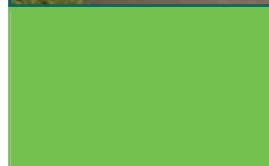




ARTISAN
(UK) plc

Report and Accounts

30 June 2016





A street scene of a typical Rippon Homes development showing the interesting variety of house types assembled together to create an attractive street scene



ARTISAN
(UK) plc

Report and Financial Statements

30 June 2016

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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. In addition a number of projects are undertaken utilising SPV subsidiaries that are generally 100% subsidiaries.

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. The Group now utilises Special Purpose Vehicles ("SPV") companies for individually financed projects. These are normally 100% subsidiaries of the group.

Artisan (UK) Developments Limited

This Company develops commercial buildings on its own account and for others. The properties, mostly office and industrial units, 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 provides clients with services covering all aspects of the development project and leads the delivery of the new property. The activity is concentrated in the wider East Anglian region.

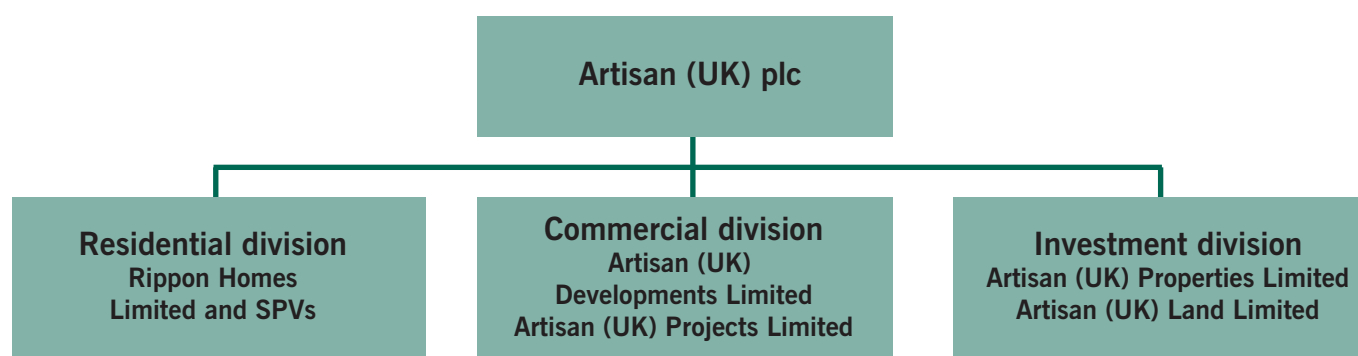
Artisan (UK) Projects Limited

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 and Artisan (UK) Land Limited

These companies are 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



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

Chairman's statement

Overview

During the year to 30 June 2016, we have been able to maintain our return to profit despite settling significant financing costs relating to the Tenax facility that had been used to clear our RBS facility in May 2015. In turn during the year to 30 June 2016 the Group was then able to fully repay the Tenax debt, interest and project profit participation. This has been a considerable achievement and was achieved through the realisation of stocks in the ordinary course of trading.

Turnover has improved in the residential division, though the turnover in commercial division is slightly less than the very good 2015 year. Group Operating Profits increased from £1.2m in 2015 to £1.8m in 2016.

Rippon Homes was able to achieve an exceptional sales performance on the Wingerworth site which underpinned its profitable trading for the year.

The Group is now debt free aside from the existing shareholder loan and residential development loans held by SPV companies. Artisan (UK) plc and/or Rippon Homes Limited will normally act as a guarantor for these loans to the SPV companies and also for most of the development projects undertaken by the commercial division.

Group results

Group turnover for the year has been broadly stable at £18.2m (2015: £19.1m). The residential business generated turnover of £14.3m (2015: £12.6m) whilst the commercial business generated turnover of £3.9m (2015: £6.4m) which whilst lower was more profitable. Operating profit for the year improved to £1.8m (2015: £1.2m). The Group profit before tax for the year was £0.0m (2015: £0.1m) after paying significant financing costs of £1.8m (2015: £1.1m).

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 for growth is dependent on raising new capital or similar which is essential to expand beyond the existing schemes. There is likely to be a hiatus in 2017 whilst new residential projects come on stream. In the circumstances and if appropriate, Aspen Finance has indicated a willingness to provide some additional working capital (most likely through a loan structure in the new SPV companies). If available, project funding will also be sourced from third party funders.

The commercial property market and Artisan (UK) Developments' place in it is strongly and positively recognised and there are a number of new projects under discussion to follow the projects started in the year to June 2016.

Geoff Melamet
Chairman

Date 20 December 2016

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					
2016	14.3	3.9	–	–	18.2
2015	12.6	6.4	0.1	–	19.1
Operating profit before group management charges					
2016	0.8	0.7	0.2	0.1	1.8
2015	0.7	0.4	0.1	–	1.2

Residential Division

The residential division has nearly maintained the volume of transactions with 67 completions in the year (2015: 73), but improved the value of transactions overall. The level of activity is sufficient for the division to be profitable in the year. Virtually all of the older stock has been realised now albeit at low or slightly negative margin in the case of the Pontefract site. However the Wingerworth site has, as expected, proved to be popular and profitable. The Rippon Homes shared equity scheme, which has been replaced by the government schemes, provides an asset which is reflected in the Group's balance sheet at £396,000 at 30 June 2016 (2015: £395,000). These are expected to start maturing over the next three years, though the latter schemes have approximately 20 years before they mature.

Rippon Homes has acted as a project manager and contractor to Zengreen Limited for the development of the Eastwood project. As Zengreen is not owned by the Artisan (UK) plc group, the turnover and estimated associated profit has been included in the Group's results as build has progressed. Zengreen, has an ownership control common to the Artisan (UK) plc majority shareholder. The turnover and profit contribution elements in the Group results include turnover of £2.2m and profit contribution of £433,000. Since the year end the build of the project has been completed and Zengreen has sold all the properties.

Rippon Homes has reduced its willingness to offer part exchange facilities to buyers as the funding is not available as it had been in the past to sensibly fund the holding of the properties. At the year end we had no part exchange properties in stock (2015: 3 units).

Despite efforts to acquire new development sites, frustration continues at the pace at which the acquisition can be pursued. Alongside the normal difficulties of bringing sites to contract and promoting them through the planning process, we also need to find sufficient debt, senior and mezzanine funding alongside our limited equity available for funding. Future land acquisitions will be constrained by available funding.

Commercial Division

The commercial division has had a mixed year. On the positive side all of the remaining stock of finished units has been realised at values better than had been latterly anticipated. There was also a disposal of much of the Opus land at Peterborough at a level that was very favourable. However, new development projects took significantly longer to bring into production than expected and this primarily responsible for the shortfall against management expectations and much of the reduction in turnover from 2015. However, the activity has been significantly more profitable resulting in a better margin than had been expected even on a greater turnover. This pattern of delayed starts is being repeated going forward and is of frustration to everyone involved. However the delayed projects did start on site, one shortly before the year end and one just after, and have proceeded very well in the current financial year.

The business has undertaken market research into the way in which it is perceived in the development market which has shown some initial findings that are very encouraging and also provide aspects upon which improvements can be made.

The commercial division now has its principal stock of land at Ipswich, where we are now finding some interest in properties and smaller parcels of land at Peterborough, Huntingdon and Kings Lynn.

Investment Properties

Our remaining investment building, 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 currently vacant and the office is being marketed for let or sale. We currently have a strong enquiry for the let of the entire building. The balance of our land at Wingerworth is currently let for use as horticulture. We have engaged consultants to help promote the rest of the site with a view to achieving planning on at least part of the remaining land. Achieving planning is not expected in the short term as we expect some resistance to the grant of planning as we did before on the part of the Wingerworth that did achieve a planning consent.

Inventories

Inventories continued to reduce in the year from £11.8m to £5.6m. This realisation of stock has allowed the Group to repay most of its debt. The Tenax facility was repaid approximately one year prior to the original facility termination date, which has been an extremely good achievement. As earlier indicated, our challenge is now to be able to fund all the sites we might like to acquire.

Land Stocks

Residential land stock owned by the Group and the external SPV Zengreen at the year end amounted to 55 plots (2015: 89). Zengreen held 16 of these plots. The Group also continues to hold some other small pieces of land and the balance of the Wingerworth site, where the possibility of planning permission is being explored.

Land stocks owned by Artisan (UK) Developments at the year end amounted to 6,868m² (2015: 12,179m²). All of this land has planning permission, most of it detailed. Sales in the year included the sale of land at Vantage Park for the bespoke development of a children's nursery, the build of which started in July 2016 and was completed in November 2016 ahead of schedule.

The Group continues to attempt to secure control or working arrangements over development land as an alternative to outright purchase and this is gradually moving forward on one site in particular with multiple enquiries.

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

As indicated the Group has successfully repaid and terminated the Tenax facility in the year.

The Group had gross borrowings of £1.3m as at 30 June 2016 (2015: £6.8m) being principally the convertible loan note and the first of the SPV specific development loans at our Hasland residential site. At the 30 June 2016 the Group held cash balances of £1.5m (2015: £2.3m). Therefore the Group had a positive net cash position at the year end and the Group's gearing based on debt net of cash is (3.1)% (2015: 67.1%).

Mainstream clearing bank debt is in practical terms not available for the regional housing developments of the type we develop or commercial speculative development at sensible debt ratios. We are therefore resorting to alternative debt funding sources. The interest and fees costs of the alternatives are higher than we had previously incurred with clearing banks and the increased costs of senior and mezzanine will affect the profitability of projects. As interest is written off as incurred it will create additional cost in advance of the profits being realised on sales.

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.

Chief Executive

Chris Musselle, our Group Chief Executive, has decided after many years with the Group, to resign as from 30 December 2016. The Board thanks him for his service to the Group from the formation of Artisan (UK) plc and wishes him well for the future. The board and reporting structures are currently being reassessed and revised to provide for a new basis going forward.

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**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 2016

The Directors present their strategic report together with the audited financial statements for the year ended 30 June 2016.

Development, performance and position

The Chairman's Statement and Operational and Financial Review on pages 3 to 5 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 31, the main risk arising from the Group's financial instruments is liquidity risk. Whilst the Group has net cash at the balance sheet date going forward it is likely to be reliant on debt funding to acquire new developments sites. 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 20 December 2016

Philip Speer
Secretary

Report of the directors for the year ended 30 June 2016

The Directors present their report together with the audited financial statements for the year ended 30 June 2016.

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 40% 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.

Employees and health and safety at work

Details of the number of employees and related costs can be found in note 3 on page 21.

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 11 and shows the profit for the year. The Group profit for the year after taxation amounted to £24,088 (2015 – £66,107).

The Directors do not propose to pay a final dividend for the year (2015 – £Nil). No interim dividend was paid during the year (2015 – £Nil).

Directors

The following Directors have held office during the year:

Christopher Musselle
Michael Eyres
Geoffrey Melamet

Directors' shareholdings

The Directors at 30 June 2016 and their interests in the share capital (beneficially or potentially beneficially held) of the Company at the dates stated were:

	Ordinary shares		Deferred shares	
	2016	2015	2016	2015
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 20 December 2016 the Company has been notified of the following interests in its issued share capital:

	Ordinary shares of 1p each (2015 – 1p each)		Deferred shares of 1p each (2015 – 1p each)	
	2016	2016	2015	2015
Aspen Finance Limited	9,268,721	69.5%	9,268,721	69.5%
	Deferred shares of 1p each (2015 – 1p each)		Deferred shares of 1p each (2015 – 1p each)	
	2016	2016	2015	2015
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).

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 2016 was 26 days (2015 – 24 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 and Company 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 7 March 2017 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

20 December 2016

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

We have audited the financial statements of Artisan (UK) plc for the year ended 30 June 2016 which comprise the Group statement of comprehensive income, the Group and Company 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 2016 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

55 Baker Street
London
W1U 7EU

20 December 2016

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 2016

	Note	2016 £	2015 £
Revenue	2	18,244,209	19,149,706
Cost of sales		(14,931,423)	(16,462,752)
Gross profit		3,312,786	2,686,954
Other operating income		58,478	62,615
Administrative expenses		(1,719,784)	(1,603,680)
		1,651,480	1,145,889
Revaluation surplus on investment properties	8	125,000	8,333
Operating profit	4	1,776,480	1,154,222
Finance income		37,125	38,252
Finance expense	5	(1,789,517)	(1,126,367)
Profit before taxation		24,088	66,107
Tax credit	6	–	–
Profit for the year attributable to the equity holders of the parent		24,088	66,107
Other comprehensive income			
Revaluation of Group occupied property	9	2,900	–
Profit for the year and total comprehensive expense attributable to the equity holders of the parent		26,988	66,107

The notes on pages 15 to 32 form part of these financial statements.

Group statement of changes in equity

for the year ended 30 June 2016

	Share capital £	Share premium account £	Other reserve £	Merger reserve £	Capital redemption reserve £	Revaluation reserve £	Retained earnings £	Own shares held £	Total £
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
Total comprehensive income	–	–	–	–	–	2,900	24,088	–	26,988
At 30 June 2016	2,668,291	11,356,683	173,088	515,569	91,750	48,537	(8,157,016)	(19,065)	6,677,837

Group statement of financial position at 30 June 2016

Company Number: 3630998

	Note	2016 £	2016 £	2015 £	2015 £
ASSETS					
Non-current assets					
Investment properties	8		687,503		562,503
Property, plant and equipment	9		783,070		790,825
Trade and other receivables	10		395,979		454,285
			1,866,552		1,807,613
Current assets					
Inventories	11	5,612,514		11,762,398	
Trade and other receivables	12	1,794,309		552,896	
Cash and cash equivalents		1,509,644		2,293,439	
			8,916,467		14,608,733
Total assets			10,783,019		16,416,346
LIABILITIES					
Non-current liabilities					
Interest bearing loans and borrowings	14		–		(6,753,866)
					(6,753,866)
Current liabilities					
Trade and other payables	13	(2,801,154)		(3,011,631)	
Interest bearing loans and borrowings	14	(1,304,028)		–	
			(4,105,182)		(3,011,631)
Total liabilities			(4,105,182)		(9,765,497)
Net assets			6,677,837		6,650,849
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	48,537		45,637	
Retained earnings	16	(8,157,016)		(8,181,104)	
Own shares	16	(19,065)		(19,065)	
Total equity			6,677,837		6,650,849

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2016

Geoff Melamet
Director

The notes on pages 15 to 32 form part of these financial statements.

Group statement of cash flows

for the year ended 30 June 2016

	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities				
Profit before taxation	24,088		66,107	
Depreciation	15,876		20,026	
Amortisation of bank facility costs	–		196,240	
Finance income	(37,125)		(38,252)	
Finance expense	1,789,517		1,126,367	
Profit on disposal of property, plant and equipment	(5,750)		(5,367)	
Revaluation surplus on investment properties	(125,000)		(8,333)	
Operating profit before changes in working capital and provisions	1,661,606		1,356,788	
Decrease in inventories	6,149,884		1,908,993	
(Increase)/decrease in trade and other receivables	(1,148,044)		677,897	
Decrease in trade and other payables	(174,332)		(338,017)	
Cash from operations	6,489,114		3,605,661	
Finance income received	2,062		896	
Finance costs paid	(1,869,060)		(948,016)	
Tax received	–		–	
Net cash from operating activities	4,622,116		2,658,541	
Cash flows from investing activities				
Purchase of property, plant and equipment	(5,221)		(21,847)	
Proceeds from sale of property, plant and equipment	5,750		5,367	
Net cash inflow/(outflow) from investing activities		529		(16,480)
Cash flows from financing activities				
Development loan drawn down	400,000		–	
Development costs paid	(69,431)		–	
Movement on bank borrowings	–		(5,806,426)	
Secured loan note issued	–		7,000,000	
Secured loan note costs paid	–		(279,774)	
Secured loan note repaid	(5,737,009)		(1,262,991)	
Net cash from financing activities	(5,406,440)		(349,191)	
Net increase in cash and cash equivalents	(783,795)		2,292,870	
Cash and cash equivalents at the beginning of the year	2,293,439		569	
Cash and cash equivalents at the end of the year	1,509,644		2,293,439	

The notes on pages 15 to 32 form part of these financial statements.

Notes forming part of the group financial statements

for the year ended 30 June 2016

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 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements were approved by the Directors on 20 December 2016.

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 33 to 39.

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 convertible loan note issued to Aspen Finance Limited and loans for specific development projects. The convertible loan note and other loans had a carrying value in the accounts of £1,304,028 and the Group had cash balances on deposit at bank of £1,509,644.

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 and future expected loan funding. 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

Standards and interpretations that are applicable for the first time in the Group's financial statements for the year ended 30 June 2016 have had no effect on these financial statements.

Adoption of new and revised standards and interpretations

Standards and interpretations in issue but not yet effective

The following are significant 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).
- **IFRS 16** – Leases (effective for accounting periods beginning on or after 1 January 2019 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.

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.

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

1 Significant accounting policies (continued)

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	–	25% per annum on the straight line basis
Fixtures and fittings	–	25% per annum on the straight line basis
Plant and machinery	–	25% per annum on the straight line 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.

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.

1 Significant accounting policies (continued)

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.

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.
- Development loans are initially recognised at fair value net of any transaction costs directly attributable to the issue of the loan. 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.

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

1 Significant accounting policies (continued)

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.

A key assumption in the forecasts is the ability of the Group to obtain additional financing on acceptable terms to fund new developments. Whilst some funding has been raised since the year end further funding is required in order to acquire and develop new sites. The Directors expect the Group to be able to obtain additional funding on normal commercial terms.

Further details of the Board's assessment of going concern are set out on page 15.

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.

iii. 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.

iv. 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 2016

	Residential Development £	Commercial Development £	Property Investment £	Central and Other £	Total £
Income statement					
Revenue					
External revenue	14,381,782	3,886,924	(24,497)	–	18,244,209
Inter-segment revenue	–	–	43,500	(43,500)	–
	14,381,782	3,886,924	19,003	(43,500)	18,244,209
Segment result					
Segment result before central charges	809,181	724,841	152,823	89,635	1,776,480
Central charges	(135,988)	(62,022)	(63,334)	261,344	–
Segment result after central charges	673,193	662,819	89,489	350,979	1,776,480
Finance income	35,136	152,293	54,468	(204,772)	37,125
Finance expense	(290,104)	(258,128)	–	(1,241,285)	(1,789,517)
Profit before taxation	418,225	556,984	143,957	(1,095,078)	24,088
Taxation	(8,632)	(42,711)	3,226	48,117	–
Profit after taxation	409,593	514,273	147,183	(1,046,961)	24,088
Transactions between segments are accounted for at market value.					
Statement of financial position					
Assets					
Segment assets	5,776,251	5,094,298	1,875,698	(1,963,228)	10,783,019
Liabilities					
Segment liabilities	4,935,887	6,644,317	34,110	(7,509,132)	4,105,182
Segment net assets	840,364	(1,550,019)	1,841,588	5,545,904	6,677,837
Other information					
Capital expenditure	4,524	405	–	292	5,221
Depreciation of property plant and equipment	17,860	1,518	–	(3,502)	15,876

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

2 Segmental analysis (continued)

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

3 Directors and employees

	2016 £	2015 £
Staff costs, including directors, consist of:		
Wages and salaries	1,810,963	1,975,567
Social security costs	177,953	200,590
Other pension costs	167,288	108,148
	2,156,204	2,284,305

The average number of employees, including directors, during the year was:

	Number	Number
Administration	18	19
Operations	34	35
	52	54

Directors' remuneration consists of:	£	£
Directors' emoluments	266,555	290,236
Directors' pension contributions	97,135	42,776
	363,690	333,012

The total amount payable to the highest paid director in respect of emoluments was £124,555 (2015 – £151,376). Company pension contributions of £57,034 (2015 – £23,638) were made to a money purchase scheme on their behalf.

Pension contributions to money purchase schemes were made in respect of 2 directors (2015 – 2).

4 Operating profit

	2016 £	2015 £
This has been arrived at after charging/(crediting):		
Depreciation	15,876	20,026
Auditors' remuneration:		
Fees payable to the Company's auditor for the audit of:		
– the Company's annual accounts	13,400	13,400
– the subsidiaries' annual accounts	16,600	16,600
Fees payable to the Company's auditor for other services:		
– tax compliance	9,650	9,650
– other	3,000	3,000
Hire of plant and machinery	134,823	176,900
Other operating lease rentals: – vehicles	16,872	16,702
– land and buildings	5,521	10,670
Impairment charge, net of reversals, in respect of carrying value of Inventories	124,367	72,178
Rent receivable	(33,981)	(129,379)
Profit on sale of property, plant and equipment	(5,750)	(5,367)

During the year overhead costs totalling £164,464 (2015 – £250,081) were allocated from administrative expenses to work-in-progress.

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

5 Finance expense

	2016 £	2015 £
Bank loans and development loans repayable within 5 years	6,893	636,769
Convertible loan note	55,781	114,009
Secured loan note	1,726,843	375,589
	1,789,517	1,126,367

6 Tax credit

Recognised in the income statement	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax on profit for the year	—	—
Adjustment in respect of prior periods	—	—
Total tax credit reported in the income statement	—	—

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

	2016 £	2015 £
Profit before tax	24,088	66,107
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.0% (2015 – 20.75%)	4,818	13,717
Effects of:		
Expenses not deductible for tax purposes	24,770	14,053
Change in fair value of investment and owner occupied properties	(32,500)	(1,729)
Capital allowances for the year in excess of depreciation	(15,913)	4,155
Utilisation of tax losses brought forward	(152,317)	(20,725)
Unrelieved trading losses for the year carried forward	273,106	63,745
Non taxable income	(101,964)	(71,929)
Other	—	(1,287)
Tax credit for the year	—	—

Subject to the agreement of HM Revenue & Customs, there are trading tax losses of approximately £3.5 million (2015 – £3.7 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 (2015 – Nil p per ordinary share). The Directors do not propose to pay a final dividend for the year (2015 – Nil p per ordinary share).

8 Investment properties

	2016 £	2015 £
<i>Fair value</i>		
At beginning of year	562,503	554,170
Revaluations included in income statement	125,000	8,333
At end of year	687,503	562,503

As at 30 June 2016, the historical cost of investment property owned by the Group was £599,245 (2015 – £599,245).

The fair value of the Group's investment property at 30 June 2016 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 £(27,392) (2015 – £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 £28,331 (2015 – £38,442).

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 2015	759,999	19,554	57,318	249,119	1,085,990
Additions	–	–	–	5,221	5,221
Disposals	–	–	(20,034)	–	(20,034)
Revaluation	2,900	–	–	–	2,900
At 30 June 2016	762,899	19,554	37,284	254,340	1,074,077
<i>Depreciation</i>					
At 1 July 2015	–	19,547	47,784	227,834	295,165
Provided for the year	–	–	4,694	11,182	15,876
Disposals	–	–	(20,034)	–	(20,034)
At 30 June 2016	–	19,547	32,444	239,016	291,007
<i>Net book value</i>					
At 30 June 2016	762,899	7	4,840	15,324	783,070
At 30 June 2015	759,999	7	9,534	21,285	790,825

The fair values of the Group's property occupied for its own purposes at 30 June 2016 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.

As at 30 June 2016, the carrying value of freehold land and buildings on an historical cost basis was £691,893 (2015 – £707,561).

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

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 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

10 Trade and other receivables due in more than one year

	2016 £	2015 £
Trade receivables	395,979	394,666
Other receivables	–	59,619
	395,979	454,285

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 trade and other receivables.

11 Inventories

	2016 £	2015 £
Raw materials and consumables	22,830	22,830
Land held for development	4,172,903	4,602,842
Work in progress	1,349,014	4,494,841
Completed developments and houses for sale	67,767	2,641,885
	5,612,514	11,762,398

Inventories with a carrying amount of £796,269 (2015 – £11,762,398) have been pledged as security for the Group's borrowings.

During the year ended 30 June 2016, 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 £124,367 (2015 – £72,178) in the year and a reversal of £Nil (2015 – £Nil) 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.

11 Inventories (continued)

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 £1,777,457 (2015 – £1,078,225) of inventories are valued at net realisable value rather than at historical cost.

£14,679,242 (2015 – £15,866,107) of inventories were recognised as an expense in the year.

12 Trade and other receivables falling due within one year

	2016 £	2015 £
Trade receivables	477,039	114,392
Amounts recoverable on contracts	1,155,213	107,321
Other receivables	63,195	206,147
Prepayments and accrued income	98,862	125,036
	1,794,309	552,896

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

	2016 £	2015 £
Amounts falling due within one year		
Trade payables	621,601	941,790
Other taxes and social security	67,871	104,329
Other payables	21,305	–
Retentions	523,105	543,295
Accruals and deferred income	1,567,272	1,422,217
	2,801,154	3,011,631

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 2016

14 Borrowings

	2016 £	2015 £
Are repayable as follows:		
<i>In less than one year:</i>		
Convertible loan note	1,000,000	–
Development loans	403,735	–
Less unamortised facility fees	(99,707)	–
Total less than one year	1,304,028	–
<i>In more than one year but not more than two years</i>		
Secured loan note	–	5,759,509
Convertible loan note	–	994,357
Total greater than one year	–	6,753,866
Total borrowings	1,304,028	6,753,866

The secured loan note was repaid in full and the related fixed and floating charges over the assets of the Company and certain other Group companies was released on 13 June 2016.

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

The development loans are secured by fixed and floating charges over Rippon Homes BLG Ltd and are guaranteed by Rippon Homes Ltd and Artisan (UK) plc.

The interest rate profile of the borrowings is as follows:

	Currency	Nominal interest rate	Year of maturity	2016 £	2015 £
Development loans:					
Senior debt	GBP	base + 6.5%	2017	50,134	–
Mezzanine	GBP	2% per month	2017	353,601	–
Secured loan note	GBP	10%	2017	–	5,759,509
Convertible loan note **	GBP	5%	2015	1,000,000	994,357
Less:					
Unamortised facility fees				(99,707)	–
				1,304,028	6,753,866

** nominal interest rate increased to 12% from 1 July 2016

15 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
13,341,455 (2015 – 13,341,455) ordinary shares of 1p (2015 – 1p) each	133,415	133,415
253,487,645 (2015 – 253,487,645) deferred shares of 1p each (2015 – 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 2016

17 Financial instruments

Financial risk management

The Group's financial instruments comprise secured loan notes, secured development loans, convertible loan notes, cash and various items such as trade receivables and trade payables that arise directly from its operations. Cash, secured development loans and 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

Financial assets at fair value through profit and loss

	2016 £	2015 £
Non-current financial assets		
Trade receivables	395,979	394,666
Financial assets classified as loans and receivables		
Current financial assets		
Cash and cash equivalents	1,509,644	2,293,439
Trade receivables	477,039	114,392
Amounts recoverable on contracts	1,155,213	107,321
Other receivables	56,977	85,097
Total current financial assets	3,198,873	2,600,249
Total financial assets	3,594,852	2,994,915

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

Financial liabilities

Financial liabilities at fair value through profit and loss

	2016 £	2015 £
Non-current financial liabilities		
Loans and borrowings	–	6,753,866
	–	6,753,866
Financial liabilities measured at amortised cost		
Current financial liabilities		
Trade payables	621,601	941,790
Retentions	523,105	543,295
Accrued charges	1,557,052	1,395,014
Loans and borrowings	1,304,028	–
Total current financial liabilities	4,005,786	2,880,099
Total financial liabilities	4,005,786	9,633,965

17 Financial instruments (continued)

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

	2016 Level 3 £	2015 Level 3 £
Financial assets		
Non-current financial assets		
Trade receivables	395,979	394,666
	2016 Level 3 £	2015 Level 3 £
Financial liabilities		
Non-current financial liabilities		
Convertible loan note	–	994,357
Current financial liabilities		
Convertible loan note	1,000,000	–
	1,000,000	994,357

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:

	2016 Level 3 £	2015 Level 3 £
Non-current financial assets – trade receivables		
At beginning of year	394,666	357,310
Disposals	(33,750)	–
Gains and losses recognised in profit or loss (finance income)	35,063	37,356
At end of year	395,979	394,666

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.

	2016 Level 3 £	2015 Level 3 £
Financial liabilities – convertible loan note		
At beginning of year	994,357	930,349
Gains and losses recognised in profit or loss (finance expense)	5,643	64,008
At end of year	1,000,000	994,357

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.

Notes forming part of the group financial statements continued for the year ended 30 June 2016

17 Financial instruments (continued)

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

Exposure to interest rate risk arises in the normal course of the Group's business as some of the Group's secured loans are at variable rates of interest, based on base rate plus a lending margin. The Board consider on an ongoing basis whether any form of hedging is appropriate in relation to interest rate risk, in the light of likely cash flows and indebtedness, interest rate movements and other macro economic factors looking ahead. At 30 June 2016, the Group had no hedging arrangements in place.

The interest rate profile of the Group's interest bearing financial instruments is set out in note 14.

Sensitivity analysis for the year ended 30 June 2016 indicates that a general increase of one percentage point in interest rates applying for the full year would reduce the Group's profit after tax by approximately £4,000 (2015 – £Nil).

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.

In the commercial and residential divisions the Group is exposed to credit risk from credit sales on build contracts where customers have entered into contracts 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 usually 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.

17 Financial instruments (continued)

Credit risk analysed by segment is as follows:

	2016 £	2015 £
Residential	2,205,839	2,075,195
Commercial	817,504	321,675
Other	571,509	598,045
	3,594,852	2,994,915

The Group's credit risk is distributed over a number of parties. The maximum credit risk should any single party fail to perform is £1,125,208 (2015 – £107,321). At 30 June 2016 the Group had £120,295 (2015 – £53,169) of receivables past due against which an impairment provision of £Nil 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 9. 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.

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 2016 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 (2015 – £2,000). £2,000 was owed by Aspen at the year end (2015 – £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. With effect from 1 July 2016 the loan note has been extended to 1 July 2019 and the interest rate increased to 12% p.a. During the year the interest payable on the loan notes was £50,000 (2015 – £50,000). At the balance sheet date the Group owed Aspen £12,471 of accrued interest (2015 – £12,466).

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

Notes forming part of the group financial statements continued

for the year ended 30 June 2016

18 Related parties (continued)

Trading with related parties that are not part of the Group

During the year Rippon Homes Limited entered into a development agreement with Zengreen Limited (a company to which Geoffrey Melamet is a director) to develop a residential site at Eastwood in Nottinghamshire. Sales to the related party in the year were £2,220,023 (2015: £Nil) and the amount owed at the balance sheet date was £1,125,208 (2015: £Nil).

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors. Rippon Homes Limited has guaranteed Zengreen Limited's development loan for the project. The loan balance outstanding at 30 June 2016 was £415,722 (2015: £Nil).

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 pages 21.

	2016 £	2015 £
Short-term employee benefits	266,555	290,236
Post-employment benefits	97,135	42,776
	363,690	333,012

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.

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 2016, bonds in issue amount to £894,301 (2015 – £874,092).

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.

20 Leasing commitments

Commitments under non-cancellable operating leases are as follows:

	2016 Land and buildings £	2016 Other £	2015 Land and buildings £	2015 Other £
Expiring:				
Within one year	1,200	2,789	–	5,949
Between two and five years	–	–	6,000	7,569
After five years	279,125	–	322,625	–

Company balance sheet

at 30 June 2016

Company number 3630998

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	4		2,483		4,462
Investments	5		2,831,015		2,830,915
			2,833,498		2,835,377
Current assets					
Debtors	6	6,681,466		14,685,486	
Cash at bank and in hand		559,179		571,811	
		7,240,645		15,257,297	
Creditors: amounts falling due within one year	7	3,052,537		2,749,995	
Net current assets			4,188,108		12,507,302
Total assets less current liabilities			7,021,606		15,342,679
Creditors: amounts falling due after one year	9		–		(6,753,866)
Net assets			7,021,606		8,588,813
Capital and reserves					
Called up share capital	10		2,668,291		2,668,291
Share premium account			11,356,683		11,356,683
Merger reserve			689,328		689,328
Other reserves			173,088		173,088
Capital redemption reserve			91,750		91,750
Profit and loss account			(7,938,469)		(6,371,262)
Own shares			(19,065)		(19,065)
Shareholders' funds			7,021,606		8,588,813

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2016

Geoff Melamet
Director

The notes on pages 35 to 39 form part of these financial statements.

Company statement of changes in equity

for the year ended 30 June 2016

	Share capital £	Share premium account £	Other reserve £	Merger reserve £	Capital redemption reserve £	Retained earnings £	Own shares held £	Total £
At 30 June 2014	2,668,291	11,356,683	173,088	689,328	91,750	(5,042,312)	(19,065)	9,917,763
Loss for the year	–	–	–	–	–	(1,328,950)	–	(1,328,950)
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive expense	–	–	–	–	–	(1,328,950)	–	(1,328,950)
At 30 June 2015	2,668,291	11,356,683	173,088	689,328	91,750	(6,371,262)	(19,065)	8,588,813
Loss for the year	–	–	–	–	–	(1,567,207)	–	(1,567,207)
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive expense	–	–	–	–	–	(1,567,207)	–	(1,567,207)
At 30 June 2016	2,668,291	11,356,683	173,088	689,328	91,750	(7,938,469)	(19,065)	7,021,606

Notes forming part of the company financial statements

for the year ended 30 June 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

FRS 102 is mandatory for accounting periods beginning on or after 1 January 2015. Information on the impact of first time adoption of FRS 102 is given in note 13.

The financial statements are presented in pounds sterling which is the Company's functional currency and rounded to the nearest pound. The preparation of financial statements in compliance with FRS 102 required the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and the end of the period has been presented as the reconciliation for the Group and parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

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.

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:

- 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.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following key judgements and estimates:

- Determining whether there are indicators of impairment of the Company's investments in subsidiary undertakings and amounts owed by subsidiary undertakings included within debtors. Factors taken into consideration include the viability and expected future financial performance of the subsidiaries.
- Financial forecasts are prepared to support preparation of the accounts on the going concern basis – see note 1 to the Group financial statements for details.

Notes forming part of the company financial statements continued

for the year ended 30 June 2016

2 Directors and employees

	2016 £	2015 £
Staff costs, including Directors, consist of:		
Wages and salaries	178,831	199,735
Social security costs	14,420	20,508
Other pension costs	99,131	38,367
	292,382	258,610

Details of Directors' remuneration and pension entitlements are set out in note 3 on page 21.

	2016 Number	2015 Number
The average number of employees, including Directors, during the year was:		
Administration	4	4

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 £1,567,207 (2015 – £1,328,950).

The auditors' remuneration for audit services to the Company was £13,400 (2015 – £13,400).

4 Tangible assets

	Equipment, fixtures and fittings £
<i>Cost</i>	
At 1 July 2015	15,936
Additions	292
At 30 June 2016	16,228
<i>Depreciation</i>	
At 1 July 2015	11,474
Provided for the year	2,271
At 30 June 2016	13,745
<i>Net book value</i>	
At 30 June 2016	2,483
At 30 June 2015	4,462

5 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 July 2015	10,750,179
Additions	100
At 30 June 2016	10,750,279
<i>Provision for impairment</i>	
At 1 July 2015	7,919,264
Impairment charge	–
At 30 June 2016	7,919,264
<i>Net book value</i>	
At 30 June 2016	2,831,015
At 30 June 2015	2,830,915

The Company recognised an impairment charge of £Nil (2015 – £176,721) 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 2016 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
Rippon Homes BLG 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.

Notes forming part of the company financial statements continued

for the year ended 30 June 2016

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Amounts owed from subsidiary undertakings	6,669,364	14,654,128
Other debtors	5,334	8,821
Prepayments and accrued income	6,768	22,537
	6,681,466	14,685,486

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	22,401	64,695
Amounts owed to subsidiary undertakings	1,886,432	2,461,067
Other taxes and social security	15,356	14,456
Accruals and deferred income	128,348	209,777
Convertible loan note (see note 8)	1,000,000	–
	3,052,537	2,749,995

8 Borrowings

	2016 £	2015 £
Are repayable as follows:		
In less than one year		
Convertible loan note	1,000,000	–
In more than one year but not more than two years		
Secured loan note	–	5,759,509
Convertible loan note	–	994,357
	–	6,753,866

The secured loan note was repaid in full during the year.

With effect from 1 July 2016 the term of the convertible loan note has been extended to 1 July 2019 and the interest rate has been increased to 12% p.a.

9 Creditors: amounts falling due after one year

	2016 £	2015 £
Secured loan note	–	5,759,509
Convertible loan note (see note 8)	–	994,357
	–	6,753,866

10 Share capital

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

11 Contingent liabilities and commitments

The fixed and floating charge over the Company's assets given to the holder of the secured loan notes was released during the year following repayment of the loan notes. At 30 June 2016 the carrying value of the secured loan note covered by the mortgage and charge was £Nil (2015 – £5,759,509).

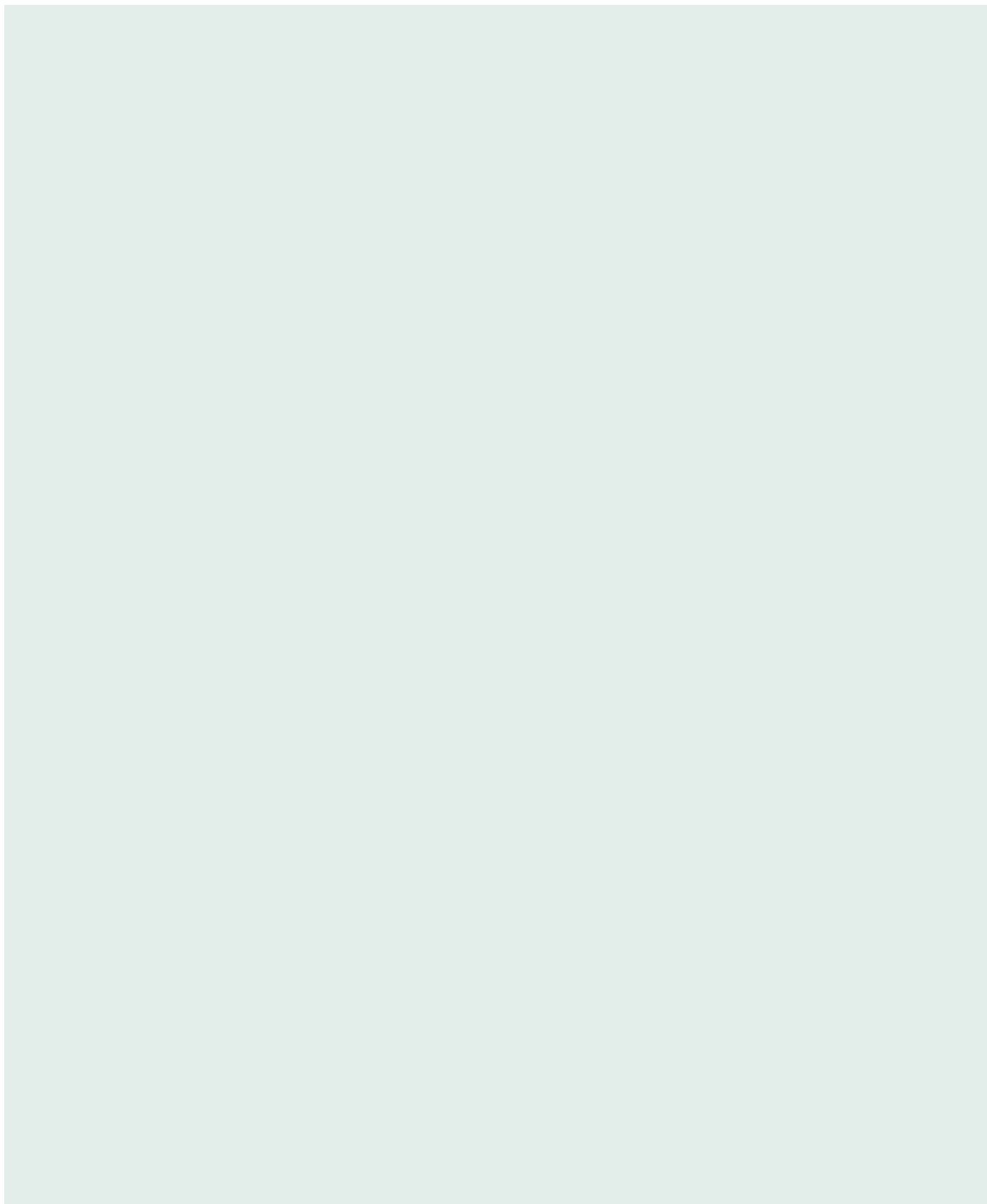
As set out in note 14 to the Group financial statements, the Company has given a guarantee for the development loans held by its subsidiary Rippon Homes BLG Limited.

12 Related party disclosure

See note 18 to the Group financial statements.

13 First time adoption of FRS 102

The transition to FRS 102 has not resulted in any changes to previously reported equity or results.





The new regional office developed for Forfarmers UK Limited by Artisan (UK) Developments Limited near Bury St Edmunds in Suffolk.

This project demonstrates how we have been able to lead a project in its early stages of design and feasibility to become a fully developed project that will be handed over by Artisan in the first quarter of 2017. The assistance provided by Artisan included support in presenting the business case and examining differing financial structures for the project.



	ARTISAN (UK) DEVELOPMENTS LIMITED	
	ARTISAN (UK) PROJECTS LIMITED	RIPPON HOMES LIMITED
ARTISAN (UK) plc	ARTISAN (UK) PROPERTIES LIMITED	ARTISAN (UK) LAND 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	The Willows Ransom Wood Business Park Southwell Road West Mansfield NG21 0HJ
Telephone: 01480 436666 Fax: 01480 436231 Email: email@artisan-plc.co.uk	Telephone: 01480 436777 Fax: 01480 436231 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