

Atlas Ward Holdings Limited

**Report and financial statements
for the year ended 31 March 2018**

Registered Number : 03307099



Atlas Ward Holdings Limited

Report and financial statements for the year ended 31 March 2018

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Atlas Ward Holdings Limited

Officers and professional advisors

Directors

J R G Martindale

S P Barnes

A D Dunsmore

Company Secretary

D Ward

Registered Office

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Bankers

Yorkshire Bank (part of CYBG plc)

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London

EC2A 2HA

Auditor

KPMG LLP

Chartered Accountants

1 Sovereign Square

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West Yorkshire

LS1 4DA

Atlas Ward Holdings Limited

Strategic report for the year ended 31 March 2018

Overview

The company's principal activity is that of an intermediate holding company for its subsidiaries as disclosed in note 8, within the Severfield Plc group of companies.

Review of business and future developments

While the funding deficit on the defined benefits pension scheme continues to have an impact on the results of the company, the Board of Directors are satisfied with the underlying performance of the scheme's assets and the level of contributions payable to the scheme. The Board of Directors continue to work closely with the Trustees of the company's defined benefits pension scheme to actively manage the deficit and it is the Board of Directors intention that this deficit will be repaid within a timescale that is satisfactory for both the company and the Scheme.

The principal employer of the Scheme, Severfield (Design & Build) Limited, was able to meet the level of contributions specified in the recovery plan put forward by the Scheme's actuary and agreed by the company and the Scheme's trustees while still performing well in the year.

Severfield (Design & Build) Limited's continuing trading performance and the realistic contributions levels contained in the recovery plan for the Scheme enable the Board of Directors to view the outlook for the company with confidence and expect the company to act as an intermediate holding company for the foreseeable future.

Key performance indicators

Due to the nature of the company's activities the directors believe that analysis using key performance indicators for the company is not meaningful or appropriate. The development, performance and position of all of the group companies are reported within the consolidated results of Severfield Plc, our ultimate parent company.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The principal risks of the group are discussed in the separate financial statements of Severfield Plc.

Approved by the Board of Directors and signed on behalf of the Board



D Ward
Company Secretary
19 July 2018

Atlas Ward Holdings Limited

Directors' report for the year ended 31 March 2018

The directors present their annual report and the audited financial statements for the year ended 31 March 2018.

Results and dividends

The results for the period are set out in the income statement on page 8. A current period profit of £465,000 has been transferred to reserves (2017 : £455,000). The directors do not propose a dividend on ordinary shares (2017 : £Nil).

Directors

The present membership of the Board is noted on page 1.

Treasury policies

The company's treasury operates procedures designed to reduce or eliminate financial risk. These policies are approved by the Board of Directors and the use of financial instruments is strictly controlled.

The company's principal financial instruments comprise cash and various items, such as intercompany debtors and creditors, trade debtors and trade creditors, which arise directly from its operations. The company has no significant borrowings or foreign exchange transactions.

Employees

The company's policy is to provide equal opportunities to all existing and prospective employees. The company's reputation is dependent on the quality, effectiveness and skill base of its employees. The company is committed to the fair and equitable treatment of all its employees and, specifically, to prohibit discrimination on the grounds of race, religion, sex, sexual orientation, age, nationality or ethnic origin.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not suffer from a disability.

The Board of Directors takes account of employees' interests when making decisions and suggestions from employees aimed at improving the company's performance are welcomed. Employees are provided with information concerning the performance and future developments of the company through regular briefing bulletins.

Going concern

In determining whether the company's financial statements can be prepared on a going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and group borrowing facilities and the risks and uncertainties relating to the company's business activities. The key factors considered by the directors were as follows:

- The Group's net funds position and its bank finance facilities which are committed until 2019, including both the level of those facilities and the covenants attached to them.

Based on the above, and having made all appropriate enquiries and considered all the factors impacting the company's business, including downside sensitivities, the directors have a reasonable expectation that the company has adequate resources to continue for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the financial statements.

Atlas Ward Holdings Limited

Directors' report for the year ended 31 March 2018 (continued)

Auditor

Each of the persons who are directors of the Company at the date of approval of this report confirms that:

1. so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to s487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board



D Ward
Company Secretary
19 July 2018

Atlas Ward Holdings Limited

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS101 *Reduced Disclosure Framework*.

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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Atlas Ward Holdings Limited

Opinion on financial statements

We have audited the financial statements of Atlas Ward Holdings Limited ("the Company") for the year ended 31 March 2018 which comprise the income statement, statement of other comprehensive income, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 2.

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 UK Accounting Standards including FRS101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' reports; and
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in the statement set out on page 5, the directors are responsible for:

- the preparation of the financial statements and for being satisfied that they give a true and fair view; and
- 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; and
- 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Chris Butt (Senior Statutory Auditor).
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
1 Sovereign Square
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Leeds
LS1 4DA

24 July 2018

Atlas Ward Holdings Limited

Income statement as at 31 March 2018

	Note	2018 £'000	2017 £'000
Turnover	3	1,123	1,092
Cost of sales		-	-
Gross profit		1,123	1,092
Distribution costs		-	-
Administrative expenses		-	-
Operating profit		1,123	1,092
Other finance costs	6	(563)	(492)
Profit before taxation		560	600
Tax on profit	7	(95)	(145)
Profit for the financial year		465	455

The notes on pages 12 to 21 form part of these financial statements.

All activities relate to continuing operations.

Atlas Ward Holdings Limited

Statement of other comprehensive income as at 31 March 2018

	Note	2018 £'000	2017 £'000
Profit for the financial year		465	455
Other comprehensive income :			
Items that cannot be reclassified to profit or loss			
Remeasurement of defined benefit liability	13	3,606	(7,412)
Income tax on remeasurement of defined benefit liability	11	(613)	1,011
		2,993	(6,401)
Items that can be reclassified to profit or loss			
		-	-
Other comprehensive income for the year, net of tax		2,993	(6,401)
Total comprehensive income for the year		3,458	(5,946)

The notes on pages 12 to 21 form part of these financial statements.

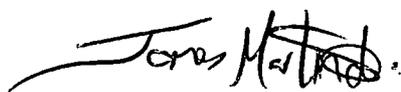
Atlas Ward Holdings Limited

Balance sheet as at 31 March 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Investments	8	-	-
Current assets			
Debtors	9	2,959	3,667
Cash at bank and in hand		-	-
		2,959	3,667
Creditors: amounts falling due within one year	10	(63)	(63)
Net current assets		2,896	3,604
Total assets less current liabilities		2,896	3,604
Pension liability	13	(17,248)	(21,414)
Net liabilities		(14,352)	(17,810)
Capital and reserves			
Called up equity share capital	12	344	344
Share premium account		4,356	4,356
Capital redemption reserve		593	593
Profit and loss account		(19,645)	(23,103)
Equity shareholders' deficit		(14,352)	(17,810)

The notes on pages 12 to 21 form part of these financial statements.

The financial statements of the Company (registered number 03307099) were approved by the Board of Directors on 17 July 2018 and were signed on its behalf by:



J R G Martindale
Director



S P Barnes
Director

Atlas Ward Holdings Limited

Statement of changes in equity as at 31 March 2018

Note	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2016	344	4,356	593	(17,157)	(11,864)
Profit for the financial year	-	-	-	455	455
Other comprehensive income for the year	-	-	-	(6,401)	(6,401)
At 31 March 2017	344	4,356	593	(23,103)	(17,810)
Profit for the financial year	-	-	-	465	465
Other comprehensive income for the year	-	-	-	2,993	2,993
At 31 March 2018	344	4,356	593	(19,645)	(14,352)

The notes on pages 12 to 21 form part of these financial statements.

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018

1 Basis of accounting

Atlas Ward Holdings Limited is a company incorporated and domiciled in England and Wales. The registered office address is given on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The following disclosure exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7 'Financial instruments: disclosures';
- Paragraphs 10(d), 10(f) and 134-136 of IAS 1 'Presentation of financial statements';
- IAS 7 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors';
- The requirements of IAS 24 'Related party disclosures' to present disclosure of Key Management Personnel compensation, and to disclose related party transactions entered into between two or more members of a group;
- Disclosures in respect of the effects of new but not yet effective IFRSs; and
- Disclosures in respect of capital management.

Where relevant, equivalent disclosures have been given in the Group financial statements of Severfield plc, which are available to the public and can be obtained as set out in note 14.

These financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

2 Significant accounting policies

The following accounting policies have been applied consistently throughout the year and the preceding period in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on a going concern basis.

Going concern

In determining whether the Company's financial statements can be prepared on a going concern basis, the directors have considered all factors likely to affect its future development, performance and its financial position, including cash flows, liquidity position and Group borrowing facilities and the risks and uncertainties relating to the Company's business activities and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements.

As noted in the Strategic Report on page 2, the principal employer of the pension scheme, Severfield (Design & Build) Limited, was able to meet the level of contributions specified in the recovery plan put forward by the Scheme's actuary and agreed by the company and the Scheme's trustees. Severfield (Design & Build) Limited's continuing trading performance and the realistic contributions levels contained in the recovery plan for the Scheme enable the Board of Directors to view the outlook for the company with confidence.

They therefore continue to adopt the going concern basis in preparing the financial statements (see the Directors report on page 5 for further details regarding the adoption of the going concern basis).

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

2 Significant accounting policies (continued)

Turnover

Turnover is intra-group recharges in respect of the intermediate holding company's costs.

Value added tax is excluded from turnover.

Taxation

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

The tax currently payable is based on the taxable profit for the period, which differs from the profit on ordinary activities before taxation as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, carried forward tax credits or tax losses can be utilised.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax and deferred tax are charged or credited to the income statement or directly in reserves depending on where the item to which they relate has been recognised.

The Company recognises deferred tax assets where it is more likely than not that the benefit will be realised. The carrying amount of deferred tax assets at the balance sheet date was £2,932,000 (2017 : £3,640,000).

Employee benefits

The Company is the sponsoring employer of a group wide defined benefit pension plan. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is the Company. The contributions payable by the participating entities are determined on the following basis:

The plan is a multi-employer scheme and in line with IAS19 "Employee Benefits" the Company accounts for contributions to the scheme as if it were a defined contribution scheme because it is not possible to identify the Company's share of the assets and liabilities in the scheme on a consistent basis.

The net defined benefit cost of the pension plan is recognised fully by the Company and the required disclosures under IAS19 for the Scheme as a whole are included in the note 13.

Consolidation

The company has taken advantage of the exemption in the Companies Act 2006 and only presented financial statements for the company on the grounds that it is a wholly owned subsidiary undertaking of Severfield plc, which prepares group financial statements.

Related party transactions

The company has taken advantage of the exemption available under IAS 24 permitting non-disclosure of related party transactions where 100% of the voting rights of a subsidiary company are controlled within the group, providing that the consolidated financial statements in which the subsidiary company is included are publicly available.

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

3 Turnover

Turnover is derived from group charges in relation to the continuing main activity of the company within the United Kingdom.

4 Operating profit

Audit fees of £1,000 (2017: £1,000) were borne by another group company in the current financial year and preceding financial period.

5 Directors' remuneration

The directors, who were the only employees of the company, received no remuneration during the period (2017 : £Nil). All directors are remunerated by other companies within the Severfield Plc group and as such, their remuneration is shown in the relevant financial statements. It is not practicable to ascertain what proportion of this remuneration relates to the company.

Two directors (2017 : Two) have benefits accruing under the Atlas Ward Pension Scheme (Note 13).

6 Other finance costs

	2018	2017
	£'000	£'000
Net interest on retirement benefit obligations (note 13)	563	492

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

7 Tax on profit

(a) The tax charge in the period comprises:

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax at 19% (2017: 20%)	-	-
Deferred tax		
Origination and reversal of timing differences	95	102
Adjustment in respect of prior periods	-	43
Total deferred tax	95	145
Total tax on profit	95	145

(b) Factors affecting the current tax charge for the period

The difference between the total tax shown above and the amount calculated by applying the average rate of UK corporation tax to the profit before taxation is as follows:

	2018	2017
	£'000	£'000
Profit before taxation	560	600
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	106	120
Effects of:		
Adjustment in respect of prior periods	-	43
Movement in short term timing differences	(11)	(18)
Total current corporation tax charge for period	95	145

(c) Factors affecting future tax charges

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. The Finance Act 2016, which was substantively enacted on 15 September 2016, included provisions to reduce the main rate of UK corporation tax to 17% with effect from 1 April 2020. Accordingly, deferred tax has been provided at 19% or 17% depending on when the temporary difference is expected to reverse.

At 31 March 2018, there are unprovided deferred tax assets of £38,000 (2017: £38,000) relating to losses. These assets may reduce the tax charge of the company in future periods.

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

8 Investments

	2018	2017
	£'000	£'000
Cost of investments		
Shares in group undertakings	-	-
Impairment	-	-
Net book value	-	-

The subsidiaries are as follows:

	Country of registration and operation	%age of share holding	Principal activity
Severfield (Design & Build) Limited	England & Wales	100%	Supplier of pre-engineered buildings and structured steel
Severs House, Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire, YO7 3JN.			

In the opinion of the directors the company's remaining investments are worth at least the amount at which they are stated in the balance sheet.

9 Debtors

	2018	2017
	£'000	£'000
Corporation tax	-	-
Deferred tax (note 11)	2,932	3,640
Amounts owed by group undertakings	27	27
	2,959	3,667

Amounts owed by group undertakings are interest free and repayable on demand.

10 Creditors - Amounts falling due within one year

	2018	2017
	£'000	£'000
Amounts owed to group undertakings	63	63

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

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

11 Deferred taxation

	2018	2017
	£'000	£'000
At 1 April	(3,640)	(2,774)
Charged to income statement (note 7)	95	145
Charge/(credit) to other comprehensive income	613	(1,011)
At 31 March	(2,932)	(3,640)

The deferred taxation asset comprises:

	2018 Provided	2018 Unprovided	2017 Provided	2017 Unprovided
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	(1)	-	(1)
Losses	-	(37)	-	(37)
Employee benefits	(2,932)	-	(3,640)	-
	(2,932)	(38)	(3,640)	(38)

12 Called up share capital

	2018 Issued	2017 Issued
	£'000	£'000
Ordinary shares		
320,000 (2017 : 320,000) ordinary shares of £1	320	320
Deferred shares		
2,386,667 (2017 : 2,386,667) deferred shares of 1p	24	24
	344	344

In the event of winding up of the company, priority for repayment of capital plus arrears of dividend ranks firstly with the ordinary shares and then deferred shares.

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

13 Retirement benefit obligations

The company operates pension schemes in the UK with the principal UK scheme being the Atlas Ward Pension Scheme. The information disclosed below is in respect of the whole of the Atlas Ward Pension Scheme, for which the company is the sponsoring employer.

Atlas Ward Pension Scheme

The Scheme is a multi-employer defined benefit scheme, the assets and liabilities of which are held independently from the company. Due to continuing inadequate returns from the investment market and increasing pension liabilities, the Scheme was closed on 5 April 2004.

The pension cost is assessed in accordance with the advice of an independent qualified actuary and the most recent tri-ennial actuarial valuation of the Scheme's assets and the present value of the defined benefit obligation was performed at 5 April 2014 by Mr Alex Pearse, Fellow of the Institute of Actuaries. At that date, the market value of the Scheme's assets amounted to £20,035,000 and represented 56% of the actuarial value of the accrued benefits on an on-going basis. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit method. The most significant assumptions used in the actuarial valuations are set out below:

	2014	2011
Pre-retirement discount rate	5.40%	5.70%
Post-retirement discount rate	3.50%	4.80%
Future pension increases	3.20%	3.50%
Male life expectancy (Non-Pensioners)	88 Years	88 Years
Male life expectancy (Pensioners)	86 Years	86 Years

During the period, contributions to the Scheme amounted to £1,123,000 (2017: £1,092,000). Contributions to the Scheme are expected to be £124,000 per month in the year to 31 March 2019.

The valuation used for FRS101 disclosures has been based on previous year's valuation, updated to 31 March 2018 by a qualified independent actuary. The major assumptions used by the actuary, in nominal terms, were:

	2018	2017
Discount rate	2.60%	2.70%
Expected rate of salary increases	-	-
Future pension increases	3.20%	3.30%
Inflation assumption	3.30%	3.40%

When considering mortality assumptions, a male life expectancy to 84 at age 65 has been used in 2018 (2017 : 85).

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease by 0.25%	Decrease / increase by 4.2%
Inflation assumption	Increase / decrease by 0.25%	Decrease / increase by 3.7%
Rate of mortality	Increase by 1 year	Increase by 4.0%

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

13 Retirement benefit obligations (continued)

The amount included in the balance sheet at 31 March 2018, arising from the Company's obligations in respect of its defined benefit retirement scheme, is as follows:

	2018	2017
	£'000	£'000
Total market value of assets	24,570	24,402
Present value of scheme's liabilities	(41,818)	(45,816)
Pension Scheme Deficit	(17,248)	(21,414)

The movement in the fair value of the scheme assets were as follows:

	2018	2017
	£'000	£'000
At 1 April	24,402	22,999
Expected return on scheme assets	659	808
Actuarial gains and losses	(488)	420
Contributions from sponsoring companies	1,123	1,092
Contributions from scheme members	-	-
Benefits paid	(1,126)	(917)
At 31 March	24,570	24,402

The Scheme's assets are stated at their market value at 31 March 2018.

None of the Scheme's assets were invested in either Atlas Ward Holdings Limited or Severfield Plc and any of their subsidiary companies or property occupied by the same.

The movement in the present value of the defined benefit obligations was as follows:

	2018	2017
	£'000	£'000
At 1 April	(45,816)	(37,601)
Current service cost	-	-
Past service cost	-	-
Interest cost	(1,222)	(1,300)
Actuarial gains and losses	4,094	(7,832)
Contributions from scheme members	-	-
Benefits paid	1,126	917
At 31 March	(41,818)	(45,816)

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

13 Retirement benefit obligations (continued)

Amounts recognised in the profit and loss account in respect of this defined benefit scheme are as follows:

	2018	2017
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Interest cost	(1,222)	(1,300)
Expected return on pension scheme assets	659	808
	(563)	(492)

The charge for the year has been included in other finance costs (note 6).

Actuarial gains and losses have been reported in the statement of other comprehensive income. The cumulative amount of actuarial gains and losses recognised in the statement of other comprehensive income is a loss of £16,760,000 (2017 : Loss £20,366,000).

The actual return on scheme assets was a gain of £171,000 (2017 : £1,228,000)

The history of experience gains and losses in relation to the Scheme are as follows:

	31 March 2014	31 March 2015	31 March 2016	31 March 2017	31 March 2018
Difference between the expected and actual return on Scheme assets					
Amount (£)	£(515,000)	£1,516,000	£(425,000)	£420,000	£(488,000)
%age of Scheme's assets	(2.6)%	6.7%	(1.8)%	1.7%	(2.0)%
Experience gains and losses on Scheme liabilities					
Amount (£)	£(105,000)	£(364,000)	£397,000	£347,000	£200,000
%age of the present value of Scheme's liabilities	0.3%	0.9%	(1.1)%	(0.8)%	(0.5)%
Total actuarial gain/(loss) in the statement of total recognised gains and losses					
Amount (£)	£(1,261,000)	£(4,472,000)	£1,302,000	£(7,412,000)	£3,606,000
%age of the present value of Scheme's liabilities	3.9%	11.5%	(3.5)%	16.2%	(8.6)%

Atlas Ward Holdings Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

14 Ultimate parent undertaking

Atlas Ward Holdings Limited is a wholly owned subsidiary of Severfield Plc, a company incorporated in England & Wales.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is Severfield Plc, a company incorporated in England & Wales (registration number 01721262), the consolidated accounts of which are publicly available from Severfield Plc, Severs House, Dalton Airfield Industrial Estate, Dalton, Thirsk, North Yorkshire.