AMENDED **Company Registration Number: 04013621**

ACTAVO (UK) LIMITED

Report and Financial Statements

for the year ended

31 December 2016

The Actavo (UK) accounts have been amended to include a page missing from the original submission and this amended set replace the original accounts. These accounts are now the statutory accounts and have been prepared as they were at the date of the originally submitted accounts.

On behalf of the Board

Alan Doherty
Director

TUESDAY
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JNI 05/12/2017 #79
COMPANIES HOUSE

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ACTAVO (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2016

CONTENTS Page

DIRECTORS AND OTHER INFORMATION	2
STRATEGIC REPORT	3 - 6
DIRECTORS' REPORT	7 - 9
DIRECTORS' RESPONSIBILITIES STATEMENT	10
INDEPENDENT AUDITORS' REPORT	11 - 12
STATEMENT OF COMPREHENSIVE INCOME	13
STATEMENT OF FINANCIAL POSITION	14
STATEMENT OF CHANGES IN EQUITY	15
NOTES TO THE FINANCIAL STATEMENTS	16 - 37

ACTAVO (UK) LIMITED

DIRECTORS AND OTHER INFORMATION

DIRECTORS

Sean Corkery
Roger Hastie
Liam Spring
Alan Doherty
Tom O'Connor

SECRETARY AND REGISTERED OFFICE

Sandra Delany
Unit C
Cedar Court Office Park
Denby Dale Road
Calder Grove
Wakefield
WF4 3QZ

AUDITORS

Mazars
Chartered Accountants
& Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

SOLICITORS

Gosschalks
Queens Gardens
Hull
HU1 3DZ

BANKERS

Lloyds TSB Bank
Business & Commercial Service Centre
6/7 Park Row
Leeds
LS1 1NX

AIB
Naas Road
Dublin 22

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 December 2016.

1. REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Actavo (UK) Limited is a leading provider of multi-disciplinary, access, insulation, asbestos removal, protective coating and passive fire protection services to a blue chip customer base across a range of market sectors. It also hires and sells scaffolding, light access and shoring equipment. The company had an average workforce of 1,865 employees for the year ended 31 December 2016.

For the year ended 31 December 2016 the company reported turnover of £139m and an EBITDA loss of £0.2m, (Trading EBITDA loss of £1.9m) reflecting a difficult year for the wider industrial services market, a number of one-off items in the Industrial business offset by a strong year across our Hire and Sales depots. Notwithstanding the challenges in the Industrial division the balance sheet for Actavo UK remains strong with Shareholder funds of £28m and Net Assets at the year-end of £53m (ex. intercompany) with Gross assets of £106m.

The Hire and Sales business in the UK continues to perform strongly, delivering Revenue growth of 8% year on year with 2016 EBITDA of £7.8m (pre central overhead). Going forward the Hire and Sales business will become the largest component of Actavo UK Limited as the Industrial business reduces its exposure to poor commercial contracts.

The company demonstrated its confidence in future growth in demand for its services by continuing to invest in service equipment, with capital expenditure for the year amounting to £3m. This confidence was also reflected in a number of senior appointments to the divisional management teams across the organisation.

During the past financial year, the company has continued a policy of geographical and sectoral diversification. Resources were deployed both on developing business within the company's existing international network and in extending its presence to new territories. The company opened a new depot in Uxbridge in 2016 and relocated a number of its depots to larger premises to facilitate growth in its Hire & Sales business. The new and relocated depots performed excellently during the year. The company saw increased demand for its RhinoDeck system during the year from major housebuilding customers and expects this to continue in future years.

The main risks for the Company are price risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below:

(a) Price risk

The Company is exposed directly and indirectly to commodity price risk, given the nature of its operations. The Company seeks to minimise the adverse effect of the above risks by economies of purchasing, strong inventory management and developing good long-term relationships with multiple suppliers.

STRATEGIC REPORT

1. REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR (continued)

(b) Credit risk

The Company has implemented policies that require appropriate checks on potential customers before sales are made. Company management actively manages receivables through continuous monitoring of accounts receivables on a regular basis.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The company does not enter into any formally designated hedging transactions. There is some exposure to interest rate risk through the use of borrowings with variable rates, but these are over relatively short periods and the directors consider the level of risk to be acceptable.

The company adheres to best practice in the area of employee welfare and complies in all material respects with environmental legislation and health and safety requirements. Health & Safety is at the core of the business and the investment in driving standards higher across the organisation through training & education of staff, has led once again to the company winning ROSPA (The Royal Society for the Prevention of Accidents) Presidents Award.

The company is a subsidiary of Actavo Group Limited, a company incorporated in the Republic of Ireland. Actavo is a leading engineering solutions company operating in 100+ locations (across Ireland, UK, US, Kazakhstan and the Caribbean), with an annual turnover in 2016 in excess of €450m. The Actavo group has a highly-skilled workforce of approximately 6,000 staff across over 100 strategic locations.

Actavo's ethos of performance excellence is anchored in over four decades of experience, during which time the company has been involved in large-scale and complex infrastructural projects. The experience amassed over this period has given the company a deep understanding of the industries it serves.

The Board would like to express its appreciation to both the current and new employees who have made a significant contribution to the further development of the Group as a leader in its markets.

STRATEGIC REPORT

2. KEY PERFORMANCE INDICATORS

The business has budgetary and financial reporting procedures, supported by appropriate key performance indicators, to manage credit, liquidity and the other financial risks. The principal key performance indicators used by management to monitor performance are as follows:

- Revenue;
- EBITDA (earnings before interest, tax, depreciation and amortisation);
- EBIT (earnings before interest, tax);
- Debtors days
- AFR (Accident Frequency Rate)
- Stock Utilisation

An analysis of some of the main KPIs this year compared to last year is set out below

	Year to 31 December 2016	Year to 31 December 2015
Revenue	£139.5m	£115.7m
EBITDA	-£0.2m	£6.8m
Trading EBITDA*	-£1.9m	£6.8m
EBIT	-£4.0m	£3.5m
Gross assets	£106.2m	£94.9m
Equity	£27.5m	£32.0m
Debtors days	65 days	70 days
AFR (Accident Frequency Rate)	2.3	8.3
Stock Utilisation	73%	72%

For the year ended 31 December 2016 the company reported turnover of £139m and EBITDA loss of £0.2m, (Trading EBITDA loss of £1.9m) reflecting a difficult year for the wider industrial services market, a number of one-off items in the Industrials business offset by a strong year across our Hire and Sales depots. Notwithstanding the challenges in the Industrials division the balance sheet for Actavo UK remains strong with Shareholder funds of £28m and Net Assets at the year-end of £53m (ex. intercompany) with Gross assets of £106m.

*Trading EBITDA represents Operating (loss)/profit before Depreciation and adjustments to Fixed Asset Provisions (see note 13).

2. KEY PERFORMANCE INDICATORS (continued)

Actavo Group Limited

The company is a wholly owned subsidiary of Actavo Group Limited. For the 12-month audited period to 31 December 2016, the business reported revenues of €456m (+11.5%) and trading EBITDA of €27m (+1%).

	Year to 31 December 2016 €m	Year to 31 December 2015 €m
Turnover	455.7	408.8
Trading EBITDA	27.2	26.9

The Actavo Group demonstrated its confidence in future growth in demand for its services by continuing to invest in capability, service equipment, plant and machinery with net capital expenditure amounting to €18.6m for the year. At 31 December 2016 the business held €66m tangible fixed assets, €6m in cash reserves with shareholder equity of €71m.

On behalf of the Board

Liam Spring
Director

7 November 2017

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

1. PRINCIPAL ACTIVITIES

On 4 January 2016, the company changed its name to Actavo (UK) Limited. Actavo (UK) Limited is a leading provider of multi-disciplinary, access, insulation, asbestos removal, protective coating and passive fire protection services to a blue chip customer base across a range of market sectors. It also hires and sells scaffolding, light access and shoring equipment. The company had an average workforce of 1,865 employees for the year ended 31 December 2016.

2. RESULTS AND DIVIDENDS

The company's Statement of Comprehensive Income and Statement of Financial Position for the year are set out on pages 13 and 14 respectively.

The directors do not propose a dividend for the year ended 31 December 2016.

3. FINANCIAL RISK MANAGEMENT

The Company's principal financial instruments comprise bank loans and overdrafts, finance leases and hire purchase contracts, invoice discounting and cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which directly arise from its operations.

4. STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties and financial instruments.

5. ULTIMATE PARENT COMPANY

Actavo (UK) Limited is a wholly owned subsidiary of Deborah Services (Holdings) Limited, a company incorporated in the United Kingdom.

The ultimate parent company and the largest Group into which the entity is consolidated is Actavo Group Limited, a company incorporated in the Republic of Ireland. The smallest group into which the entity is consolidated is Deborah Services (Holdings) Limited.

DIRECTORS' REPORT

6. FUTURE DEVELOPMENTS

The development and consolidation of the company's existing activities will continue to be the main area of attention in the coming year.

7. RESEARCH AND DEVELOPMENT

The company did not engage in research and development activity during the year.

8. EVENTS SINCE THE YEAR END

There has been no event since the year end that would impact the results of the company at the balance sheet date.

9. DIRECTORS AND SECRETARY

The present membership of the board is included on page 2.

On 30 December 2016, Liam Spring resigned as secretary of the company.
On 30 December 2016, Sandra Delany was appointed as secretary of the company.
On 30 December 2016, Patrick Carolan resigned as a director of the company.
On 3 February 2017, Christopher Foulkes resigned as a director of the company.
On 30 June 2017, Russell Best resigned as a director of the company.
On 30 June 2017, Charles Price was appointed as a director of the company.
On 30 June 2017, Tom O'Connor was appointed as a director of the company.
On 8 September 2017, Charles Price resigned as a director of the company.

In accordance with the Articles of Association, the directors are not required to retire by rotation.

10. DISABLED EMPLOYEES

The Company's attitude concerning the employment of disabled persons is the same as that relating to all other staff in matters of recruitment, continuity of employment, training, development and promotion. Nevertheless, the Company is very conscious of the difficulties experienced by the disabled and takes account sympathetically of individual circumstances.

11. EMPLOYEE CONSULTATION

Employee involvement and commitment is the established responsibility of the Board of Directors and requires their participation. Regular contact and exchanges of information between managers and staff are maintained through departmental manager's meetings and social functions. The Company promotes the principle of team briefing on a regular and continuous basis with the aim of ensuring that all employees are personally advised of the financial and commercial progress of the Company.

DIRECTORS' REPORT

12. POLITICAL CONTRIBUTIONS

There were no political contributions.

13. DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

14. AUDITORS

Mazars, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to be reappointed in accordance with the Companies Acts 2006.

On behalf of the Board

Liam Spring
Director

7 November 2017

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS101 "The Reduced Disclosure Framework". Under company law, the directors must not approve the financial statements unless they are satisfied 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- 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, 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Liam Spring
Director

7 November 2017

MAZARS

ACTAVO (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

To the members of **ACTAVO (UK) LIMITED**

We have audited the financial statements of Actavo (UK) Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 10, 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 (APB's) Ethical Standards for Auditors.

This report, including our opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our 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.

Scope of the audit of financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

MAZARS

ACTAVO (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

Opinion on the 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 the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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 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.

Lorcan Colclough
Senior Statutory Auditor
For and on behalf of Mazars
Chartered Accountants
& Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

7 November 2017

ACTAVO (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Turnover	5	139,498	115,693
Cost of sales		(126,395)	(94,734)
Gross profit		13,103	20,959
Administrative expenses		(18,408)	(17,419)
Operating (loss)/profit	6	(5,305)	3,540
Deferred consideration adjustment	18	1,265	-
Interest receivable and similar income	7	6	11
Interest payable and similar charges	8	(761)	(607)
(Loss)/profit on ordinary activities before taxation		(4,795)	2,944
Taxation credit	9	347	-
(Loss)/profit for the financial year		(4,448)	2,944
Other comprehensive income		-	-
Total comprehensive income		(4,448)	2,944

All turnover is in respect of continuing operations.

ACTAVO (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2016 £'000	31 December 2015 £'000
FIXED ASSETS			
Financial assets	12	24,659	24,625
Tangible assets	13	30,139	27,022
		54,798	51,647
CURRENT ASSETS			
Stocks	14	5,913	5,406
Debtors	15	44,718	32,516
Cash at bank and in hand	16	783	5,284
		51,414	43,206
CREDITORS			
Amounts falling due within one year	17	(72,360)	(55,029)
NET CURRENT LIABILITIES		(20,946)	(11,823)
TOTAL ASSETS LESS CURRENT LIABILITIES		33,852	39,824
CREDITORS			
Amounts falling due after more than one year	18	(5,076)	(5,595)
Provisions for liabilities and charges	20	(1,256)	(2,261)
NET ASSETS		27,520	31,968
CAPITAL AND RESERVES			
Called up share capital	21	75	75
Profit and loss account		27,445	31,893
SHAREHOLDERS' FUNDS		27,520	31,968

On behalf of the Board

Liam Spring
Director

7 November 2017

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2015	75	28,949	29,024
Profit for the year	-	2,944	2,944
Other comprehensive income	-	-	-
Total comprehensive income	-	2,944	2,944
At 31 December 2015	75	31,893	31,968
Loss for the year	-	(4,448)	(4,448)
Other comprehensive income	-	-	-
Total comprehensive income	-	(4,448)	(4,448)
At 31 December 2016	75	27,445	27,520

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Actavo (UK) Limited, ("the Company"), is a private limited company. The registered address of the Company is Unit C, Cedar Court Office Park, Denby Dale Road, Calder Grove, Wakefield, West Yorkshire, WF4 3QZ. The company is principally involved in the provision of specialist formwork and scaffolding to the construction industry.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Companies Act 2006 and FRS 101 *Reduced Disclosure Framework*. Outlined below are the principal accounting policies under FRS 101, which have been applied consistently.

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

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - (i) 10(d), (statement of cash flows),
  - (ii) 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - (iii) 16 (statement of compliance with all IFRS),
  - (iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
  - (v) 38B-D (additional comparative information),
  - (vi) 40A-D (requirements for a third statement of financial position),
  - (vii) 73(e), (comparative information of IAS16),
  - (viii) 111 (cash flow statement information), and
  - (ix) 134-136 (capital management disclosures);
- IFRS7, "Financial Instruments; Disclosures",
- IAS 7, 'Statement of cash flows';
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- Paragraphs 45 (b) and 46 to 52 of IFRS Share based payments.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE (CONTINUED)

The company is a wholly owned subsidiary of Actavo Group Limited and is consolidated into their publicly available group financial statements. These financial statements are available in the company's registration office, 14 Parnell House, Parnell Square, Dublin 1, Ireland.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown net of estimated customer returns, rebates and other similar allowances.

Rendering of services

The Company engages primarily in the performance of fixed price contracts and contract costs are recognised as incurred. When the outcome of a contract can be estimated reliably the Company recognises revenue in accordance with the percentage-of-completion method. The completion percentage is generally measured based on the proportion of contract costs incurred at the balance sheet date relative to the total estimated costs of the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred where it is probable that these costs will be recoverable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense. Revenue and/or costs in respect of variations or contracts claims and incentive payments, to the extent that they arise, are recognised when it is probable that the amount, which can be measured reliably, will be recovered from/paid to the customer. If circumstances arise that may change the original estimates of revenues, costs or extent of progress towards completion, estimates are revised. These revisions may result in increases or decreases in revenue or costs and are reflected in income in the period in which the circumstances that give rise to the revision became known by management.

Sale of goods

Revenue from the sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; is able to reliably measure the amount of revenue and the costs incurred or to be incurred in respect of the transaction; and assesses that it is probable for the economic benefits associated with the transaction to flow to the entity.

Hire of goods

Revenue from the hire of goods is recognised over the term of the hire period.

Interest income

Interest income is accrued on a time-apportioned basis on the principal outstanding using effective interest method.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to an external pension scheme for the sole benefit of qualifying employees across the Company are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

3.3 EMPLOYEE LEAVE ENTITLEMENT

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the financial year.

3.4 INCOME TAX

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 INCOME TAX (CONTINUED)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Company expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

3.5 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 TANGIBLE ASSETS

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, on the following bases:

	Annual rate
Freehold buildings	50 years
Property improvements	2 - 5 years
Plant and machinery	1 - 5 years
Motor vehicles	4 - 6 years
Furniture, fittings and office equipment	3 - 5 years

Service equipment is depreciated on a reducing balance basis at a rate of between 10% and 100% per annum. Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Depreciation methods, useful lives and residual values are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method as appropriate on a prospective basis and are shown as provision movements in the related note to the financial statements.

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of property, plant and equipment is recognised in profit or loss. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 IMPAIRMENT OF TANGIBLE ASSETS

The company reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.8 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

Financial assets

All financial assets are recognised on a trade date - the date on which the company commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss; held-to-maturity investments; loans and receivables; and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The company's loans and receivables comprise trade and other receivables, amounts due from contract customers, bank balances and fixed deposits. Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Amounts due from Group Companies which are classified as fixed asset investments reflect the intentions of the lender in with line with Company Law. For such amounts, there are no contractual arrangements in place and the lender has deemed that these amounts are repayable on demand and are therefore recognised at cost being the amount which is not less than the amount which would be payable on demand

Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 FINANCIAL INSTRUMENTS (CONTINUED)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are classified as at fair value through profit or loss if the financial liability is either held for trading or it is designated as such upon initial recognition.

Other financial liabilities

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 FINANCIAL INSTRUMENTS (CONTINUED)

Borrowings
Interest-bearing bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

3.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

3.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

3.11 LEASES

Finance Leases

Lessee
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is recognised as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction of production of qualifying assets, in which case they are capitalised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 LEASES (CONTINUED)

Operating Leases

Lessee

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments. Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The Company made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Company accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

4.1 KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of investments in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investments are impaired. Where necessary, the Company's assessments are based on the estimation of the value-in-use of the assets defined in IAS 36 *Impairment of Assets* by forecasting the expected future cash flows for a period of up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 December 2016 was £7.5m (2015: £7.5m) (Note 12).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY (CONTINUED)

4.1 KEY SOURCES OF ESTIMATION AND UNCERTAINTY (CONTINUED)

Impairment of trade and other receivables

The Company assesses its loans and receivables on a continuous basis for any objective evidence of impairment by considering factors, including the ageing profile, the creditworthiness and the past collection history of each debtor. If the financial conditions of these debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Company's trade receivables net of impairment as at 31 December 2016 were £39.3m (2015: £28.6m) (Note 15).

Depreciation of property, plant and equipment

The Company depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Company intends to derive future economic benefits from the use of the Company's property, plant and equipment. The residual value reflects management's estimated amount that the Company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges.

The carrying amounts of the Company's property, plant and equipment at 31 December 2016 was £30.1m (2015: £27.0m) (Note 13).

Inventory valuation method

Inventory is valued at the lower of cost and net realisable value. Management reviews the Company's inventory levels in order to identify slow-moving and obsolete inventory and identifies items of inventory which have a market price, being the selling price quoted from the market of similar items that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the saleability and values of the inventory which could then consequentially impact the Company's results, cash flows and financial position.

The carrying amount of the Company's inventory as at 31 December 2016 was £5.9m (2015: £5.4m). The allowance made on inventory for the year ended 31 December 2016 was £149k and £143k in 2015 (Note 14).

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY (CONTINUED)

4.1. KEY SOURCES OF ESTIMATION AND UNCERTAINTY (CONTINUED)

Provision for deferred tax

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax has been set out in Notes 9 and 20.

5. TURNOVER

The turnover is attributable to the principal activity of the company. The analysis of turnover is as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
United Kingdom	139,498	115,693
Analysed as -		
Services	88,980	69,172
Sale of goods	36,763	32,651
Hire of goods	13,755	13,870
Total	139,498	115,693

6. OPERATING (LOSS)/PROFIT

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Operating profit is stated after charging/(crediting):		
Cost of inventories recognised as expenses	28,581	26,031
Depreciation of tangible fixed assets	3,810	3,255
Operating lease charges	1,684	1,574
Services provided by the company's auditors:		
- Fees payable for the audit	30	27
- Fees payable for other services	6	4
Directors' remuneration (Note 11)	800	1,497

NOTES TO THE FINANCIAL STATEMENTS

7. INTEREST RECEIVABLE

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Bank interest	6	11

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Bank interest on bank loans	589	403
Finance lease charges	172	204
	761	607

9. TAXATION

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Current year (credit)/charge		
Corporation tax credit	(6)	-
Deferred tax credit (Note 20)	(341)	-
	(347)	-

The tax (credit)/charge for the year is different from the (credit)/charge that would result from applying the standard rate of corporation tax to the (loss)/profit on ordinary activities. The differences are explained as follows:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
(Loss)/profit on ordinary activities before taxation	(4,795)	2,944
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in UK of 20% (2015: 20.25%)	(959)	596
Effects of:		
Expenses not deductible for tax purposes	56	55
Capital allowances in excess of depreciation	425	(195)
Provision adjustment	(50)	75
Reversal of timing differences	(341)	-
Surrender/(utilisation) of group relief	522	(531)
		-
Corporation tax (credit)/charge	(347)	-

10. STAFF COSTS

The average monthly number of employees (including directors) during the year was:

	Year ended 31 December 2016 Number	Year ended 31 December 2015 Number
Contracts	2	12
Hire and Sales	231	203
Industrial Services	1,573	1,035
Administration	59	53
	1,865	1,303

The payroll costs for these persons were as follows:	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Wages and salaries	67,148	50,467
Social security costs	7,262	5,400
Pension costs	605	516
Redundancy costs	518	422
	75,533	56,805

11. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
For services other than as directors:		
Remuneration for qualifying services	771	1,470
Pension costs	29	27
	800	1,497

The aggregate amounts payable to directors under long-term incentive schemes is -26% (2015: 35%) of the total remuneration for qualifying services, reflecting the reduction in the amount payable. Included above is £262,686 (2015: £262,000) paid by the ultimate parent undertaking in respect of qualifying services by directors.

11. DIRECTORS' EMOLUMENTS (CONTINUED)

Details of the highest paid Director

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Remuneration for qualifying services	262	451
Pension costs	-	9
	262	460

During the year, aggregate amounts of £nil (2015: £423,000) were paid to directors in respect of loss of office as a director. The highest paid director is part of the long-term incentive scheme in place for key personnel. Costs associated with this are borne by the ultimate parent company.

12. FINANCIAL ASSETS

	2016 £'000	2015 £'000
Investment in subsidiaries:		
At 1 January	7,488	-
Acquired during the year:		
Actavo (P.D.C.) Limited	-	7,488
Deborah Services International Limited	95	-
Adjustments to the opening balances	(95)	-
At 31 December	7,488	7,488
Amounts due from Group companies:		
At beginning and end of period	17,171	17,137
Total financial assets	24,659	24,625

In 2015, the company acquired 100% of the share capital of P.D.C. Utilities Limited for £7,488k. This consideration includes a deferred amount which is payable in 2017 if certain trading targets are met. P.D.C. Utilities Limited changed its name to Actavo (P.D.C.) Limited on 5 January 2016.

Additionally, during 2015, Deborah Services International Limited was established as a 100% subsidiary of the company. The investment was £100. In the opinion of the directors, the realisable value of this investment is not less than its carrying value.

Subsidiary Company Ireland	Principal activity	Holding 2016	Holding 2015	Registered Office
Actavo (P.D.C) Limited	Utility services	100%	-	3 Severn Link, Newhouse Farm, Chepstow, Monmouthshire, NP16 6UN
Deborah Services International Limited	Industrial services	100%	-	Unit C, Cedar Court Office Park, Denby Dale Road, Calder Grove, Wakefield, WF43QZ

NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL ASSETS (CONTINUED)

The amounts due from group companies are unsecured, interest free and repayable on demand when the cash flow of the borrower permits.

13. TANGIBLE ASSETS

Cost	Service equipment £'000	Land and buildings £'000	Plant and machinery £'000	Motor vehicles £'000	Furniture, Fittings and office equipment £'000	Total £'000
At 31 December 2015	45,274	1,728	2,026	3,237	2,508	54,773
Additions	5,603	906	876	2,634	444	10,463
Disposals	(5,870)	(1)	(805)	(713)	(3)	(7,392)
At 31 December 2016	45,007	2,633	2,097	5,158	2,949	57,844
Accumulated Depreciation						
At 31 December 2015	21,091	782	826	2,978	2,074	27,751
Charge for year	2,776	181	322	295	236	3,810
Disposals	(2,688)	-	(76)	(713)	-	(3,477)
Adjustment to provision	(379)	-	-	-	-	(379)
At 31 December 2016	20,800	963	1,072	2,560	2,310	27,705
Net Book Amount						
At 31 December 2015	24,183	946	1,200	259	434	27,022
At 31 December 2016	24,207	1,670	1,025	2,598	639	30,139

Included above are assets under finance leases or hire purchase contracts as follows:

	31 December 2016		31 December 2015	
	Net Book Value £'000	Depreciation charge £'000	Net Book Value £'000	Depreciation charge £'000
Motor Vehicles	2,022	159	-	-
Service Equipment	2,402	159	4,641	419
	4,424	318	4,641	419

NOTES TO THE FINANCIAL STATEMENTS

14. STOCKS

	2016 £'000	2015 £'000
Raw materials and consumables	674	378
Finished goods and goods for resale	5,239	5,028
	5,913	5,406

Stock is stated after provisions for impairment of £149,334 (2015: £142,681).

There are no material differences between the replacement cost of inventories and the year-end balances.

15. DEBTORS

	2016 £'000	2015 £'000
Amounts due within one year:		
Trade debtors	39,276	28,007
Prepayments and other debtors	2,436	2,287
Corporation tax	-	678
Amounts owed from group company (Note 24)	3,006	948
Amounts due after one year:		
Trade debtors	-	596
	44,718	32,516

Trade and other receivables are non-interest bearing and are generally due within 30-90 days. The fair value of trade and other receivables approximates to their carrying amounts due to their short-term nature. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

Included in the above trade receivables balance is an amount relating to an allowance for doubtful debts amounting to £5.4m (2015: £2.9m).

Amounts due after one year relate to retentions from customers. These amounts are not discounted as the directors are of the view that the effect of discounting is not material.

16. CASH AND CASH EQUIVALENTS

	2016 £'000	2015 £'000
Bank balances	783	5,284

NOTES TO THE FINANCIAL STATEMENTS

17. CREDITORS Amounts falling due within one year	2016 £'000	2015 £'000
Bank overdraft facility (Note 19)	13,732	11,043
Obligations under finance leases (Note 19)	952	654
Trade creditors	13,179	10,782
VAT	2,788	2,109
Payroll taxes	3,858	1,481
Accruals	7,389	5,717
Deferred consideration	1,735	-
Amounts owed to group company (Note 24)	28,727	23,243
	72,360	55,029

The carrying amounts of trade and other payables approximate their fair value largely due to their short-term nature. The repayment terms of trade payables vary between on demand and 90 days. No interest is payable on trade payables.

The amounts due to group companies are unsecured, interest free and repayable on demand when the cash flow of the borrower permits.

Trade payables include an amount of approximately £12,079,000 (2015: £10,391,000) in respect of goods for which ownership is not passed until payment is made.

The terms of other payables and accruals are based on the underlying contracts.

Tax and social insurance are subject to the terms of the relevant legislation.

18. CREDITORS Amounts falling due after more than one year	2016 £'000	2015 £'000
Deferred consideration	-	3,000
Bank loan (Note 19)	1,743	1,564
Obligations under finance leases (Note 19)	3,333	1,031
	5,076	5,595

The deferred consideration at 31 December 2016 represents managements best estimate of the fair value of the amounts payable. As part of this review management adjusted the amount of deferred consideration by £1,265,000 reflecting a reduction in the amount payable under the terms and conditions of the relevant agreement.

NOTES TO THE FINANCIAL STATEMENTS

19. BORROWINGS

	2016 £'000	2015 £'000
Due within one year		
Bank facilities	13,732	11,043
Finance lease obligation	952	654
	14,684	11,697
Due between 2 and 5 years		
USD loans	1,743	1,564
Finance lease obligation	3,234	1,031
	4,977	2,595
Due after 5 years		
Finance lease obligation	99	-
Total borrowings	19,760	14,292

Bank loans and facilities

The carrying amounts and fair value of the current and non-current borrowings equate to their carrying value as the borrowings incur interest charges based on variable rates reflected in the income statement using the effective interest rate method. All loans are subject to a variable interest rate based on EURIBOR / LIBOR and are repayable at a rate of 10% per annum over a five year term to 2020.

The Company's bank facilities are secured by debentures over the assets and cross guarantees from subsidiaries of Actavo Group Limited.

Finance lease commitments

The future aggregate minimum lease payments under finance lease arrangements are as follows:

Finance leases	2016 £'000	2015 £'000
Commitments in relation to finance leases are payable as follows:		
Within one year	1,147	750
Later than one year but not later than five years	3,875	1,243
Later than five years	103	-
Minimum lease payments	5,125	1,993
Future finance charges	(840)	(308)
Recognised as a liability	4,285	1,685
The present value of finance lease liabilities is as follows:		
Within one year	952	654
After one year but within five years	3,234	1,031
Later than five years	99	-
Minimum lease payments	4,285	1,685

19. BORROWINGS (CONTINUED)

The finance lease terms range from 1 to 6 years. The effective interest rates charged during the financial year range from 6% to 15% per annum (2015: 8% to 15%). Interest rates are fixed at the contract dates, and thus expose the Company to fair value interest rate risk. As at the end of the financial year, the fair values of the Company's finance lease obligations approximate their carrying amounts.

All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The Company's obligations under finance leases are secured by the lessors' title to the leased assets, which will revert to the lessors in the event of default by the Company.

20. PROVISION FOR LIABILITIES AND CHARGES

	Deferred tax £'000	Self insurance £'000	Other £'000	Total £'000
At 1 January 2015	341	650	739	1,730
Utilised during the year	-	-	-	-
Charge for the year	-	-	531	531
At 31 December 2015	341	650	1,270	2,261
Utilised during the year	-	(260)	-	(260)
(Credit)/charge for the year	(341)	66	(470)	(745)
At 31 December 2016	-	456	800	1,256

Deferred tax

	Accelerated tax depreciation £'000	Other timing difference £'000	Total £'000
At 1 January 2015	499	(158)	341
Charge/(credit) for the year	55	(55)	-
At 31 December 2015	554	(213)	341
(Credit)/charge for the year	(554)	213	(341)
At 31 December 2016	-	-	-

Self insurance

The company self-insures against potential future claims of the company and reflects an estimation of the excess not recoverable from insurers. Amounts relating to self insurance would largely be payable after on year.

20. PROVISION FOR LIABILITIES AND CHARGES (CONTINUED)

Other

Included in the year-end balance sheet, is an accrual for a long-term incentive plan put in place in prior years for Board and other key management personnel. The ultimate amount payable under the scheme is based on the underlying performance of the overall Actavo Group over the 3 years to 31 December 2016 when the final liability will be determined. The profit and loss charge will be spread over the life of the plan. The provision was measured using management's current estimate of future performance up to 31 December 2016. Amounts relating to the incentive plan are due within one year.

21. CALLED UP SHARE CAPITAL

	2016 £'000	2015 £'000
Allotted, called up and fully paid		
75,000 Ordinary shares of £1 each	75	75

22. BANK SECURITY

At the balance sheet date, the Actavo Group Limited group bank facilities were secured by debentures over the assets of companies in the group and cross guarantees from subsidiaries.

23. FINANCIAL COMMITMENTS

a) Capital commitments

There were capital commitments at 31 December 2016 of £nil (2015: £nil).

b) Operating lease commitments

The company has the following future minimum lease payments under non - cancellable operating leases on land and buildings, plant and machinery and motor vehicles.

	2016 £'000	2015 £'000
Commitments in relation to operating leases are payable as follows:		
Within one year	1,592	1,610
Later than one year but not later than five years	2,186	2,782
Later than five years	1,395	1,482
	5,173	5,874

24. RELATED PARTY TRANSACTIONS

The company has availed of the exemption contained in FRS101 in respect of disclosure of related party transactions whereby group companies, 100 per cent of whose voting rights are controlled within the group, do not have to disclose details of transactions with other group companies.

25. ULTIMATE PARENT COMPANY

Actavo (UK) Limited is a wholly owned subsidiary of Deborah Services (Holdings) Limited, a company incorporated in the United Kingdom.

The ultimate parent company and the largest Group into which the entity is consolidated is Actavo Group Limited, a company incorporated in the Republic of Ireland. The smallest group into which the entity is consolidated in Deborah Services (Holdings) Limited.

26. COMPARATIVES

Comparative amounts have been regrouped / restated, where necessary, on the same basis as those for the current year.

27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the directors on 7 November 2017.