



Report and Accounts

30 June 2015





A new Rippon Homes four bedroom house at our Kings Meadow development at Wingerworth. This successful site and the product offered has been very well received and popular with customers.





ARTISAN
(UK) plc

Report and Financial Statements

30 June 2015

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Corporate profile



Artisan (UK) plc

Artisan (UK) plc is the holding company for a group of property development companies and a property holding company. Artisan (UK) plc commenced trading in December 1998. The current principal trading companies are shown below.

Rippon Homes Limited

Rippon Homes Limited, which has been part of the Artisan Group since December 2000 but established for much longer, is a residential house developer based in Mansfield operating in the East Midlands and surrounding areas. Rippon Homes incorporates the Living Heritage name for the more exclusive properties. The products are principally based around three and four bedroomed houses and mainly sold to owner occupiers.

Artisan (UK) Developments Limited

This Company develops business parks consisting of commercial office space together with light industrial units. The properties have in the past been built both on a speculative and bespoke basis. Currently however developments are more usually as bespoke units commissioned by our customers on either our own land or land sourced especially for the project. Artisan (UK) Developments now acts as a development partner for clients encompassing all aspects of the development project. The activity is concentrated in East Anglia and Hertfordshire.

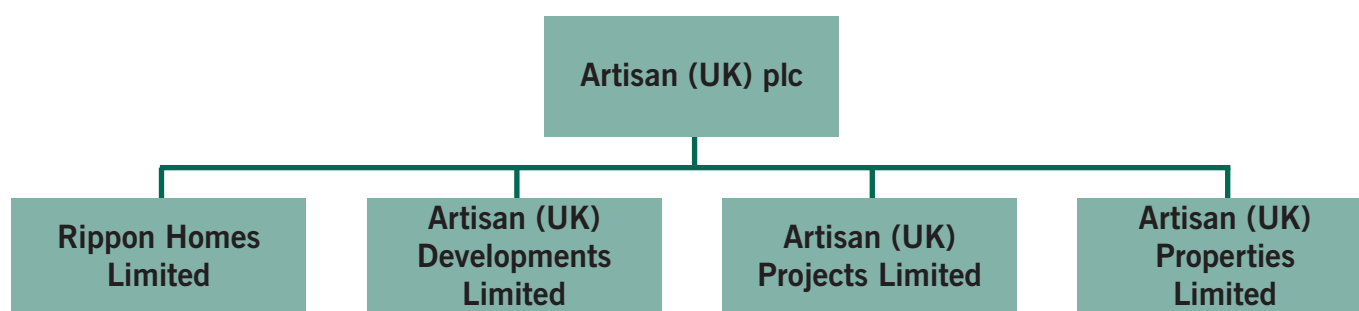
Artisan (UK) Projects Limited

This Company manages the construction activity, principally for Artisan (UK) Developments Limited. Projects are also undertaken for clients on their own land from schemes led by Artisan (UK) Developments.

Artisan (UK) Properties Limited

This Company is engaged in property investment activities. The primary assets are Vantage House which is used in part by the Group, and let land with strategic potential.

GROUP STRUCTURE AND PRINCIPAL OPERATING SUBSIDIARIES



All of the above are 100% subsidiaries of Artisan (UK) plc.

Chairman's statement

Overview

During the year to 30 June 2015, we have seen a very welcome return to profit albeit modest for now reflecting the improvement in market conditions. Trading volumes have improved and the commercial division completed a significant project acting as development partner to the client company. The Help to Buy shared equity scheme has continued to help house sales, but our activity is by no means dependent on this useful scheme. Having realised much of our old stock and limited new stock, the Group is now trading on fewer sites. Since the year end, sales have continued at our two larger sites, Wingerworth and Pontefract, the former having sold very well and the final sales are now completing.

Aside from the improvement in trading the Group has successfully refinanced its debt in May 2015. RBS was repaid in full and subject to a small discount, its terminal fee as well. The new funding is provided by Tenax Capital and is in the form of a bridge scheme to be repaid from the realisation of existing assets, whilst allowing for new schemes to be independently funded which was not possible under our RBS facility. This funding is relatively expensive; however it has allowed us to replace the RBS facility which was not able to be renewed at July 2015.

Group results

Group turnover for the year has again increased significantly to £19.1m (2014: £14.0m). The residential business generated turnover of £12.6m (2014: £9.6m) whilst the commercial business generated turnover of £6.4m (2014: £4.3m). The improved level of sales eliminated the operating loss for the year by returning an operating profit of £1.2m (2014: Loss of £(0.1)m). The Group profit before tax for the year was £0.1m (2014: Loss of £(0.9)m). The Group profit before tax is after charging an additional £112,000 of profit participation, as falling due under the Tenax funding facility, beyond that actually accrued from realisations, together with the apportionment of the interest, costs and fees applicable to the loan in line with the IFRS accounting standards.

Dividend

No dividend has been recommended for the year due to previous losses. As previously stated the Company will not be in a position to pay a dividend until it generates sufficient distributable profits to cover both a dividend payment and its accumulated losses. In the meantime the emphasis is on retaining capital in the business to invest in new projects. The Company may in the future be able to apply for a capital reduction to extinguish the accrued negative reserves.

Outlook

The outlook is now much improved, though raising new capital or similar is essential to expand beyond the existing schemes. New projects are most likely to be held in SPV entities which are either owned by the Group or third parties. The first of these is for the Eastwood project and is held and funded through a company, Zengreen Limited, of which I am the sole director. In the circumstances and if appropriate, Aspen Finance has indicated a willingness to provide some additional working capital (most likely through a convertible loan structure in the new SPV companies) and further details will be provided if and when this step is taken. We shall look to raise further equity from others and this may be better supported by a relisting on a stock market.

With new land identified and in some cases secured and new commercial projects in negotiation, we strongly believe that the commercial markets and the residential market has now achieved a degree of normality, and that the prospect of a return to improved profits is achievable.

Geoff Melamet

Chairman

Date 21 December 2015

Operational and financial review

Results

The results for the year summarised by division are as follows:

	Residential £m	Commercial £m	Investment £m	Central & Other £m	Total £m
Revenue					
2015	12.6	6.4	0.1	–	19.1
2014	9.6	4.3	0.1	–	14.0
Operating profit before group management charges					
2015	0.7	0.4	0.1	(0.0)	1.2
2014	(0.3)	0.5	0.5	(0.8)	(0.1)

Residential Division

The residential division has improved the volume of transactions with 73 completions in the year (2014: 61). The level of activity returns the division to profit and we can see there is an encouraging trend back towards improved profitability. We continue to dispose of older stock and as last year, we have been trading from fewer sites and with less finished stock. The Rippon Homes shared equity scheme, which has effectively been replaced by the government schemes, provides an asset which is reflected in the Group's balance sheet of £395,000 at 30 June 2015 (2014: £357,000). The primary risk with these debts is that the purchasers may default on their principal mortgage and the Group would suffer a loss if there were to be a forced sale. The one such default occurred in the previous year has this year recovered £2,200 (2014: Loss of £17,000). We still believe that the risk of loss will reduce as the economy improves, subject to any significant increase in interest rates.

The sales at our Wingerworth site which after a prolonged planning approval process have proved to be better than expected in value and rate of sale.

Rippon Homes also continues to offer its part exchange scheme to purchasers of larger properties. All part exchange deals are closely managed to minimise the dealing risk. At the year end we had 3 part exchange properties in stock (2014: 5 units). The management of Rippon Homes are aware of the need to realise part exchange stock at a rate akin to the rate at which properties are taken in and to minimise holding periods.

We have increased our efforts to acquire new development sites, but are frustrated by the pace at which the acquisition can be pursued. We find that there is a great difference in planning department attitudes, whereby some have embraced the national desire to release more property to the market and others are still resistant to new developments. Planning committees largely comprised of non expert members will still go against the professional recommendations of their planning team.

Commercial Division

The commercial division has improved activity levels from the previous year, though as a reflection of undertaking projects on land not owned by ourselves the margins are lower. However the capital and risk in holding land is being reduced. The substantial contract for the development of a new facility in St Ives was notable for delivering the project on time and a little under budget. It was a more complicated project that required careful management in order that it was delivered successfully. Both the client and their primary advisers have recognised the great contribution the Artisan (UK) Developments made to both bringing the project to fruition and delivering the completed building.

The pipeline for new projects continues and the management team have and continue to be in discussions for potential property deals. These tend to take considerable time to bring to contract and clients face difficulties which our management team help them overcome. We are now able to attract preliminary revenue to cover some of our project feasibility costs.

There were remaining stock units of three offices in Huntingdon and one industrial unit in Ipswich. The industrial unit was sold in the year to 30 June 2015 and two of the remaining offices have since the year end been let with an investment sale agreed at a level beyond our carrying value.

No speculative commercial development is planned.

Investment Properties

Our remaining investment property, Vantage House, is partly occupied by Artisan as its head office. The part of the building occupied by Artisan is recorded as Property Plant and Equipment on our balance sheet rather than an investment property. The larger part of the building is let to a company though they and their ultimate parent company have ceased trading and the building is being marketed for let or sale, either for just the sub-let part or the entire building. The balance of our land at Wingerworth is held by Artisan (UK) Properties and currently in use for horsiculture. We are exploring the possibilities of achieving planning on part of the remaining land though achieving planning is not expected in the short term.

Inventories

Inventories continued to reduce in the year from £13.7m to £11.8m reflecting the ongoing sale of stock in excess of new land purchased and development activity. No new sites were purchased directly in the year though. The management team at Rippon Homes has been revitalised by the new managing director and new residential sites have been identified, negotiated and agreed. Our challenge is now to be able to fund all the sites we might like to acquire. However site acquisitions are still thwarted by delays arising from the vendors and the negative attitude and short staffing of some planning departments and the councils behind them. We can then experience significant delays in getting sites into production as we try to satisfy the planning department's pre development conditions.

Land Stocks

Residential land stock owned by the Group at the year end amounted to 89 plots (2014: 162). This is a further reduction in plots and demonstrates how Rippon Homes has successfully realised most of its old stock, but the challenge is now to source and fund new land stocks to provide for future activity. All but 6 of these plots have the benefit of detailed planning permission. Several new sites have been identified and some secured subject to planning. The Group is

currently sourcing debt and equity funding for these sites. The Group also continues to hold some other small pieces of land and the balance of the Wingerworth site, where the possibilities of planning permission is being explored.

Land stocks owned by Artisan (UK) Developments at the year end amounted to 12,179m² (2014: 12,179m²). All of this land has planning permission, most of it detailed. In addition there are stock units totalling 580m² (2014: 923m²). Since the year 4,805m² of land equivalent has been sold and stock units comprising 362m² are agreed as sales following completion of occupiers' leases. These sales are comfortably ahead of carrying values as at 30 June 2015. Artisan (UK) Developments has secured agreement subject to planning to build a children's nursery premises on the Vantage Park site at Huntingdon.

The Group continues to attempt to secure control or working arrangements over development land as an alternative to outright purchase. On one site Artisan (UK) Developments has been selected as the preferred developer by a client on a substantial project. It has taken many months to reach this stage and will take many months further to bring to fruition. Another project to develop office premises for a client is all but agreed subject to securing a forward let for the premises. These demonstrate our ability to reshape our approach in response to market conditions. Artisan (UK) Developments is now able to charge fees for the project support in addition to securing construction activity for Artisan (UK) Projects.

We remain confident that we can realise the carrying value of stocks through development of the properties and sale in normal timescales.

Debt and Banking

In May 2015 the Group successfully drew down on new facilities provided by Tenax Capital and fully repaid the indebtedness outstanding to Natwest/RBS. A small discount to the terminal fee was agreed. This was in advance of the expiry of the Natwest/RBS facility.

The Group had gross borrowings of £6.8m as at 30 June 2015 (2014: £8.0m) including the convertible loan note. The Group had borrowings net of offset cash balances of £6.5m at 30 June 2014 but following the refinancing of the Natwest/RBS debt no longer has offset facilities. At the 30 June 2015 the Group held cash balances of £2.3m (2014: £1.3m). The Group's gearing based on debt net of cash is 67.1% at the year end (2014: 99.3%).

Operational and financial review continued

Key points as regards the new Tenax Capital facility are:

- The Tenax facility expires April 2017.
- It is secured upon the property portfolio extant at the time of drawdown and to be paid from the realisation, generally in the normal course of trade, of these properties.
- Properties on the development sites will continue to be built and sold to customers
- The rate of interest on outstanding balances is 10%
- In addition Tenax Capital will receive a Profit Participation equal to 25% of the development profit on the secured property portfolio accruing as the properties are realised with a terminal estimation for unsold properties
- The Profit Participation is subject to a minimum of £1.5m
- The Profit Participation is costed to our income statement relative to the rate of repayment of the note and the implicit discount rate arising taking into account our estimation of the profit participation, as subject to the minimum liability.

The principal covenants are:

- loan to value must not exceed 55% of the most recent forced sale valuation for development property
- The going concern valuation of the residential property must be at least 100% of the principal secured loan note debt
- a minimum cash balance of £1m must be maintained at each month end.

Whilst the Natwest/RBS facility was highly restrictive to Group's ability to acquire new property and source third party debt funds, the Tenax Capital facility explicitly allows for this. Tenax have proved significantly more reasonable and decisive when points in the ordinary course of business arise.

Share Capital and funding

As indicated Artisan (UK) plc may raise new funding or similar to support investment in new projects. The availability of cash equity for funding alongside project debt is the key limiting factor for further growth in activity and profitability. As part of this requirement for further equity, the Board of Artisan will consider whether the return to a public market is appropriate.

Christopher Musselle
Chief Executive

Date 21 December 2015

Directors and advisers

Directors

Geoffrey Melamet

Non-Executive Chairman

Christopher Musselle

Chief Executive and Finance Director

Michael Eyres

Executive Director

Secretary and registered office

Philip Speer

Vantage House

Vantage Park

Washingley Road

Huntingdon

Cambridgeshire PE29 6SR

Company number

3630998 Registered in England and Wales

Auditors

BDO LLP

55 Baker Street

London W1U 7EU

Registrar

Capita Asset Services

The Registry

34 Beckenham Road

Beckenham

Kent BR3 4TU

Legal advisers

Thomson Webb & Corfield

16 Union Road

Cambridge CB2 1HE

Bankers

National Westminster Bank plc

The Royal Bank of Scotland plc

Corporate Banking

10 St Peter's Street

St. Albans

Hertfordshire AL1 3LY

Strategic report

for the year ended 30 June 2015

The Directors present their strategic report together with the audited financial statements for the year ended 30 June 2015.

Development, performance and position

The Chairman's Statement and Operational and Financial Review on pages 3 to 6 contain a review of the development and performance of the Group during the financial year and its position at the end of the year, covering the Enhanced Business Review requirements of the Companies Act 2006.

Principal risks and uncertainties

As detailed in note 17 on page 32, the main risk arising from the Group's financial instruments is liquidity risk. The Group is funded by significant levels of debt and is reliant on the continued provision of debt facilities. The value of the Group's security for its borrowings, principally stocks, work in progress and finished units, is affected by the market and the opinions of the valuers reporting to our funders, and this can affect the amount of debt funding available to the Group and the level of working capital available.

As the purchase of either a residential or commercial property is normally a significant commitment by our purchaser, the purchaser's confidence to proceed is affected by the general economic outlook, the level of interest rates and the availability of credit. All of these factors are outside the Group's control.

The Group's operations are clearly affected by the general economic cycle and are subject to short-term volatility in demand. Rippon Homes product and site development does not lend itself towards forward-sales, which allows it to respond to market conditions when setting prices and deciding on production. Conversely, our business model for commercial development is now weighted towards achieving forward sales where possible as this has the advantage that we are able to build units to meet our customers' exact requirements in terms of size and specification whilst at the same time limiting our exposure to unsold stock.

The ability to secure land for development is key to the Group's ongoing success and expansion. Whilst there is land available there is no doubt that it is challenging to secure suitable sites on acceptable terms and whilst sites have been acquired on acceptable terms more suitable land will be required. We have an experienced management team tasked with identifying and evaluating potential sites supplemented by close relationships with agents, and a rigorous process for considering and approving land purchases. The acquisition of land can become elongated where there are issues to resolve on the land being purchased and this can delay production and ensuing sales. Dependent on market conditions, holding land over a period of time can result in significant profits or losses.

The planning process is uncertain. Where feasible land acquisition terms are linked to the grant of planning permission. However, the timing of planning permission can become elongated and this can affect the delivery of intended sales within any given accounting year.

Approval

This strategic report was approved by order of the Board on 21 December 2015

Philip Speer
Secretary

Report of the directors for the year ended 30 June 2015

The Directors present their report together with the audited financial statements for the year ended 30 June 2015.

Principal activities

The principal activities of the Group during the year were property related services which included residential house building, commercial property development and property investment and management. There have not been any significant changes in the Group's principal activities in the year under review and the Directors are not aware of any likely major changes in the Group's activities in the next year.

Environment

The Group recognises the importance of its environmental responsibilities and is required to comply with all relevant environmental legislation. In particular, we aim to ensure that our designs meet the latest building regulations and the requirements of our customers.

We also ensure that our staff undertake training and qualifications where appropriate in the ongoing requirements of current and expected future building regulations and quality assessment.

Approximately 53% of our homes sold in the year were built on brown-field sites. In many cases we incur significant land remediation expenditure in dealing with contamination left by the previous occupiers of the land.

Directors' shareholdings

The Directors at 30 June 2015 and their interests in the share capital (beneficially or potentially beneficially held) of the Company at the dates stated were:

	Ordinary shares		Deferred shares	
	2015	2014	2015	2014
Christopher Musselle	19,200	19,200	364,800	364,800
Michael Eyres	300	300	5,700	5,700

Indemnification of directors

Qualifying third party indemnity provisions (as defined in Section 234 of the Companies Act 2006) are in force for all Directors who held office during the year.

Substantial shareholders

At 21 December 2015 the Company has been notified of the following interests in its issued share capital:

	Ordinary shares of 1p each (2014 – 1p each)			
	2015	2015	2014	2014
Aspen Finance Limited	9,268,721	69.5%	9,268,721	69.5%
	Deferred shares of 1p each (2014 – 1p each)			
	2014	2014	2013	2013
Aspen Finance Limited	176,105,699	69.5%	176,105,699	69.5%

Details of transactions with Aspen Finance Limited are set out in note 18 (related parties).

Employees and health and safety at work

Details of the number of employees and related costs can be found in note 3 on page 23.

A high standard of health and safety management is promoted at all levels within the Group. The Group maintains training programmes, health and safety rules, monitoring and auditing procedures in order to promote a high level of awareness and commitment.

Results and dividends

The statement of comprehensive income is set out on page 12 and shows the profit for the year. The Group profit for the year after taxation amounted to £66,107 (2014 – loss £922,082).

The Directors do not propose to pay a final dividend for the year (2014 – £Nil). No interim dividend was paid during the year (2014 – £Nil).

Directors

The following Directors have held office during the year:

Christopher Musselle
Michael Eyres
Geoffrey Melamet

Report of the directors continued

Creditors' payment policy

Group operating companies are responsible for agreeing the terms and conditions under which business transactions with their suppliers are conducted. It is Group policy that payments to suppliers are made in accordance with all relevant terms and conditions. The number of average days' purchases of the Group represented by trade creditors at 30 June 2015 was 24 days (2014 – 28 days).

Directors' responsibilities

The Directors are responsible for preparing the strategic report, the director's 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 are required to prepare Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have chosen to prepare the financial statements for the Company in accordance with UK Generally Accepted Accounting Practice. 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 Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Going concern

The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern. As explained in note 1 to the financial statements, after making appropriate enquiries, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Annual general meeting

The Annual General Meeting of the Company will be held at the Company's offices at Vantage House, Vantage Park, Washingley Road, Huntingdon, Cambridgeshire, PE29 6SR on 2 February 2016 at 11.30 am. Notice of the Annual General Meeting will be separately enclosed with the distribution of the Report and Accounts.

Auditors

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re appoint them will be proposed at the annual general meeting.

By order of the Board

Philip Speer
Secretary

Date 21 December 2015

Independent auditor's report to the members of Artisan (UK) plc

TO THE MEMBERS OF ARTISAN (UK) PLC

We have audited the financial statements of Artisan (UK) plc for the year ended 30 June 2015 which comprise the Group statement of comprehensive income, the Group statement of changes in equity, the Group and Company statement of financial position, the Group statement of cash flows and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of Directors' Responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website 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 the parent company's affairs as at 30 June 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Geraint Jones (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London

United Kingdom

Date 21 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Group statement of comprehensive income

for the year ended 30 June 2015

	Note	2015 £	2014 £
Revenue	2	19,149,706	13,990,234
Cost of sales		(16,462,752)	(12,748,932)
Gross profit		2,686,954	1,241,302
Other operating income		62,615	98,957
Administrative expenses		(1,603,680)	(1,405,648)
		1,145,889	(65,389)
Revaluation surplus on investment properties	8	8,333	8,333
Operating profit/(loss)	4	1,154,222	(57,056)
Finance income		38,252	39,763
Finance expense	5	(1,126,367)	(922,885)
Profit/(loss) before taxation		66,107	(940,178)
Tax credit	6	–	18,096
Profit/(loss) for the year attributable to the equity holders of the parent		66,107	(922,082)
Other comprehensive income			
Revaluation of Group occupied property		–	(5,773)
Profit/(loss) for the year and total comprehensive expense attributable to the equity holders of the parent		66,107	(927,855)

The notes on pages 16 to 34 form part of these financial statements.

Group statement of changes in equity

for the year ended 30 June 2015

	Share capital £	Share premium account £	Other reserve £	Merger reserve £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Own shares held £	Total £
At 30 June 2013	2,668,291	11,356,683	173,088	515,569	91,750	51,410	(7,325,129)	(19,065)	7,512,597
Total comprehensive expense	–	–	–	–	–	(5,773)	(922,082)	–	(927,855)
At 30 June 2014	2,668,291	11,356,683	173,088	515,569	91,750	45,637	(8,247,211)	(19,065)	6,584,742
Total comprehensive income	–	–	–	–	–	–	66,107	–	66,107
At 30 June 2015	2,668,291	11,356,683	173,088	515,569	91,750	45,637	(8,181,104)	(19,065)	6,650,849

Group statement of financial position at 30 June 2015

Company Number: 3630998

	Note	2015 £	2015 £	2014 £	2014 £
ASSETS					
Non-current assets					
Investment properties	8		562,503		554,170
Property, plant and equipment	9		790,825		789,004
Other receivables	10		454,285		426,101
			1,807,613		1,769,275
Current assets					
Inventories	11	11,762,398		13,671,391	
Trade and other receivables	12	552,896		1,221,621	
Cash and cash equivalents		2,293,439		569	
			14,608,733		14,893,581
Total assets			16,416,346		16,662,856
LIABILITIES					
Non-current liabilities					
Trade and other payables	13		–		(488,782)
Interest bearing loans and borrowings	14		(6,753,866)		(6,351,316)
			(6,753,866)		(6,840,098)
Current liabilities					
Trade and other payables	13	(3,011,631)		(3,048,797)	
Interest bearing loans and borrowings	14	–		(189,219)	
			(3,011,631)		(3,238,016)
Total liabilities			(9,765,497)		(10,078,114)
Net assets			6,650,849		6,584,742
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY					
Called up share capital	15	2,668,291		2,668,291	
Share premium account	16	11,356,683		11,356,683	
Other reserve	16	173,088		173,088	
Merger reserve	16	515,569		515,569	
Capital redemption reserve	16	91,750		91,750	
Revaluation reserve	16	45,637		45,637	
Retained earnings	16	(8,181,104)		(8,247,211)	
Own shares	16	(19,065)		(19,065)	
Total equity			6,650,849		6,584,742

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2015.

Christopher Musselle
Director

The notes on pages 16 to 34 form part of these financial statements.

Group statement of cash flows

for the year ended 30 June 2015

	2015 £	2015 £	2014 £	2014 £
Cash flows from operating activities				
Profit/(loss) before taxation	66,107		(940,178)	
Depreciation	20,026		9,411	
Amortisation of bank facility costs	196,240		190,107	
Finance income	(38,252)		(39,763)	
Finance expense	1,126,367		922,885	
Profit on disposal of property, plant and equipment	(5,367)		(4,759)	
Revaluation surplus on investment properties	(8,333)		(8,333)	
Operating profit before changes in working capital and provisions	1,356,788		129,370	
Decrease in inventories	1,908,993		5,100,242	
Decrease/(increase) in trade and other receivables	677,897		(377,210)	
(Decrease)/increase in trade and other payables	(338,017)		282,913	
Cash from operations	3,605,661		5,135,315	
Finance income received	896		1,665	
Finance costs paid	(948,016)		(403,235)	
Tax received	–		18,096	
Net cash from operating activities	2,658,541		4,751,841	
Cash flows from investing activities				
Purchase of property, plant and equipment	(21,847)		(4,499)	
Proceeds from sale of property, plant and equipment	5,367		4,759	
Net cash (outflow)/inflow from investing activities	(16,480)		260	
Cash flows from financing activities				
Movement on bank borrowings	(5,806,426)		(4,752,141)	
Secured loan note issued	7,000,000		–	
Secured loan note costs paid	(279,774)		–	
Secured loan note repaid	(1,262,991)		–	
Net cash from financing activities	(349,191)		(4,752,141)	
Net increase/(decrease) in cash and cash equivalents	2,292,870		(40)	
Cash and cash equivalents at the beginning of the year	569		609	
Cash and cash equivalents at the end of the year	2,293,439		569	

The notes on pages 16 to 34 form part of these financial statements.

Notes forming part of the group financial statements for the year ended 30 June 2015

1 Significant accounting policies

Artisan (UK) plc (the "Company") is a company incorporated as a public limited company under the Companies Act 1985 and domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements were approved by the Directors on 21 December 2015.

Statement of compliance

The Group's consolidated financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as endorsed for use in the EU (Endorsed IFRS). The Company has elected to prepare its parent company financial statements in accordance with UK Generally Accepted Accounting Practice (GAAP). These are presented on pages 35 to 40.

Basis of preparation

The financial statements are presented in pounds sterling. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements, as detailed below.

Going concern

As highlighted in note 17, the Group meets the majority of its day to day working capital requirements through the secured loan note issued to an investment fund during the year and a convertible loan note issued to Aspen Finance Limited. The secured loan note was for an initial amount of £7m and is repayable from the proceeds of the sale of mortgaged properties. The secured loan note is repayable in full by April 2017. The convertible loan note is subordinated to the secured loan note. At 30 June 2015 the loan notes had a carrying value in the accounts of £6,753,866 and the Group had cash balances on deposit at bank of £2,293,439.

Forecasts and projections have been prepared which show that, taking into account reasonably possible changes in trading performance, the Group will be able to operate within the level of its current loan note funding. However, additional funding will be required to acquire new development sites and this is expected to be available in the market on normal commercial terms. In view of this the Directors are satisfied that the Group has adequate resources to continue operating for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Adoption of new and revised standards and interpretations Standards and interpretations effective during the year

The following new and revised standards and interpretations have been adopted in the current financial year. Their adoption has not had any significant impact on these financial statements and has not required any additional disclosures but may affect the accounting for future transactions:

- **Improvements to IFRSs** – 2010 to 2012 Cycle (effective for accounting periods beginning on or after 1 July 2014).
- **Improvements to IFRSs** – 2011 to 2013 Cycle (effective for accounting periods beginning on or after 1 July 2014).

Adoption of new and revised standards and interpretations Standards and interpretations in issue but not yet effective

The following are new standards, interpretations and amendments, which are not yet effective and have not been adopted in these financial statements, that will or may have an effect on the Group's future financial information:

- **IFRS 9** – Financial Instruments (effective for accounting periods beginning on or after 1 January 2018 subject to EU endorsement).
- **IFRS 15** – Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018 subject to EU endorsement).

The Group is currently assessing the impact of the standards and interpretations in issue but not yet effective.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and its subsidiary undertakings. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control potential voting rights that presently are exercisable or convertible are taken into account. The results of any subsidiaries sold or acquired are included in the Group statement of comprehensive income up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1 Significant accounting policies (continued)

The consolidated financial statements incorporate the results of business combinations using the purchase method, other than the acquisition of Artisan (UK) Developments Limited which was acquired at the same time that Artisan (UK) plc was formed from a de-merger of Dean Corporation plc. On acquisition of a subsidiary, all of the subsidiary's separable, identifiable assets and liabilities existing at the date of acquisition are recorded at their fair values reflecting their condition at that date. All changes to those assets and liabilities, and the resulting gains and losses, that arise after the Group has gained control of the subsidiary are charged to the post acquisition statement of comprehensive income.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is stated exclusive of VAT and represents the value of work done and properties sold, excluding part exchange properties, the profit or loss on which is included within cost of sales. Revenue consists of sales of trading and development properties, revenue from construction contracts, revenue from the sale of land and the gross rental income receivable on investment properties. Revenue does not include the sale of investment properties, for which the profits or losses on sale are shown separately, and rents receivable on development properties, which are shown as other operating income.

In respect of sales of property, revenue and profit are recognised upon legal completion of the legal transfer of title to the customer. Profit or loss is calculated with reference to each site or phase within a site.

Revenue recognised on properties sold under shared equity schemes is reduced by the interest income implicit in the transaction.

Profit is recognised on long term work in progress contracts if the final outcome can be assessed with reasonable certainty, by including in the statement of comprehensive income revenue and related costs as contract activity progresses. Revenue is calculated as that proportion of total contract value which costs to date bear to total expected costs for that contract. Losses are recognised as soon as they are foreseen.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the balance sheet date. Gains or losses arising from changes in the fair value of investment property are included in the statement of comprehensive income for the period in which they arise.

Property occupied by the Group for its own purposes is included in property, plant and equipment and stated at fair value. Changes in fair value are accounted for as set out in the accounting policy "Property, plant and equipment".

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation with the exception of owner occupied property which is stated at fair value with changes in fair value recognised directly in the statement of comprehensive income. Depreciation on other property, plant and equipment is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Freehold buildings	–	2% per annum on the straight line basis
Motor vehicles	–	20-25% per annum on the straight line or reducing balance basis
Fixtures and fittings	–	15-25% per annum on the straight line or reducing balance basis
Plant and machinery	–	15-25% per annum on the straight line or reducing balance basis

Freehold land is not depreciated. Residual value and expected useful life are re-assessed annually.

Inventories

Inventories are valued at the lower of cost and net realisable value. Work in progress includes materials and labour costs and an appropriate proportion of overheads incurred on developments in progress or awaiting sale at the balance sheet date.

Land held for building is stated at the lower of cost and net realisable value. Cost comprises land cost and direct materials and labour.

Net realisable value is the amount that the Group expects to realise from the sale of inventory in the ordinary course of business, after allowing for the estimated costs of completion and the estimated costs necessary to make the sale. It is assumed that sites will be completed and sold in line with the Group's intended development plans. In the event land or partly completed sites were sold without completing the development the amounts realised would be lower and may be below the carrying value in these accounts.

Leases

Leases where the lessor retains substantially all of the risks and benefits of ownership are classified as operating leases. Operating lease rental charges are charged to the statement of comprehensive income on a straight-line basis over the term of each lease. Lease incentives are charged to operating profit on a straight line basis over the full term of the lease.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

1 Significant accounting policies (continued)

Taxation

Income tax comprises current and deferred tax.

Current tax is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax expected to be payable or recoverable on differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible differences can be utilised.

Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that at the time of the transaction, affects neither taxable profit nor the accounting profit. Deferred tax is calculated at the rates of taxation enacted or substantively enacted at the balance sheet date.

Dividends

Dividends are recorded in the year in which they become legally payable.

Sales and marketing costs

Costs relating to sales and marketing activities are written off as incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and where it is probable that an outflow will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Operating profit

Operating profit is stated after crediting all items of operating income, after charging all items of operating expenditure, and also after crediting or charging all changes in value of investment properties. It is stated before crediting or charging financial income or expenditure.

Retirement benefit costs

The Group operates defined contribution pension schemes for employees. Contributions are charged to the statement of comprehensive income in the year in which they become payable.

Financial assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

i. Trade and other receivables

Trade receivables on normal terms do not carry any interest and are stated at their nominal value less any allowance for impairment. The effect of discounting on these financial instruments is not considered to be material. Impairment provisions are recognised when there is objective evidence that the Group will be unable to collect all of the amounts due under the terms of the receivable.

Trade receivables on extended terms granted in respect of sales under shared equity schemes are secured by way of a second legal charge on the respective property and are stated at their fair value based on the discounted present value of the expected future cash inflow. The difference between the initial fair value and the expected future cash inflow is credited over the deferral term to the statement of comprehensive income as finance income, with the financial asset increasing to its full cash settlement value on the anticipated receipt date. Credit risk is accounted for in determining fair values and appropriate discount factors are applied. Gains and losses arising from changes in fair value of the asset over their term are recognised in the statement of comprehensive income as other operating income or charges.

ii. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

1 Significant accounting policies (continued)

Financial liabilities

The Group financial liabilities consist of the following:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Owing to the short term nature of these liabilities, there are no significant differences between the carrying amounts of these liabilities and their fair values.
- Secured loan note, which is initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method.
 - Convertible loan notes – the component of convertible loan notes that exhibits characteristics of debt is recognised as a liability in the Statement of Financial Position. On issue of convertible loan notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds is allocated to the equity component and is recognised in shareholders' equity. The carrying amount of the equity component is not remeasured in subsequent years.

Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Groups ordinary and deferred shares are classified as equity instruments.

For the purposes of capital management, the Group considers its capital to comprise its ordinary and deferred share capital, share premium and retained earnings less the own share reserve. Neither the merger reserve, capital redemption reserve, other reserve nor the revaluation reserve is considered as capital. There have been no changes in what the Group considers to be capital since the previous period.

The Group is not subject to any externally imposed capital requirements, other than the Companies Act requirement for public limited companies to have £50,000 of capital at nominal value.

Accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates.

Key sources of estimation and uncertainty:

i. Going concern

In arriving at its assessment of going concern, the Group has prepared forecasts. These have been reviewed by the Directors and are based on estimates and judgements of the market conditions faced by the Group, including residential and commercial property demand, customer funding availability, selling prices and the levels of finance available. Many factors will influence customer demand including interest rates, the perception of bank funding availability and stability, employment prospects and the overall level of economic activity in the UK economy.

The forecasts also make assumptions about the availability of additional sources of financing to fund new developments. Whilst the Directors expect the Group to be able to obtain additional funding there is currently no binding agreement to this effect. This gives rise to a material uncertainty.

Further details of the Board's assessment of going concern are set out on page 16.

ii. Carrying value of land and work in progress and estimation of costs to complete

The Group holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. Judgements and estimates have been made by management in relation to both the net realisable value and cost of inventories.

Net realisable value is the net amount that the Group expects to realise from the sale of inventory in the ordinary course of business, i.e. assuming sites are completed and sold in line with the Group's intended development plans. As residential development in particular is speculative by nature, most inventories are not covered by forward sale contracts, hence it is necessary to make judgements about likely future sales values.

Furthermore due to the nature of the Group's activity, and in particular the size and length of the development cycle, the Group has to allocate site wide developments costs between units being built or completed in the current year and those for future years. In doing this it also has to forecast the costs to complete on such developments. The Group also has to consider the proportion of overheads that it is appropriate to allocate to inventories.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The Group has established internal controls designed to effectively assess and review inventory carrying values and ensure the appropriateness of the estimates made.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

1 Significant accounting policies (continued)

Key sources of estimation and uncertainty (continued):

iii. Part exchange properties

The carrying values of part exchange properties are assessed based on external valuations completed on the properties. These valuations are based on the prevailing market conditions in the second hand housing market and to the extent that housing market price levels change, the values of the part exchange properties may vary. Part exchange property values at the end of the financial period were based on recent valuations and realistic market expectations.

iv. Provisions and contingencies

When evaluating the impact of potential liabilities from claims against the Group, the Directors take professional advice, as appropriate, to assist them in arriving at their estimation of the liability taking into account the probability of the success of any claims.

v. Investment property valuation

Investment properties are stated at fair value at the balance sheet date. Fair values are arrived at by the Directors, who are suitably experienced and having regard to professional advice and valuations prepared for our funders. Valuations are based on assumptions including future rental income and appropriate discount rates. Reference is also made to market evidence of transaction prices for similar properties.

2 Segmental analysis

The Group operates through its three principal business segments which form the basis upon which the Group reports for management and statutory purposes. The Group does not operate outside the United Kingdom. The business segments are as follows:

Residential development	Residential house development mainly in the East Midlands, Lincolnshire and Yorkshire areas.
Commercial development	Business park development concentrated in East Anglia.
Property investment	Property investment activities throughout the UK.
Central and other	Represents unallocated Group overheads and consolidation adjustments.

Year ended 30 June 2015

	Residential Development £	Commercial Development £	Property Investment £	Central and Other £	Total £
Income statement					
Revenue					
External revenue	12,697,917	6,385,025	66,764	–	19,149,706
Inter-segment revenue	–	–	43,500	(43,500)	–
	12,697,917	6,385,025	110,264	(43,500)	19,149,706
Segment result					
Segment result before central charges	667,568	436,891	80,016	(30,253)	1,154,222
Central charges	(236,579)	(182,935)	(75,894)	495,408	–
Segment result after central charges	430,989	253,956	4,122	465,155	1,154,222
Finance income	37,407	162,197	76,365	(237,717)	38,252
Finance expense	(416,738)	(272,610)	(26,046)	(410,973)	(1,126,367)
Profit before taxation	51,658	143,543	54,441	(183,535)	66,107
Taxation	–	(26,767)	(11,470)	38,237	–
Profit after taxation	51,658	116,776	42,971	(145,298)	66,107
Transactions between segments are accounted for at market value.					
Statement of financial position					
Assets					
Segment assets	9,882,255	8,097,433	1,730,099	(3,293,441)	16,416,346
Liabilities					
Segment liabilities	9,467,762	10,161,725	35,694	(9,899,684)	9,765,497
Segment net assets	414,493	(2,064,292)	1,694,405	6,606,243	6,650,849
Other information					
Capital expenditure	16,214	2,413	–	3,220	21,847
Depreciation of property plant and equipment	22,277	1,490	–	(3,741)	20,026

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

2 Segmental analysis (continued)

Year ended 30 June 2014

	Residential Development £	Commercial Development £	Property Investment £	Central and Other £	Total £
Income statement					
Revenue					
External revenue	9,567,699	4,355,690	66,845	–	13,990,234
Inter-segment revenue	–	–	43,500	(43,500)	–
	9,567,699	4,355,690	110,345	(43,500)	13,990,234
Segment result					
Segment result before central charges	(322,802)	540,328	500,115	(774,697)	(57,056)
Central charges	(107,279)	(220,247)	(45,402)	372,928	–
Segment result after central charges	(430,081)	320,081	454,713	(401,769)	(57,056)
Finance income	38,266	75,345	28,015	(101,863)	39,763
Finance expense	(422,565)	(254,250)	(30,492)	(215,578)	(922,885)
Loss before taxation	(814,380)	141,176	452,236	(719,210)	(940,178)
Taxation	126,943	(152,932)	(33,730)	77,815	18,096
Loss after taxation	(687,437)	(11,756)	418,506	(641,395)	(922,082)
Transactions between segments are accounted for at market value.					
Statement of financial position					
Assets					
Segment assets	10,647,756	8,214,653	2,568,304	(4,767,857)	16,662,856
Liabilities					
Segment liabilities	10,434,921	10,395,721	916,870	(11,669,398)	10,078,114
Segment net assets	212,835	(2,181,068)	1,651,434	6,901,541	6,584,742
Other information					
Capital expenditure	2,430	979	–	1,090	4,499
Depreciation of property plant and equipment	12,648	927	–	(4,164)	9,411

3 Directors and employees

	2015 £	2014 £
Staff costs, including directors, consist of:		
Wages and salaries	1,975,567	1,652,165
Social security costs	200,590	172,747
Other pension costs	108,148	88,647
	2,284,305	1,913,559
	2015 Number	2014 Number
The average number of employees, including directors, during the year was:		
Administration	19	18
Operations	35	30
	54	48
	2015 £	2014 £
Directors' remuneration consists of:		
Directors' emoluments	290,236	421,343
Directors' pension contributions	42,776	34,930
	333,012	456,273

The total amount payable to the highest paid director in respect of emoluments was £151,376 (2014 – £148,121). Company pension contributions of £23,638 (2014 – £24,930) were made to a money purchase scheme on their behalf.

Pension contributions to money purchase schemes were made in respect of 2 directors (2014 – 2).

4 Operating profit/(loss)

	2015 £	2014 £
This has been arrived at after charging/(crediting):		
Depreciation	20,026	9,411
Auditors' remuneration:		
Fees payable to the Company's auditor for the audit of:		
– the Company's annual accounts	13,400	18,067
– the subsidiaries' annual accounts	16,600	14,558
Fees payable to the Company's auditor for other services:		
– tax compliance	9,650	10,500
– other	3,000	3,000
Hire of plant and machinery	176,900	69,266
Other operating lease rentals – vehicles	16,702	19,422
– land and buildings	10,670	17,827
Impairment charge, net of reversals, in respect of carrying value of inventories	72,178	168,990
Rent receivable	(129,379)	(174,135)
Profit on sale of property, plant and equipment	(5,367)	(4,759)

During the year overhead costs totalling £250,081 (2014 – £174,242) were allocated from administrative expenses to work-in-progress.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

5 Finance expense

	2015 £	2014 £
Bank overdrafts and loans repayable within 5 years	636,769	815,990
Convertible loan note	114,009	106,895
Secured loan note	375,589	–
	1,126,367	922,885

6 Tax credit

Recognised in the income statement	2015 £	2014 £
<i>Current tax</i>		
UK corporation tax on profit/(loss) for the year	–	–
Adjustment in respect of prior periods	–	(18,096)
Total tax credit reported in the income statement	–	(18,096)

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2015 £	2014 £
Profit/(loss) before tax	66,107	(940,178)
Profit/(loss) on ordinary activities at the standard rate of corporation tax in the UK of 20.75% (2014 – 22.50%)	13,717	(211,540)
Effects of:		
Expenses not deductible for tax purposes	14,053	16,620
Change in fair value of investment and owner occupied properties	(1,729)	(1,875)
Depreciation for the year in excess of capital allowances	4,155	2,117
Utilisation of tax losses brought forward	(20,725)	(25,947)
Unrelieved trading losses for the year carried forward	63,745	221,508
Adjustment in respect of prior year	–	(18,096)
Non taxable income	(71,929)	–
Other	(1,287)	(883)
Tax credit for the year	–	(18,096)

Subject to the agreement of HM Revenue & Customs, there are trading tax losses of approximately £18.4 million (2014 – £18.3 million) available for set off against future years profits. No deferred tax asset has been recognised in respect of these losses due to the unpredictability of future profit streams against which these losses could be offset. Under present tax legislation, these losses may be carried forward indefinitely.

7 Dividends

No interim dividend was paid (2014 – Nil p per ordinary share). The Directors do not propose to pay a final dividend for the year (2014 – Nil p per ordinary share).

8 Investment properties

	2015 £	2014 £
<i>Fair value</i>		
At beginning of year	554,170	545,837
Revaluations included in income statement	8,333	8,333
At end of year	562,503	554,170

As at 30 June 2015, the historical cost of investment property owned by the Group was £599,245 (2014 – £599,245).

The fair value of the Group's investment property at 30 June 2015 has been arrived at on the basis of open market value by the Directors, who are suitably experienced and having regard to professional advice.

During the year £64,167 (2014 – £64,167) was recognised in the income statement as revenue in respect of rental income from investment properties. Direct operating expenses arising from investment properties amounted to £38,442 (2014 – £839).

9 Property, plant and equipment

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 July 2014	759,999	182,833	82,615	250,440	1,275,887
Additions	–	–	–	21,847	21,847
Disposals	–	(163,279)	(25,297)	(23,168)	(211,744)
At 30 June 2015	759,999	19,554	57,318	249,119	1,085,990
<i>Depreciation</i>					
At 1 July 2014	–	182,703	65,147	239,033	486,883
Provided for the year	–	123	7,934	11,969	20,026
Disposals	–	(163,279)	(25,297)	(23,168)	(211,744)
At 30 June 2015	–	19,547	47,784	227,834	295,165
<i>Net book value</i>					
At 30 June 2015	759,999	7	9,534	21,285	790,825
At 30 June 2014	759,999	130	17,468	11,407	789,004

The fair values of the Group's property occupied for its own purposes at 30 June 2015 has been arrived at on the basis of open market value by the Directors, who are suitably experienced and having regard to professional advice and taking into consideration an external valuation obtained for the Group's funders.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

9 Property, plant and equipment (continued)

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 July 2013	759,999	182,833	110,079	245,941	1,298,852
Additions	–	–	–	4,499	4,499
Disposals	–	–	(27,464)	–	(27,464)
Revaluation	–	–	–	–	–
At 30 June 2014	759,999	182,833	82,615	250,440	1,275,887
<i>Depreciation</i>					
At 1 July 2013	–	182,243	88,357	228,563	499,163
Provided for the year	(5,773)	460	4,254	10,470	9,411
Disposals	–	–	(27,464)	–	(27,464)
Revaluation	5,773	–	–	–	5,773
At 30 June 2014	–	182,703	65,147	239,033	486,883
<i>Net book value</i>					
At 30 June 2014	759,999	130	17,468	11,407	789,004
At 30 June 2013	759,999	590	21,722	17,378	799,689

10 Other receivables

	2015 £	2014 £
Trade receivables	394,666	357,310
Other receivables	59,619	68,791
	454,285	426,101

Other receivables represent the value of unamortised lease incentives and letting fees on investment properties. The director's believe there is no material difference between the carrying value and fair value of other receivables.

11 Inventories

	2015 £	2014 £
Raw materials and consumables	22,830	23,067
Land held for development	4,602,842	7,818,384
Work in progress	4,494,841	872,290
Completed developments and houses for sale	2,641,885	4,957,650
	11,762,398	13,671,391

Inventories with a carrying amount of £11,762,398 (2014 – £13,671,391) have been pledged as security for the Group's borrowings.

During the year ended 30 June 2015, the Group conducted a further net realisable value review of its inventories. The review compared the estimated net realisable value of each of the Group's development sites with its balance sheet carrying-value. Where the estimated net realisable value of an individual site was less than its carrying-value within the balance sheet, the Group impaired the inventory value of the site. The impairment review resulted in a further impairment charge of £72,178 (2014 – £199,402) in the year and a reversal of £Nil (2014 – £30,412) on inventories that were written down in previous accounting periods.

The key judgement in estimating the net realisable value of the sites was the estimation of likely sales prices and estimated costs to complete. Sales prices were estimated on a site-by-site basis based upon local market conditions and considered the current prices being achieved upon each site for each product type.

Although the impairment of inventories was based upon the current prices being achieved or anticipated prices by the Group, if the UK housing market were to deteriorate or improve beyond management expectations in the future then further adjustments to the carrying-value of inventories may be required.

Following these impairment charges £1,078,225 (2014 - £2,603,626) of inventories are valued at net realisable value rather than at historical cost.

£15,866,107 (2014 – £12,257,678) of inventories were recognised as an expense in the year.

12 Trade and other receivables

	2015 £	2014 £
Trade receivables	114,392	737,073
Amounts recoverable on contracts	107,321	175,184
Other receivables	206,147	139,206
Prepayments and accrued income	125,036	170,158
	552,896	1,221,621

All trade and other receivables are non-interest bearing. Further disclosures relating to financial instruments are set out in note 17.

13 Trade and other payables

	2015 £	2014 £
Amounts falling due within one year		
Trade payables	941,790	594,436
Other taxes and social security	104,329	347,353
Other payables	–	11,704
Retentions	543,295	479,172
Accruals and deferred income	1,422,217	1,616,132
	3,011,631	3,048,797

The director's consider that the carrying value of trade and other payables included within current liabilities approximate to fair value as a result of the short maturity period of the amounts held at the year end.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

13 Trade and other payables (continued)

	2015 £	2014 £
Amounts falling due after one year		
Other payables	–	226,416
Accruals and deferred income	–	262,366
	–	488,782

14 Borrowings

	2015 £	2014 £
Are repayable as follows:		
<i>In less than one year:</i>		
Bank borrowings	–	189,219
<i>In more than one year but not more than two years</i>		
Bank borrowings	–	5,617,207
Secured loan note	5,759,509	–
Less unamortised facility fees	–	(196,240)
Convertible loan note	994,357	930,349
Total greater than one year	6,753,866	6,351,316
Total borrowings	6,753,866	6,540,535

The loan note is secured through a first legal mortgage over the mortgaged properties and fixed and floating charges over the assets of the Company and certain other Group companies.

The convertible loan note is unsecured and is issued to Aspen Finance Ltd (see note 18).

The secured and convertible loan notes are stated at amortised cost using the effective interest rate method.

The interest rate profile of the borrowings is as follows:

	Currency	Nominal interest rate	Year of maturity	2015 £	2014 £
Bank borrowings:					
Revolving credit	GBP	base + 3.00%	2015	–	1,524,953
Revolving credit – tranche A	GBP	LIBOR + 3.00%	2015	–	2,816,895
Revolving credit – tranche B	GBP	LIBOR + 3.00% plus 6.00% PIK	2015	–	1,918,336
Investment property facility	GBP	LIBOR + 3.00%	2015	–	846,527
Secured loan note	GBP	10%	2017	5,759,509	–
Convertible loan note	GBP	5%	2017	994,357	930,349
Less:					
Unamortised facility fees				–	(196,240)
Credit balances offset				–	(1,300,285)
				6,753,866	6,540,535

15 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
13,341,455 (2014 – 13,341,455) ordinary shares of 1p (2014 – 1p) each	133,415	133,415
253,487,645 (2014 – 253,487,645) deferred shares of 1p each (2014 – 1p) each	2,534,876	2,534,876
	2,668,291	2,668,291

All rights as regards voting at general meetings of the Company and in relation to dividends attach to the 1p ordinary shares. The deferred shares do not carry voting rights, the right to receive dividends and the right to participate in any return of capital by the Company, such as on liquidation, except after £1,000,000 has been repaid to the holder of each ordinary share.

16 Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium account - the share premium account arose on the issue of shares by the Company at a premium to their nominal value.

Other reserve - the other reserve represents the equity component of the convertible loan note.

Merger reserve - the merger reserve arose following the creation of Artisan (UK) plc in 1998 from the de-merger of Dean Corporation plc and the simultaneous acquisition of Artisan (UK) Developments Limited by the Group.

Capital redemption reserve – the capital redemption reserve arises upon the purchase and cancellation by the Company from time to time of shares in the Company.

Revaluation reserve – the revaluation reserve arises from the revaluation of owner occupied property from cost to fair value.

Retained earnings – the retained earnings represent profits made by the Group that have not been distributed to shareholders.

Own shares – the own shares reserve represents the cost of fractional entitlement shares purchased pursuant to the Capital Reorganisation approved at a general meeting of the Company held on 19 January 2008.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

17 Financial instruments

Financial risk management

The Group's financial instruments comprise secured loan notes, convertible loan notes, cash and various items such as trade receivables and trade payables that arise directly from its operations. Cash, secured and convertible loan notes are used to finance the Group's operations and finance its acquisitions. The categories of the Group's financial assets and liabilities are summarised below.

Financial assets classified as loans and receivables

	2015 £	2014 £
Non-current financial assets		
Trade receivables	394,666	357,310
Current financial assets		
Cash and cash equivalents	2,293,439	569
Trade receivables	114,392	737,073
Amounts recoverable on contracts	107,321	175,184
Other receivables	85,097	139,206
Total current financial assets	2,600,249	1,052,032
Total financial assets	2,994,915	1,409,342

There is no material difference between the carrying value and fair value of the Group's aggregate financial assets.

Financial liabilities measured at amortised cost

	2015 £	2014 £
Non-current financial liabilities		
Other payables	–	226,416
Accrued charges	–	262,366
Loans and borrowings	6,753,866	6,547,556
	6,753,866	7,036,338
Current financial liabilities		
Loans and borrowings	–	189,219
Trade payables	941,790	594,436
Retentions	543,295	479,172
Accrued charges	1,395,014	1,588,929
Total current financial liabilities	2,880,099	2,851,756
Total financial liabilities	9,633,965	9,888,094

Financial assets and liabilities carried at fair value are categorised with the hierarchical classification of IFRS7 Revised (as defined within the standard) as follows:

	2015 Level 3 £	2014 Level 3 £
Financial assets		
Non-current financial assets		
Trade receivables	394,666	357,310

17 Financial instruments (continued)

	2015 Level 3 £	2014 Level 3 £
Financial liabilities		
Non-current financial liabilities		
Convertible loan note	994,357	930,349

There are no level 1 or level 2 financial assets or liabilities. The following table sets out the changes in level 3 instruments over the year:

	2015 Level 3 £	2014 Level 3 £
Non-current financial assets – trade receivables		
At beginning of year	357,310	333,037
Additions	–	9,584
Disposals	–	(23,409)
Gains and losses recognised in profit or loss (finance income)	37,356	38,098
At end of year	394,666	357,310

Level 3 inputs are sensitive to the assumptions made when determining fair value, principally the discount rate used to discount cash flows and the annual rate of change in house prices. However, reasonably possible alternative assumptions would not have a material impact on the carrying value of the asset shown in the statement of financial position.

	2015 Level 3 £	2014 Level 3 £
Non-current financial liabilities – convertible loan note		
At beginning of year	930,349	873,455
Issues	–	–
Gains and losses recognised in profit or loss (finance expense)	64,008	56,894
At end of year	994,357	930,349

Level 3 inputs are sensitive to the assumptions made when determining fair value, principally the discount rate used to discount cash flows. However, reasonably possible alternative assumptions would not have a material impact on the carrying value of the asset shown in the statement of financial position.

The Group has exposure to the following risks from the use of its financial instruments:

- Market risk
- Credit risk
- Liquidity risk

Market risk

Market risk represents the potential for changes in interest rates and foreign exchange rates to affect the Group's profit and the value of its financial instruments. It also includes the effect of the level of UK house prices and commercial property values which are in turn affected by factors such as employment levels, interest rates, the supply of suitable land, availability of consumer funding and consumer confidence.

Interest rate risk

The interest rate profile of the Group's interest bearing financial instruments is set out in note 14. The Group has no exposure to interest rate risk as all borrowings are at fixed rates of interest.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

17 Financial instruments (continued)

Exchange rate risk

The Group has no exposure to exchange rate risk as all financial assets and liabilities are denominated in sterling.

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations.

The Group has a minimal exposure to credit risk from trade receivables on the residential side of the business given the nature and legal framework of the UK housing industry. In the vast majority of cases the full cash receipt for each sale occurs on legal completion, which is also the point of revenue recognition under the Group's accounting policies. However, some credit risk arises through the use of shared equity schemes. To mitigate the risk the Group is selective in deciding which customers can be accepted for the scheme and a second charge is taken over the property concerned.

Credit risk also arises from local authority bonds and advance payments although these are considered to be of low risk.

On the commercial side of the business the Group is exposed to credit risk from credit sales on forward sale build contracts where the customer has purchased land and entered into a contract for the development of a building. It is the Group's policy, implemented locally, to assess the credit risk of major customers before entering into such contracts. The risk is managed by receiving staged payments as the development progresses.

On the property investment side of the business the Group is exposed to credit risk relating to the payment of rents. Tenant's covenants are considered carefully before entering into lease agreements. This risk is mitigated by the use of rent deposits and client guarantees where appropriate and possible.

Credit risk analysed by segment is as follows:

	2015 £	2014 £
Residential	2,075,195	580,140
Commercial	321,675	827,942
Other	598,045	1,260
	2,994,915	1,409,342

The Group's credit risk is distributed over a number of parties. The maximum credit risk should any single party fail to perform is £107,321 (2014 – £764,434). At 30 June 2015 the Group had £53,169 (2014 – £12,106) of receivables past due against which an impairment provision of £37,603 has been made.

Liquidity risk

Liquidity risk is the risk that the Group will have insufficient resources to meet its financial obligations as they fall due. The Group's strategy to manage liquidity risk is to ensure that the Group has sufficient liquid funds to meet all its potential liabilities as they fall due.

Projections are prepared on a regular basis to ensure that covenant compliance and medium to longer-term liquidity is maintained. Longer-term projections are also used to identify strategic funding requirements.

The Group's policy on the payment of trade payables is set out in the director's report on page 10. Trade and other payables and retentions fall due for payment within one year. Details of the maturity and security of loans and borrowings are disclosed in note 14.

17 Financial instruments (continued)

Capital management

The Group aims to maintain a balance between debt and equity that will both maximise shareholder return and keep financial risk to an acceptable level. It also aims to maintain sufficient capital to facilitate future growth.

18 Related parties

Artisan (UK) plc ("Artisan") is the intermediate holding company for the Artisan Group. At 30 June 2015 Aspen Finance Limited ("Aspen") owned 69.5% of the share capital of Artisan (UK) plc. Aspen is a private limited company, registered in England and Wales, whose principal activity is to act as a holding company for an investment in Artisan. The financial statements of Aspen are available from the Registrar of Companies, Companies House Crown Way, Cardiff, CF14 3UZ.

Aspen is wholly owned by Aspen Group Inc which in turn is owned by the Brownis Trust. The Board understand that the Brownis Trust is the ultimate controlling party.

During the year Artisan provided accounting support to Aspen in respect of the production of consolidated financial statements for Aspen. A fee of £2,000 is payable for this work (2014 – £2,000). £2,000 was owed by Aspen at the year end (2014 – £2,000).

On 13 July 2012 £1 million of convertible unsecured loan notes were issued to Aspen. Interest is payable on the loan notes at 5% p.a. and they fell due for repayment on 13 July 2015 but have now been subordinated to the secured loan note. The loan notes may be converted to equity at any time at Aspen's request at the rate of one ordinary share of 1p for an amount in nominal value of loan notes equal to 14.5p. During the year the interest payable on the loan notes was £50,000 (2014 – £50,000). At the balance sheet date the Group owed Aspen £12,466 of accrued interest (2014 – £12,468).

Transactions between Artisan and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 "Related Party Disclosures". Further information on Directors' remuneration is provided in note 3 on page 23.

	2015 £	2014 £
Short-term employee benefits	290,236	421,343
Post-employment benefits	42,776	34,930
	333,012	456,273

The remuneration for Geoffrey Melamet is payable in accordance with an agreement with HMSA Limited for the provision of his services. Geoffrey Melamet is a director of HMSA Limited.

After the end of the reporting period the Group entered into an agreement with Zengreen Limited to develop a residential site in Eastwood, Nottinghamshire. The site is owned by Zengreen Limited and that company has raised finance for the project. Geoffrey Melamet is a director of Zengreen Limited.

19 Contingent liabilities and commitments

In the normal course of business the Group has given counter indemnities in respect of performance bonds and financial guarantees. As at 30 June 2015, bonds in issue amount to £874,092 (2014 – £409,242).

On occasion the Group receives claims in the normal course of its business. Where appropriate, when evaluating the impact of potential liabilities arising from such claims, the Directors take professional advice to assist them in arriving at their estimation of the liability taking into account the probability of the success of any claims.

At the year end the Directors are unaware of any material liability that is not provided within the financial statements.

Notes forming part of the group financial statements continued

for the year ended 30 June 2015

20 Leasing commitments

Commitments under non-cancellable operating leases are as follows:

	2015 Land and buildings £	2015 Other £	2014 Land and buildings £	2014 Other £
Expiring:				
Within one year	–	5,949	5,199	–
Between two and five years	6,000	7,569	10,800	33,782
After five years	322,625	–	366,125	–

Company balance sheet

at 30 June 2015

Company number 3630998

	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Tangible assets	4		4,462		3,274
Investments	5		2,830,915		2,857,636
			2,835,377		2,860,910
Current assets					
Debtors	6	14,685,486		16,952,118	
Cash at bank and in hand		571,811		103	
		15,257,297		16,952,221	
Creditors: amounts falling due within one year	7	2,749,995		2,953,307	
Net current assets			12,507,302		13,998,914
Total assets less current liabilities			15,342,679		16,859,824
Creditors: amounts falling due after one year	9		(6,753,866)		(6,942,061)
Net assets			8,588,813		9,917,763
Capital and reserves					
Called up share capital	10	2,668,291		2,668,291	
Share premium account	11	11,081,042		11,081,042	
Merger reserve	11	689,328		689,328	
Other reserves	11	173,088		173,088	
Capital redemption reserve	11	91,750		91,750	
Profit and loss account	11	(6,095,621)		(4,766,671)	
Own shares	11	(19,065)		(19,065)	
Shareholders' funds	12	8,588,813		9,917,763	

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2015.

Christopher Musselle
Director

The notes on pages 36 to 40 form part of these financial statements.

Notes forming part of the company financial statements for the year ended 30 June 2015

1 Accounting policies

The following principal accounting policies have been applied:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK GAAP.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation has been provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life. It is calculated at the following rates:

Fixtures and fittings	–	25% per annum on the straight line basis
-----------------------	---	--

Fixed asset investments

Investments are included in the balance sheet at cost less any provision for impairment. The Company assess investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If such an indication of impairment exists, the Company makes an estimate of the recoverable amount of the investment. If the recoverable amount is less than the value of the investment, the investment is written down to the recoverable amount. An impairment loss is recognised immediately in the profit and loss account. If the impairment is not considered to be a permanent diminution in value it may reverse in a future period to the extent that it is no longer considered necessary.

Own shares

The cost of the Company's investment in its own shares is shown as a reduction in shareholders' funds in retained earnings.

Financial instruments

The Company's principal financial assets and liabilities are cash at bank and borrowings. Cash at bank is carried in the balance sheet at nominal value. Borrowings are recognised initially at net proceeds less issue costs and subsequently at amortised cost.

Operating leases

When assets are financed by operating leases, their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease, or over the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate where incentives to enter into a lease are given.

Deferred taxation

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

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Directors and employees

	2015 £	2014 £
Staff costs, including Directors, consist of:		
Wages and salaries	199,735	201,024
Social security costs	20,508	18,119
Other pension costs	38,367	37,391
	258,610	256,534

Details of Directors' remuneration and pension entitlements are set out in note 3 on page 23.

	2015 Number	2014 Number
The average number of employees, including Directors, during the year was:		
Administration	4	5

3 Loss for the financial year

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The loss for the year, dealt with in the profit and loss account of the company and after taking into account dividends from subsidiary undertakings, was £1,328,950 (2014 – £268,116).

The auditors' remuneration for audit services to the Company was £13,400 (2014 – £18,067).

4 Tangible assets

	Equipment, fixtures and fittings £
<i>Cost</i>	
At 1 July 2014	23,724
Additions	3,220
Disposals	(11,008)
At 30 June 2015	15,936
<i>Depreciation</i>	
At 1 July 2014	20,450
Provided for the year	2,032
Disposals	(11,008)
At 30 June 2015	11,474
<i>Net book value</i>	
At 30 June 2015	4,462
At 30 June 2014	3,274

Notes forming part of the company financial statements continued

for the year ended 30 June 2015

5 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 July 2014	10,600,179
Additions	150,000
At 30 June 2015	10,750,179
<i>Provision for impairment</i>	
At 1 July 2014	7,742,543
Impairment charge	176,721
At 30 June 2015	7,919,264
<i>Net book value</i>	
At 30 June 2015	2,830,915
At 30 June 2014	2,857,636

The Company recognised an impairment charge of £176,721 (2014 – reversal £740,000) against the carrying value of its investments in subsidiary companies.

In the opinion of the Directors the aggregate value of the Company's investments are not less than the amount included in the balance sheet.

At 30 June 2015 the subsidiary undertakings all of which are included within the consolidated financial statements, were:

Name	Class of share capital held	Proportion held	Nature of business
Artisan (UK) Developments Limited	Ordinary	100%	Commercial property Development
Rippon Homes Limited	Ordinary	100%	House building and Development
Artisan (UK) Projects Limited	Ordinary	100%	Building construction
Artisan (UK) Properties Limited	Ordinary	100%	Property sales and letting
Artisan Contracting Limited	Ordinary	100%	Dormant

All the above companies are registered in England and Wales.

6 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Amounts owed from subsidiary undertakings	14,654,128	16,914,701
Other debtors	8,821	5,710
Prepayments and accrued income	22,537	31,707
	14,685,486	16,952,118

7 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	64,695	26,553
Amounts owed to subsidiary undertakings	2,461,067	2,761,121
Other taxes and social security	14,456	14,074
Accruals and deferred income	209,777	151,559
	2,749,995	2,953,307

8 Borrowings

	2015 £	2014 £
Are repayable as follows:		
In more than one year but not more than two years		
Secured loan note	5,759,509	–
Bank borrowings	–	5,945,586
Less unamortised facility fees	–	(196,240)
Convertible loan note	994,357	930,349
	6,753,866	6,679,695

The bank loan was repaid in full during the year.

The secured loan note is secured through a first legal mortgage over the mortgaged properties and fixed and floating charges over the assets of the Company and certain other Group companies by virtue of the loan note holder holding a debenture from each company that is a party to the loan note instrument.

9 Creditors: amounts falling due after one year

	2015 £	2014 £
Secured loan note (secured see note 8)	5,759,509	–
Bank loans (secured see note 8)	–	5,522,930
Convertible loan note (see note 8)	994,357	930,349
Interest on bank loan rolled up	–	226,416
Accruals and deferred income	–	262,366
	6,753,866	6,942,061

10 Share capital

Details of the share capital of the Company are included in note 15 to the consolidated financial statements.

Notes forming part of the company financial statements continued

for the year ended 30 June 2015

11 Reserves

	Share premium account £	Merger reserve £	Other reserve £	Capital redemption reserve £	Profit and loss account £	Own shares held £
At 1 July 2014	11,081,042	689,328	173,088	91,750	(4,766,671)	(19,065)
Loss for the year	–	–	–	–	(1,328,950)	–
At 30 June 2015	11,081,042	689,328	173,088	91,750	(6,095,621)	(19,065)

12 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Loss for the year	(1,328,950)	(268,116)
Net movement in shareholders' funds	(1,328,950)	(268,116)
Opening shareholders' funds	9,917,763	10,185,879
Closing shareholders' funds	8,588,813	9,917,763

13 Contingent liabilities and commitments

The Company has entered into a first legal mortgage with and given a fixed and floating charge over its assets to the holders of the secured loan note. At 30 June 2015, the carrying value of the secured loan note covered by the mortgage and charge was £5,759,509 (2014 – £Nil).

The cross corporate guarantee held by the bank at the previous year end was released during the year following repayment of the borrowings (2014 – £87,256).

14 Related party disclosure

See note 18 to the Group financial statements.



The new Linx building developed by Artisan (UK) Developments Limited in St Ives, Cambs. This project involved extensive liaison between our client, the professional design team and the land vendor. Delivered on time, on budget.



ARTISAN (UK)
DEVELOPMENTS LIMITED

ARTISAN (UK)
PROJECTS LIMITED

ARTISAN (UK) plc

ARTISAN (UK)
PROPERTIES LIMITED

RIPPON HOMES LIMITED

Commercial Property and
Development Partners

Residential Housing
Development

Vantage House
Vantage Park
Washingley Road
Huntingdon
Cambridgeshire
PE29 6SR

Vantage House
Vantage Park
Washingley Road
Huntingdon
Cambridgeshire
PE29 6SR

Leeming Lane South
Mansfield Woodhouse
Nottinghamshire
NG19 9AQ

Telephone: 01480 436666
Fax: 01480 436231
Email: email@artisan-plc.co.uk

Telephone: 01480 436777
Fax: 01480 436230
Email: general@
artisandevelopments.co.uk

Telephone: 01623 659000
Fax: 01623 420807
Email: info@ripponhomes.co.uk

www.artisan-plc.co.uk

www.artisandevelopments.co.uk

www.ripponhomes.co.uk