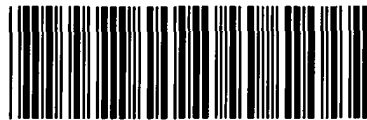




Company No. 06865722

Vivark Limited
Annual Report and Financial Statements
Year End 31st March 2018

THURSDAY



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Company Information

Company Registration Number	06865722
Registered Office	Lakeview Kings Business Park Prescot Merseyside L34 1PJ
Bankers	Barclays Bank 48b and 50 Lord Street Liverpool L2 1TD
External Auditors	Mazars LLP Registered Auditor Chartered Accountants 45 Church Street Birmingham B3 2RT

Board Members, Executive Directors, Advisors & Bankers

Vivark Limited

	Category	Changes in the Year
Christopher Saxton	Independent Board member	
Philip Cusack	Independent Board member	
Graeme Dodd	Independent Board member	
James Boyd	Independent Board member	
Mark Muncaster	Independent Board member	
Amanda Harris	Company Secretary	Resigned 24 th April 2018
Sharon Marsh	Company Secretary	Appointed 24 th April 2018

Strategic Report

Business and financial review

Vivark Limited ('Vivark' or 'the Company') is a subsidiary of the First Ark Group and operates throughout the North West of England, with its head office at Kings Business Park, Prescot. The Company commenced trading on 1st October 2012 when the commercial activities of KHT Services Limited were transferred to Vivark.

The Group Board has identified Vivark's role as 'providing an increasing range of commercial offers to businesses and to customers whilst making acceptable profits'.

The company's key financial and other performance indicators during the year were as follows:

	2018	2017	2016
	£'000	£'000	£'000
Turnover	23,155	19,774	22,301
Gross profit	3,528	3,622	4,070
Operating Profit/(loss) before restructuring costs	631	442	1,174
Restructuring costs	-	(4)	(2,138)
Operating Profit/(loss) for the financial year	631	438	(964)
Shareholder's equity	1,613	1,069	720
Current assets as a % of current liabilities	156%	128%	115%
Planned works completed within target as a %	100%	100%	100%
Customer satisfaction	97.3%	99.3%	93.8%
Average number of full time employees	177	178	224

Strategic Report (continued)

Business and financial review continued

The Board is pleased to report that total income for 2017/18 grew by 17%, compared to the prior year, with strong demand from our main customer KHT across all categories. Vivark's renewed focus on the strategic objective of delivering external growth for the Group brought success in both winning new external contracts and expanding services to existing customers.

Following the successful tender for the new KHT contract in 2016/17, Vivark is in a strong position to deliver on its growth and profitability ambitions. The Board and management team are working closely with KHT to agree a 5 year planned maintenance and procurement programme which will enable the delivery of greater value for money for KHT's tenants and the First Ark Group.

Vivark generated a pre-tax profit of £632k (2017: £439k), increasing shareholders equity to £1,613k (2017: £1,069k). The company's "quick ratio" (current assets less inventory as a percentage of current liabilities) has increased to 156% (2017: 128%). Vivark continues to manage its cash flow effectively to meet short term obligations and provide working capital for growth.

Principal risks and uncertainties

Risk Management is a key element to making the company successful in delivering its objectives whilst protecting the interests of our stakeholders. Good risk management allows our stakeholders to have increased confidence in the company's corporate governance, and our ability to deliver the strategic objectives.

A range of business risk assessments and performance indicators looking at both financial and non-financial measures that act as a barometer to the overall health of the business are reviewed regularly by the Executive Team and at quarterly Board meetings.

The risk appetite is set by the First Ark Group Board, and this is reviewed and amended where required to reflect the prevailing political, social and economic climate.

The Risk Management Strategy is led from the top of the organisation and is embedded in the normal working routines and activities of the organisation. All employees are made aware of the relevance of risk to the achievement of their personal and team objectives, and training to support employees in risk management is made available.

ON BEHALF OF THE BOARD

Philip Cusack
Director



24 July 2018

Report of the Directors

The Directors present their report together with the audited financial statements for the year ended 31st March 2018.

Principal Activities

Vivark Limited is a wholly owned subsidiary of First Ark Limited and the principal activities of the company are to undertake commercial trading activities on behalf of the Group. These activities include facilities management and property refurbishment services.

Going concern

The financial statements have been prepared on a going concern basis. Further disclosures are provided in the accounting policies note.

Business review

The profit of the company after taxation amounted to £544k (2017: £349k). The Directors do not recommend the payment of a dividend (2017: £nil).

Directors

The Directors who served on the Board during the year are listed in the company information on page 2.

Employee involvement

Employees are kept informed about the progress and position of the company by means of regular departmental meetings, newsletters and an annual staff conference. Employee engagement is undertaken through a range of formal and informal groups of employees who are representative of the spectrum of roles in the company.

Employment

Vivark is committed to equality of opportunity and makes every effort to promote equality and diversity in employment. Vivark ensures that staff recruitment, discipline and development issues are dealt with equally.

The Company is committed to supporting disabled persons in the workplace via its recruitment policies and the retention of employees who become disabled whilst employed by Vivark. Should an employee become disabled, every effort is made to ensure their employment with the company continues and appropriate training and adaptations are arranged.

The Board is aware of its responsibilities on all matters relating to Health & Safety. The company has detailed Health & Safety policies, a robust safety management system and provides training and education to all staff on health & safety matters appropriate to their role.

Report of the Directors (continued)

Future Developments

The Board has an approved 5 year corporate plan which was reviewed and updated in February 2018. The key objectives are to:

- Increase the range of Facilities Management products and services Vivark provides to customers within and outside of the First Ark Group;
- Develop and implement a strategy to grow and diversify Vivark's external customer base in the North West, whilst achieving acceptable profits levels;
- Create social, environmental and economic benefits to customers and the communities it works in creating jobs, improving its supply chain and creating additional social value;
- Invest profits to introduce new products, fund the cash flow associated with growth and to gift aid a proportion of profits through social levies to One Ark to contribute towards the First Ark Group's social impact objectives.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Report of the Directors, and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), including FRS102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'. 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 and profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- 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 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.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

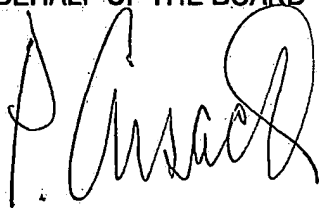
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Mazars LLP offer themselves for reappointment as auditors in accordance with Section 485 of the companies Act 2006.

A resolution to appoint the external auditors will be proposed to a meeting of the Board in July 2018.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'P. Cusack', written over the text 'ON BEHALF OF THE BOARD'.

Philip Cusack
Director

24 July 2018

Independent auditor's report to the members of Vivark Limited

Opinion

We have audited the financial statements of Vivark Limited (the 'company') for the year ended 31 March 2018 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor's report to the members of Vivark Limited (continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Vivark Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Strategic Report and the Report of the Directors and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the members of Vivark Limited (continued)

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Lee Cartwright
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham, B3 2RT.

06 September 2018

Statement of Comprehensive Income

		Year ended 31 st March 2018	Year ended 31 st March 2017
	Note	£'000	£'000
Turnover	5	23,155	19,774
Cost of sales		<u>(19,627)</u>	<u>(16,152)</u>
Gross profit		3,528	3,622
Administrative expenses		<u>(2,897)</u>	<u>(3,184)</u>
Operating profit/(loss)		<u>631</u>	<u>438</u>
Interest received		1	1
Profit / (loss) on ordinary activities before taxation		632	439
Tax on profit /(loss) on ordinary activities	7	(88)	(90)
Profit /(loss) for the financial year		<u>544</u>	<u>349</u>
Retained earnings at the start of the year		<u>1,069</u>	<u>720</u>
Retained earnings at the end of the year		<u>1,613</u>	<u>1,069</u>

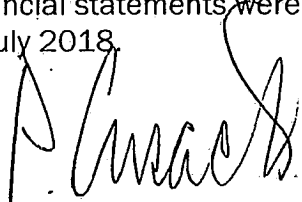
All activities in the current and prior year are classified as continuing as at 31st March 2018.

The notes on pages 14 to 25 form part of the financial statements.

Statement of Financial Position

		Year ended 31 st March 2018	Year ended 31 st March 2017
	Note	£'000	£'000
Fixed assets			
Tangible assets	8	5	17
Current assets			
Stocks	9	108	97
Debtors	10	2,114	787
Cash at bank and in hand		2,044	3,620
		<u>4,266</u>	<u>4,504</u>
Creditors : amounts falling due within one year	11	<u>(2,658)</u>	<u>(3,452)</u>
Net current assets		<u>1,608</u>	<u>1,052</u>
Total assets less current liabilities		<u>1,613</u>	<u>1,069</u>
Net Assets		<u><u>1,613</u></u>	<u><u>1,069</u></u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss account	14	1,613	1,069
Shareholders' funds		<u><u>1,613</u></u>	<u><u>1,069</u></u>

The financial statements were approved by the Board of Directors and issued for signing on 24 July 2018.


Philip Cusack
Director


Sharon Marsh
Company Secretary

Company Registration Number 06865722

The notes on pages 14 to 25 form part of the financial statements.

Notes to the Financial Statements

1. Company Information

Vivark Limited is a private company limited by shares and is incorporated in the UK. Its registered office is Lakeview, Kings Business Park, Prescot, Merseyside, L34 1PJ.

The company's principal activity is to undertake commercial trading activities on behalf of third parties and its functional currency is in sterling.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Northern Ireland ('FRS 102') and with the Companies Act 2006, under the historical cost convention. The preparation of the financial statements under FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The Directors have reviewed the accounting policies in accordance with FRS 102 and consider them to be the most appropriate to the company's circumstances.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review within the Strategic Report. The company's objectives, policies and processes for managing its capital, its financial risk management objectives and its policies are set out in the Report of the Directors.

On the basis of the above, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

3. Key estimates and judgements

The most significant areas of judgement and key assumptions that affect items in the accounts are in respect of the classification of leases.

Lease agreements for vehicles are in place. Leases are reviewed to determine whether they meet the classification criteria of an operating or a finance lease under FRS102. The Directors consider the arrangements are operating leases.

Notes to the Financial Statements (continued)

4. Principal Accounting Policies

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

Turnover

Turnover is the revenue arising from the sales of goods and services. It is stated at the fair value of the consideration receivable, net of value added tax.

Revenue from services provided is recognised when the company has performed its obligations and in exchange obtained the right to consideration.

Revenue generated from construction contracts is recognised in accordance with the stage of completion of the contractual obligations to the customer. The state of completion of the contracts at the balance sheet date is assessed by reference to the value of work done.

Where the outcome of a contract can be assessed reliably, contract revenue and associated costs are recognised as revenue and costs respectively by reference to the stage of completion of the contract activity at the balance sheet date.

Where the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and the contract costs are recognised in the period in which they are incurred.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point the customer has taken delivery of the goods.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation, where cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated using the straight line method and aims to write off the cost less estimated residual value of all tangible fixed assets over their expected useful economic lives. The rates and methods applicable are:

Tools & Equipment	25% straight line
Office Equipment	25% straight line

Notes to the Financial Statements (continued)

Operating lease agreements

Leases where substantially all of the risks and rewards of ownership are not transferred to the company are treated as operating leases. Rentals under operating leases are charged against profits on a straight-line basis over the year of the lease.

Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items. The cost of raw materials and consumables is based on purchased cost on a first-in, first-out basis. The net realisable value is the estimated selling price less all further costs to complete and all costs to be incurred in marketing, selling and distribution.

Pensions

The company participates in a defined contribution pension scheme. Obligations for contributions are recognised as an expense in the Statement of Comprehensive Income, and recognised as due. Any difference between the amounts charged to the Statement of Comprehensive Income and contributions paid to the pension scheme are included in debtors or creditors on the Statement of Financial Position.

Income tax

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

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

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

Notes to the Financial Statements (continued)

Provisions for liabilities

Provisions (other than provisions for post-retirement benefits and deferred taxation) are recognised when the company has a present legal or constructive obligation as a result of past events, where it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be estimated reliably. If the effect of discounting is material, provisions are determined by discounting the expected value of future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability. The unwinding of any discount is recognised as a finance charge in the statement of income and retained earnings.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the estimated period of absence.

A contingent liability arises where the company has a possible obligation as a result of past events, or where the company has a present obligation as a result of past events, but where the transfer of economic benefit to settle the obligation is not probable, or the amount of the liability cannot be measured with sufficient reliability. Contingent liabilities are disclosed in the notes to the financial statements.

Statement of Cash Flows

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of First Ark Limited which can be obtained from its registered office. As such, advantage has been taken of the disclosure exemption available under paragraph 1.12 of FRS 102 not to prepare a Statement of Cash Flows for the company.

Notes to the financial statements (continued)

5. Turnover and profit on ordinary activities before taxation

The turnover and profit / (loss) on ordinary activities before taxation are attributable to the principal activities of the company, all within the UK.

Turnover analysed by category is as follows:

	Year ended 31 st March 2018 £'000	Year ended 31 st March 2017 £'000
Sales of goods	140	70
Rendering of services	23,015	19,704
	<u>23,155</u>	<u>19,774</u>

The profit/(loss) on ordinary activities before taxation is stated after charging:

	Year ended 31 st March 2018 £'000	Year ended 31 st March 2017 £'000
Depreciation:		
– tangible fixed assets	12	29
Auditor's remuneration:		
– audit services	10	12
Operating lease payments – other	483	481
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

6. Employee information

	Year ended 2018 £'000	Year ended 2017 £'000
Staff costs during the year		
Wages and salaries	4,881	4,972
Social security costs	460	473
Other pension costs	191	120
	<u>5,532</u>	<u>5,565</u>

There were £21k redundancy costs in the year (2017: £4k)

	Year ended 2018 Number	Year ended 2017 Number
Staff numbers		
Operations	120	122
Administration and support staff	57	56
	<u>177</u>	<u>178</u>

	Year ended 2018 £'000	Year ended 2017 £'000
Remuneration in respect of Directors		
Basic salary	33	19
Benefits in kind	-	-
Pension contributions	-	-

	£	£
G Dodd	6,860	6,860
J Boyd	6,860	6,860
P Cusack	12,917	3,231
M Muncaster	6,860	1,715
C Saxton*	-	-
	<u>33,497</u>	<u>18,666</u>

* Paid by First Ark Ltd

Notes to the Financial Statements (continued)

Board members are paid for their primary role, and so receive no remuneration for additional board roles within the First Ark Group.

No directors were accruing benefits into a pension scheme. (2017: none)

All the Executive Directors of Vivark Limited are paid from First Ark Limited which is the Ultimate Parent Undertaking.

Notes to the financial statements (continued)

7. Tax on profit/(loss) on ordinary activities

	Year ended 31 st March 2018 £'000	Year ended 31 st March 2017 £'000
The tax charge represents:		
UK corporation tax at 19% (2017: 20%)	99	8
Adjustment in respect of prior years	(11)	-
	<hr/>	<hr/>
Deferred tax (note 12)	-	82
Tax on profit/(loss) on ordinary activities	<u>88</u>	<u>90</u>

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the United Kingdom of 20% (2016: 20%). The differences are explained as follows:

	Year Ended 31 st March 2018 £'000	Year Ended 31 st March 2017 £'000
Profit/(Loss) on ordinary activities before taxation	<u>632</u>	<u>439</u>
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%)	120	88
Effect of:		
Expenses not deductible for tax purposes	-	9
Utilisation of losses	(21)	(92)
Adjustment to tax charge in respect of previous periods	(11)	
Adjustment to opening deferred tax provision	-	83
Adjustment to deferred tax charge in respect of previous periods	-	2
Current tax charge for the year	<u>88</u>	<u>90</u>

Notes to the financial statements (continued)

8. Tangible fixed assets

	Office equipment £'000	Tools & equipment £'000	Total £'000
Cost			
At 1 st April 2017	61	210	271
Additions	-	-	-
Transfers	-	-	-
At 31st March 2018	61	210	271
Depreciation			
At 1 st April 2017	60	194	254
Charge in year	1	11	12
Transfers	-	-	-
At 31st March 2018	61	205	266
Net book amount			
At 31st March 2018	-	5	5
At 31 st March 2017	1	16	17

9. Stock

	2018 £'000	2017 £'000
Raw materials and consumables	108	97

There is no impairment loss (2017: £nil k) recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

Notes to the financial statements (continued)

10. Debtors

	2018 £'000	2017 £'000
Trade debtors	465	586
Amounts owed by group undertakings	1,351	-
Prepayments and accrued income	254	189
Other debtors	40	8
Corporation tax asset	-	-
Deferred tax asset (note 12)	4	4
	<u>2,114</u>	<u>787</u>

An impairment loss of £ 117k (2017: £11k) was recognised in administration expenses during the year against overdue trade debtors.

11. Creditors : amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	664	840
Corporation tax	99	10
Social security and other taxes	175	276
Accruals and deferred income	1,718	995
Amounts owed to group undertakings	-	1,325
Other creditors	2	6
	<u>2,658</u>	<u>3,452</u>

12. Deferred Tax

	Deferred Taxation £'000
At 1 April 2017	4
Movement in the year	-
At 31 March 2018	<u>4</u>

The deferred tax asset is calculated using a tax rate of 20% (2017 20%) and is set out below.

	2018 £'000	2017 £'000
Accelerated capital allowances	-	-
Other timing differences	-	4
	<u>-</u>	<u>4</u>

Notes to the financial statements (continued)

13. Share capital

	2018 £	2017 £
Authorised Ordinary Shares £1	<u>100</u>	<u>100</u>
Allotted, called up and fully paid Ordinary Shares £1	<u>1</u>	<u>1</u>

14. Reserves

Called up share capital represents the nominal value of shares that have been issued.

The profit and loss account includes all current and prior period retained profits and losses.

15. Capital commitments

There were no capital commitments at 31st March 2018 (2017: £Nil).

16. Leasing commitments

Operating lease commitments, future minimum lease payments are as follows:

	2018 £'000	2017 £'000
Vehicles, Plant & Equipment		
In one year or less	322	328
Between one and five years	37	337
In five years or more	-	-
	<u>359</u>	<u>665</u>

Notes to the financial statements (continued)

17. Post Balance Sheet Events

There are no reportable post balance sheet events.

18. Related party transactions

The Directors of the company are paid as disclosed in note 6 of the financial statements.

The company has taken advantage of exemptions conferred by Financial Reporting Standard 102 from disclosing transactions with fellow wholly owned group undertakings consolidated in the accounts of the First Ark Group

19. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking is First Ark Limited. The Directors consider First Ark Limited to be the ultimate controlling party of the company. *First Ark Limited is a company limited by guarantee and registered in England and Wales.* The company registration number is 07295935. The parent organisation oversees the strategy and direction of the First Ark Group and provides corporate services to the Group that demonstrate value for money.

The consolidated accounts are available from Lakeview, Kings Business Park, Prescott, L34 1PJ.