

ACTIVE ARK LIMITED
UNAUDITED
FINANCIAL STATEMENTS

31 MARCH 2018



ArmstrongWatson®

Accountants, Business & Financial Advisers

ACTIVE ARK LIMITED
REGISTERED NUMBER: 04136124

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	859,292	733,529
Investments	5	100	-
		<u>859,392</u>	<u>733,529</u>
Current assets			
Debtors: amounts falling due within one year	6	190,663	47,795
Cash at bank and in hand		189,159	121,118
		<u>379,822</u>	<u>168,913</u>
Creditors: amounts falling due within one year	7	(209,028)	(145,114)
Net current assets		<u>170,794</u>	<u>23,799</u>
Total assets less current liabilities		<u>1,030,186</u>	<u>757,328</u>
Creditors: amounts falling due after more than one year	8	(248,697)	(286,353)
Provisions for liabilities			
Deferred tax	9	(25,488)	(7,891)
		<u>(25,488)</u>	<u>(7,891)</u>
Net assets		<u><u>756,001</u></u>	<u><u>463,084</u></u>

ACTIVE ARK LIMITED
REGISTERED NUMBER: 04136124

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		52	51
Capital redemption reserve		49	49
Profit and loss account		755,900	462,984
		<u>756,001</u>	<u>463,084</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

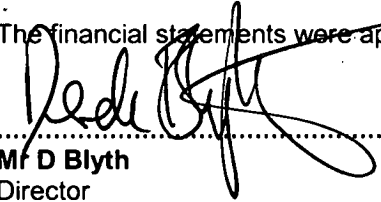
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
Mr D Blyth
Director

Date: 06.11.18

The notes on pages 3 to 11 form part of these financial statements.

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Active Ark Limited is a members limited liability company incorporated in England. The registered office is Birbeck House, Duke Street, Penrith, Cumbria, CA11 7NA. The principal activity of the company is an independent residential child care service.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 Company 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold property	- 33% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 15% reducing balance
Office equipment	- 25% reducing balance to 33% straight line
Other fixed assets	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.14 Financial instruments (continued)

an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2017 - 12).

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

4. Tangible fixed assets

	Freehold property £	Property improvements £	Motor vehicles £	Fixtures and fittings £
Cost or valuation				
At 1 April 2017	655,590	89,341	122,154	111,728
Additions	-	-	78,689	50,579
Disposals	-	-	(43,381)	-
At 31 March 2018	655,590	89,341	157,462	162,307
Depreciation				
At 1 April 2017	43,328	89,341	63,412	71,372
Charge for the year on owned assets	13,112	-	22,298	9,764
Disposals	-	-	(28,868)	-
At 31 March 2018	56,440	89,341	56,842	81,136
Net book value				
At 31 March 2018	599,150	-	100,620	81,171
At 31 March 2017	612,262	-	58,742	40,357
		Office equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 April 2017		112,399	-	1,091,212
Additions		20,896	47,093	197,257
Disposals		-	-	(43,381)
At 31 March 2018		133,295	47,093	1,245,088
Depreciation				
At 1 April 2017		90,231	-	357,684
Charge for the year on owned assets		9,845	1,962	56,981
Disposals		-	-	(28,868)
At 31 March 2018		100,076	1,962	385,797
Net book value				
At 31 March 2018		33,219	45,131	859,291
At 31 March 2017		22,168	-	733,529

ACTIVE ARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
Additions	100
At 31 March 2018	100
Net book value	
At 31 March 2018	100
At 31 March 2017	-

ACTIVE ARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Debtors

	2018 £	2017 £
Trade debtors	135,476	3,130
Other debtors	30,132	12,075
Prepayments and accrued income	25,055	32,590
	<u>190,663</u>	<u>47,795</u>

7. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	35,499	34,273
Trade creditors	13,404	9,776
Corporation tax	72,408	27,214
Other creditors	1,933	3,326
Accruals and deferred income	85,784	70,525
	<u>209,028</u>	<u>145,114</u>

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

	2018 £	2017 £
Bank loans	248,697	286,353
	<u>248,697</u>	<u>286,353</u>

Bank loans and overdrafts amounting to £284,195 (2017 - £320,626) are secured by the company.

9. Deferred taxation

	2018 £
At beginning of year	(7,891)
Charged to profit or loss	(17,597)
At end of year	<u><u>(25,488)</u></u>

ACTIVE ARK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Accelerated capital allowances	(25,488)	(7,891)
	(25,488)	(7,891)

10. Related party transactions

During the year the company loaned funds to Mr D Blyth. Total advances of £70,819 were made. Repayments of £60,210 were made. Interest of £317 (2017 - £339) was charged in respect of this loan. At the balance sheet date the company was owed £22,684 (2017 - £12,075) by Mr D Blyth.