>13,964,835</u>	<u>878,840</u>
Actuarial loss in respect of defined benefit pension scheme	(460,000)	(353,000)
Deferred tax in respect of defined benefit pension scheme	92,000	70,600
	<u>—</u>	<u>—</u>
Total recognised gains and losses relating to the year	13,596,835	596,440
Prior year adjustment	—	(950,000)
Total gains and losses recognised since the last annual report	<u>13,596,835</u>	<u>(353,560)</u>

The notes on pages 11 to 25 form part of these financial statements.

Jerram Group Limited

Group balance sheet

As at 31 July 2015

	Note	2015 £	2014 (restated) £
Fixed assets			
Tangible assets	12	31,914,579	19,870,717
Investments	13	1,260,270	1,260,270
		<u>33,174,849</u>	<u>21,130,987</u>
Current assets			
Stocks	14	1,468,060	6,317,004
Debtors	15	11,754,832	6,245,411
Cash at bank		4,883,961	4,796,095
		<u>18,106,853</u>	<u>17,358,510</u>
Creditors: amounts falling due within one year	17	<u>14,749,432</u>	<u>15,494,602</u>
Net current assets		3,357,421	1,863,908
Total assets less current liabilities		<u>36,532,270</u>	<u>22,994,895</u>
Net assets excluding pension liability		36,532,270	22,994,895
Defined benefit pension scheme liability	18	(1,652,000)	(1,527,200)
Net assets including pension liability		<u>34,880,270</u>	<u>21,467,695</u>
Capital and reserves			
Called up equity share capital	21	614,200	614,200
Revaluation reserve	22	25,150,651	13,026,501
Other reserves	22	1,743,758	1,743,758
Profit and loss account	22	7,371,661	6,083,236
Shareholders' funds	23	<u>34,880,270</u>	<u>21,467,695</u>

These financial statements were approved by the directors and authorised for issue on 3 March 2016, and are signed on their behalf by:



.....
J M Jerram

The notes on pages 11 to 25 form part of these financial statements.

Jerram Group Limited

Balance sheet

As at 31 July 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	12	17,916,000	9,958,000
Investments	13	614,200	614,200
		<u>18,530,200</u>	<u>10,572,200</u>
Current assets			
Debtors	15	5,333	—
Creditors: amounts falling due within one year	17	<u>331,202</u>	<u>192,668</u>
Net current liabilities		(325,869)	(192,668)
Total assets less current liabilities		<u>18,204,331</u>	<u>10,379,532</u>
Capital and reserves			
Called up equity share capital	21	614,200	614,200
Revaluation reserve	22	17,146,790	9,146,790
Profit and loss account	22	443,341	618,542
Shareholders' funds		<u>18,204,331</u>	<u>10,379,532</u>

These financial statements were approved by the directors and authorised for issue on 3 March 2016, and are signed on their behalf by:



.....
J M Jerram

Company Registration Number: 7884552

The notes on pages 11 to 25 form part of these financial statements.

Jerram Group Limited**Group cash flow statement****Year ended 31 July 2015**

	Note	2015 £	2014 £
Net cash inflow from operating activities	24(a)	4,166,147	729,057
Returns on investments and servicing of finance	24(b)	26,895	23,514
Taxation	24(c)	117,627	(194,153)
Capital expenditure and financial investment	24(d)	(38,542)	(175,968)
Equity dividends paid		(184,260)	(122,840)
Cash inflow before financing		<u>4,087,867</u>	<u>259,610</u>
Financing	24(e)	(4,000,001)	1,147,160
Increase in cash	24(f)	<u>87,866</u>	<u>1,406,770</u>

The notes on pages 11 to 25 form part of these financial statements.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

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, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

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 Property	- 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 group 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 with 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.

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.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

1. Accounting policies (*continued*)

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 actuaries. 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. Prior year adjustment

The prior year adjustment relates to a write down of the value of an investment property within Jerram Falkus Limited the company.

3. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>55,362,484</u>	<u>40,736,270</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

4. Other operating income

	2015 £	2014 £
Rent receivable	589,497	453,470
Lease extension income	8,350	–
	<u>597,847</u>	<u>453,470</u>

5. Operating profit

Operating profit is stated after charging:

	2015 £	2014 £
Depreciation of owned fixed assets	110,566	118,490
Loss on disposal of fixed assets	8,264	2,543
Auditor's remuneration		
- as auditor	39,500	38,000
- for taxation services	11,500	11,500
- for other services	26,431	34,858
	<u>195,761</u>	<u>96,891</u>

6. Particulars of employees

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

	2015 No	2014 No
Number of production staff	31	32
Number of distribution staff	4	5
Number of management staff	55	54
	<u>90</u>	<u>91</u>

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	4,338,726	4,100,185
Social security costs	504,711	467,205
Other pension costs	296,907	233,696
	<u>5,140,344</u>	<u>4,801,086</u>

Other pension costs are amounts charged to operating profit and do not include amounts credited to finance income and charged to finance costs (see note 8), and amounts recognised in the statement of recognised gains and losses.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

7. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2015 £	2014 £
Emoluments receivable	422,033	360,061
Value of company pension contributions to money purchase schemes	22,990	24,787
Other emoluments	62,360	71,278
	<u>507,383</u>	<u>456,126</u>

Emoluments of highest paid director:

	2015 £	2014 £
Total emoluments (excluding pension contributions)	<u>124,013</u>	<u>106,045</u>

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

	2015 No	2014 No
Money purchase schemes	<u>3</u>	<u>3</u>

8. Other finance income

	2015 £	2014 £
Net finance costs in respect of defined benefit pension schemes	<u>30,000</u>	<u>4,000</u>

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2015****9. Taxation on ordinary activities****(a) Analysis of charge in the year**

	2015 £	2014 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 20.67% (2014 - 22.33%)	329,397	(14,361)
Total current tax	329,397	(14,361)
Deferred tax:		
Origination and reversal of timing differences	125,461	89,076
Tax on profit on ordinary activities	454,858	74,715

(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 20.67% (2014 - 22.33%).

	2015 £	2014 £
Profit on ordinary activities before taxation	2,295,543	953,555
Profit on ordinary activities multiplied by rate of tax	474,489	212,929
Expenses not deductible for tax purposes	549	2,413
Capital allowances for period in excess of depreciation	(563)	(30,668)
Utilisation of tax losses	(72,825)	1,822
Unrelieved tax losses	-	28,448
Tax chargeable at lower rates	-	(107,325)
Adjustments to tax charge in respect of previous periods	233	(14,361)
Other short term timing differences	30,150	(15,760)
Income not taxable for tax purposes	(16,235)	(22,412)
FRS 17 adjustment	(95,082)	(78,825)
Fixed Asset differences	8,681	9,378
Total current tax (note 9(a))	329,397	(14,361)

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

10. Profit attributable to members of the parent company

The profit after taxation of the parent company was £9,059 (2014 - £7,709).

11. Dividends

Equity dividends

	2015 £	2014 £
Proposed Equity dividends on ordinary shares of £1 each	<u>184,260</u>	<u>122,840</u>

12. Tangible fixed assets

Group	Freehold Property £	Plant & equipment Machinery £	Office equipment & Fittings £	Motor Vehicles £	Investment Properties £	Total £
Cost or valuation						
At 1 Aug 2014 (restated)	15,505,850	125,762	346,517	350,929	4,167,940	20,496,998
Additions	—	22,725	44,317	—	—	67,042
Disposals	—	(19,350)	—	(72,261)	—	(91,611)
Revaluation	12,016,650	—	—	—	107,500	12,124,150
At 31 Jul 2015	<u>27,522,500</u>	<u>129,137</u>	<u>390,834</u>	<u>278,668</u>	<u>4,275,440</u>	<u>32,596,579</u>
Depreciation						
At 1 Aug 2014 (restated)	42,000	119,572	301,002	163,707	—	626,281
Charge for the year	42,000	1,647	30,153	36,766	—	110,566
On disposals	—	(19,347)	—	(35,500)	—	(54,847)
At 31 Jul 2015	<u>84,000</u>	<u>101,872</u>	<u>331,155</u>	<u>164,973</u>	<u>—</u>	<u>682,000</u>
Net book value						
At 31 Jul 2015	<u>27,438,500</u>	<u>27,265</u>	<u>59,679</u>	<u>113,695</u>	<u>4,275,440</u>	<u>31,914,579</u>
At 31 Jul 2014	<u>15,463,850</u>	<u>6,190</u>	<u>45,515</u>	<u>187,222</u>	<u>4,167,940</u>	<u>19,870,717</u>

The investment properties owned by the company were valued on 31 July 2015 at £4,275,440 on an open market basis by Allsop LLP.

Investment properties owned by a subsidiary were valued on 1 December 2015 at £9,522,500 on an open market basis by Mullucks Wells.

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

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

12. Tangible fixed assets (*continued*)

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

	2015 £	2014 (restated) £
Net book value at end of year	<u>13,797,940</u>	<u>9,673,790</u>
Historical cost	<u>5,686,231</u>	<u>5,686,231</u>

Company	Freehold Property £
Cost or valuation	
At 1 August 2014	10,000,000
Revaluation	<u>8,000,000</u>
At 31 July 2015	<u>18,000,000</u>
Depreciation	
At 1 August 2014	42,000
Charge for the year	<u>42,000</u>
At 31 July 2015	<u>84,000</u>
Net book value	
At 31 July 2015	<u>17,916,000</u>
At 31 July 2014	<u>9,958,000</u>

13. Investments

Group	Associated undertakings £
Cost	
At 1 August 2014 and 31 July 2015	<u>1,260,270</u>
Net book value	
At 31 July 2015 and 31 July 2014	<u>1,260,270</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

13. Investments (continued)

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 Falkus Group.

The Directors are also reviewing the group's investment in Ambershire Limited and in light of this feel that the consolidation of Ambershire Limited 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 Falkus Group.

This treatment is allowed under section 405 (2) of the Companies Act 2006.

	Net Assets at 30 April 2015	Loss for the year ended 30 April 2015
Ambershire Limited	<u>1,782,184</u>	<u>(1,151)</u>

	Registered in	Ordinary shares held	Nature of business
Subsidiary undertakings			
Falkus Joinery Limited			Bespoke Joinery
Jerram Falkus Construction Limited	England	100%	Manufacture
Jerram Developments Limited	England	100%	Building Construction
William J Jerram Limited	England	100%	Property Development
William J Jerram (Agricultural Investments) Limited	England	100%	Dormant
Jerram Falkus Limited	England	100%	Land Investment
Ambershire Limited	England	66%	Holding Company
			Farming and Liveries

Company	Group companies £
Cost	
At 1 August 2014 and 31 July 2015	<u>614,200</u>
Net book value	
At 31 July 2015 and 31 July 2014:	<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 2015

14. Stocks

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Stock	69,504	55,393	-	-
Work in progress	1,398,556	6,261,611	-	-
	<u>1,468,060</u>	<u>6,317,004</u>	<u>-</u>	<u>-</u>

15. Debtors

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Trade debtors	231,908	252,668	-	-
Amounts owed by group undertakings	-	-	5,333	-
Amounts owed by undertakings in which the company has a participating interest	495,581	496,035	-	-
Corporation tax repayable	-	197,598	-	-
VAT recoverable	-	162,267	-	-
Other debtors	17,793	13,829	-	-
Amounts recoverable on contracts	10,837,284	4,900,139	-	-
Deferred taxation (Note 16)	79,228	143,889	-	-
Prepayments and accrued income	93,038	78,986	-	-
	<u>11,754,832</u>	<u>6,245,411</u>	<u>5,333</u>	<u>-</u>

16. Deferred taxation

The movement in the deferred taxation asset during the year was:

	Group 2015	2014	Company 2015	2014
	£	£	£	£
Asset brought forward	143,889	37,051	-	-
(Decrease)/Increase in asset	(64,661)	106,838	-	-
Asset carried forward	<u>79,228</u>	<u>143,889</u>	<u>-</u>	<u>-</u>

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

Group	2015 Provided £	Unprovided £	2014 Provided £	Unprovided £
Other timing differences	<u>79,228</u>	<u>-</u>	<u>143,889</u>	<u>-</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

17. Creditors: amounts falling due within one year

	2015	Group 2014	2015	Company 2014
	£	£	£	£
Bank loans	–	4,000,001	–	–
Trade creditors	957,387	708,910	–	–
Amounts owed to related undertakings	–	–	322,631	192,668
Directors' loan accounts	196,856	193,445	–	–
Corporation tax	249,426	–	8,571	–
PAYE and social security	211,036	144,575	–	–
VAT	19,028	–	–	–
Other creditors	12,880,265	9,328,014	–	–
Accruals and deferred income	235,434	1,119,657	–	–
	<u>14,749,432</u>	<u>15,494,602</u>	<u>331,202</u>	<u>192,668</u>

Group overdraft facilities are supported by the unlimited guarantees of group undertakings.

18. 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:

	2015 £	2014 £
Amounts included in other finance income:		
Expected return on scheme assets	(302,000)	(294,000)
Interest on scheme liabilities	272,000	290,000
Other finance income	(30,000)	(4,000)
Total credit to the profit and loss account	<u>(30,000)</u>	<u>(4,000)</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

18. Pensions and other post retirement benefits (*continued*)

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

Actuarial losses of £(460,000) (2014: £(353,000)) have been recognised in the statement of total recognised gains and losses.

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(6,771,000)	(6,563,000)
Fair value of scheme assets	4,706,000	4,654,000
	(2,065,000)	(1,909,000)
Related deferred tax asset	413,000	381,800
Net pension liability	(1,652,000)	(1,527,200)

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

	2015 £	2014 £
Opening defined benefit obligation	6,563,000	6,377,000
Interest on scheme liabilities	272,000	290,000
Actuarial loss	448,000	276,000
Benefits paid	(512,000)	(380,000)
Closing defined benefit obligation	6,771,000	6,563,000

Changes in the fair value of scheme assets are as follows:

	2015 £	2014 £
Opening fair value of scheme assets	4,654,000	4,389,000
Expected return on scheme assets	302,000	294,000
Contributions by employer	274,000	428,000
Actuarial loss	(12,000)	(77,000)
Benefits paid	(512,000)	(380,000)
Closing fair value of scheme assets	4,706,000	4,654,000

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

	2015 £	2014 £
Equities	3,074,000	3,086,000
Gilts	208,000	189,000
Multi-strategy fund	1,074,000	1,017,000
Corporate bonds	316,000	295,000
Cash	34,000	67,000
Fair value of scheme assets	4,706,000	4,654,000

The principal actuarial assumptions as at the balance sheet date were:

	2015 %	2014 %
Discount rate	3.50	4.25
Expected return on scheme assets	6.53	6.85
Rate of increase in pensions in payment	3.15	3.20
Rate of increase in deferred pensions	3.15	3.20
Inflation	3.15	3.20

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

18. Pensions and other post retirement benefits (continued)

Amounts for the current and previous three periods are as follows:

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(6,771,000)	(6,563,000)	(6,377,000)	(6,183,000)
Fair value of scheme assets	4,706,000	4,654,000	4,389,000	3,752,000
Deficit in the scheme	(2,065,000)	(1,909,000)	(1,988,000)	(2,431,000)
Experience adjustments on scheme liabilities (£)	73,000	7,000	—	648,000
Experience adjustments on scheme assets (£)	(12,000)	(77,000)	380,000	(257,000)

19. Commitments under operating leases

At 31 July 2015 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Assets other than Land and buildings	
	2015 £	2014 £
Operating leases which expire:		
Within 1 year	8,946	11,106
Within 2 to 5 years	22,484	29,994
	<u>31,430</u>	<u>41,100</u>

20. Related party transactions

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 2015 (2014: £100,000).

In addition, Jerram Falkus Construction Limited has an outstanding loan due from Ambershire Limited of £395,581 (2014: £396,035).

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 Falkus group.

21. Share capital

Allotted, called up and fully paid:

	2015 No	£	2014 No	£
Ordinary shares of £1 each	<u>614,200</u>	<u>614,200</u>	<u>614,200</u>	<u>614,200</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2015

22. Reserves

Group	Revaluation reserve £	Reserve on consolidation £	Investment revaluation reserve £	Profit and loss account £
Balance brought forward as previously stated	13,353,295	378,599	1,365,159	6,706,442
Prior year adjustment	(326,794)	—	—	(623,206)
Balance brought forward restated	13,026,501	378,599	1,365,159	6,083,236
Profit for the year	—	—	—	1,840,685
Equity dividends	—	—	—	(184,260)
Other gains and losses	—	—	—	—
- Revaluation of fixed assets	12,124,150	—	—	—
Defined benefit pension scheme	—	—	—	(368,000)
Balance carried forward	25,150,651	378,599	1,365,159	7,371,661
Company			Revaluation reserve £	Profit and loss account £
Balance brought forward			9,146,790	618,542
Profit for the year			—	9,059
Equity dividends			—	(184,260)
Other gains and losses			—	—
- Revaluation of fixed assets			8,000,000	—
Balance carried forward			17,146,790	443,341

23. Reconciliation of movements in shareholders' funds

	2015 £	2014 Restated £
Profit for the financial year	1,840,685	878,840
Other net recognised gains and losses	12,124,150	—
Equity dividends	(184,260)	(122,840)
Defined benefit pension scheme	(368,000)	(282,400)
Net addition to shareholders' funds	13,412,575	473,600
Opening shareholders' funds	21,467,695	21,944,095
Prior year adjustment	—	(950,000)
Closing shareholders' funds	34,880,270	21,467,695

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2015****24. Notes to the cash flow statement****(a) Reconciliation of operating profit to net cash inflow from operating activities**

	2015	2014
	£	£
Operating profit	2,238,648	926,041
Depreciation	110,566	118,490
Loss on disposal of fixed assets	8,264	2,543
Decrease/(increase) in stocks	4,848,944	(2,152,889)
(Increase)/decrease in debtors	(5,771,680)	1,851,896
Increase in creditors	3,005,405	410,976
Defined benefit pension scheme contributions paid	(274,000)	(428,000)
Net cash inflow from operating activities	<u>4,166,147</u>	<u>729,057</u>

(b) Returns on investments and servicing of finance

	2015	2014
	£	£
Interest received	26,895	23,514
Net cash inflow from returns on investments and servicing of finance	<u>26,895</u>	<u>23,514</u>

(c) Taxation

	2015	2014
	£	£
Taxation	<u>117,627</u>	<u>(194,153)</u>

(d) Capital expenditure

	2015	2014
	£	£
Payments to acquire tangible fixed assets	(67,042)	(193,218)
Receipts from sale of fixed assets	28,500	17,250
Net cash outflow from capital expenditure	<u>(38,542)</u>	<u>(175,968)</u>

(e) Financing

	2015	2014
	£	£
(Repayment of)/increase in bank loans	(4,000,001)	1,147,160
Net cash (outflow)/inflow from financing	<u>(4,000,001)</u>	<u>1,147,160</u>

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2015****24. Notes to the cash flow statement (continued)****(f) Reconciliation of net cash flow to movement in net funds**

	2015 £	2014 £
Increase in cash in the period	87,866	1,406,770
Net cash outflow from/(inflow) from bank loans	4,000,001	(1,147,160)
	<u>4,087,867</u>	<u>259,610</u>
Change in net funds	4,087,867	259,610
Net funds at 1 August 2014	796,094	536,484
Net funds at 31 July 2015	<u>4,883,961</u>	<u>796,094</u>

(g) Analysis of changes in net funds

	At 1 Aug 2014 £	Cash flows £	At 31 Jul 2015 £
Net cash:			
Cash in hand and at bank	4,796,095	87,866	4,883,961
Debt:			
Debt due within 1 year	(4,000,001)	4,000,001	–
Net funds	<u>796,094</u>	<u>4,087,867</u>	<u>4,883,961</u>

25. Post balance sheet events

During the financial year, the group exchanged contracts on the purchase of properties at Cannon Hill Lane, London SW20 and 1 Bartholomew Street, London SE1. Subsequent to the year end, completion of these purchases occurred on 18 August 2015.