TClarke Leeds Limited

Annual Report and Financial Statements

Year Ended

31 December 2017

Company Number 02023932

TClarke Leeds Limited

Company information

Directors	M Lawrence K C Mullen T J Mitchell
Company secretary	D J Lanchester
Registered number	02023932
Registered office	Low Hall Road Horsforth Leeds West Yorkshire LS18 4EF
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL

TClarke Leeds Limited

Contents

TClarke Leeds Limited

Strategic Report
For the Year Ended 31 December 2017

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2017.

Business review

We aim to present a balanced and comprehensive review of the company's performance and development during the year and its position at the year end. Our review is consistent with the size and nature of our business and also covers the principal risks and uncertainties faced by the company.

Development and performance of the business

The company has performed in line with expectations.

As part of a Group reorganisation, the company's business and trading assets were transferred to another TClarke Group company, TClarke Contracting Limited, at 31 December 2017, and the company has ceased seeking new work from that date. The company's staff transferred to another Group company, TClarke Services Limited, on 31 December 2017.

Financial key performance indicators

The financial KPI's used to measure the company's progress and performance are revenue, operating profit margin, cash generation and net assets.

Revenue decreased by £19,122 to £19,480,610 (2016: £19,499,732), a decrease of 0.1% (2016: increase of 30.3%) and the company made an operating profit of £2,012,666 (2016: £851,142), representing an operating profit margin of 10.3% (2016: 4.4%). Net assets increased by £921,183 to £2,150,215 (2016: £1,229,032). The company's cash balance decreased by £56,277 to £964,057 (2016: £1,020,334) after paying a dividend of £700,000 (2016: £500,000).

Employees

Diversity and equality

The company maintains an equality and diversity policy, selecting and promoting employees based on their aptitudes and abilities. TClarke is committed to providing equal opportunities to all current and future employees and values the differences that a diverse workforce can contribute to the organisation.

When recruiting TClarke gives full and fair consideration to suitable applicants, having regard to individuals' aptitudes and abilities, and takes responsibility for its obligations towards employment of disabled people. The company is committed to ensuring that any individual who becomes disabled during the course of their employment remains in their own role, where possible, or is employed in another suitable position. Training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

The company is committed to ensuring that everyone is treated equally regardless of disability or any other condition which cannot be shown to be relevant to performance.

Investing in our workforce

Our people are our biggest asset, and we recognise the need to attract and retain excellent staff which give TClarke the great reputation we are renowned for. Creating shareholder value is ultimately dependent on the skill, dedication, reliability and motivation of our workforce, and we prioritise investment in our employees as a key success factor.

Since the launch of the TClarke Training Academy and Career Pathway in January 2017, we have successfully rolled out our plan of monthly training modules to our new trainees and experienced staff to ensure all staff are trained in TClarke's procedures and kept up to date with new systems and technologies.

We have carried out appraisals with all staff members, including our site supervision, which has been invaluable to allow us to understand our staff's training needs and helping them meet their career aspirations. We have paired junior team members with senior mentors to assist them in their journey within TClarke. This ensures that TClarke's values and aspirations are understood throughout the business.

We ensure employees are kept informed and take appropriate steps to ensure that we communicate with our employees in an effective manner to notify everyone regarding matters that are of concern to them and factors that affect the performance of the company. During 2017, the company launched a new regular newsletter for employees, 'Pipes & Wires', to keep everyone up to date with what is happening across the Group. When the company needs to make decisions which affect our people's interests, we consult with employees, or their representatives, and value their opinions when making decisions which affect their interests.

We are proud to have introduced Mental Health First Aid training sessions to enable staff to become qualified Mental Health First Aiders. This is a big step forward within the industry and proves how serious TClarke is about managing every aspect of our employees' health and wellbeing.

TClarke is committed to compliance with the Modern Slavery Act 2015. A statement which sets out our actions to comply with the requirements of the Act appears on the Group's website: www.tclarke.co.uk.

Principal risks and uncertainties

The principal risks and uncertainties faced by the business and the controls and mitigating factors in place are as follows:

Market conditions

The construction sector has faced extremely challenging conditions over a number of years, with low levels of confidence throughout the UK economy impacting on the demand for new build and maintenance services. The company mitigates this risk by ensuring it offers its services over a broad range of sectors and seeking to build lasting relationships with key contractors and end user clients based on our reputation for delivery and the financial strength of the company and the TClarke Group.

Contractual and operational risk

Failure to deliver projects to time, quality or budget, and contractual disputes that can arise over the scope and valuation of contracts, may make the ultimate outcome of contracts uncertain. The company continually assesses and manages contractual and operational risks, including health and safety risks, throughout the bidding stage to the final commissioning of an installation and handover to the client, using its experienced teams of estimators, engineers, supervisors and surveyors. Our business information systems monitor profit and cash flow throughout the life of a contract and regular review meetings are held to monitor progress and identify and address operational and financial issues as they arise.

Financial risk management

The group has exposure to the following risks from its use of financial instruments, cost inflation, credit and counterparty, liquidity, cash flow and interest rate.

Set out below is further information about the company's exposure to the risk and the company's objectives, policies and procedures for measuring and managing risk. The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework.

Cost inflation

Commodity prices of copper and steel form major component parts within our industry. In addition, UK prices of materials that we could procure could be adversely affected by any weakness in sterling. The majority of projects that we secure do not allow for the recovery of any increase in labour and material costs. The company has in place formal supplier framework agreements to manage and, where possible, mitigate this risk, with prices locked in through procurement at the beginning of a contract wherever possible.

Credit and counterparty risk

The company's main financial assets are contract and other trade receivables, and cash and bank balances. These assets represent the company's main exposure to credit risk, which is a risk that a counterparty will fail to discharge its obligations, resulting in financial loss to the company. The company may also be exposed to financial risk through the failure of a subcontractor or supplier. The financial strength of counterparties is considered prior to signing contracts, and is reviewed as contracts progress where there are indications that a counterparty may be experiencing financial difficulty. Procedures include the use of credit agencies to check the creditworthiness of existing and new clients and the use of approved suppliers lists and framework agreements with key suppliers.

Liquidity risk

The company manages liquidity risk by maintaining adequate cash reserves and banking facilities, monitoring cash flows and by matching maturity profiles of financial assets and liabilities within the bounds of its contractual obligations. The company is party to a group banking arrangement which is managed by its parent company, TClarke Plc.

Cash flow interest rate risk

The company is exposed to changes in interest rates on its bank borrowings and deposits. The company's financial instruments comprise cash and cash equivalents, bank deposits, overdraft facilities, contract and other trade receivables and payables, and other similar balances arising directly from operations. Surplus cash is placed on deposit through the parent company, TClarke Plc, at fixed or floating rates, taking into account future cash requirements based on short and medium term cash projections. The company does not trade in speculative financial instruments.

This report was approved by the board and signed on its behalf.

TJMitchell

....

T J Mitchell
Director

Date: 21 September 2018

TClarke Leeds Limited

Directors' Report
For the Year Ended 31 December 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Results and dividends
The Statement of Comprehensive Income is set out on page 10 and shows the profit for the year.

The company paid an interim dividend during the year of £7,000 (2016 - £5,000) per share. The directors do not recommend the payment of a final dividend (2016 - £nil).

Future developments

An indication of the likely future developments in the business of the company is given in the Strategic Report on pages 1 to 3.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M Lawrence
K C Mullen
O N C Seeger (resigned 10 February 2017)
M R Walton (resigned 2 February 2018)
A Meadley (resigned 16 January 2018)
T J Mitchell (appointed 5 February 2018)

Directors' indemnities

The company maintains directors' and officers' liability insurance cover for its directors and officers as permitted under the company's articles and the Companies Act. Such insurance policies were renewed during the year and remain in force. The company also indemnifies the directors under an indemnity deed with each director which contains provisions that are permitted by the director liability provisions of the Companies Act and the company's articles. An indemnity deed is usually entered into by a director at the time of their appointment to the Board. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act) were in force during the year and remain in force at the date of approval of the financial statements for the benefit of the directors (and any officer) of the company or any associated company.

Financial risk management

The company's financial risk management policies are included in the Strategic Report.

Research and development activities

The company undertakes research and development activity in creating innovative design and construction solutions integral to the delivery of its projects. The direct expenditure incurred is not separately identifiable as the investment is usually contained within the relevant project.

Going concern

Following the Group reorganisation detailed in note 22, the company has transferred its operations to TClarke Contracting Limited and is not seeking further work. All employees have left the business or been transferred to other Group companies. The parent company, TClarke Plc, has undertaken to provide continuing financial support to enable the company to meet its financial obligations for a period of at least 12 months from the date on which the financial statements for the year ended 31 December 2017 were approved.

The directors have a reasonable expectation that the company, in light of the parent company's support, has adequate resources to continue to meet its financial obligations for a period of at least 12 months from the date on which the financial statements for the year ended 31 December 2017 were approved. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Post Statement of Financial Position events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on and signed on its behalf.

T J Mitchell
....
T J Mitchell
Director

Date: 21 September 2018

TClarke Leeds Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulation.

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 comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

This report was approved by the board and signed on its behalf.

T J Mitchell

....

T J Mitchell
Director

Date: 21 SEPTEMBER 2018

TClarke Leeds Limited

Independent Auditors' Report to the Members of TClarke Leeds Limited

Report on the audit of the financial statements

Opinion

In our opinion, TClarke Leeds Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP, Statutory Auditor
Chartered Accountants and Statutory Auditors
London
United Kingdom
Date: 30 September 2018

TClarke Leeds Limited

Statement of Comprehensive Income
For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Revenue	4	**19,480,610**	19,499,732
Cost of sales		**(15,656,751)**	(17,016,107)
Gross profit		**3,823,859**	2,483,625
Administrative expenses		**(1,824,844)**	(1,632,483)
Other operating income	5	**13,651**	-
Operating profit	6	**2,012,666**	851,142
Finance income	9	**-**	16,038
Finance expense	10	**(1,526)**	-
Profit before tax		**2,011,140**	867,180
Tax on profit	11	**(389,957)**	(173,627)
Profit and total comprehensive income		**1,621,183**	693,553

All amounts relate to continuing operations.

The notes on pages 13 to 32 form part of these financial statements.

TClarke Leeds Limited
Registered number: 02023932

Statement of Financial Position
As at 31 December 2017

	Note	2017 £	2016 £
Assets			
Non-current assets			
Property, plant and equipment	13	-	59,609
Trade and other receivables	16	**2,530,854**	-
Deferred tax assets	19	-	791
		2,530,854	60,400
Current assets			
Inventories	14	-	13,387
Amounts due from customers under construction contracts	15	-	1,984,583
Trade and other receivables	16	-	1,915,902
Cash and cash equivalents		**964,057**	1,020,334
		964,057	4,934,206
Total assets		**3,494,911**	4,994,606
Liabilities			
Current liabilities			
Trade and other payables	17	**955,531**	3,045,743
Corporation tax payable		**389,165**	172,569
Amounts due to customers under construction contracts	15	-	547,262
Total liabilities		**1,344,696**	3,765,574
Net assets		**2,150,215**	1,229,032
Equity			
Share capital	20	**100**	100
Retained earnings	21	**2,150,115**	1,228,932
Total equity		**2,150,215**	1,229,032

The financial statements on pages 10 to 32 were approved and authorised for issue by the board and were signed on its behalf by:

T J Mitchell
....
T J Mitchell
Director

Date: 21 September 2018

TClarke Leeds Limited

Statement of Changes in Equity
For the year ended 31 December 2017

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2017	100	1,228,932	1,229,032
Comprehensive income for the year			
Profit for the year	-	1,621,183	1,621,183
Total comprehensive income for the year	-	1,621,183	1,621,183
Contributions by and distributions to owners			
Dividends: Equity capital	-	(700,000)	(700,000)
Total contributions by and distributions to owners	-	(700,000)	(700,000)
At 31 December 2017	100	2,150,115	2,150,215

Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	100	1,035,379	1,035,479
Comprehensive income for the year			
Profit for the year	-	693,553	693,553
Total comprehensive income for the year	-	693,553	693,553
Contributions by and distributions to owners			
Dividends: Equity capital	-	(500,000)	(500,000)
Total contributions by and distributions to owners	-	(500,000)	(500,000)
At 31 December 2016	100	1,228,932	1,229,032

The notes on pages 13 to 32 form part of these financial statements.

1. General information

TClarke Leeds Limited ('the company') is a private limited company, limited by shares, registered in England and Wales under the Companies Act 2006 and is incorporated and domiciled in the United Kingdom. Its registered office is disclosed on the Company Information page. The nature of the company's operations and its principal activities are set out in the business review on page 1.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation of financial statements

The company meets the definition of a qualifying entity under Financial Reporting Standard 100 ('FRS 100') issued by the Financial Reporting Council ('FRC').

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006, and are presented in £.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in relation to certain assets, presentation of a cash flow statement, related party transactions, standards not yet effective and share-based payment expenses. Where required, equivalent disclosures are available in the consolidated financial statements of TClarke Plc, which are available to the public at www.tclarke.co.uk and from Companies House.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

Going concern

Following the Group reorganisation detailed in note 22, the company has transferred its operations to TClarke Contracting Limited and is not seeking further work. All employees have left the business or been transferred to other Group companies. The parent company, TClarke Plc, has undertaken to provide continuing financial support to enable the company to meet its financial obligations for a period of at least 12 months from the date on which the financial statements for the year ended 31 December 2017 were approved.

The directors have a reasonable expectation that the company, in light of the parent company's support, has adequate resources to continue to meet its financial obligations for a period of at least 12 months from the date on which the financial statements for the year ended 31 December 2017 were approved. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

2. Accounting policies (continued)

2.2 Adoption of new and revised standards

New standards, interpretations and amended standards adopted by the company

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1st January 2017, have had a material impact on the company.

New standards, interpretations and amended standards in issue but not yet adopted by the company

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the company, except the following, set out below:

IFRS 9 Financial instruments

IFRS 9 introduced new requirements for the classification and measurement of financial instruments, including impairment requirements for financial assets. The key requirements of IFRS 9 are:

- All financial assets are required to be classified and measured, on initial recognition and subsequently, at either fair value or amortised cost. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.
- For financial liabilities, IFRS 9 retains most of IAS 39's requirements. The main change is that where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The company is working towards the implementation of IFRS 9 with effect from 1st January 2018. It anticipates that the classification and measurement basis for its financial assets and liabilities will be unchanged by adoption of IFRS 9. The main impact of adopting IFRS 9 is likely to arise from the implementation of the expected credit loss model. No material impact on retained earnings at 31st December 2017 or on profit for future periods is expected.

2. Accounting policies (continued)

IFRS 15 Revenue from contracts with customers

IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15 an entity recognises revenue when, or as, a performance obligation is satisfied, that is when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer so that the customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Variable consideration is included in the transaction price if it is highly probable that there will be no significant reversal of the cumulative revenue recognised when the uncertainty is resolved. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The standard is effective for annual periods beginning on or after 1st January 2018.

The company is working towards the implementation of IFRS 15 and has carried out a comprehensive review of existing contractual arrangements as part of this process. This review has included a detailed consideration of individual contracts covering approximately 50% of Group revenue. As a result of this review the directors are of the opinion that there is not likely to be a material impact on revenue, costs and associated balances as at and during the year ended 31st December 2017, and therefore they do not believe that a prior year adjustment will be necessary in respect of the financial statements for the year ending 31st December 2018.

IFRS 16 Leases

IFRS 16 was issued on 13th January 2016 and will become mandatory for accounting periods beginning on or after 1st January 2019, with early adoption permitted. IFRS 16 will replace the current guidance under IAS 17 and related interpretations. The main feature of IFRS 16 is that lessees will have to recognise a lease liability reflecting future lease payments and a 'right of use asset' for almost all lease contracts, whereas at present a distinction is drawn between finance leases and operating leases depending on whether substantially all the risk and reward of ownership have been transferred to the lessee. In future periods, the operating lease charge would be replaced by a depreciation charge.

The company is yet to assess the full impact of IFRS 16, and intends to adopt the new standard no later than the accounting period beginning 1st January 2019. The company intends to apply the transitional arrangements permitted by IFRS 16 and will not seek to apply the standard to contracts that were not previously recognised as leases prior to the adoption of IFRS 16. The directors will complete their assessment of the impact of IFRS 16, including the various options and transitional arrangements available, during the year ended 31st December 2018.

2. Accounting policies (continued)

2.3 Revenue recognition

Sales revenue is measured at the fair value of work performed and goods and services provided in the normal course of business, net of discounts and VAT. Revenue from construction contracts is recognised in accordance with the company's policy on construction contracts (see policy note 2.4). Revenue from the rendering of services that do not fall to be accounted for as construction contracts is accounted for by reference to the stage of completion of the relevant contract, determined by reference to the proportion of costs incurred. Revenue from the sale of materials and finished goods is recognised when the company has transferred the significant risks and rewards of ownership to the buyer and it is probable that the company will receive payment. These criteria are considered to be met when the materials or goods have been delivered to and accepted by the buyer.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.4 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting date, measured based on the proportion of contract costs (prime costs and overheads) incurred for the work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion (instances of which are rare).

The earliest point at which profit is taken is that at which the outcome of the contract, based on an assessment by officials of the company, can be reliably foreseen, taking into account the circumstances of each contract. Variations are included to the extent that the amount can be measured reliably and receipt is considered probable, but no account is taken of claims receivable until agreed. Full provision is made for any foreseeable losses to completion. Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable.

2.5 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the assets concerned.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Depreciation is calculated on a straight line basis so as to write off the cost less residual values of the relevant assets over their useful lives, using the following rates:

Leasehold improvements	- 10% per annum
Plant and machinery	- 20% / 25% per annum
Motor vehicles	- 20% per annum

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

2. Accounting policies (continued)

2.6 Impairment of non-financial assets

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in non-recurring costs in the Statement of Comprehensive Income, except to the extent they reverse gains previously recognised in the Statement of Comprehensive Income.

2.7 Leasing and hire purchase commitments

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

2.8 Inventories

Inventories of raw materials and consumables are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the asset to its present location and condition.

2.9 Financial instruments

The company's financial instruments comprise trade and other receivables (excluding prepayments), trade and other payables (excluding deferred income and taxation), finance leases and similar hire purchase contracts, and cash and cash equivalents net of overdrafts. The company classifies its financial assets as loans and receivables and its financial liabilities as liabilities at amortised cost. The company does not trade in any financial derivatives. Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Trade and other receivables

Trade and other receivables, which include construction contract balances receivable and are non-interest bearing, are measured on initial recognition at fair value and subsequently at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired, measured as the difference between the asset's carrying value and the fair value of the estimated recoverable amount, if any. Insolvency or significant financial difficulties of the debtor, late payments and disputes are considered indicators that a receivable may be impaired. The carrying amount of a trade receivable is reduced to its estimated recoverable amount through the use of an allowance account and the expense recognised in the Statement of Comprehensive Income in administrative expenses. When a trade receivable is uncollectible it is written off against the allowance account for trade receivables.

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, bank overdrafts, demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts are included within current liabilities in the Statement of Financial Position. Finance income and expense are recognised using the effective interest method and are added to the carrying value of the asset or liability as they arise.

Trade and other payables

Trade and other payables, which include construction contract balances payables, are initially measured at fair value and subsequently at amortised cost. Trade and other payables are non-interest bearing.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income. The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and 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 temporary differences can be utilised.

The amount of any deferred tax asset or liability recognised is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax assets and liabilities are offset as the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied on the same company.

2.11 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the board.

2. Accounting policies (continued)

2.12 Retirement benefit cost

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

TClarke Services Limited, a related group company, operates a pension scheme providing defined benefits on career average salaries for a number of employees. The company is liable for normal contributions only and the liability to pay final pensions and any shortfall in the scheme lies with TClarke Services Limited. The company's contributions are accounted for in the calculation of operating profit in the year in which they are made.

2.13 Non-recurring items

Non-recurring items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

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

In the application of the company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities at the reporting date and the amounts of revenue and expenses incurred during the period that may not be readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have the most significant impact are set out below:

Revenue and margin

The recognition of revenue and profit on construction contracts is a key source of estimation uncertainty due to the difficulty of forecasting the final costs to be incurred on a contract in progress and the process whereby applications are made during the course of the contract with variations, which can be significant, often being agreed as part of the final account negotiation. The company's policy for the recognition of revenue and profit on construction contracts is set out on page 16. The directors also take into account the recoverability of contract balances and trade receivables, and allowances are made for those balances which are considered to be impaired.

Non-underlying items

Non-underlying items are items effecting financial performance which the company believes should be separately identified on the face of the Statement of Comprehensive Income to assist in understanding the underlying financial performance achieved by the company. The quantification, disclosure and presentation in the financial statements of non-underlying items requires judgement.

Carrying value of inventory

The company purchases raw materials and components for use in the provision of construction and other services. As a result it is necessary to consider the recoverability of the cost if inventory and the associated provisioning required. When calculating any provision required management considers the nature and condition of the inventory, as well as applying assumptions around anticipated future usage of raw materials and components. The carrying value of inventory is disclosed in note 14.

Trade receivables credit provisions

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, the company considers factors including the credit rating of the receivable, the ageing profile of receivables and historic experience. The net carrying value of receivables and associated impairment provisions are disclosed in note 16.

4. Revenue

An analysis of revenue by class of business is as follows:

	2017 £	2016 £
Construction contracts	**17,301,850**	17,920,769
Other sales	**2,178,760**	1,578,963
	19,480,610	19,499,732

Revenue is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

5. Other operating income

	2017 £	2016 £
Other operating income	**13,651**	-

6. Operating profit

The operating profit is stated after charging/(crediting):

	2017 £	2016 £
Depreciation of property, plant and equipment - owned assets	**22,811**	26,117
(Profit)/loss on disposal of other property, plant and equipment	**(2,459)**	4,931
Government grants repaid	**6,750**	-
Operating lease charge		
- land and buildings	**40,500**	40,500
- plant, machinery and vehicles	**43,085**	43,084
Raw materials and consumables expensed in the year	**4,821,449**	5,666,036
Bad debt (credit)/expense	**(77,438)**	5,167
Fees payable to the company's auditors for the audit of the company's annual financial statements	**10,800**	10,800

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	**2,988,002**	3,274,969
Social security costs	**332,489**	347,166
Other pension costs	**94,291**	104,535
	3,414,782	3,726,670

Directors' remuneration is disclosed in note 8. The key management of the company are deemed to be the same as the directors of the company, therefore no additional disclosure of key management compensation has been provided.

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

	2017 No.	2016 No.
Operatives	**56**	60
Staff	**21**	23
	77	83

7. Employees (continued)

Defined contribution pension schemes

The company contributes to defined contribution pension schemes on behalf of all qualifying employees. The assets of those schemes are held separately from those of the Group in funds under the control of the trustees. Contributions payable during the year amounted to £92,942 (2016 - £60,473). The amount of pension contributions outstanding at the end of the year was £nil (2016 - £14,931), included in other creditors.

Multi-employer defined benefit pension scheme

The company also contributes to an industry-wide multi-employer defined benefit pension scheme on behalf of certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The plan exposes the participating employers to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and costs to individual entities participating in the scheme, and the company does not have access to sufficient information to enable it to use defined benefit accounting. Therefore, the scheme has been accounted for as a defined contribution scheme. The latest formal actuarial valuation as at 5 April 2015 showed that the Scheme had a funding level of 101%. Contributions to the scheme during the year amounted to £37,447 (2016 - £28,059).

TClarke Group Retirement and Death Benefits Scheme

The company participates in the defined benefit pension scheme operated by TClarke Services Limited, the TClarke Retirement and Death Benefits Scheme ('the Scheme'). Contributions during the year were £1,348 (2016 - £16,003). The amount of pension contributions outstanding at the end of the year was £nil (2016 - £1,849), included in other creditors.

With effect from 1 March 2010 the benefit structure was altered from a final salary scheme with an accrual rate of 1/60th to a Career Average Revalued Earnings Scheme. No other post-retirement benefits are provided by the Scheme.

The contributions are determined by an actuary on the basis of triennial valuations. The most recent draft triennial valuation of the scheme, carried out at 31 December 2015 by Mr J Seed, Fellow of the Institute of Actuaries, showed a deficit of £14.7m, which represented a funding level of 67%. The assets of the Scheme are held separately from the company.

From 1 January 2017 the future service contribution increased from 15.7% to 21.4% of pensionable salary (including employee contribution), with the group's deficit reduction contribution, which was previously set at 13% of pensionable salary, being fixed at £1.0m for 2017, rising to £1.5m for 2019 and beyond. The TClarke Group has proposed an increase in employee contributions from 8% to 10% of pensionable salary and is consulting with employees on this proposal.

The Scheme is a group scheme. The parent undertaking, TClarke Plc, was the sponsoring employer for the Scheme until 23 December 2016, when a fellow subsidiary, TClarke Services Limited, became the sponsoring employer following a group reorganisation. Detailed disclosures about the Scheme can be found in the consolidated financial statements of the parent company, TClarke Plc, and in the financial statements of TClarke Services Limited. The most recent actuarial valuation of plan assets and the defined benefit obligation was carried out at 31 December 2017. The deficit at 31 December 2017 was £23,365,000 (2016 - £20,558,000).

7. Employees (continued)

TClarke Plc Savings Related Share Option Scheme

The group operates a TClarke Plc Savings Related Share Option Scheme ('the 2011 SAYE scheme'), an approved save as you earn share option scheme. All eligible employees in the scheme have moved their contracts of employment to TClarke Services Limited. Any costs incurred during the year are immaterial and have been borne by TClarke Services Limited.

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**116,329**	184,595
Company contributions to defined contribution pension schemes	**9,143**	21,291
Compensation for loss of office as director	**79,257**	-
	204,729	205,886

Following the Group reorganisation in the year, TClarke Plc directors' remuneration is borne by TClarke Plc and is disclosed in the consolidated financial statements of TClarke Plc.

There was 1 director (2016: 1 director) in the group defined benefit pension scheme during the year.

There was 1 director (2016: 1 director)in the defined contribution scheme during the year .

The total amount payable to the highest paid director in respect of emoluments was £116,329 (2016: £98,655). Company pension contributions of £9,1435 (2016: £16,003) were made to a defined benefit scheme on their behalf.

The company's directors are considered to be its key management personnel.

9. Finance income

	2017 £	2016 £
Bank deposits	**-**	16,038

10. Finance expense

	2017 £	2016 £
Bank interest payable	**1,526**	-

11. Tax on profit

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	-	172,569
Adjustments in respect of previous periods	-	104
Group taxation relief	**389,166**	-
Total current tax	**389,166**	172,673
Deferred tax		
Origination and reversal of timing differences	**791**	906
Changes to tax rates	-	48
Total deferred tax	**791**	954
Tax on profit	**389,957**	173,627

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit before tax	**2,011,140**	867,180
Profit before tax multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**387,144**	173,436
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,813**	2,063
Adjustments to tax charge in respect of prior periods	-	104
Changes to tax rates	-	48
Tax relief on share based payments	-	(2,024)
Total tax charge for the year	**389,957**	173,627

Factors that may affect future tax charges

The main rate of UK corporation tax will be reduced to 17% on 1 April 2020.

12. Dividends

	2017 £	2016 £
Ordinary		
Interim dividend paid of £7,000 (2015 - £5,000) per share	**700,000**	500,000

13. Property, plant and equipment

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2017	**103,382**	**138,650**	**90,519**	**332,551**
Additions	**11,200**	**6,848**	**-**	**18,048**
Transfers intra group	**(113,574)**	**(90,307)**	**(53,977)**	**(257,858)**
Disposals	**(1,008)**	**(55,191)**	**(36,542)**	**(92,741)**
At 31 December 2017	**-**	**-**	**-**	**-**
Accumulated depreciation				
At 1 January 2017	**90,195**	**107,377**	**75,370**	**272,942**
Charge for the year	**2,382**	**9,634**	**10,795**	**22,811**
Transfers intra group	**(91,569)**	**(63,402)**	**(49,623)**	**(204,594)**
Disposals	**(1,008)**	**(53,609)**	**(36,542)**	**(91,159)**
At 31 December 2017	**-**	**-**	**-**	**-**
Net book value				
At 31 December 2017	**-**	**-**	**-**	**-**
At 31 December 2016	13,187	31,273	15,149	59,609

14. Inventories

	2017 £	2016 £
Raw materials and consumables	-	3,348
Work in progress (goods to be sold)	-	10,039
	-	13,387

There is no material difference between the replacement cost of inventories and the amount stated above.

15. Construction contracts

	2017 £	2016 £
Contract work in progress comprises:		
Contract costs incurred plus recognised profits less recognised losses to date	-	13,937,311
Less: progress payments	-	(12,499,990)
Contracts in progress at the reporting date	-	1,437,321

	2017 £	2016 £
Gross amount due from customers	-	1,984,583
Gross amount due to customers	-	(547,262)
	-	1,437,321

During the year, management reassessed the presentational treatment of certain items in the Statement of Financial Position in respect of the company's construction contract portfolio in order to provide additional clarity on the respective balances and more appropriate disclosure. This has resulted in certain presentational changes in 2016 as follows: trade and other receivables (increase of £4,859) and trade and other payables (increase of £4,589). There was no effect on net assets.

16. Trade and other receivables

	2017 £	2016 £
Due after more than one year		
Amounts owed by group undertakings	**2,530,854**	-

	2017 £	2016 £
Amounts falling due within one year		
Trade receivables	-	1,372,374
Amounts owed by group undertakings	-	119,365
Other receivables	-	2,940
Prepayments	-	90,289
Accrued income	-	330,934
	-	1,915,902

Trade receivables are included net of a provision of £nil (2016 - £6,415) for impairment of trade receivables.

Amounts owed by group undertakings falling due after more than one year comprise 10 year variable rate unsecured loan notes, further details of which are disclosed in note 22. All other amounts owed by group undertakings are unsecured, interest-free and are repayable on demand.

The ageing analysis of the trade receivables is as follows:

	2017 £	2016 £
Trade receivables (including retentions) are due as follows:		
Due within 3 months	-	631,945
Due in 3 to 6 months	-	51,342
Due in 6 to 12 months	-	252,296
Due after more than one year	-	85,885
Overdue	-	357,321
	-	1,378,789

16. Trade and other receivables (continued)

	2017 £	2016 £
The ageing of overdue trade receivables (including retentions) is as follows:		
Less than 30 days	-	58,066
31 - 61 days	-	78,299
61 - 120 days	-	23,404
Greater than 120 days	-	197,552
	-	357,321

17. Trade and other payables

	2017 £	2016 £
Trade payables	-	2,209,428
Amounts owed to group undertakings	-	6,603
Taxation and social security	**955,531**	298,525
Other payables	-	18,782
Accruals	-	406,385
Deferred income	-	106,020
	955,531	3,045,743

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

	2017 £	2016 £
Trade payables (including retentions) are due as follows:		
Due in 30 days or less	-	897,783
Due in 31 - 60 days	-	1,015,105
Due in more than 60 days	-	296,540
	-	2,209,428

18. Financial instruments

	2017	2016
	£	£
Financial assets		
Cash and cash equivalents	**964,057**	1,020,334
Trade and other receivables excluding prepayments and taxation	**2,530,855**	1,825,613
Amounts due from customers under construction contracts	-	1,984,583
	3,494,912	4,830,530
Financial liabilities		
Trade and other payables excluding deferred income and taxation	-	(2,228,210)
Amounts due to customers under construction contracts	-	(547,262)
	-	(2,775,472)

Financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments and taxation), construction contract balances receivable and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade and other payables (excluding deferred income and taxation) and construction contract balances payable.

19. Deferred taxation

The analysis of deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	2017	2016
	£	£
Deferred tax liabilities	-	(1,748)
Deferred tax assets	-	2,539
	-	791

19. Deferred taxation (continued)

	Retirement benefit obligations £	Accelerated capital allowances £	Total £
Asset at 1 January 2016	2,188	(443)	1,745
Credited/(charged) to profit or loss	351	(1,305)	(954)
Asset at 31 December 2016	2,539	(1,748)	791
(Charged)/credited to profit or loss	(2,539)	1,748	(791)
Asset at 31 December 2017	-	-	-

20. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
100 (2016 - 100) ordinary shares of £1 each	100	100

21. Reserves

The company has the following reserves:

Retained earnings

Retained earnings represent cumulative profits and losses net of dividends paid and other adjustments.

22. Group reorganisation

During the year, the TClarke Group completed a planned group reorganisation to rationalise its legal structure and improve the future efficiency of its operations.

As part of the second phase, which comprised the amalgamation of the group's operations in the North and Scotland into this structure, TClarke Leeds Limited's operations were transferred as follows:

- On 31st December 2017, the businesses and trading assets and liabilities of TClarke Leeds Limited were transferred to TClarke Contracting Limited at book value, in consideration for £2,478,381 10 Year Variable Rate Loan Notes.
- Property, plant and equipment transferred was subsequently transferred to TClarke Services Limited, also at book value in consideration for £53,264 10 Year Variable Rate Loan Notes.
- Also on 31st December 2017, the employment contracts of all the company's staff in the North and Scotland regions were transferred to TClarke Services Limited.
- All loan notes earn interest at 2.5% above base rate.

23. Contingent liabilities

The company is a joint guarantor in respect of banking facilities granted to its parent undertaking and certain fellow subsidiaries. There were no amounts outstanding at 31 December 2017 (2016: £Nil). The company has contingent liabilities in respect of guarantees given for commitments in the normal course of trade.

24. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	-	80,474
Later than 1 year and not later than 5 years	-	70,965
Total	-	151,439

25. Related party transactions

The company is a wholly owned subsidiary of TClarke Plc and has taken advantage of the exemption conferred by FRS 101 section 8(k) not to disclose transactions with TClarke Plc or other wholly owned subsidiaries within the group.

There have been no transactions with other related parties.

26. Controlling party

The immediate and ultimate parent undertaking and controlling party is TClarke Plc, a company registered in England and Wales.

The largest and smallest group in which the financial statements of the company are consolidated is that headed by TClarke Plc, incorporated in England and Wales. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. No other group financial statements include the results of the company.