

SCAPE GROUP LIMITED

Annual report and financial statements

For the Year Ended 31 March 2018

FRIDAY



A17 *A7IU2PJ7* #89
16/11/2018
COMPANIES HOUSE

SCAPE GROUP LIMITED

Company Information

Directors

S Smith
A Adair (appointed 13 September 2017)
M Robinson
C Durrant
S Freeborn (resigned 7 July 2017)
D Kirkham (resigned 7 July 2017)
S Webster
M Brain (appointed 9 October 2017)
S Bull (appointed 17 October 2017)

Registered number

05660357

Registered office

Level 2
City Gate West
Tollhouse Hill
Nottingham
NG1 5AT

Independent auditors

Smith Cooper Audit Limited
Chartered Accountants and Statutory Auditors
2 Lace Market Square
Nottingham
NG1 1PB

SCAPE GROUP LIMITED

Contents

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
Independent auditors' report	5 - 7
Consolidated statement of comprehensive income	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13
Notes to the financial statements	14 - 34

SCAPE GROUP LIMITED

Group strategic report For the Year Ended 31 March 2018

Introduction

The directors present their strategic report for the year ended 31 March 2018.

Business review

Scape Group is a public-sector partnership that helps to improve the buildings that we use, the roads we travel on and the places we live. The Group offers a suite of fully managed frameworks, property services, innovative design solutions, community investment opportunities and joint ventures that are available to public bodies, quasi-public bodies and the private sector in the United Kingdom.

The Group is jointly owned by six Local Authorities and was the first organisation in the United Kingdom to be formed under the Local Government Act 2003. It works closely with local communities, providing efficient, cost effective projects to create a better built environment for all.

Changes in approach and greater efficiencies are continual areas of focus in an environment of reducing client budgets. In addition, the sector strives for greater overall value through delivering exceptional experiences to create additional social, economic and environmental outturns.

We are grateful to our highly experienced employees as we embark on the next phase of development of the Group.

Principal risks and uncertainties

The board has carefully considered the Group's principal risks and the controls in place to mitigate those risks. The assessment of these risks and controls is a key part of the ongoing management of the business and the Board recognises that consistent and effective risk management is vital to achieving its strategic objectives.

Whilst developing overall performance is important, the Group is also mindful of the main areas of risk including Health & Safety, Service delivery/reputation, Commercial effectiveness in a changing macro-economic environment, Compliance and Pension obligations in order that a solid foundation is created from which industry leading services to clients can be delivered.

The Group's principal financial instruments comprise, bank balances, trade debtors and trade creditors.

Bank balances are managed to ensure liabilities are met to terms. Trade debtors are regularly monitored to identify on a timely basis any amounts that are in excess of contractual terms. Trade creditor's liquidity risk is managed by ensuring there are sufficient funds to meet obligations as they fall due.

Financial key performance indicators

Group revenues for the year were £11,061,047 (2017: £11,952,771).

The Group produced an underlying operating profit of £2,237,098 (2017: £3,132,396) before depreciation, impairment, dilapidations and adjustments in respect of retirement benefit obligations.

Cash balances were £4,474,702 (2017: £5,531,282).

The directors consider this to be a satisfactory performance.

SCAPE GROUP LIMITED

Group strategic report (continued)
For the Year Ended 31 March 2018

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



M Robinson
Director

Date: 6 NOVEMBER 2018

SCAPE GROUP LIMITED

Directors' report For the Year Ended 31 March 2018

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £973,481 (2017 - £2,181,888).

Directors

The directors who served during the year were:

S Smith
A Adair (appointed 13 September 2017)
M Robinson
C Durrant
S Freeborn (resigned 7 July 2017)
D Kirkham (resigned 7 July 2017)
S Webster
M Brain (appointed 9 October 2017)
S Bull (appointed 17 October 2017)

Future developments

The Group continues to focus on targeted development of both new and existing services to existing clients as well as identifying opportunities to develop and expand its customer base.

In addition, key to sustaining the Group in the longer term, is the attraction and retention of the best talent to ensure an appropriate focus on agility and resilience to deliver sustained overall performance and growth.

SCAPE GROUP LIMITED

Directors' report (continued) For the Year Ended 31 March 2018

Disclosure of information to auditors

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

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

Auditors

The auditors, Smith Cooper Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



M Robinson

Director

Date: 6 NOVEMBER 2018

SCAPE GROUP LIMITED

Independent auditors' report to the shareholders of Scape Group Limited

Opinion

We have audited the financial statements of Scape Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 and of the Group's 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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 Auditors' 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.

SCAPE GROUP LIMITED

Independent auditors' report to the shareholders of Scape Group Limited (continued)

We have nothing to report in this regard.

Opinion 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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

SCAPE GROUP LIMITED

Independent auditors' report to the shareholders of Scape Group Limited (continued)

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 so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

A handwritten signature in black ink that reads "Smith Cooper limited". The signature is written in a cursive, flowing style.

Sarah Flear (Senior statutory auditor)

for and on behalf of

Smith Cooper Audit Limited

Chartered Accountants and Statutory Auditors

2 Lace Market Square

Nottingham

NG1 1PB

Date: 9/11/18

SCAPE GROUP LIMITED

**Consolidated statement of comprehensive income
For the Year Ended 31 March 2018**

	Note	2018 £	2017 £
Turnover	3	11,061,047	11,952,771
Cost of sales		(4,534,011)	(3,866,753)
Gross profit		6,527,036	8,086,018
Administrative expenses		(5,308,957)	(5,220,763)
Operating profit	4	1,218,079	2,865,255
Share of loss from joint ventures	15	(12,189)	(200,732)
Fair value adjustments on listed investments		2,229	336,774
Interest receivable and similar income	8	23,850	31,603
Interest payable and expenses	9	(7,483)	-
Defined benefit scheme interest charge	10	(122,000)	(115,000)
Profit before tax		1,102,486	2,917,900
Tax on profit	11	(129,005)	(736,012)
Profit for the financial year		973,481	2,181,888
Other comprehensive income			
Items that will not be reclassified to profit and loss:			
Actuarial gain/(loss) on defined benefit pension scheme		537,000	(1,109,000)
Movement of deferred tax relating to pension surplus		(91,290)	199,620
Other comprehensive income for the year		445,710	(909,380)
Total comprehensive income for the year		1,419,191	1,272,508
Total comprehensive income for the year attributable to:			
Owners of the parent company		1,419,191	1,272,508
		1,419,191	1,272,508

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED
Registered number: 05660357

Consolidated balance sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	534,287	217,107
Investments	15	3,257,484	3,267,405
		<u>3,791,771</u>	<u>3,484,512</u>
Current assets			
Debtors	17	4,484,618	5,816,351
Cash at bank and in hand	18	4,474,702	5,531,282
		<u>8,959,320</u>	<u>11,347,633</u>
Creditors: amounts falling due within one year	19	(3,456,433)	(4,744,423)
Net current assets		<u>5,502,887</u>	<u>6,603,210</u>
Total assets less current liabilities		<u>9,294,658</u>	<u>10,087,722</u>
Creditors: amounts falling due after more than one year	20	(62,073)	(30,655)
Provisions for liabilities			
Deferred tax	21	(18,902)	(21,575)
Net assets excluding pension liability		<u>9,213,683</u>	<u>10,035,492</u>
Pension liability	24	(4,908,000)	(4,599,000)
Net assets		<u><u>4,305,683</u></u>	<u><u>5,436,492</u></u>
Capital and reserves			
Called up share capital	22	450,000	450,000
Profit and loss account	23	3,855,683	4,986,492
		<u><u>4,305,683</u></u>	<u><u>5,436,492</u></u>

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



M Robinson
Director

Date: 6 NOVEMBER 2018

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED
Registered number: 05660357

Company balance sheet
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	534,287	217,107
Investments	15	3,468,838	3,466,569
		<u>4,003,125</u>	<u>3,683,676</u>
Current assets			
Debtors	17	4,761,737	3,621,141
Cash at bank and in hand	18	1,542,706	2,305,670
		<u>6,304,443</u>	<u>5,926,811</u>
Creditors: amounts falling due within one year	19	(2,351,512)	(1,746,286)
Net current assets		<u>3,952,931</u>	<u>4,180,525</u>
Total assets less current liabilities		<u>7,956,056</u>	<u>7,864,201</u>
Creditors: amounts falling due after more than one year	20	(62,073)	(30,655)
Provisions for liabilities			
Deferred taxation	21	(18,902)	(21,575)
Net assets excluding pension liability		<u>7,875,081</u>	<u>7,811,971</u>
Pension liability	24	(4,908,000)	(4,599,000)
Net assets		<u><u>2,967,081</u></u>	<u><u>3,212,971</u></u>
Capital and reserves			
Called up share capital	22	450,000	450,000
Profit and loss account	23	2,517,081	2,762,971
		<u><u>2,967,081</u></u>	<u><u>3,212,971</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



M Robinson

Director

6 NOVEMBER 2018

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED

**Consolidated statement of changes in equity
For the Year Ended 31 March 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	450,000	5,153,984	5,603,984
Profit for the year	-	2,181,888	2,181,888
Actuarial losses on defined benefit scheme	-	(1,109,000)	(1,109,000)
Deferred tax movements	-	199,620	199,620
Total comprehensive income for the year	-	1,272,508	1,272,508
Dividends: Equity capital	-	(1,440,000)	(1,440,000)
At 1 April 2017	450,000	4,986,492	5,436,492
Profit for the year	-	973,481	973,481
Actuarial gains on defined benefit scheme	-	537,000	537,000
Deferred tax movements	-	(91,290)	(91,290)
Total comprehensive income for the year	-	1,419,191	1,419,191
Dividends: Equity capital	-	(2,550,000)	(2,550,000)
At 31 March 2018	450,000	3,855,683	4,305,683

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED

Company statement of changes in equity For the Year Ended 31 March 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	450,000	5,205,707	5,655,707
Loss for the year	-	(93,356)	(93,356)
Actuarial losses on defined benefit scheme	-	(1,109,000)	(1,109,000)
Deferred tax movements	-	199,620	199,620
Total comprehensive income for the year	-	(1,002,736)	(1,002,736)
Dividends: Equity capital	-	(1,440,000)	(1,440,000)
At 1 April 2017	450,000	2,762,971	3,212,971
Profit for the year	-	1,858,400	1,858,400
Actuarial gains on defined benefit scheme	-	537,000	537,000
Deferred tax movements	-	(91,290)	(91,290)
Total comprehensive income for the year	-	2,304,110	2,304,110
Dividends: Equity capital	-	(2,550,000)	(2,550,000)
At 31 March 2018	450,000	2,517,081	2,967,081

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED

**Consolidated statement of cash flows
For the Year Ended 31 March 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	973,481	2,181,888
Adjustments for:		
Depreciation of tangible assets	92,440	71,167
Impairments of tangible assets	129,000	-
Fair value adjustments on listed investments	(2,229)	(336,774)
Interest paid	7,483	-
Interest received	(23,851)	(31,629)
Interest charge - defined benefit scheme	122,000	115,000
Service and administration charge - defined benefit scheme	724,000	197,000
Taxation charge	129,005	736,012
Decrease/(increase) in debtors	1,130,054	(2,026,696)
Decrease/(increase) in amounts owed by joint ventures	242,445	(586,619)
(Decrease)/increase in creditors	(935,100)	2,392,902
Share of operating loss/(profit) in joint ventures	12,189	200,732
Corporation tax (paid)	(585,245)	(709,982)
Net cash generated from operating activities	2,015,672	2,203,001
Cash flows from investing activities		
Purchase of tangible fixed assets	(538,620)	(18,289)
Sale of tangible fixed assets	-	(161)
Purchase of share in joint ventures	-	(230,934)
Interest received	23,851	31,629
Net cash from investing activities	(514,769)	(217,755)
Cash flows from financing activities		
Dividends paid	(2,550,000)	(1,440,000)
Interest paid	(7,483)	-
Net cash used in financing activities	(2,557,483)	(1,440,000)
Net (decrease)/increase in cash and cash equivalents	(1,056,580)	545,246
Cash and cash equivalents at beginning of year	5,531,282	4,986,036
Cash and cash equivalents at the end of year	4,474,702	5,531,282
Cash at bank and in hand	4,474,702	5,531,282

The notes on pages 14 to 34 form part of these financial statements.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Scape Group Limited is a private company limited by shares incorporated in England, United Kingdom. The company's registration number and address of the registered office is given in the company information page of these financial statements. The nature of the company's operations and principle activities are given in the Strategic Report.

The financial statements have been prepared on a going concern basis under the historical cost convention modified to include items at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

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

1.2 Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Entities that are not subsidiaries but where the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions) are accounted for as associates. The results and assets and liabilities of the associates and joint venture are included in the consolidated accounts using the equity method of accounting.

Specifically, the Group has an interest of 80% of the ordinary share capital of Arc Property Services Partnership Limited, however the company is deemed to be a 50:50 jointly controlled entity by virtue of the constitution of the Board of Directors, their voting rights and profit share. In forming their opinion, the Directors have given due regard to the Memorandum of Association and the relevant sections of FRS 102.

1.3 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.3 Tangible fixed assets (continued)

Depreciation is provided on the following basis:

Leasehold improvements	- 10% straight line basis
Fixtures and fittings	- 33.3% straight line basis
Office equipment	- 33.3% straight line basis
IT systems and equipment	- 3 - 5 years straight line basis

1.4 Associates and joint ventures

Investments in joint ventures are measured at cost less impairment.

1.5 Valuation of investments

Investments held as fixed assets are shown at cost less provision for impairment.

Listed investments held as fixed assets are shown at fair value, the quoted market price.

1.6 Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate or that are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.7 Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1.8 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.9 Current and deferred taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount 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 represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

1.10 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.11 Defined benefit pension

Information regarding the estimates and judgements used in accounting for the defined benefit pension scheme are contained in note 2.

Further details about pension obligations are given in Note 24.

1.12 Interest bearing loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

1. Accounting policies (continued)

1.13 Finance income

Finance income comprises interest receivable on cash at bank and interest recognised on loans to associates. Interest income is recognised in the statement of comprehensive income as it accrues.

1.14 Dividends

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

1.15 Share capital

Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The Directors are of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, except for the recognition of revenue, the retirement benefit obligation and the impairment of fixed assets.

Revenue recognition

In respect of construction contracts and the rendering of certain design and professional services, estimates are made with regard to the stage of completion of the work, either through external or internal assessments.

Retirement benefit obligation

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at intervals in response to demographic changes.

Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about pension obligations are given in Note 24.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs.

3. Turnover

The whole of the turnover is attributable to the principle activities of the group.

All turnover arose within the United Kingdom.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	92,440	71,167
Impairment of tangible fixed assets	129,000	-
Operating lease rentals	153,841	152,251
	<u> </u>	<u> </u>

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	11,850	11,500
Fees payable to the Group's auditor and its associates in respect of:		
All other services	28,565	16,635
	<u> </u>	<u> </u>

6. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	4,438,773	3,328,277	2,255,322	1,769,347
Social security costs	539,119	385,162	275,619	187,680
Pension costs	459,841	455,077	246,874	264,368
	<u>5,437,733</u>	<u>4,168,516</u>	<u>2,777,815</u>	<u>2,221,395</u>

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

	2018 No.	2017 No.
Average employees	79	55
	<u> </u>	<u> </u>

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	337,056	375,000
Group pension contributions	22,680	26,460
	<u>359,736</u>	<u>401,460</u>

During the year retirement benefits were accruing to 1 director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £337,056 (2017 - £375,000).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £22,680 (2017 - £26,460).

8. Interest receivable

	2018 £	2017 £
Bank interest receivable	11,306	7,945
Other interest receivable	12,544	23,658
	<u>23,850</u>	<u>31,603</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	7,483	-
	<u>7,483</u>	<u>-</u>

10. Other finance costs

	2018 £	2017 £
Interest on pension scheme liabilities	122,000	115,000
	<u>122,000</u>	<u>115,000</u>

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	423,040	746,256
Adjustments in respect of previous periods	(157,309)	4,132
Total current tax	<u>265,731</u>	<u>750,388</u>
Deferred tax		
Origination and reversal of timing differences	(136,726)	(14,376)
Total deferred tax	<u>(136,726)</u>	<u>(14,376)</u>
Taxation on profit on ordinary activities	<u>129,005</u>	<u>736,012</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,102,485</u>	<u>2,917,900</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	209,473	583,580
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	219,366	155,901
Capital allowances for year in excess of depreciation	(5,799)	6,775
Adjustments to tax charge in respect of prior periods	(157,309)	4,132
Short term timing difference leading to an increase (decrease) in taxation	(136,726)	(14,376)
Total tax charge for the year	<u>129,005</u>	<u>736,012</u>

Factors that may affect future tax charges

There are no factors which may affect future tax charges.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

12. Dividends

	2018 £	2017 £
Dividends paid on equity share capital	2,550,000	1,440,000
	<u>2,550,000</u>	<u>1,440,000</u>

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £1,858,400 (2017 - loss £93,356).

14. Tangible fixed assets

Group and Company

	Long-term leasehold property £	Fixtures and fittings £	Office equipment £	IT systems and equipment £	Total £
Cost					
At 1 April 2017	195,077	69,272	167,839	-	432,188
Additions	175,333	4,559	3,795	354,933	538,620
At 31 March 2018	<u>370,410</u>	<u>73,831</u>	<u>171,634</u>	<u>354,933</u>	<u>970,808</u>
Depreciation					
At 1 April 2017	46,575	56,869	111,637	-	215,081
Charge for the year on owned assets	19,503	12,766	38,510	21,661	92,440
Impairment charge	129,000	-	-	-	129,000
At 31 March 2018	<u>195,078</u>	<u>69,635</u>	<u>150,147</u>	<u>21,661</u>	<u>436,521</u>
Net book value					
At 31 March 2018	<u>175,332</u>	<u>4,196</u>	<u>21,487</u>	<u>333,272</u>	<u>534,287</u>
At 31 March 2017	<u>148,502</u>	<u>12,403</u>	<u>56,202</u>	<u>-</u>	<u>217,107</u>

An impairment loss has been recognised in respect of improvements made to the company's current leasehold office premises. The company moved to a new premises after the balance sheet date, therefore the remaining net book value of the current leasehold improvements has been written off due to this reduction in its useful economic life.

SCAPE GROUP LIMITED

Notes to the financial statements
For the Year Ended 31 March 2018

15. Fixed asset investments

Group

	Listed investments £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 April 2017	3,235,624	31,781	3,267,405
Revaluations	2,268	-	2,268
Share of profit/(loss)	-	(12,189)	(12,189)
At 31 March 2018	<u>3,237,892</u>	<u>19,592</u>	<u>3,257,484</u>
Net book value			
At 31 March 2018	<u>3,237,892</u>	<u>19,592</u>	<u>3,257,484</u>
At 31 March 2017	<u>3,235,624</u>	<u>31,781</u>	<u>3,267,405</u>

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

15. Fixed asset investments (continued)

Investment in joint ventures

The Group own 50% of the ordinary share capital in Sunesis Build Limited, a company registered in England, United Kingdom. The address of the registered office is Spirella 2, Icknield Way, Letchworth Garden City, Letchworth, Hertfordshire, SG6 4GY.

During the year ended 31 March 2018, Sunesis Build Limited made a loss of £24,377 (2017: profit £60,403). The Group is entitled to 50% of the results of Sunesis Build Limited by virtue of its 50% equity stake and its share of this loss has been included in the consolidated statement of profit and loss.

The carrying value of the Group's joint venture, Sunesis Build Limited, at 31 March 2018 is £19,592 (2017: £31,781).

During the year ended 31 March 2017 the Group acquired 80% of the share capital in Arc Property Services Partnership Limited, a company registered in England, United Kingdom. The address of the registered office is Level 2, City Gate West, Tollhouse Hill, Nottingham, NG1 5AT. Consideration of £230,934 was paid to acquire this interest. The terms of the joint venture arrangement mean the Group is entitled to 50% of the net assets of the company.

Arc Property Services Partnership Limited made a loss in the year ended 31 March 2018 of £497,973 (2017: £680,114) and at the balance sheet date had net liabilities of £2,339,279 (2017: £2,586,306).

Due to the accounting requirements of FRS 102, on consolidation the investment in Arc Property Services Partnership Limited has been written down to £nil as the joint venture has net liabilities which exceed the cost of the investment of £230,934. The liability only exists due to the pension liability, not the underlying trading performance of the company.

SCAPE GROUP LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

15. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost or valuation				
At 1 April 2017	11	3,235,624	230,934	3,466,569
Additions	1	-	-	1
Revaluations	-	2,268	-	2,268
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2018	12	3,237,892	230,934	3,468,838
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2018	12	3,237,892	230,934	3,468,838
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2017	11	3,235,624	230,934	3,466,569
	<hr/>	<hr/>	<hr/>	<hr/>

Investment in joint ventures

The company policy is to carry investments at cost less impairment. No impairment at a company level has been made against the investment in Arc Property Services Partnership Limited of £230,934 as in the directors opinion the company is forecast to generate sufficient cash flows to justify the carrying value. As reported above, the net liability in the accounts of the joint venture only exists due to the pension liability.

As the joint ventures are private companies published share prices are not available. The aggregate amounts of certain financial information are summarised below:

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

	Arc Property Services Partnership Limited £	Sunesis Build Limited £	Total 2018 £
Non-current assets	3,954,995	-	3,954,995
Cash balances	936,745	147,271	1,084,016
Current assets	3,593,939	-	3,593,939
Current liabilities	(4,262,958)	(8,086)	(4,271,044)
Non-current liabilities and provisions	-	(99,998)	(99,998)
Defined benefit liability	(6,562,000)	-	(6,562,000)
Revenue	35,248,098	-	35,248,098
Loss before taxation	(427,258)	(30,938)	(458,196)
Total comprehensive income	247,027	(24,377)	222,650
Loss attributable to the group	-	(12,189)	(12,189)

	Arc Property Services Partnership Limited £	Sunesis Build Limited £	Total 2017 £
Non-current assets	4,159,168	-	4,159,168
Cash balances	612,756	525,314	1,138,070
Current assets	3,761,281	-	3,761,281
Current liabilities	(4,191,511)	(361,752)	(4,553,263)
Non-current liabilities and provisions	(400,000)	(99,998)	(499,998)
Defined benefit liability	(6,528,000)	-	(6,528,000)
Revenue	21,254,337	-	21,254,337
Profit/(loss) before taxation	(743,126)	76,274	(666,852)
Total comprehensive income	(3,048,114)	60,403	(2,987,711)
Profit attributable to the group	-	30,202	30,202

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

16. Subsidiary undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Name	Class of shares	Holding	Principal activity
Scape Venture Limited	Ordinary	100 %	Private Sector Procurement
Scape Limited	Ordinary	100 %	Dormant
Scape Reinvest Limited	Ordinary	100 %	Dormant
Lungfish Architects Limited	Ordinary	100 %	Architects
Scape Procure Limited	Ordinary	100 %	Public Sector Procurement
Scape Investments Limited	Ordinary	100 %	Dormant
Scape Procure Scotland Limited	Ordinary	100 %	Dormant
Arc Property Services Partnership Limited	Ordinary	80 %	Architectural design and consultancy
Sunesis Build Limited	Ordinary	50 %	Design Services

All subsidiaries are included in the consolidated financial statements, with the exception of Arc Property Services Partnership Limited and Sunesis Build Limited which are accounted for as joint ventures. See note 1.2 for the basis of consolidation account policy.

All subsidiaries are incorporated in England, United Kingdom and have the same registered office as the parent company, with exception of Sunesis Build Limited which is registered at Spirella 2, Icknield Way, Letchworth, SG6 4GY.

SCAPE GROUP LIMITED

**Notes to the financial statements
For the Year Ended 31 March 2018**

17. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Due after more than one year				
Amounts owed by joint ventures and associated undertakings	-	200,000	-	200,000
Deferred tax asset	825,019	782,256	825,019	782,256
	<u>825,019</u>	<u>982,256</u>	<u>825,019</u>	<u>982,256</u>
Due within one year				
Trade debtors	1,206,921	1,538,358	2	7,213
Amounts owed by group undertakings	-	-	2,834,783	788,280
Amounts owed by joint ventures and associated undertakings	344,626	386,619	294,500	386,619
Other debtors	732,693	54,970	430,129	4,866
Prepayments and accrued income	1,375,359	2,854,148	377,304	1,451,907
	<u>4,484,618</u>	<u>5,816,351</u>	<u>4,761,737</u>	<u>3,621,141</u>

18. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	4,474,702	5,531,282	1,542,706	2,305,670
	<u>4,474,702</u>	<u>5,531,282</u>	<u>1,542,706</u>	<u>2,305,670</u>

19. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	406,168	358,950	322,190	209,737
Corporation tax	172,915	494,388	160,010	53,161
Other taxation and social security	677,203	506,958	675,592	426,956
Other creditors	62,193	48,206	62,193	48,206
Accruals and deferred income	2,137,954	3,335,921	1,131,527	1,008,226
	<u>3,456,433</u>	<u>4,744,423</u>	<u>2,351,512</u>	<u>1,746,286</u>

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

20. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accruals and deferred income	62,073	30,655	62,073	30,655
	62,073	30,655	62,073	30,655

21. Deferred taxation

Group

	2018 £
At beginning of year	21,575
Charged to profit or loss	(2,673)
Utilised in year	-
At end of year	18,902

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	37,410	33,715	37,410	33,715
Other short term timing differences	(18,508)	(12,140)	(18,508)	(12,140)
	18,902	21,575	18,902	21,575

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
450,000 Ordinary shares of £1 each	450,000	450,000

23. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

24. Pension commitments

The Group operates a funded defined benefit pension plan for qualifying employees, operating within the Local Government Pension Scheme (LGPS). The plans assets are held in separate trustee administered funds.

The plan typically exposes the company to actuarial risks such as investment risk, interest rate risk, longevity risk or salary risk.

The most recent actuarial valuation of plan liabilities and the present value of the deferred benefit obligations were carried out and up dated at the 31 March 2018 by Barnett Waddingham, Fellow of the Institute of Actuaries. The actuary has taken into account the present value of the defined benefit obligation, related current service cost and past service cost were measured using the Project Unit Credit method.

Reconciliation of present value of plan liabilities:

	2018 £	2017 £
Opening defined benefit obligation	9,594,000	6,453,000
Current service cost	1,201,000	525,000
Interest cost	276,000	254,000
Experience loss/(gain) on defined benefit obligation	-	(300,000)
Contributions by scheme participants	274,000	186,000
Estimate benefits paid net of transfers in	233,000	230,000
Past service costs, including curtailments	-	40,000
Change in financial assumptions	(544,000)	2,079,000
Change in demographic assumptions	-	127,000
At the end of the year	11,034,000	9,594,000

Reconciliation of present value of plan assets:

	2018 £	2017 £
Opening fair value of fund assets	4,995,000	3,275,000
Interest on assets	154,000	139,000
Return on assets less interest	(7,000)	698,000
Contributions by employer including unfunded	479,000	369,000
Contributions by fund participants	274,000	186,000
Estimated benefits paid plus unfunded net of transfers in	233,000	230,000
Other actuarial gains	-	99,000
Administration expenses	(2,000)	(1,000)
At the end of the year	6,126,000	4,995,000

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

24. Pension commitments (continued)

The total return on the fund assets for the year ended 31 March 2018 is £147,000 (2017: £837,000).

Composition of plan assets:

	2018 £	2017 £
Equities	4,027,000	3,494,000
Gilts	140,000	153,000
Other bonds	716,000	301,000
Property	770,000	555,000
Cash	121,000	251,000
Inflation-linked pooled fund	152,000	125,000
Infrastructure	200,000	116,000
Total plan assets	6,126,000	4,995,000

The amount included in the statement of financial position arising from the entity's obligation in respect of its defined benefit plan is as follows:

	2018 £	2017 £
Fair value of plan assets	6,126,000	4,995,000
Present value of plan liabilities	(11,034,000)	(9,594,000)
Net pension scheme liability	(4,908,000)	(4,599,000)

Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:

	2018 £	2017 £
Current service cost	1,201,000	565,000
Net interest expense	122,000	115,000
Administration expenses	2,000	1,000
Total	1,325,000	681,000
Return on plan assets (excluding amounts included in the net interest expense)	(7,000)	797,000
Actuarial gains/(losses) arising from the changes in financial assumptions	544,000	(1,906,000)
	537,000	(1,109,000)

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

24. Pension commitments (continued)

The current service cost and administration expenses are included within administration expenses in the profit or loss. The interest obligation is included within other finance costs in the profit or loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018	2017
	%/years	%/years
Discount rate	2.6	2.8
Future salary increases	3.8	4.2
Future pension increases	2.3	2.7
Consumer price index	2.3	2.7
Retail price index	3.3	3.6
Mortality rates		
- for a male aged 65 now	22.6	22.5
- at 65 for a male aged 45 now	24.8	24.7
- for a female aged 65 now	25.6	25.5
- at 65 for a female member aged 45 now	27.9	27.8

The post-mortality assumptions allow for expected increases in longevity. The "current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date, with "future" being that relating to an employee retiring in 2037.

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

24. Pension commitments (continued)

The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions at the end of the period, while holding other assumptions constant:

	One percentage point/One year increase £'000	One percentage point/One year decrease £'000
Adjustment to discount rate		
Effect on projected service cost	1,099	1,156
Effect on defined benefit obligation	10,788	11,286
Adjustment to long term salary increase		
Effect on projected service cost	1,127	1,127
Effect on defined benefit obligation	11,066	11,002
Adjustment to pension increases and deferred revaluation		
Effect on projected service cost	1,156	1,099
Effect on defined benefit obligation	11,254	10,819
Adjustment to life expectancy assumptions		
Effect on projected service cost	1,163	1,092
Effect on defined benefit obligation	11,417	10,664

The expected contributions to the pension plan for the next reporting period total £480,000.

25. Commitments under operating leases

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	224,189	73,176
Later than 1 year and not later than 5 years	1,074,828	267,410
Later than 5 years	1,398,191	130,550
	2,697,208	471,136

SCAPE GROUP LIMITED

Notes to the financial statements For the Year Ended 31 March 2018

26. Related party transactions

The company has taken advantage of the exemption available in FRS 102 s33.1a from disclosing transactions with other wholly owned members of the group.

During the year the company paid dividends of £2,550,000 (2017: £1,440,000) to its shareholders. It also made purchases from shareholders of £35,746 (2017: £37,713) and payments through the Reinvest programme of £nil (2017: £420,000). At the year end an amount of £87,395 (£202,388) was owed to shareholders and is included within trade creditors and accruals. During the year shareholders we awarded discounts of £20,462 (2017: £111,572).

During the year the company recharged expenses of £587,419 (2017: £566,822) to Arc Property Services Partnership Limited, a company in which it has joint control. Amounts due to the company at 31 March 2018 in respect of these expenses was £94,048 (2017: £386,619).

In the year ended 31 March 2017, the company made a loan of £200,000 to Arc Property Services Partnership Limited. The loan was outstanding as at 31 March 2018 and is due for repayment in May 2018. This balance is included within amounts due from joint ventures. Interest on this loan is charged at 4% above the rate determined by the Public Works Loan Board. The interest receivable in respect of this loan for the year ended 31 March 2018 was £10,960 (2017: £9,369) and is included within other interest receivable in the profit and loss.

The Group considers those people having authority and responsibility for planning, directing, and controlling the activities of the Group to be key management personnel. Key management personnel remuneration during the year totalled £880,303 (2017: £764,185) for short term employment benefits and £66,060 (2017: £66,146) for post post employment benefits. During the year post employment benefits were accruing to 5 (2017: 5) key management personnel. As at 31 March 2018 an amount of £52,539 (2017: £24,959) was payable to key management personnel in respect of bonuses declared but not yet paid. This is included within other creditors falling due in more than one year.

27. Controlling party

The company is controlled jointly by its shareholders; Derby City Council, Derbyshire County Council, Nottingham City Council, Nottinghamshire County Council, Warwickshire County Council and Gateshead Council.