

St Mark Contracts Limited

Report and Financial Statements

Year Ended

31 December 2017

Company Number: 04898905.

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St Mark Contracts Limited

**Annual report and financial statements
for the year ended 31 December 2017**

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Directors

Barry Tansey
Sean Ryan

Secretary and registered office

Barry Tansey, No 1, Railshead Road, St Margarets, Old Isleworth, Middlesex TW7 7EP

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 for the year ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Strategic Report

The Company was wholly acquired by St Mark Homes Plc during 2016. 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 2019.

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 2017 was nil days (2016: 30 days).

Key performance indicators

Profit before tax £21,675 (2016: £101,445)

Net assets £1,030,267 (2016: £1,037,089)

On behalf of the Board



S Ryan
Director

Date : 24 May 2018

St Mark Contracts Limited

Report of the directors for the year ended 31 December 2017

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

Principal Activity

The principal activity of the Company remained that of a residential contractor and house builder.

Results and dividends

The board are pleased to announce pre-tax profit for the year of £21,675 (2016: £101,445). The results of the Company for the year are set out on page 8. An interim ordinary dividend of £18,524 was paid during the year (2016: £38,715).

Directors

Barry Tansey and Sean Ryan continue to serve during the year.

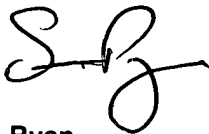
Auditors

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

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



S Ryan
Director

Date : 29 May 2018

St Mark Contracts Limited

Directors' Responsibilities Statement

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

Opinion

We have audited the financial statements of St Mark Contracts Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

St Mark Contracts Limited

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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.

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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

St Mark Contracts Limited

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

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

Date: 30 May 2018

The Shipping Building
The Old Vinyl Factory
Blyth Road
Hayes
London
UB3 1HA

St Mark Contracts Limited

Statement of comprehensive income for the year ended 31 December 2017

	Note	2017 £	2016 £
Company turnover		3,375	51,211
Cost of sales		-	(20,000)
Gross profit		3,375	31,211
Administrative expenses		(4,143)	(39,196)
Operating loss	3	(768)	(7,985)
Share of operating profit in joint ventures		11,579	69,255
Interest receivable and similar income	5	10,952	40,289
Interest payable and similar charges	6	(88)	(114)
Profit on ordinary activities before taxation		21,675	101,445
Taxation on profit on ordinary activities	8	(9,973)	(20,288)
Profit on ordinary activities after taxation		11,702	81,157
Other comprehensive income		-	-
Total comprehensive income		11,702	81,157

All amounts relate to continuing activities.

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

St Mark Contracts Limited

Balance sheet at 31 December 2017

	Note	2017	2016
		£	£
Current assets			
Debtors	9	1,025,892	1,076,683
Cash at bank and in hand		11,206	2,996
		<u>1,037,098</u>	<u>1,079,679</u>
Creditors: amounts falling due within one year	10	<u>(6,831)</u>	<u>(42,590)</u>
Net current assets		<u>1,030,267</u>	<u>1,037,089</u>
Net assets		<u>1,030,267</u>	<u>1,037,089</u>
Capital and reserves			
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		312,056	318,878
Equity Shareholder's funds		<u>1,030,267</u>	<u>1,037,089</u>

The financial statements were approved and authorised for issue by the board on 29 May 2018



S Ryan
Director

Company Registration Number 04898905.

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

St Mark Contracts Limited

Statement of changes in equity For the year ended 31 December 2017

	Share Capital	Capital Redemption Reserve	Share Premium Account	Profit and Loss Reserves	Total
	£	£	£	£	£
Period ended 31 December 2016	387,151	42	331,018	318,878	1,037,089
Profit for the year	-	-	-	11,702	11,702
Total comprehensive income for the year	387,151	42	331,018	330,580	1,048,791
Dividend	-	-	-	(18,524)	(18,524)
Balance at 31 December 2017	387,151	42	331,018	312,056	1,030,267

	Share Capital	Capital Redemption Reserve	Share Premium Account	Profit and Loss Reserves	Total
	£	£	£	£	£
Period ended 31 December 2015	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)
Balance at 31 December 2016	387,151	42	331,018	318,878	1,037,089

St Mark Contracts Limited

Statement of cashflows for the year ended 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash generated/(paid) from operations	15		38,081		(36,734)
Interest paid			(88)		(114)
Corporation tax			(22,211)		(20,288)
Net cash inflow/(outflow) from operating activities			15,782		(57,136)
Investing activities					
Interest received		10,952		40,289	
Net cash generated from investing activities			10,952		40,289
Financing activities					
Dividend paid		(18,524)		(38,715)	
Net cash generated used in financing activities			(18,524)		(38,715)
Net increase/(decrease) in cash and cash equivalents			8,210		(55,562)
Cash and cash equivalents at beginning of year			2,996		58,558
Cash and cash equivalents at end of year			11,206		2,996
Relating to:					
Cash at bank and in hand			11,206		2,996

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

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017

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 No 1, Railshead Road, St Margarets, Old Isleworth, Middlesex TW7 7EP.

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 return on loans 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 2017 (*Continued*)

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 2017 (*Continued*)

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 Instruments

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 2017 (*Continued*)

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 2017 (Continued)

3 Operating loss

	2017 £	2016 £
This has been arrived at after charging:		
Auditors' remuneration		
- Audit services	2,500	6,500
- Non-audit services and taxation	500	750
Rent of land and buildings operating leases	Nil	2,000
	<u> </u>	<u> </u>

4 Director's remuneration

	2017 £	2016 £
Staff costs (including directors) consist of:		
Wages and salaries	-	34,840
Social security costs	-	2,417
Directors' fees	-	7,046
	<u> </u>	<u> </u>
	-	44,303
	<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 2 (2016: 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

	2017 £	2016 £
Loan interest	10,952	40,289
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2017 £	2016 £
Bank charges and interest	88	114
	<u> </u>	<u> </u>

7 Dividends

An interim Ordinary dividend of £18,524 (2016: £38,715) was paid during the year.

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017 (Continued)

8 Taxation on profit on ordinary activities

	2017 £	2016 £
<i>UK Corporation tax</i>		
Current tax on profit for the year	4,172	20,288

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

	2017 £	2016 £
Profit on activities before tax	21,675	101,445
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 19.25% (2016: 20%)	4,172	20,288
Under provision in prior year	5,801	-
Current tax charge for the year	9,973	20,288

9 Debtors

	2017 £	2016 £
Loans to joint venture entities (see note 11)	128,591	516,434
Amounts recoverable from group undertakings	893,926	542,538
Trade debtors	-	-
Taxation	-	836
Prepayments	3,375	16,875
	1,025,892	1,076,683

All amounts fall due for repayment within one year.

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Taxation	4,172	16,410
Accruals	2,659	26,180
	6,831	42,590

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017 (*Continued*)

11 Interests in joint ventures

Included in debtors (note 9) is a loan to Pittville Developments LLP of £128,591 (2016: £516,434). Included within the loan to Pittville Developments LLP is £121,341 (2016: £109,762) in respect of the company share of net assets (see below):

Joint Venture	Country of registration or incorporation	Ownership
Pittville Developments LLP	England and Wales	12.5%

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

Joint venture	Principal activity	Total net assets	Restated total net assets	Share of net assets	Share of net assets
		2017	2016	2017	2016
		£	£	£	£
Pittville Developments LLP	Property development	970,730	878,096	121,341	109,762

Prior year error:

The total assets of £957,725 for Pittville Developments LLP previously disclosed at 31 December 2016 has been corrected in the comparative figure shown above. There is no impact to the Balance Sheet, Statement of Comprehensive income or Statement of Changes in Equity for the year ended 31 December 2016 or for the year ended 31 December 2017 as a result of this correction.

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017 (*Continued*)

12 Related party transactions and balances

During the year the following related party transactions took place:

Bernard Tansey is a director of Mizen Properties Ltd and its subsidiary company Mizen Design/Build Limited.

Mizen Design/Build Limited: Office rental, rates and service charges of £nil (2016: £2,000) were paid to that Company during the year.

The Company has also entered into a joint venture (in conjunction with St Mark Homes Plc) with Mizen Properties Limited (or its subsidiaries) to develop a project at St Margarets, Twickenham.

At the year end £7,250 (2016: £406,672) was due from Pittville Developments LLP, in respect of this joint venture.

All transactions above were conducted on normal commercial terms.

13 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
774,302 Ordinary shares of 50p each	387,151	387,151
	<hr/>	<hr/>

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017 (*Continued*)

14 Financial instruments

Financial instruments company

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,025,892	1,058,972
Carrying amount of financial liabilities		
Measured at amortised cost	2,659	26,180

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 31st December 2017 is as stated in the balance sheet at that date.

15 Cash generated from operations

	2017 £	2016 £
Operating (loss)	(768)	(7,985)
Profit share received from joint venture entities	11,579	69,255
<i>Movement in working capital</i>		
Decrease in debtors	14,336	147,985
Decrease/(Increase) in loans to joint venture entities and group undertakings	36,455	(142,042)
Decrease in creditors	(23,521)	(103,947)
Cash generated/(expended) from operations	38,081	(36,734)

St Mark Contracts Limited

Notes to the financial statements for the year ended 31 December 2017 (*Continued*)

16 Reconciliation of net cash flow to movement in net funds

	2017 £	2016 £
Increase /(decrease) in cash	8,210	(55,562)
	<hr/>	<hr/>
Movement in net funds/(deficit)	8,210	(55,562)
Opening net funds	2,996	58,558
	<hr/>	<hr/>
Closing net funds	11,206	2,996
	<hr/>	<hr/>

17 Ultimate controlling party

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

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is St Mark Homes Plc, a public limited company domiciled and incorporated in England and Wales.

All these companies are registered in England and Wales.

The consolidated financial statements of St Mark Homes Plc are available to the public and can be obtained from Companies House.