

COMPANY REGISTRATION NUMBER: 07884552

Jerram Group Limited

Annual report

31 July 2016



Jerram Group Limited
Annual report
Year ended 31 July 2016

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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 Foscett

Registered office

14 Anning Street
London
EC2A 3LQ

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 2016

Business review

This has been an eventful year for the group with Q1 and Q2 showing a brief return to normality with a steady, stable workflow and the recession priced 'legacy projects' substantially unwound. As the year unfolded however investment awaited the decision whether to leave the European Union and uncertainty grew which was reflected by a slowdown in activity. Since the vote, and contrary to expectation, enquiry levels have been very positive resulting in a flurry of new work. The impact of Brexit has resulted in turnover being less than previously predicted, however strong project performance, a good year for Falkus Joinery and consistency in investment income, has resulted in a respectable pre-tax profit.

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 the current developments. The company is 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 an increase of 70% in turnover and a 421% improvement in pre-tax profits.

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 31 July 2017 will be similarly successful, optimism which is justified by a strong pipeline of secured work expected to maintain our current level of 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.

The group's key financial and other performance indicators include

	2016	2015
Turnover	£41,963,941	£56,149,478
Gross profit margin	9.6%	9.1%
Profit before tax and pension finance cost	£923,379	£2,371,251
Net assets	£31,172,900	£30,606,968

Financial risk management

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, as disclosed in note 4. The Board considers that financial risks do not pose a major threat to the company.

This report was approved by the board of directors on 4 April 2017 and signed on behalf of the board by:



J A Foskett
Company Secretary

Jerram Group Limited

Directors' report

Year ended 31 July 2016

The directors present their report and the audited financial statements of the group for the year ended 31 July 2016.

Principal activities

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

Results and dividends

The profit for the year, after taxation, amounted to £1,118,672. The directors have declared a dividend of £Nil (2015: £184,260).

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

Future developments

Subsequent to the year end, an offer has been received and accepted for the sale of Bartholomew Street from Jerram Developments Ltd to a third party.

Auditor

Moore Stephens LLP are deemed to be re-appointed as auditor for the ensuing year in accordance with section 487(2) of the Companies Act 2006.

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 Fosket
Company Secretary

Approved by the directors on 4 April 2017

Jerram Group Limited

Statement of directors' responsibilities

Year ended 31 July 2016

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 2016

We have audited the group and parent company financial statements ("the financial statements") of Jerram Group Limited for the year ended 31 July 2016 which are set out on pages 6 to 31. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2016 and of the group's result 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.

Moore Stephens LLP

**GARETH JONES FCA (Senior Statutory Auditor)
for and on behalf of MOORE STEPHENS LLP
Statutory Auditor**

**150 Aldersgate Street
London
EC1A 4AB**

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Jerram Group Limited**Consolidated Income Statement****Year ended 31 July 2016**

	Note	2016 £	2015 £
Group turnover	5	41,963,941	56,149,478
Cost of sales		(37,942,907)	(51,023,864)
Gross profit		4,021,034	5,125,614
Administrative expenses		(4,139,878)	(4,034,925)
Other operating income	6	625,850	648,002
Fair value gain on investment properties		401,665	605,665
Operating profit	7	908,671	2,344,356
Interest receivable		14,708	26,895
Other finance costs	10	(67,000)	(76,000)
Profit on ordinary activities before taxation		856,379	2,295,251
Tax on profit on ordinary activities	11	262,293	(411,882)
Profit for the financial year	12	1,118,672	1,883,369
Profit for the financial year attributable to:			
Owners of the parent company		1,125,204	1,850,950
Non-controlling interests		(6,532)	32,419
		1,118,672	1,883,369

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 14 to 31 form part of these financial statements.

Jerram Group Limited**Consolidated statement of comprehensive income****Year ended 31 July 2016**

	2016 £	2015 £
Profit for the financial year	1,118,672	1,883,369
Actuarial loss in respect of defined benefit pension scheme	(47,000)	(354,000)
Deferred tax in respect of defined benefit pension scheme	8,460	70,800
Total comprehensive income	<u>1,080,132</u>	<u>1,600,169</u>
Total comprehensive income for the year attributable to:		
Owners of the parent company	1,086,664	1,567,750
Non-controlling interests	(6,532)	32,419
	<u>1,080,132</u>	<u>1,600,169</u>

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited

Consolidated statement of financial position

As at 31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	13	124,394	186,591
Tangible assets	14	33,462,070	33,290,111
Investments	15	100	100
		<u>33,586,564</u>	<u>33,476,802</u>
Current assets			
Stocks	16	3,511,943	1,660,106
Debtors	17	8,762,865	10,824,890
Cash at bank		4,091,496	5,290,883
		<u>16,366,304</u>	<u>17,775,879</u>
Creditors: amounts falling due within one year	18	<u>(13,351,459)</u>	<u>(14,796,057)</u>
Net current assets		<u>3,014,845</u>	<u>2,979,822</u>
Total assets less current liabilities		<u>36,601,409</u>	<u>36,456,624</u>
Provisions			
Deferred tax	19	<u>(3,549,509)</u>	<u>(3,784,656)</u>
Net assets excluding pension liability		<u>33,051,900</u>	<u>32,671,968</u>
Defined benefit pension scheme liability	20	<u>(1,879,000)</u>	<u>(2,065,000)</u>
Net assets including pension liability		<u>31,172,900</u>	<u>30,606,968</u>
Capital and reserves			
Called up equity share capital	23	100,000	614,200
Revaluation reserve		26,800,611	26,412,203
Other reserves		378,599	378,599
Retained earnings		3,294,279	2,596,023
		<u>30,573,489</u>	<u>30,001,025</u>
Non-controlling interests		599,411	605,943
		<u>31,172,900</u>	<u>30,606,968</u>

These financial statements were approved by the directors and authorised for issue on 4 April 2017, and are signed on their behalf by:



J M Jerram

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited

Consolidated statement of changes in equity

Year ended 31 July 2015

	Called up equity share capital £	Revaluation reserve £	Other reserves £	Retained earnings £	Shareholders' equity £	Non controlling interest £	Total equity £
At 1 August 2014	614,200	25,839,348	378,599	1,785,388	28,617,535	573,524	29,191,059
Profit for the year	-	-	-	1,850,950	1,850,950	32,419	1,883,369
Transfer property gain to revaluation reserve	-	572,855	-	(572,855)	-	-	-
Other comprehensive income for the year:							
Actuarial losses in respect of defined benefit pension scheme	-	-	-	(354,000)	(354,000)	-	(354,000)
Deferred tax in respect of defined benefit pension scheme	-	-	-	70,800	70,800	-	70,800
Total comprehensive income for the year	-	572,855	-	994,895	1,567,750	32,419	1,600,169
Dividends paid	-	-	-	(184,260)	(184,260)	-	(184,260)
At 31 July 2015	614,200	26,412,203	378,599	2,596,023	30,001,025	605,943	30,606,968

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited

Consolidated statement of changes in equity

Year ended 31 July 2016

	Called up equity share capital £	Revaluation reserve £	Other reserves £	Retained earnings £	Shareholders' equity £	Non controlling interest £	Total equity £
At 1 August 2015	614,200	26,412,203	378,599	2,596,023	30,001,025	605,943	30,606,968
Profit for the year		-	-	1,125,204	1,125,204	(6,532)	1,118,672
Transfer property gain to revaluation reserve	-	388,408		(388,408)	-	-	-
Other comprehensive income for the year:							
Actuarial losses in respect of defined benefit pension scheme	-	-	-	(47,000)	(47,000)	-	(47,000)
Deferred tax in respect of defined benefit pension scheme	-	-	-	8,460	8,460		8,460
Total comprehensive income for the year	-	388,408	-	698,256	1,086,664	(6,532)	1,080,132
Buy back of ordinary shares	(514,200)	-	-	-	(514,200)	-	(514,200)
At 31 July 2016	100,000	26,800,611	378,599	3,294,279	30,573,489	599,411	31,172,900

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited**Consolidated statement of cash flows****Year ended 31 July 2016**

	2016	2015
Cash flows from operating activities		
Profit for the financial year	1,118,672	1,883,369
<i>Adjustments for:</i>		
Depreciation of tangible assets	145,381	120,451
Interest payable	67,000	76,000
Interest receivable	(14,708)	(26,895)
Amortisation	62,197	62,197
Fair value gain on investment properties	(401,665)	(605,665)
(Profit)/Loss on disposal of tangible assets	(485)	7,861
Tax	(262,293)	411,882
Defined benefit pension scheme contributions paid	(300,000)	(274,000)
<i>Changes in:</i>		
Stocks	(1,851,837)	4,849,037
Trade and other debtors	2,213,378	(5,357,781)
Trade and other creditors	(3,061,922)	3,053,198
Cash (used in)/generated from operations	(2,286,282)	4,199,654
Interest received	14,708	26,895
Dividend paid	-	(184,260)
Tax (paid)/recovered	(253,865)	117,300
Net cash from operating activities	(2,525,439)	4,159,589
Cash flows from investing activities		
Purchase of tangible assets	(234,115)	(75,312)
Proceeds from sale of tangible assets	318,925	29,500
Net cash used in investing activities	84,810	(45,812)
Cash flows from financing activities		
Repayment of bank loans	-	(4,000,001)
Overdraft utilised/(re-paid)	55,442	(15,508)
Receipt of loans	1,700,000	-
Buy back of ordinary shares	(514,200)	-
Net cash generated from/(used in) financing activities	1,241,242	(4,015,509)
Net (decrease)/increase in cash and cash equivalents	(1,199,387)	98,268
Cash and cash equivalents at beginning of year	5,290,883	5,192,615
Cash and cash equivalents at end of year	4,091,496	5,290,883

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited**Company statement of financial position****As at 31 July 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	14	18,000,000	18,000,000
Investments	15	614,200	614,200
		<u>18,614,200</u>	<u>18,614,200</u>
Current assets			
Debtors	17	-	5,333
		-	5,333
Creditors: amounts falling due within one year	18	(788,869)	(331,202)
Net current liabilities		(788,869)	(325,869)
Provisions			
Deferred tax	19	(2,731,284)	(3,045,160)
Total assets less current liabilities		<u>15,094,047</u>	<u>15,243,171</u>
Capital and reserves			
Called up equity share capital	23	100,000	614,200
Retained earnings		14,994,047	14,628,971
Shareholders' funds		<u>15,094,047</u>	<u>15,243,171</u>

These financial statements were approved by the directors and authorised for issue on 4 April 2017, and are signed on their behalf by:



J M Jerram

Company Registration Number: 07884552

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited**Company Statement of changes in equity****Year ended 31 July 2016**

	Called up equity share capital £	Retained earnings £	Total equity £
At 1 August 2014	614,200	14,756,452	15,370,652
Profit for the year	-	56,779	56,779
Dividends paid	-	(184,260)	(184,260)
At 31 July 2015	614,200	14,628,971	15,243,171
Profit for the year	-	365,076	365,076
Buy back of ordinary shares	(514,200)	-	(514,200)
At 31 July 2016	100,000	14,994,047	15,094,047

The notes on pages 14 to 31 form part of these financial statements.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

1. General information

Jerram Group Limited is a Company limited by shares incorporated in the United Kingdom (registered number 07884552). The address of the registered office is given in the company information on page 1. The principal activities of the group are building construction, property development, agricultural and land holdings and the manufacture of purpose made joinery. The principal activity of the company is that of a holding company. The financial statements are prepared in sterling, which is the functional currency of the Group.

2. Accounting policies

Basis of preparation and statement of compliance

The financial statements have been prepared under the historical cost convention, except for the revaluation of investment properties to be measured at their fair value through profit or loss, 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 Company transitioned from previous UK GAAP to FRS 102 as at 1 August 2014. These are the Company's first set of financial statements prepared in accordance with FRS 102. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3). The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and group undertakings. All the group undertakings have the same financial year end except for Ambershire Limited which falls within three months of the group's accounting reference date. 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.

Going Concern

The financial statements have been prepared on a going concern basis. The directors are continually reviewing future projections for the business and the financing arrangements that are in place, and are satisfied that the business will continue to have access to sufficient funds to meet its liabilities.

Disclosure exemptions

The Company is exempt from the requirement of FRS 102 to include a company cash flow statement as part of its financial statements because it prepares consolidated financial statements which are publicly available and in whose financial statements the company is consolidated. The location from which the financial statements are available is shown in note 23.

Turnover

Turnover includes the invoiced value of sales to third parties including attributable profits and losses for work executed in respect of construction and joinery activities and amounts received for the sale of developed property. The Group also receives revenue in respect of the sale of agricultural goods and services which include farming, livery, document archiving and Christmas products.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all material timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

2. Accounting policies (*continued*)

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

Lease income in relation to sub-letting of the office is recognised in profit or loss on a straight line basis over the lease term. Where appropriate, the aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Depreciation

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

Freehold Buildings	- 2% Straight line per annum
Plant & Machinery	- 10% Straight line per annum
Office Equipment & Fittings	- 10%-25% Straight line per annum
Motor Vehicles	- 20% on written down value

Freehold land and investment properties are not depreciated.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. The investment properties were valued at 1 December 2015 by professional valuers, values at 1 August 2014, 31 July 2015 and 31 July 2016 have been estimated by Directors taking market conditions into account. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise. No depreciation is provided on investment properties.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stock

Stocks are valued at the lower of cost and net realisable value. Cost is determined principally on the weighted average basis. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolescent, slow moving and defective stocks.

Work in progress relates to capitalised costs on the property development projects.

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.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

2. Accounting policies (*continued*)

Employee 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. Contributions to this scheme used to be charged to the statement of comprehensive income as they became payable.

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.

Defined benefit plans

In respect of the defined benefit scheme, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. All costs related to the defined benefit plan are recognised in the statement of comprehensive income within employee benefit costs.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors, trade and other creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at 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 statement of income and retained earnings. 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 statement of financial position 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.

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

When preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Valuation of investment properties

The group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss for the period in which they arise. The directors review the valuation of the properties on an annual basis and, taking the market conditions into account, consider the values included in the accounts to be the fair value of the properties. The current carrying value of the investment properties is £13,487,940 (2015: £13,396,275) as shown in the tangible fixed asset note.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Defined benefit pension

The present value of the defined benefit pension depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, consideration is given to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are to be paid and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions relevant to the defined benefit pension are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 20.

Amounts recoverable on contracts

The valuation of the ongoing construction work as described in the long-term contracts accounting policy could result in a material adjustment to the carrying amount disclosed in debtors. At the year end the balance of amounts recoverable on contracts was £7,907,210 (2015: £10,402,087).

4. Financial risk management

The board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board is responsible for developing and monitoring the Group's risk management strategy and policies. There have been no changes to the Group's exposures to risk or the methods used to measure and manage these risks during the year.

The group has exposure to the following risks from the use of its financial instruments.

Credit risk management

Debtors consist mainly of amounts billed and recoverable on building contracts. The group monitors the financial position of their customers on an ongoing basis. The granting of credit is controlled by application and account limits. An allowance is made for specific bad debts and at the reporting date management did not consider there to be any material credit risk exposure.

The Directors do not feel the group is exposed to any other significant financial risk.

5. 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:

	2016 £	2015 £
Sale of developed property	-	9,604,088
Turnover under construction contracts	40,243,867	45,353,510
Sale of services	936,268	370,399
Sale of agricultural goods and services	783,806	821,481
	<u>41,963,941</u>	<u>56,149,478</u>

All turnover arises in the UK

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

6. Other operating income

	2016 £	2015 £
Rent receivable	609,427	622,997
Loan extension income	-	8,350
Other	16,423	16,655
	<u>625,850</u>	<u>648,002</u>

7. Operating profit

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of owned fixed assets	145,381	120,451
Amortisation of goodwill	62,197	62,197
(Profit)/loss on disposal of fixed assets	(484)	7,861
Stock charged as an expense	649,531	305,226
Lease rental payments: motor vehicles	43,450	52,215
Auditor's remuneration		
- as auditor	39,500	39,500
- as auditor of associated pension scheme	4,000	3,900
	<u>800,485</u>	<u>541,350</u>

8. Particulars of employees

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

	2016 No	2015 No
Site and construction staff	31	31
Manufacturing staff	3	4
Office and management	55	55
	<u>89</u>	<u>90</u>

The aggregate payroll costs of the above were:

	2016 £	2015 £
Wages and salaries	4,701,974	4,519,853
Social security costs	523,134	505,191
Other pension costs	319,618	298,107
	<u>5,544,726</u>	<u>5,323,151</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 10), and amounts recognised in the statement of recognised gains and losses.

Jerram Group Limited**Notes to the financial statements****Year ended 31 July 2016****9. Directors' emoluments**

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

	2016 £	2015 £
Management remuneration	452,610	422,033
Value of company pension contributions to money purchase schemes	43,386	22,990
Other Emoluments	66,342	62,360
	<u>562,338</u>	<u>507,383</u>

Emoluments of highest paid director:

	2016 £	2015 £
Total emoluments (excluding pension contributions)	<u>127,800</u>	<u>124,013</u>

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

	2016 No	2015 No
Money purchase schemes	1	1
Defined benefit scheme	<u>1</u>	<u>1</u>

The company considers there to be no key management personnel outside of the board of directors.

10. Other finance costs

	2016 £	2015 £
Net finance costs in respect of defined benefit pension schemes	<u>67,000</u>	<u>76,000</u>

11. Taxation on ordinary activities**(a) Analysis of charge in the year**

	2016 £	2015 £
Current tax:		
UK Corporation tax based on the results for the year at 20% (2015 - 20.67%)	(35,606)	238,047
Total current tax	<u>(35,606)</u>	<u>238,047</u>
Deferred tax:		
Origination and reversal of timing differences	(226,687)	173,835
Tax on profit on ordinary activities	<u>(262,293)</u>	<u>411,882</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

11. Taxation on ordinary activities (*continued*)

(b) Factors affecting current tax charge

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>856,379</u>	<u>2,295,251</u>
Profit on ordinary activities multiplied by rate of tax	171,276	474,428
Utilisation of losses	1,933	530
Losses carried back	48,218	(1,413)
Fixed asset differences	8,878	8,394
Expenses not deductible for tax purposes	18,918	12,279
Income not taxable for tax purposes	(80,333)	(141,426)
Chargeable gains	93,118	-
Additional deduction for R&D	(65,000)	-
Deferred tax not recognised	847	-
Tax chargeable at lower rates	(23)	(23)
Adjustments to tax charge in respect of previous periods	(54,395)	-
Short term timing differences	-	876
Effect of defined benefit adjustment	(940)	-
Adjust closing rate deferred tax	(404,790)	(8,236)
Transitional adjustment	-	66,473
Total current tax (note 11(a))	<u>(262,293)</u>	<u>411,882</u>

12. Profit attributable to members of the parent company

The profit after taxation of the parent company was £365,076 (2015: £14,779).

13. Goodwill

Group	Goodwill £
Cost	
At 31 July 2016 and 31 July 2015	<u>621,971</u>
Amortisation	
At 1 August 2015	435,380
Charge for the year	62,197
At 31 July 2016	<u>497,577</u>
Net book value	
At 31 July 2016	<u>124,394</u>
At 31 July 2015	<u>186,591</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

14. Tangible fixed assets

Group	Freehold land & buildings £	Plant & machinery £	Office equipment & fittings £	Motor Vehicles £	Investment Properties £	Total £
Cost or valuation						
At 1 Aug 2015	19,675,000	424,212	390,834	278,669	13,396,275	34,164,990
Additions	-	127,142	2,846	104,127	-	234,115
Disposals	-	(27,473)	-	(6,600)	(310,000)	(344,073)
Fair value gains	-	-	-	-	401,665	401,665
At 31 July 2016	19,675,000	523,881	393,680	376,196	13,487,940	34,456,697
Depreciation						
At 1 Aug 2015	42,000	336,751	331,155	164,973	-	874,879
Charge for the year	60,500	17,009	24,437	43,435	-	145,381
On disposals	-	(20,048)	-	(5,585)	-	(25,633)
At 31 Jul 2016	102,500	333,712	355,592	202,823	-	994,627
Net book value						
At 31 Jul 2016	19,572,500	190,169	38,088	173,373	13,487,940	33,462,070
At 31 July 2015	19,633,000	87,461	59,679	113,696	13,396,275	33,290,111

The group's investment properties are valued annually on 31 July at fair value by the directors. On 31 July 2015 and 1 December 2015, the valuations were undertaken by Mulluks Wells and Allsop LLP respectively on an open market basis and in accordance with the Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors. Mulluks Wells and Allsop LLP are independent and professionally qualified valuers. Details on the assumptions made and the key sources of estimation uncertainty are given in note 3.

The surplus on revaluation of investment property arising of £401,665 has been credited to the profit and loss for the year.

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Fair value at end of year	13,487,940	13,396,275
Historical cost	5,272,719	5,686,231

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

14. Tangible fixed assets (*continued*)

Company	Investment Properties £
Valuation	
At 1 August 2015	18,000,000
Fair value gains	-
At 31 July 2016	18,000,000
Impairment	
At 1 August 2015 and 31 July 2016	-
Fair value	
At 31 July 2016	18,000,000

If investment property had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2016 £	2015 £
Fair value at end of year	18,000,000	18,000,000
Historical cost	1,021,210	1,021,210

15. Investments

Group	Investments other than loans £
Cost and net book value	
At 31 July 2016 and 31 July 2015	100

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

15. Investments (continued)

Company

£

Cost and Net book value

At 1 August 2015

614,200

At 31 July 2016

614,200

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

16. Stocks

	2016 £	Group 2015 £	2016 £	Company 2015 £
Stock	269,399	261,550	-	-
Work in progress	3,242,544	1,398,556	-	-
	<u>3,511,943</u>	<u>1,660,106</u>	<u>-</u>	<u>-</u>

17. Debtors

	2016 £	Group 2015 £	2016 £	Company 2015 £
Trade debtors	581,109	285,841	-	-
Amounts owed by group undertakings	-	-	-	5,333
Other debtors	37,935	36,546	-	-
Amounts recoverable on contracts	7,907,210	10,402,087	-	-
Prepayments and accrued income	85,258	100,416	-	-
Corporation tax	151,353	-	-	-
	<u>8,762,865</u>	<u>10,824,890</u>	<u>-</u>	<u>5,333</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

18. Creditors: amounts falling due within one year

	2016 £	Group 2015 £	2016 £	Company 2015 £
Overdraft	55,442	-	-	-
Trade creditors	480,310	1,071,112	-	-
Bank loan	1,700,000	-	-	-
Amounts owed to group undertakings	-	-	788,869	322,631
Directors' loan accounts	569,958	196,856	-	-
Corporation tax	-	159,489	-	8,571
PAYE and social security	237,745	216,568	-	-
VAT	264,355	19,028	-	-
Other creditors	9,798,588	12,897,571	-	-
Accruals and deferred income	245,061	235,433	-	-
	<u>13,351,459</u>	<u>14,796,057</u>	<u>788,869</u>	<u>331,202</u>

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

The bank loan of £1,700,000 is secured by a charge on properties owned by the group, with interest charged at 3% plus LIBOR. It is due for repayment in full by way of a single payment on the earlier of the sale of two development properties owned by the group or 1 March 2018.

19. Deferred taxation

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

	Group 2016 £	2015 £	Company 2016 £	2015 £
Liability brought forward	3,784,656	3,681,621	3,045,160	3,050,880
Movement in provision	(235,147)	103,035	(313,876)	(5,720)
Liability carried forward	<u>3,549,509</u>	<u>3,784,656</u>	<u>2,731,284</u>	<u>3,045,160</u>

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

Group	2016 Provided £	Unprovided £	2015 Provided £	Unprovided £
Capital gains	3,923,642	-	4,276,884	-
Other timing differences	45,697	-	20,276	-
Tax losses carried forward	(81,598)	-	(99,504)	-
Timing differences set against pension liabilities	(338,232)	-	(413,000)	-
	<u>3,549,509</u>	<u>-</u>	<u>3,784,656</u>	<u>-</u>

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

Company	2016 Provided £	Unprovided £	2015 Provided £	Unprovided £
Capital gains	<u>2,731,284</u>	<u>-</u>	<u>3,045,160</u>	<u>-</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £19,618 (2015: £24,107).

Defined benefit plans

The company 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.

A full actuarial valuation was carried out at 5 April 2014 by a qualified actuary, independent of the scheme's sponsoring employer. In 2017, employer contributions are expected to be £300,000.

Pension benefits depend upon age, length of service and salary level.

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

<i>Reconciliation of defined benefit obligation</i>	2016	2015
At the beginning of the year	6,771,000	6,563,000
Interest costs	233,000	272,000
Actuarial losses	247,000	448,000
Benefits paid	(212,000)	(512,000)
	<u>7,039,000</u>	<u>6,771,000</u>
At the end of the year	7,039,000	6,771,000
	<u>7,039,000</u>	<u>6,771,000</u>
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	4,706,000	4,654,000
Interest income on plan assets	166,000	196,000
Actuarial gains	200,000	94,000
Contributions by employer	300,000	274,000
Benefits paid	(212,000)	(512,000)
	<u>5,160,000</u>	<u>4,706,000</u>
At the end of the year	5,160,000	4,706,000
	<u>5,160,000</u>	<u>4,706,000</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

20. Employee benefits (continued)

	2016	2015
Fair value of plan assets	5,160,000	4,706,000
Present value of defined benefit obligation	(7,039,000)	(6,771,000)
	<u> </u>	<u> </u>
Deficit in scheme	(1,879,000)	(2,065,000)
	<u> </u>	<u> </u>

Amounts recognised in the profit and loss are as follows:

Net interest cost	67,000	76,000
	<u> </u>	<u> </u>

Analysis of actuarial gain/(loss) recognised in other comprehensive income

	2016	2015
Actual return less interest income included in net interest cost	200,000	94,000
Experience gains arising on the plan liabilities	101,000	73,000
Changes in assumptions underlying the present value of the plan liabilities	(348,000)	(521,000)
	<u> </u>	<u> </u>
	(47,000)	(354,000)
	<u> </u>	<u> </u>

Composition of plan assets

Equity	3,288,000	3,074,000
Diversified Growth Assets	1,211,000	1,074,000
Bonds	599,000	524,000
Cash and other	62,000	34,000
	<u> </u>	<u> </u>
Total plan assets	5,160,000	4,706,000
	<u> </u>	<u> </u>
Actual return on plan assets	366,000	290,000
	<u> </u>	<u> </u>

None of the fair values of the assets shown above include any direct investments in the company's own financial instruments or any property occupied by, or other assets used by, the company.

	2016 %	2015 %
<i>Principal actuarial assumptions used at the statement of financial position date</i>		
Discount rates	2.60%	3.50%
Future pension in payment increases	2.80%	3.15%
Future deferred pension increases	2.80%	3.15%
Inflation assumption (RPI)	2.80%	3.15%
Mortality rates		
- for a male aged 65 now	21.4 Years	22.1 Years
- at 65 for a male member aged 45 now	23.4 Years	24.1 Years
- for female aged 65 now	22.5 Years	23.5 Years
- at 65 for a female member aged 45 now	24.7 Years	25.6 Years

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

Group	Assets other than Land and buildings	
	2016 £	2015 £
Operating leases which expire:		
Within 1 year	14,318	28,083
Within 2 to 5 years	8,298	14,299
	<u>22,616</u>	<u>42,382</u>

22. Related party disclosures

The group has taken advantage of the exemption in Section 33 of FRS 102 disclosing transactions with wholly owned members of the Jerram Group.

During the year the group has sold a property to Ms K Jerram, the daughter of Mr M Jerram a director of the company, for £310,000.

23. Share capital

Authorised share capital:

	2016 £	2015 £
1,525,000 Ordinary shares of £1 each	<u>1,525,000</u>	<u>1,525,000</u>

Allotted and called up:

	2016 No	£	2015 No	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>614,200</u>	<u>614,200</u>

The immediate and ultimate parent undertaking is Jerram Group Limited, a company incorporated in Great Britain, which is the smallest and largest group of accounts prepared which include the company. Copies of the financial statements of the parent undertaking can be obtained from Companies House in the UK.

During the year the company bought back and cancelled 514,200 ordinary shares of nominal value £1 each.

24. Reserves

Called up share capital - This reserve records the nominal value received for shares sold. Details of the shares can be found within note 23.

Revaluation reserve - Although not required under the accounting standards, the revaluation reserve remains in order to distinguish between the distributable and non-distributable reserves.

Other reserve - This is a reserve on consolidation and reflects adjustments required in respect of historical acquisitions.

Retained earnings - This reserve records retained earnings and accumulated losses.

Non-controlling interest - This reserve records amounts attributable to the non-controlling shareholders of Ambershire Limited.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

25. Events after the end of the reporting period

Part of the land adjoining the Bartholomew Street development was sold on 13 September 2016 for £600,000, thereby partially converting part of the company's development stock into cash. In addition, subsequent to the year end an offer has been received and accepted for the sale of Bartholomew Street to a third party. At the date of signing, contracts had not been exchanged.

26. Transition to FRS 102

These financial statements for the year ended 31 July 2016 are the company's first financial statements that comply with FRS 102. The company's date of transition to FRS 102 was 1 August 2014. The company's last financial statements prepared in accordance with previous UK GAAP were for the year ended 31 July 2015.

The transition to FRS 102 has resulted in some changes in the company's accounting policies compared to those used when applying previous UK GAAP.

The following explanatory notes to the financial statements describe the differences between the equity and profit or loss presented under previous UK GAAP and the newly presented amounts under FRS 102 for the reporting period ended at 31 July 2015 (ie comparative information), as well as the equity presented in the opening statement of financial position (ie at 1 August 2014). It also describes the changes in accounting policies made on first-time adoption of FRS 102.

Basis of consolidation

Following the adoption of FRS 102 the 66% owned subsidiary Ambershire Limited is deemed to be a significant component of the group. This entity has therefore been included within the transition adjustments to include its results and financial position from the date of transition to FRS 102 using merger accounting.

Employee benefits

FRS 102 requires the recognition in profit or loss of a net interest cost (or income) on defined benefit pension schemes. This is calculated by multiplying the net pension liability (or asset) by the market yields on high quality corporate bonds. The effect of this, when compared to previous UK GAAP, has been to reduce reported profits for the year ended 31 July 2015 because previous UK GAAP led to the recognition of finance income calculated by reference to the expected returns on the pension plan's specific assets be they equities, properties or bonds. The change has had no effect on reported equity as the measurement of the net defined pension scheme liability (or asset) has not changed. Instead, the decrease in reported profit is mirrored by an increase in actuarial gains which are presented within other comprehensive income.

Investment properties

FRS 102 requires that changes in the fair value of investments properties be recognised in profit or loss for the period. Under previous UK GAAP these changes were recognised outside of profit or loss. This change has increased reported profit for the year ended 31 July 2015 but has not affected the measurement of investment property on the balance sheet.

Deferred tax

FRS 102 requires that all deferred tax liabilities be presented within provisions for liabilities and deferred tax assets within debtors. Under previous UK GAAP the deferred tax relating to the defined benefit asset or liability was to be offset against the defined benefit asset of liability and not included within other deferred tax assets or liabilities. This change has been retrospectively applied, leading to the re-classification of the deferred tax asset at the date of transition and for the year ended 31 July 2015.

Intercompany loans

FRS 102 requires that all loans that are payable/receivable in more than one year are carried at amortised in the financial statements. For those loans that are interest free, this involves calculating the NPV of the loan using the effective interest method. Intercompany loans with no formal agreements in place are considered to be payable/receivable within one year. As there are no formal agreements in place, all intercompany loans have been classified as payable/receivable within one year.

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

26. Transition to FRS 102 (*continued*)

Prior year adjustment

On review of the investment properties at the transition date, an uplift in the fair value as at 1 August 2014 was identified. Under previous UK GAAP, investment properties were to be held at fair value so this increase has been reflected as a prior period adjustment.

In addition, £435,196 of costs were identified which should have been recognised in the prior period in respect of completed projects. This has resulted in a £435,196 increase in costs and a £89,938 reduction in the tax charge, being a net reduction of £345,258 to the previously reported profit for 2014-15 financial year and a corresponding reduction in amounts recoverable on contracts.

In the tables on pages 30 to 31, group equity determined in accordance with FRS 102 is reconciled to group equity determined in accordance with previous UK GAAP at both 1 August 2014 (the date of transition to FRS 102) and 31 July 2015.

Company

The above transitional adjustments, where applicable, have also been processed through the company profit and loss account for the year ended 31 July 2015 and the reserves at 1 August 2014 and 31 July 2015. The below table reconciles the company equity determined in accordance with FRS 102 and previous UK GAAP.

Reconciliation of company equity:

	£
1 August 2014 equity as previously stated	10,379,532
Reclassification of freehold property as investment property	8,042,000
Deferred tax charge on fair value gain in valuation of investment properties	<u>(3,050,880)</u>
1 August 2014 equity as restated	<u>15,370,652</u>
31 July 2015 equity as previously stated	18,204,331
Effect of adjustment to opening reserves (above)	4,991,120
Reversal of previous revaluation of property	<u>(7,958,000)</u>
Deferred tax credit on fair value gain	<u>5,720</u>
31 July 2015 equity as restated	<u>15,243,171</u>

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

26. Transition to FRS 102 (continued)

Reconciliation of group equity:

	1 August 2014					31 July 2015				
	Previous UK GAAP	Prior year adjustment	Previous UK GAAP restated	Effect of transition	FRS 102	Previous UK GAAP restated	Prior year adjustment	Previous UK GAAP restated	Effect of transition	FRS 102
	£	£	£	£	£	£	£	£	£	£
Intangible assets	-	-	-	248,789	248,789	186,591	-	186,591	-	186,591
Tangible assets	19,870,717	3,213,320	23,084,037	9,682,909	32,766,946	32,888,446	-	32,888,446	401,665	33,290,111
Investments	1,260,270	-	1,260,270	(1,260,170)	100	100	-	100	-	100
	21,130,987	3,213,320	24,344,307	8,671,528	33,015,835	33,075,137	-	33,075,137	401,665	33,476,802
Stock	6,317,004	-	6,317,004	192,139	6,509,143	1,660,106	-	1,660,106	-	1,660,106
Debtors	6,245,411	-	6,245,411	(580,704)	5,664,707	11,339,314	(435,195)	10,904,119	(79,229)	10,824,890
Cash	4,796,095	-	4,796,095	396,520	5,192,615	5,290,883	-	5,290,883	-	5,290,883
	17,358,510	-	17,358,510	7,955	17,366,465	18,290,303	(435,195)	17,855,107	(79,229)	17,775,879
Creditors < 1 year	(15,494,602)	-	(15,494,602)	(106,018)	(15,600,620)	(14,885,994)	89,937	(14,796,057)	-	(14,796,057)
Deferred tax	-	-	-	(4,063,421)	(4,063,421)	(4,207,310)	-	(4,207,310)	422,654	(3,784,656)
Pension Liability	(1,527,200)	-	(1,527,200)	-	(1,527,200)	(1,652,000)	-	(1,652,000)	(413,000)	(2,065,000)
Net assets	21,467,695	3,213,320	24,681,015	4,510,044	29,191,059	30,620,136	(345,258)	30,274,878	332,090	30,606,968
Share capital	614,200	-	614,200	-	614,200	614,200	-	614,200	-	614,200
Revaluation Reserve	13,026,501	3,213,320	16,239,821	9,599,527	25,839,348	26,010,538	-	26,010,538	401,665	26,412,203
Other reserves	1,743,758	-	1,743,758	(1,365,159)	378,599	378,599	-	378,599	-	378,599
Profit and loss account	6,083,236	-	6,083,236	(4,297,848)	1,785,388	3,010,856	(345,258)	2,665,598	(69,575)	2,596,023
NCI	-	-	-	573,524	573,524	605,943	-	605,943	-	605,943
Total equity	21,467,695	3,213,320	24,681,015	4,510,044	29,191,059	30,620,136	(345,258)	30,274,878	332,090	30,606,968

Jerram Group Limited

Notes to the financial statements

Year ended 31 July 2016

26. Transition to FRS 102 (continued)

Reconciliation of consolidated profit or loss for the year ended 31 July 2015:

	Previous UK GAAP £	Prior year adjustment £	Previous UK GAAP restated £	Effect of transition £	FRS 102 £
Turnover	55,362,484	-	55,362,484	786,994	56,149,478
Cost of sales	(50,059,410)	(435,195)	(50,494,605)	(529,259)	(51,023,864)
Gross profit	5,303,074	(435,195)	4,867,879	257,735	5,125,614
Administrative expenses	(3,662,273)	-	(3,662,273)	(372,652)	(4,034,925)
Other operating income	597,847	-	597,847	50,155	648,002
Fair value on investment properties	-	-	-	605,665	605,665
Operating profit	2,238,648	(435,195)	1,803,453	540,903	2,344,356
Interest receivable	26,895	-	26,895	-	26,895
Other finance income/(expense)	30,000	-	30,000	(106,000)	(76,000)
Profit on ordinary activities before tax	2,295,543	(435,195)	1,860,348	434,903	2,295,251
Tax on profit on ordinary activities	(454,859)	89,937	(364,922)	(46,960)	(411,882)
Profit from ordinary activities after tax and profit for the financial year	1,840,684	(345,258)	1,495,426	387,943	1,883,369
Unrealised gains on properties	12,124,150	-	12,124,150	(12,124,150)	-
Actuarial loss in respect of defined benefit pension scheme	(460,000)	-	(460,000)	106,000	(354,000)
Deferred tax in respect of defined benefit pension scheme	92,000	-	92,000	(21,200)	70,800
Total comprehensive income for the year	11,756,150	-	11,756,150	(12,039,350)	(283,200)
Total profit for the financial year	13,596,834	(345,258)	13,251,576	(11,651,407)	1,600,169