

**St Mark Contracts Limited**

Report and Financial Statements

Year Ended

31 December 2016



Company Number: 04898905



# **St Mark Contracts Limited**

**Annual report and financial statements  
for the year ended 31 December 2016**

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## **Directors**

B B Tansey (resigned 28 July 2016 and appointed 29 November 2016)  
S A Ryan (resigned 28 July 2016 and appointed 29 November 2016)  
B J Tansey (resigned 28 July 2016)  
W C Gair (resigned 28 July 2016)  
M J Chicken (resigned 30 November 2016)

## **Secretary and registered office**

Barry Tansey, 109 Wembley Hill Road, Wembley, Middlesex, HA9 8DA

## **Company number**

04898905

## **Auditors**

Kingston Smith LLP  
Chartered Accountants and Registered Auditors  
The Shipping Building  
The Old Vinyl factory  
Blyth Road  
Hayes  
UB3 1HA

# St Mark Contracts Limited

## Strategic Report and Report of the directors for the year ended 31 December 2016

### Strategic Report

The Company was wholly acquired by St Mark Homes PLC during the year. The company will conclude current contracts and the board will then consider whether retention of the company serves a purpose for St Mark Homes PLC. Consideration will be given to dissolution during 2017.

### Principal Activity, review of the business and future developments

The principal activity of the Company remained that of a residential contractor and house builder. The board are pleased to announce pre-tax profit for the year of £101,445 (2015: - £130,820). The results of the Company for the year are set out on page 6. An interim ordinary dividend of £38,715 was paid during the year (2015: £30,972).

### Directors

All serving Directors retired during the year following the acquisition by St Mark Homes PLC. Barry Tansey and Sean Ryan were reappointed on 29 November 2016.

### Principal risks and uncertainties

The Company is exposed to the usual risks of companies constructing and developing residential property, including construction budget overruns, delays in programme, insolvency of clients, general economic conditions, uninsured calamities and other factors. The Company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by monitoring payments against contractual agreements.

### Treasury policy

Operations have been financed by the issue of shares, the cash from which has been invested in short term cash deposits, and historically by bank borrowings. In addition, various financial instruments such as trade debtors and creditors arise directly from the Company's operations.

Further information on financial instruments is contained in note 14 to the financial statements.

### Policy and practice on the payment of creditors

It is the Company's policy to fix terms of payment with its suppliers when agreeing the terms of each business transaction, to ensure the supplier is aware of those and to abide by the agreed terms of payment. The average trade creditors payment at 31 December 2016 was 30 days (2015: 33 days).

### Auditors

In accordance with the Company's articles, a resolution proposing that Kingston Smith LLP be reappointed as auditors of the Company will be put to a General Meeting.

### Statement of disclosure to auditors

Each of the directors in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board

  
S Ryan  
Director

Date: 18 May 2017

# **St Mark Contracts Limited**

## **Directors' Responsibilities Statement**

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### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **St Mark Contracts Limited**

## **Report of the independent auditors to the shareholders of St Mark Contracts Limited**

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We have audited the financial statements of St Mark Contracts Limited for the year ended 31 December 2016 which comprise the Statement of comprehensive income, the Balance Sheet, the statement of changes in equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **St Mark Contracts Limited**

## **Report of the independent auditors to the shareholders of St Mark Contracts Limited (continued)**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

*Jonathan Seymour*

Jonathan Seymour (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP,  
Statutory Auditor

Date: 12 May 2017

The Shipping Building  
The Old Vinyl factory  
Blyth Road  
Hayes  
UB3 1HA

# St Mark Contracts Limited

## Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
<b>Company turnover</b>		<b>51,211</b>	54,000
Cost of sales		(20,000)	(20,000)
<b>Gross profit</b>		<b>31,211</b>	34,000
Administrative expenses		(39,196)	(86,194)
<b>Operating loss</b>	3	<b>(7,985)</b>	(52,194)
Share of operating profit in joint ventures		<b>69,255</b>	161,418
Interest receivable and similar income	5	<b>40,289</b>	37,052
Interest payable and similar charges	6	<b>(114)</b>	(15,456)
<b>Profit on ordinary activities before taxation</b>		<b>101,445</b>	130,820
Taxation on profit on ordinary activities	8	(20,288)	(26,118)
<b>Profit on ordinary activities after taxation</b>		<b>81,157</b>	104,702
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>81,157</b>	104,702

All amounts relate to continuing activities.

The notes on pages 10 to 19 form part of these financial statements.

# St Mark Contracts Limited

Balance sheet at 31 December 2016

	Note	2016 £	£	2015 £	£
<b>Current assets</b>					
Debtors	9	1,076,683		1,082,626	
Cash at bank & in hand		2,996		58,558	
		<u>1,079,679</u>		<u>1,141,184</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(42,590)</u>		<u>(146,537)</u>	
<b>Net current assets</b>			<u>1,037,089</u>		<u>994,647</u>
<b>Net assets</b>			<u>1,037,089</u>		<u>994,647</u>
<b>Capital and reserves</b>					
Called up share capital	13	387,151		387,151	
Share premium account		331,018		331,018	
Capital redemption reserve		42		42	
Profit and loss account		<u>318,878</u>		<u>276,436</u>	
<b>Equity Shareholders' funds</b>			<u>1,037,089</u>		<u>994,647</u>

The financial statements were approved and authorised for issue by the board on 12 May 2017



Sean Ryan  
Director

Company Registration Number 04898905.

The notes on pages 10 to 19 form part of these financial statements.



# St Mark Contracts Limited

## Statement of changes in equity For the year ended 31 December 2016

	Share Capital	Capital Redemption Reserve	Share Premium Account	Profit and loss Reserve	Total
	£	£	£	£	£
<b>Period ended 31 December 2015</b>	387,151	42	331,018	276,436	994,647
Profit for the year	-	-	-	81,157	81,157
Total comprehensive income for the year	387,151	42	331,018	357,593	1,075,804
Dividend	-	-	-	(38,715)	(38,715)
<b>Balance at 31 December 2016</b>	<b>387,151</b>	<b>42</b>	<b>331,018</b>	<b>318,878</b>	<b>1,037,089</b>
	Share Capital	Capital Redemption Reserve	Share Premium Account	Profit and loss Reserve	Total
	£	£	£	£	£
<b>Period ended 31 December 2014</b>	387,151	42	331,018	202,706	920,917
Profit for the year	-	-	-	104,702	104,702
Total comprehensive income for the year	387,151	42	331,018	307,408	1,025,619
Dividend	-	-	-	(30,972)	(30,972)
<b>Balance at 31 December 2015</b>	<b>387,151</b>	<b>42</b>	<b>331,018</b>	<b>276,436</b>	<b>994,647</b>

# St Mark Contracts Limited

## Statement of cashflows for the year ended 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
<b>Cash flows from operating activities</b>					
Cash generated/(paid) from operations	15		(36,734)		85,949
Interest paid			(114)		(15,456)
Corporation Tax			(20,288)		(28,071)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>(57,136)</b>		<b>42,422</b>
<b>Investing activities</b>					
Interest received		40,289		37,052	
<b>Net cash generated from/(used) in investing activities</b>			<b>40,289</b>		<b>37,052</b>
<b>Financing activities</b>					
Dividend paid		(38,715)		(30,972)	
<b>Net cash generated from/(used) in financing activities</b>			<b>(38,715)</b>		<b>(30,972)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>(55,562)</b>		<b>48,502</b>
<b>Cash and cash equivalents at beginning of year</b>			<b>58,558</b>		<b>10,056</b>
<b>Cash and cash equivalents at end of year</b>			<b>2,996</b>		<b>58,558</b>
<b>Relating to:</b>					
Cash at Bank and in hand			2,996		58,558

The notes on pages 10 to 19 form part of these financial statements.

# **St Mark Contracts Limited**

## **Notes to the financial statements for the year ended 31 December 2016**

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### **1 Accounting policies**

#### **Company information**

St Mark Contracts Limited is a private limited company domiciled and incorporated in England and Wales. The registered office is Heron House, 109 Wembley Hill Road, Wembley, HA9 6DA.

#### **Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

#### **Going concern**

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

*Turnover:* Turnover represents the amounts recoverable on contracts with developers.

The company contracts with developers on a cost plus basis with a guaranteed maximum price. Profit is taken on these contracts while the contract is in progress having regard to:

- the proportion of the projected contract costs which have been incurred at the balance sheet date;
- the anticipated final costs of the development; and
- the evidence of the commercial success of the development

Provisions are made for all foreseeable losses.

The return on loan notes provided for the development of residential property is shown under interest receivable and similar income.

Turnover arising from development is recognised on exchanged sale contracts:

- when costs and revenues associated with the transaction can be reliably measured; and
- where the probability of non-performance is considered negligible such that the risks and rewards of ownership have passed to the buyer

#### ***Property development loans***

Interest receivable on property loans is recognised in the period in which it accrues. Profit share returns are only recognised when there is sufficient evidence and the project is sufficiently progressed to assess the likely profitability with a reasonable level of accuracy.

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

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### 1 Accounting policies (Continued)

#### *Taxation*

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

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when 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 by the same tax authority.

#### *Leased assets*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

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### 1 Accounting policies (Continued)

#### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as short term bank deposits.

#### *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### *Financial assets*

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition. Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

#### *Equity instruments*

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

#### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

# **St Mark Contracts Limited**

## **Notes to the financial statements for the year ended 31 December 2016 (Continued)**

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### **2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **2.1 Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The company has recognised profits on exchanged contracts at St Margarets Waterside. In doing so the board have judged that the likelihood of these exchanged contracts not completing is negligible based on the overall expected outcome of the project and the level of completeness of each project.

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

### 3 Operating loss

	2016 £	2015 £
This has been arrived at after charging:		
Auditors' remuneration		
- Audit Services	6,500	6,500
- Non-audit services and taxation	750	750
Rent of land and buildings operating leases	2,000	2,000
	<u>          </u>	<u>          </u>

### 4 Director's Remuneration

Staff costs (including directors) consist of:		
Wages and salaries	34,840	75,940
Social security costs	2,417	5,132
Directors' fees	7,046	13,420
	<u>          </u>	<u>          </u>
	44,303	94,492
	<u>          </u>	<u>          </u>

The Company has no employees other than the directors and Company secretary. The average number of employees during the year was 3 (2015 :3). These sums include payments arising under management incentive arrangements. Key management remuneration is the same as director's remuneration.

### 5 Interest receivable and similar income

	2016 £	2015 £
Loan note interest	40,289	37,052
	<u>          </u>	<u>          </u>
	40,289	37,052
	<u>          </u>	<u>          </u>

### 6 Interest payable and similar charges

	2016 £	2015 £
Bank charges and interest	114	15,456
	<u>          </u>	<u>          </u>

### 7 Dividends

An interim Ordinary Dividend of £38,715 (2015: £30,972) was paid during the year.

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

### 8 Taxation on profit on ordinary activities

	2016 £	2015 £
<i>UK Corporation tax</i>		
Current tax on profit for the year	20,288	26,118

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	2016 £	2015 £
Profit on activities before tax	101,445	130,819
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 20% (2015: 20%)	20,288	26,164
Other tax adjustments	-	(46)
Current tax charge for the year	20,288	26,118

### 9 Debtors

	2016 £	2015 £
Loans to joint venture entities (see note 11)	516,434	916,930
Other loans (see note 12)	-	100,896
Amounts recoverable from group undertakings	542,538	-
Trade debtors	-	64,800
Taxation	836	-
Prepayments	16,875	-
	1,076,683	1,082,626

During the year the company was acquired by St Mark Homes PLC.

All amounts fall due for repayment within one year.

### 10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade Creditors	-	6,503
Taxation	16,410	43,462
Accruals	26,180	96,572
	42,590	146,537



# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

### 11 Interests in joint ventures

Included in debtors (note 9) due within one year is a loan to Mountfield Road Developments LLP of £nil (2015: £2,953) and a loan to Pittville Developments LLP of £516,434 (2015: £393,830). Included within the loan to Pittville Developments LLP is £109,762 (2015: £58,007) in respect of the company share of net assets (see below). The company interest in the Mizen Properties Limited Sutton Project (2015: £206,497) and in Western Road Properties Ltd (2015: £313,650) were transferred to its parent company St Mark Homes PLC at book value during the year.

Joint Venture	Country of registration or incorporation	Ownership
Mountfield Road Developments LLP	England and Wales	12.5%
Pittville Developments LLP	England and Wales	12.5%
Western Road Properties Limited	England and Wales	12.5%

The total net assets and liabilities of these joint ventures and the share for the last relevant financial year were as follows:

Joint Venture	Principal Activity	Total net assets	Total net assets	Share of net assets	Share of net assets
		2016	2015	2016	2015
		£	£	£	£
Pittville Developments LLP	Property development	957,725	464,053	109,762	58,007
Mizen Properties Limited (Sutton Project)	Property development	-	569,544	-	23,632
Western Road Properties Ltd	Property development	-	2,392	-	299

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

### 12 Related party transactions and balances

During the year the following related party transactions took place:

- (a) Bernard Tansey is a Director of Mizen Properties Limited and its subsidiary company Mizen Design Build Limited.

Mizen Design Build Limited: Office rental, rates and service charges of £2,000 (2015: £2,000) were paid to that Company during the year.

The Company has also entered into joint ventures (in conjunction with St Mark Homes PLC) with Mizen Properties Limited (or its subsidiaries) to develop projects at Forsyth House, Richmond, High Street Sutton, and at St Margarets Twickenham.

At the year end £nil (2015: £2,953) was due from Mountfield Road Development LLP, £516,434 (2015: £393,830) from Pittville Developments LLP, £nil from Mizen Properties Limited (2015: £182,865), and £nil (2015: £313,531) from Western Road Properties Limited in respect of these joint ventures.

- (b) Michael Chicken is a Director and shareholder of Merchant Place Corporate Finance Ltd. The company charged £13,304 (2015: £4,725) in respect of directors fees. No amounts were outstanding at the year end.

- (c) WC Gair : £6,000 ( 2015- £6,000) was paid to WC Gair & Associates for services as a non executive director. No amounts were outstanding at the year end.

- (d) Directors received ordinary dividends in respect of their shareholdings in the Company as follows:

Bernard Tansey: £nil (2015: £1,100)  
Sean Ryan: £nil (2015: £500)  
Barry Tansey: £nil (2015: £400)

The Directors accepted the approved offer from St Mark Homes PLC in respect of their entire shareholdings during the year and received shares in St Mark Homes in consideration.

All transactions above were conducted on normal commercial terms.

### 13 Share capital

	2016 £	2015 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
774,302 Ordinary shares of 50p each	387,151	387,151

# St Mark Contracts Limited

## Notes to the financial statements for the year ended 31 December 2016 (Continued)

### 14 Financial instruments

#### Financial instruments company

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	1,058,972	1,082,626
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	-	6,503

The Company's financial instruments comprise loan facilities and various items such as trade debtors and creditors that arise from its operations. It does not enter into any derivative transactions and has minimal exposure to exchange rate movements as its trade takes place entirely within the United Kingdom.

The fair value of the Company's financial assets and liabilities at 31<sup>st</sup> December 2016 is as stated in the balance sheet at that date.

### 15 Cash generated from operations

	2016 £	2015 £
Operating (loss)	(7,985)	(52,194)
Profit share received from joint venture entities	69,255	161,418
<i>Movement in working capital</i>		
(Increase) in debtors	147,985	(54,701)
Decrease/(Increase) in loans to joint venture entities and group undertakings	(142,042)	27,238
Increase in creditors	(103,947)	4,188
 Cash generated/(expended) from operations	 (36,734)	 85,949

## St Mark Contracts Limited

Notes to the financial statements  
for the year ended 31 December 2016 (*Continued*)

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### 16 Reconciliation of net cash flow to movement in net funds

	2016 £	2015 £
Increase /(Decrease) in cash	(55,562)	48,502
Movement in net funds/(deficit)	(55,562)	48,502
Opening net funds	58,558	10,056
Closing net funds	2,996	58,558

### 17 Ultimate controlling party

The Company is a wholly owned subsidiary of St Mark Homes PLC.