TOLENT CONSTRUCTION LIMITED

Report and Financial Statements

For the year ended

31st December 2017

TOLENT CONSTRUCTION LIMITED

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

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TOLENT CONSTRUCTION LIMITED

Directors, Secretary and Registered Office

Directors

J.G. Wood	Chairman	
A.I. McLeod	Chief Executive	Appointed 1st March 2018
T. Phillipson	Director	
A.D. Clark	Financial Director	
P.W. Webster	Operations Director	Appointed 1st March 2017

Secretary

A.D. Clark

Registered Office

Ravensworth House
5th Avenue Business Park
Team Valley
Gateshead
Tyne and Wear
NE11 0HF

Registered in England : Company Number - 02450574

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

1. Principal activities and business review

The company is principally engaged in building and construction activities.

Tolent Construction Limited

2017 has seen the Company consolidate its improvement over the last few years in terms of both turnover and profit before tax. The construction sector of the economy continues to remain competitive with some notable household names being forced to close in the current market.

We operate from four regional offices, in addition to Tolent Living and Tolent Solutions noted below, on a national basis with work generated across a number of different sectors including industrial, commercial, residential, petro-chemical, specialist fit out, civil, public and health sectors. This affords some protection against any down turn in activity in certain markets with the regional basis giving some protection against regional variations.

Tolent's excellent reputation has continued to attract enquiries from both existing and new customers and contacts. Although the general construction market is expected to remain relatively static over the short term, there are a number of good opportunities within the residential sector. We enter the year with a healthy order book.

As in previous years we have successfully completed several major projects. The variety of work carried out can best be demonstrated by projects undertaken during the year:

- Student accommodation scheme in Liverpool (£14.7m)
- Medical facility at Acklam for WW Medical (£10.4m)
- Work at the Arnison Retail Park (£4.8m)
- Hotels for Travelodge in London (£25.8m) and York (£7.6m)
- Residential schemes in London at Stamford Hill (£18.4m) and Long Lane (£24.8m)
- A hotel for Apex in Bath (£28.8m)
- Civils work at an energy plant in Teesside (£4.1m)
- Residential scheme for Abbeyfields at Silksworth (£9m)
- Waste transfers stations in Mansfield (£2.9m) and Hull (£1.4m) and
- Sports and teaching facilities at The Beacon of Light in Sunderland (£16.6m)

The directors considered the result for the year to be satisfactory and look forward to continued profitability in 2018 whilst recognising it will still be challenging in view of the continued market competition and the continued uncertainty created by the Brexit process.

Tolent Living Limited and Tolent Solutions Limited

These companies are principally engaged in building and construction activities in the residential and related markets including new build construction, refurbishment and maintenance of properties. Clients include a range of social housing providers, local councils and private residential developers.

The residential market is expected to maintain its improvement over the coming years with housing continually prioritised by successive Governments. We enter 2018 with a healthy order book and a number of good opportunities with the directors looking forward to continued growth.

The projects undertaken during the year include:

- 120 units for Chapter Homes at Agnew (£15m)
- completion of 17 dwellings at The Malings for Carillion-Igloo (£1.6m)
- 73 units at Haughton Road for Karbon Homes (£8m)

- Gable and roofing works for Gentoo Group, Sunderland (£7.4m)
- Various residential Schemes for Spirit Regeneration (£2.9m)
- Modification work for Bernicia (£3.1m)
- 82 units at North Shore Phase 3, Stockton (£10.6m)
- 5 units at Whitburn (£2.3m)
- Framework contract for Modifications for York Council (£2m)

Ravensworth Properties Limited

The company's principal activity is that of a holding company for investment properties.

On 10th February 2017 four units were sold to Tolent Construction Limited at book value. Two of these units are occupied by Tolent Construction's regional and head offices.

In addition to the above, one unit was sold during the year to the sitting tenant. The space available to let in the year was 56,050 sq. ft. No new properties were acquired during 2017. The occupancy rate for 2017 was 87% compared with 84% in 2016 following the letting of one unit during the year.

Following the sale of the units noted above, one unit (2 lettable areas) on the Team Valley Industrial Estate are vacant. The properties are actively marketed and there continues to be interest in their letting.

2. Results and dividends

The statement of comprehensive income is set out on page 8 and shows the profit for the year.

Total turnover increased by 3.1% in 2017 to £178,129,721 from £172,831,902 in 2016.

A consolidated operating profit of £4,032,135 has been achieved in the year (2016: £3,599,782).

The overall loss on revaluation of investment properties was £47,500 (2016 - £40,742).

Net interest receivable reduced during the year to £224,980 (2016: £654,743) which is predominantly interest received on inter group loans.

The profit before tax in the year was £4,209,615 against £4,213,783 achieved in 2016.

An interim dividend of £2,000,000 was paid during the year. The directors do not recommend the payment of a final dividend for the year.

3. Business environment and strategy

Tolent operates across the construction sector providing services in building, civil engineering and property development. Our objective is to continue to achieve our maximum potential in each of these activities by maintaining our focus on quality, value for money and delivering a service in a non-adversarial customer friendly manner.

During 2017 Tolent migrated successfully from the previous 2008 standard to the new Quality Management System ISO:9001:2015.

Our success has been brought about by the quality of the people involved in our business together with sub-contractors and suppliers who share our ethos of providing a pro-active and responsive service that meets our customer’s demands. This policy has resulted in consistent repeat business on an ever expanding customer base.

Our strategy is to continue to grow organically, but at the same time make selective acquisitions should a suitable opportunity arise.

Our belief that people are our most precious asset is supported by our commitment to training and personal development. This will ensure that our long-term objectives can be delivered to customers on a consistent basis.

4. Principal risks and uncertainties

Competition

Margins in the general contracting industry remain low with companies continuing to tender and negotiate contracts at very low margins. The actions of these firms create a market where it is very difficult to improve margins in a time when developers and clients are passing greater risks onto the contractor.

5. Financial risk management objectives and policies

The company uses financial instruments, other than derivatives, comprising borrowings, cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. The policies have remained unchanged from previous periods.

Interest rate risk

The group finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a Group basis by the use of both fixed and floating facilities.

Liquidity risk

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily this is achieved through inter-company accounts or through loans arranged at Group level. Short term flexibility is achieved by overdraft facilities.

Credit risk

The group's principal financial assets are trade debtors and amounts recoverable on contracts. In order to manage the credit risk the directors consider exposure on a customer by customer basis for significant contracts.

6. Health, safety and environment

A programme of continuous improvement in Health and Safety management and staff training has resulted in an excellent safety record. This has been recognised by annual Order Of Distinction Awards from the Royal Society for the Prevention of Accidents (RoSPA). The Accident Frequency Rate (AFR) was 0.034 per 100,000 hours for 2017 (2016 - 0.069) with the Accident Incident Rate (AIR) being 74.01 (2016 - 148) per 100,000 hours. These rates compare favourably with the national averages for the construction industry according to the Health and Safety Executive statistics of 405.06 per 100,000 hours (AIR). In 2017 5,932 (2016 - 5,776) ‘off job’ hours of health and safety training has been delivered with a total of approximately 495 (2016 - 547) site visits and audits being completed in addition to 26 Company Environmental Audits, 27 Asbestos Audits, 19 third party audits, 7 site visits from HSE Inspectors and 2 third party environmental audits.

We have maintained accreditation OHSAS 18001 for implementing, maintaining and continually improving our Occupational Health and Safety (OH&S) management system that eliminates or minimises risk to employees and other interested parties who may be exposed to OH&S risk associated with our activities. In addition we have also maintained accreditation ISO 14001 for our environmental management system which identify and control the environmental impact of our activities, products or services, continually improve our environmental performance and implement a systematic approach to setting environmental objectives . We are also accredited under ISO 50001 for Energy Management which encourages organizations to integrate energy management into their overall efforts to improve quality and environmental management.

BY ORDER OF THE BOARD

A.D. Clark
Secretary
21st March 2018

TOLENT CONSTRUCTION LIMITED

Report of the directors for the year ended 31st December 2017

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

1. Directors

The directors in office at the end of the year were Messrs' J.G. Wood, T. Phillipson and A.D. Clark all of whom served throughout the year. Mr. P.W. Webster was appointed on 1st March 2017 and Mr. A.I. McLeod was appointed on 1st March 2018.

Messrs' J.G. Wood, T Phillipson and A.D.Clark are also directors of the ultimate parent company and their interests in the shares of the ultimate parent company are disclosed in that company's financial statements. No other director in office at the end of the year had an interest in shares of the ultimate parent company.

2. Disabled persons

The company's policy is to give sympathetic consideration, in both recruitment and training, to the problems of the disabled, and to assist them in developing their knowledge and skills to undertake greater responsibilities wherever possible.

3. Employee involvement

It is company policy to disseminate relevant information about company affairs amongst employees.

4. Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the directors and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to select suitable accounting policies and then apply them consistently, to make judgements and accounting estimates that are reasonable and prudent and to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors confirm that so far as each director is aware, there is no relevant audit information of which the company’s auditor is unaware and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

5. Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD

A.D. Clark
Secretary
21st March 2018

We have audited the financial statements of Tolent Construction Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2017 which comprise the Consolidated statement of comprehensive income, Consolidated and parent company statement of financial position, Consolidated statement of changes in equity and Parent company statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2017 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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

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 Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Auditor's responsibilities for the audit of the financial statements

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

Donna Steel
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

21st March 2018

TOLENT CONSTRUCTION LIMITED

Consolidated statement of comprehensive income for the year ended 31st December 2017

	Note	2017		2016	
		£	£	£	£
Turnover	5		178,129,721		172,831,902
Raw materials and consumables		10,655,352		10,876,173	
Other external charges		138,149,717		132,175,859	
			(148,805,069)		(143,052,032)
			29,324,652		29,779,870
Staff costs	6	21,945,421		22,215,517	
Depreciation		230,460		117,961	
Other operating charges		3,116,636		3,846,610	
			(25,292,517)		(26,180,088)
Operating profit			4,032,135		3,599,782
Loss from revaluation of investment property			(95,000)		(230,742)
Gain on revaluation of investment property			47,500		190,000
			3,984,635		3,559,040
Net interest	7		224,980		654,743
Profit on ordinary activities before taxation	5		4,209,615		4,213,783
Tax on profit on ordinary activities	8		(657,052)		(828,179)
Profit on ordinary activities after taxation and total comprehensive profit for the year	22		3,552,563		3,385,604
Profit after taxation and total comprehensive profit attributable to equity shareholders of Tolent Construction Limited			3,552,563		3,385,604

All the above transactions relate to continuing activities.

The statement of accounting policies and notes 1 to 26 form part of these financial statements.

TOLENT CONSTRUCTION LIMITED

Consolidated and parent company statement of financial position as at 31st December 2017

	Note	Group 2017	Group 2016 (restated note 15)	Parent Company 2017	Parent Company 2016 (restated note 15)
		£	£	£	£
Fixed assets					
Investments	10	0	0	3,295,655	3,295,655
Tangible assets	11	2,827,815	3,008,966	2,162,842	43,716
Investment properties	12	4,745,000	5,412,500	670,000	0
		7,572,815	8,421,466	6,128,497	3,339,371
Current assets					
Investments	14	1,256,080	1,256,080	1,256,080	1,256,080
Assets held for resale	15	300,000	300,000	300,000	300,000
Amounts recoverable on contracts		11,158,682	10,640,441	7,316,968	8,965,723
Debtors	16	30,082,836	27,001,217	30,473,334	30,021,912
		42,797,598	39,197,738	39,346,382	40,543,715
Cash at bank including short term deposits		18,270,089	23,638,606	7,674,958	13,525,167
		61,067,687	62,836,344	47,021,340	54,068,882
Creditors: amounts falling due within one year	18	(53,552,240)	(57,051,800)	(41,536,036)	(46,637,865)
Net current assets		7,515,447	5,784,544	5,485,304	7,431,017
Total Assets less current liabilities		15,088,262	14,206,010	11,613,801	10,770,388
Creditors: amounts falling due after more than one year	19	(685,043)	(1,360,970)	0	0
Provisions	20	(183,245)	(177,629)	(183,245)	(177,629)
Net Assets		14,219,974	12,667,411	11,430,556	10,592,759
Capital and reserves					
Called up share capital	21	50,000	5,300,000	50,000	5,300,000
Profit and loss account	22	14,169,974	7,367,411	11,380,556	5,292,759
Shareholders' funds		14,219,974	12,667,411	11,430,556	10,592,759

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit after taxation for the year was £2,837,797 (2016: £1,309,422).

The financial statements were approved and authorised by the Board of Directors on 21st March 2018.

J.G. WOOD Chairman

A.D. CLARK Financial Director

Company number 02450574

The statement of accounting policies and notes 1 to 26 form part of these financial statements.

TOLENT CONSTRUCTION LIMITED

Consolidated statement of changes in equity for the year ended 31st December 2017

	Share Capital	Profit and loss account	Total Equity
	£	£	£
At 1st January 2016	5,300,000	7,981,807	13,281,807
Profit on ordinary activities after taxation and total comprehensive profit for the year	0	3,385,604	3,385,604
Equity dividends paid	0	(4,000,000)	(4,000,000)
Transactions with owners	0	(4,000,000)	(4,000,000)
At 31st December 2016	5,300,000	7,367,411	12,667,411
At 1st January 2017	5,300,000	7,367,411	12,667,411
Profit on ordinary activities after taxation and total comprehensive profit for the year	0	3,552,563	3,552,563
Capital reduction	(5,250,000)	5,250,000	0
Equity dividends paid	0	(2,000,000)	(2,000,000)
Transactions with owners	(5,250,000)	3,250,000	(2,000,000)
At 31st December 2017	50,000	14,169,974	14,219,974

The statement of accounting policies and notes 1 to 26 form part of these financial statements.

TOLENT CONSTRUCTION LIMITED

Parent company statement of changes in equity for the year ended 31st December 2017

	Share Capital	Profit and loss account	Total Equity
	£	£	£
At 1st January 2016	5,300,000	7,983,337	13,283,337
Profit on ordinary activities after taxation and total comprehensive profit for the year	0	1,309,422	1,309,422
Equity dividends paid	0	(4,000,000)	(4,000,000)
Transactions with owners	0	(4,000,000)	(4,000,000)
At 31st December 2016	5,300,000	5,292,759	10,592,759
At 1st January 2017	5,300,000	5,292,759	10,592,759
Profit on ordinary activities after taxation and total comprehensive profit for the year	0	2,837,797	2,837,797
Capital reduction	(5,250,000)	5,250,000	0
Equity dividends paid	0	(2,000,000)	(2,000,000)
Transactions with owners	(5,250,000)	3,250,000	(2,000,000)
At 31st December 2017	50,000	11,380,556	11,430,556

The statement of accounting policies and notes 1 to 26 form part of these financial statements.

1. Company information

Tolent Construction Limited ("the company") is the main trading company and the holding company for a group of construction and property companies involved in civil engineering and building across a variety of industrial/commercial/residential sectors and geographical regions.

The company is a private company limited by shares and is incorporated and domiciled in England. The registered office is Ravensworth House, 5th Avenue Business Park, Team Valley, Gateshead, Tyne and Wear, NE11 0HF

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The group financial statements consolidate the financial statements of Tolent Construction Limited and all its subsidiary undertakings drawn up to 31st December each year. The financial statements are presented in Sterling (£).

The company is a wholly owned subsidiary of Tolent Plc. It is included in the consolidated financial statements of Tolent Plc which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated accounts but has chosen to produce them to reflect the commercial operations of the group.

The company has adopted the following disclosure exemptions:

- financial instrument disclosures, including:

    categories of financial instruments

    items of income, expenses, gains or losses relating to financial instruments, and

    exposure to and management of financial risks.

- the requirement to disclose the total compensation of key management
- the requirement to disclose transactions within the Group headed by Tolent PLC

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows and related notes, on the basis that it is a qualifying entity and its ultimate parent company, Tolent Plc, includes the company's cash flows in its own consolidated financial statements.

Going concern

The financial statements have been prepared on a going concern basis. Each year management produces a year ahead detailed budget and a second year operational plan which includes secured and probable order books, analysis of forecasted work between region, work sector and negotiated and tendered work, detailed overhead review, forecast income statements, cash flow summaries and statements of financial position. Rolling forecasts for the remainder of the year, including secured and probable workloads are produced monthly throughout the year. These are the basis of the monthly management accounts and board pack reviewed by the board.

The working capital requirements of the group are satisfied by the management of the main categories of work in progress, trade debtors and trade creditors. Management are confident that these can continue to be managed effectively in the future. The cash position of the group has improved following the return to profitability, an increased turnover and a tightly controlled overhead cost with the budget and plan noted above indicating this will continue.

The Directors believe that the current market conditions are generally stable although there is still caution about what the actual impact of Brexit will be due to the uncertainty regarding a “soft” or “hard” Brexit. Funding from new sources of finance outside the traditional banks is increasing in the market place. There is still strong demand and funding available for student accommodation, hotels, medical centres and the renewable energy sectors which have been successfully targeted over the last few years. The level of enquiries remains high, particularly in the residential sector which is benefitting from continual Government focus. The tender margins have stabilised but care is needed to avoid the client imposing risk onto the contractor and the risk of inflation in the industry.

After reviewing the group's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

3. Significant judgements and estimates

Construction contract revenue

The stage of completion of any construction contract is assessed by management by taking into consideration all information available at the reporting date. In this process management carries out significant judgements about milestones, actual work performed and the estimated costs to complete the work. Further information on the Group's accounting policy for construction contracts is provided in note 4(h).

In respect of a specific loss making contract in the year which is currently under dispute with the customer management have made an estimate of both the recovery of the invoiced amounts unpaid and an estimate of the recovery of additional amounts charged for acknowledged additional work which is disputed by the customer. The estimate is made using expert quantity surveyors from within the organisation based on their knowledge and experience and taking into consideration all the information available.

Revaluation of investment properties

The company carries its investment properties at fair value, with changes in fair value being recognised in profit and loss. The company engaged an independent valuation specialist to determine the fair value at the reporting date. The valuer used a recognised valuation technique. The determined fair value of the investment property is sensitive to the estimated yield and the occupancy rate.

4. Principal accounting policies

The principal accounting policies of the company are stated below.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquire plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised on the face of the consolidated statement of financial position immediately below goodwill.

(c) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

(d) Investments in joint ventures

Joint ventures are entities over which the Group holds a contractual share of joint control. Investments in joint ventures are recognised initially in the consolidated statement of financial position at the transaction price and subsequently adjusted to reflect the group's share of total comprehensive income and equity of the joint venture, less any impairment.

Any excess of the cost of acquisition over the group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition, although treated as goodwill, is presented as part of the investment in the joint venture. Amortisation is charged so as to allocate the cost of goodwill over its estimated useful life, using the straight line method. Losses in excess of the carrying amount of an investment in a joint venture are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the joint venture.

The Group's share of the profits less losses of joint ventures are included in the Group's statement of comprehensive income. The Group statement of financial position includes the investment in joint ventures at cost plus the Group's share of post acquisition results.

(e) Turnover

See Construction contracts accounting policy note at (k) below.

(f) Tangible assets

The company's long leasehold properties included within property, plant and equipment are used by the company. Long leasehold properties are recognised at cost which includes purchase cost and any directly attributable expenditure.

Plant and equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and any borrowing costs capitalised.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land and investment properties, over their expected useful lives, using the straight-line method. The rates applicable are:

Long leasehold properties	calculated to write off the value of these properties over the shorter of the lease period or remaining useful lives.
Plant and equipment	2 - 4 years (ie 25% to 50%)

(g) Intangible assets

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition , goodwill is allocated to cash generating units ("CGU's") that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

(h) Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit and loss.

If any impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit and loss.

(i) Investment Properties

Long leasehold properties included as investment properties are held for long term return. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in profit and loss account.

(j) Investments - Current assets

Cash is held at third party bank accounts as security for the provision of Performance Bonds on specific projects undertaken in the normal course of the company's construction activities.

(k) Construction contracts

Contract revenue reflects the contract activity during the year and is measured at the fair value of consideration received or receivable. When the outcome can be assessed reliably, contract revenue and associated costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date.

The stage of completion of the contract at the balance sheet date is assessed by reference to the value of work remaining as a proportion of the total contract value.

Where the outcome of a long term contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable, and contract costs are recognised as an expense in the period in which they are incurred.

Variations are only recognised as revenue when they have been agreed with the customer. Claims are not recognised until they have been fully settled.

In the case of a fixed price contract, the outcome of a construction contract is deemed to be estimated reliably when all the following conditions are satisfied:

- total contract revenue can be measured reliably;

- it is probable that economic benefits associated with the contract will flow to the group;

- both the contract costs to complete the contract and the stage of completion at the balance sheet date can be measured reliably; and

- the contract costs attributable to the contract can be clearly identified and measured reliably so that actual contract costs incurred can be compared with prior estimates.

In the case of a cost plus contract, the outcome of a construction contract can be estimated reliably when it is probable that the economic benefits associated with the contract will flow to the Group, and the contract costs attributable to the contract, whether or not specifically reimbursable, can be clearly identified and measured reliably.

The gross amount due from customers for contract work (amounts recoverable on contracts) is presented as an asset for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. The gross amount due to customers for contract work is presented as a liability for all contracts in progress for which billings exceed costs incurred plus recognised profits (less losses).

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

(l) Cash at bank and in hand

Cash comprises cash on hand and demand deposits repayable on notice without penalty.

(m) Debtors

Short term debtors are measured at transaction price, less any impairment.

(n) 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 measured subsequently at amortised cost using the effective interest method.

(o) Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The tax expense is presented in the statement of comprehensive income or equity depending on the transaction that resulted in the tax expense.

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the reporting date. Deferred tax assets are only recognised to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax assets and liabilities are not discounted.

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributable to goodwill is adjusted by the amount of deferred tax recognised.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

(p) Employee Benefits

The company operates a defined contribution scheme for its employees. Contributions to this scheme are recognised as an expense in the period in which they are incurred. Other short term employee benefits are also recognised as an expense in the period in which they are incurred.

(q) Leases

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

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term, unless the rental payments are structured to increase in line with expected general inflation, in which case the group recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

(r) Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

The company recognises a provision for legal, insurance and other claims by customers. Anticipated reimbursements by third parties relating to these claims are disclosed within prepayments and accrued income.

5. Turnover and profit on ordinary activities before taxation

All the group's turnover and profits are derived from its principal activity of building and construction, and its turnover is all from the United Kingdom. Profit on ordinary activities before taxation is stated after:

	2017	2016
	£	£
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	27,350	31,500
Fees payable to the Company's auditor and its associates for other services:		
The audit of the Company's subsidiaries, pursuant to legislation	17,550	9,250
Other employer and corporate services and services pursuant to legislation	2,800	2,150
Tax and other Services	9,500	8,700
Depreciation	230,460	117,961
Release of negative goodwill	0	(386,668)
Operating lease charges:		
hire of plant and machinery	3,176,579	5,063,628
land and buildings	459,780	598,102
other operating leases	507,135	482,281

6. Staff costs

Group

Staff costs during the year including directors:

	2017	2016
	£	£
Wages and salaries	18,437,355	19,013,870
Redundancy	95,937	11,362
Social security	2,078,440	2,042,163
Pension costs	1,333,689	1,148,122
	21,945,421	22,215,517

The group operates a defined contribution scheme, the assets of which are invested with insurance companies. Pension payments recognised as an expense during the period amounted to £1,333,689 (2016 - £1,148,122).

The average number of employees of the group during the year was 415 (2016 - 437). All of these employees are engaged in construction activities. Key management are considered to be directors. Remuneration in respect of directors was as follows:

	2017	2016
	£	£
Aggregate emoluments	843,922	652,754
Social security	105,272	74,167
Company pension contributions	33,255	25,701

During the year two directors (2016 - two directors) participated in a defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2017	2016
	£	£
Aggregate emoluments	255,570	251,338
	255,570	251,338

Company

Staff costs during the year including directors:

	2017	2016
	£	£
Wages and salaries	14,683,822	15,826,187
Redundancy	95,937	11,362
Social security	1,680,733	1,704,312
Pension costs	1,180,998	1,013,065
	17,641,490	18,554,926

The group operates a defined contribution scheme, the assets of which are invested with insurance companies. Pension payments recognised as an expense during the period amounted to £1,180,998 (2016 - £1,013,065).

The average number of employees of the company during the year was 327 (2016 - 356). All of these employees are engaged in construction activities. Key management are considered to be directors.

7. Net interest

	2017	2016
	£	£
Receivable on bank balances	8,549	31,530
Interest receivable from group undertakings	254,654	634,557
Interest payable	(38,223)	(11,344)
	224,980	654,743

8. Tax on profit on ordinary activities

The tax charge represents:

	2017	2016
	£	£
Corporation tax at 19.25% (2016 - 20%)	658,946	767,952
Adjustment in respect of prior years	(1,894)	3,407
Total current tax	657,052	771,359
Deferred taxation - tax losses	0	56,820
Tax on profit on ordinary activities	657,052	828,179

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the United Kingdom of 19.25% (2016 - 20%). The differences are explained as follows:

	2017	2016
	£	£
Profit on ordinary activities before tax	4,209,615	4,213,783
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.25% (2016 - 20%)	810,350	842,757
Effects of:		
expenses not deductible for tax purposes	34,296	51,633
deferred tax not provided	24,081	23,113
tax losses utilised	(202,546)	0
movement on property valuation	9,144	(14,000)
income not taxable	(16,379)	(78,731)
adjustments in respect of prior years	(1,894)	3,407
Total tax charge for the year	657,052	828,179

At the Budget 2016, the Government announced a reduction to the main rate of corporation tax from 2020, setting the rate at 17%.

9. Dividend

Group and Parent Company

	2017	2016
	£	£
Interim dividends	2,000,000	4,000,000
	2,000,000	4,000,000

10. Investments (Fixed Assets)

Total fixed asset investment at cost comprise interests in subsidiaries. There are currently no impairments against these investments.

	2017	2016
	£	£
At 1st January 2017	3,295,655	5
Additions	0	3,295,650
At 31st December 2017	3,295,655	3,295,655

At 31st December 2017 the company had interests in the following subsidiaries:

Subsidiary	Type of shares held	Proportion held	Country of incorporation	Nature of business
Tolent Solutions Limited	Ordinary	100%	England and Wales	Residential construction
Tolent Living Limited	Ordinary	100%	England and Wales	Residential construction
Ravensworth Properties Limited	Ordinary	100%	England and Wales	Property Investment
Echo Buildings Limited	Ordinary	100%	England and Wales	Struck Off 24th January 2017

Tolent Living Limited was incorporated on 23rd March 2015 as a joint venture between Gentoo Group Limited and Tolent Construction Limited, each owning 50% of the issued ordinary shares. On 4th January 2016, Tolent Construction purchased the remaining 50% of the shares from Gentoo Group. The whole of Tolent Solutions Limited was purchased from Gentoo Group Limited on 4th January 2016.

Ravensworth Properties Limited was purchased in 2016 from Tolent Corporation Limited, a fellow 100% subsidiary of Tolent Plc.

11. Tangible fixed assets

Group

	Plant and equipment	Long leasehold properties	Total
Cost	£	£	£
At 1st January 2017	1,184,643	2,925,000	4,109,643
Additions	49,309	0	49,309
Disposals	(438,332)	0	(438,332)
At 31st December 2017	795,620	2,925,000	3,720,620
Depreciation			
At 1st January 2017	1,071,427	29,250	1,100,677
Charge for year	113,460	117,000	230,460
Disposals	(438,332)	0	(438,332)
At 31st December 2017	746,555	146,250	892,805
Net book value at 31st December 2017	49,065	2,778,750	2,827,815
Net book value at 31st December 2016	113,216	2,895,750	3,008,966

Parent Company

	Plant and equipment	Long leasehold properties	Total
Cost	£	£	£
At 1st January 2017	1,066,174	0	1,066,174
Additions	27,702	0	27,702
Group transfer in	0	2,230,000	2,230,000
Disposals	(438,332)	0	(438,332)
At 31st December 2017	655,544	2,230,000	2,885,544
Depreciation			
At 1st January 2017	1,022,458	0	1,022,458
Charge for year	46,576	92,000	138,576
Disposals	(438,332)	0	(438,332)
At 31st December 2017	630,702	92,000	722,702
Net book value at 31st December 2017	24,842	2,138,000	2,162,842
Net book value at 31st December 2016	43,716	0	43,716

12. Investment Properties

Group	**Group** Long leasehold properties	**Parent Company** Long leasehold properties
	£	£
Cost		
At 1st January 2017	5,412,500	0
Group transfer in	0	700,000
Fair value adjustments	(47,500)	(30,000)
Disposals	(620,000)	0
At 31st December 2017	4,745,000	670,000

13. Intangible assets

Group	Negative goodwill
	£
Cost	
At 1st January 2017 and 31st December 2017	386,668
Amortisation	
At 1st January 2017 and 31st December 2017	(386,668)
Net book value at 31st December 2016 and 2017	0

14. Investments (Current Assets)

Group and Parent Company

	2017	2016
	£	£
Cash held at third party bank accounts	1,256,080	1,256,080

Cash is held at third party bank accounts as security for the provision of Performance Bonds on specific projects undertaken in the normal course of the company's construction activities.

15. Assets held for resale

Group and Parent Company

	2017	2016 (restated)
	£	£
Assets held for resale	300,000	300,000

Assets held for resale relate to two properties which were received in lieu of a debt payment. It is the intention to dispose of these properties. These properties were disclosed within other debtors last year (see note below).

16. Debtors

Group	2017	2016 (restated)
	£	£
Amounts falling due within one year		
Trade debtors	15,290,940	13,776,018
Amounts owed by group undertakings	13,439,756	11,426,654
Other debtors	510,641	561,243
Prepayments and accrued income	841,499	977,142
Current taxation	0	260,160
	30,082,836	27,001,217

An impairment loss of £220,251 (2016 - £207,997) was recognised against trade debtors.

The amounts owed by group undertakings are repayable on demand with interest being charged at rates between 2.75% and 3.5%.

Parent Company	2017	2016 (restated)
	£	£
Amounts falling due within one year		
Trade debtors	13,820,176	11,293,272
Amounts owed by group undertakings	15,619,080	17,216,780
Other debtors	385,080	393,300
Prepayments and accrued income	648,998	858,400
Current taxation	0	260,160
	30,473,334	30,021,912

An impairment loss of £215,813 (2016 - £207,997) was recognised against trade debtors.
The amounts owed by group undertakings are repayable on demand with interest being charged at rates between 2.75% and 3.5%.

17. Deferred taxation

Deferred taxation provided for at 19% (2016 - 20%) on unused tax losses in the financial statements is set out below.

Group and Parent Company	2017	2016
	£	£
At 1st January 2017	0	56,820
(Charge)/credit to profit and loss in the year	0	(56,820)
At 31 December 2017	0	0

Deferred taxation has been calculated at 19% (2016 - 20%) on timing differences relating to tangible fixed assets. This deferred tax asset has not been recognised in the financial statements.

Group	2017	2016
	£	£
At 1st January 2017	77,502	36,516
Movement in other timing differences in the year	6,626	4,160
Acquisitions in the year	0	20,687
Accelerated capital allowances	26,945	19,947
Rate change from 20% to 19% (2016: 20% to 19%)	(2,092)	(3,808)
At 31 December 2017	108,981	77,502

Company	2017	2016
	£	£
At 1st January 2017	43,677	36,516
Movement in other timing differences in the year	6,626	1,512
Accelerated capital allowances	23,558	7,948
Rate change from 20% to 19% (2016: 21% to 20%)	0	(2,299)
At 31 December 2017	73,861	43,677

Deferred taxation has been calculated at 19% (2016 - 20%) on unused tax losses. This deferred tax asset has not been recognised in the financial statements.

Group	2017	2016
	£	£
At 1st January 2017	1,296,306	1,670,580
Losses utilised in the period	(199,915)	(373,968)
Prior year adjustments	(8)	(306)
At 31 December 2017	1,096,383	1,296,306

18. Creditors: amounts falling due within one year

Group

	2017	2016
	£	£
Payment on account of long term contracts	11,458,398	8,382,957
Bank loan	337,815	314,888
Trade creditors	39,561,766	43,755,904
Amounts owed to group undertakings	208,654	925,664
Social security and other taxes	1,000,632	2,345,494
Other creditors	113,371	784,604
Accruals and deferred income	519,270	542,289
Current taxation	352,334	0
	53,552,240	57,051,800

The amounts owed to group undertakings are repayable on demand with interest being charged at rates between 2.75% and 3.5%.

Parent Company

	2017	2016
	£	£
Payment on account of long term contracts	8,786,776	5,900,792
Trade creditors	29,889,241	35,833,289
Amounts owed to group undertakings	1,282,715	1,481,974
Social security and other taxes	836,781	2,310,553
Other creditors	82,855	781,992
Accruals and deferred income	370,527	329,265
Current taxation	287,141	0
	41,536,036	46,637,865

The amounts owed to group undertakings are repayable on demand with interest being charged at rates between 2.75% and 3.5%.

19. Creditors: amounts falling due after more than one year

Group

	2017	2016
	£	£
Bank loan	685,043	1,360,970
	685,043	1,360,970
Aggregate amounts repayable by instalments:		
within one year	337,815	314,888
between one and two years	685,043	323,269
between two and five years	0	1,037,701
	1,022,858	1,675,858

The bank loan is secured over a number or properties included within investment property. Quarterly capital and interest payments are made. The existing loan was renewed in February 2016 for a three year period. Interest is payable on the loan at 2.5% over 3 month bank LIBOR rate.

20. Provisions

Group and parent company

	2017	2016
	£	£
Other provisions due within one year		
Carried forward at 1 January 2017	177,629	232,082
Additional provisions	148,203	151,165
Amount utilised/released	(142,587)	(205,618)
	183,245	177,629

Other provisions are provided against various legal, insurance and other claims by customers. The company anticipates to be reimbursed £100,000 (2016 - £166,000) by third parties in relation to these claims which has been disclosed within prepayments and accrued income. None of the provisions will be discussed here in further detail so as not to seriously prejudice the Group's position in the related disputes.

21. Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid ordinary shares of £1 each	50,000	5,300,000

By a special written resolution of the company on 6th June 2017, the issued share capital of the company was reduced from £5,300,000 to £50,000 by cancelling and extinguishing 5,250,000 of the issued ordinary shares of £1.00 each in the capital of the company and the amount by which the capital of the company is so reduced was credited to the profit and loss account.

22. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior period retained profits and losses. This is further analysed between distributable and non - distributable as follows:

Parent Company

	2017	2016
	£	£
Distributable profit and loss reserve	10,962,956	5,292,759
Non - Distributable profit and loss reserve	417,600	0
	11,380,556	5,292,759

23. Operating lease obligations

Group

	2017		2016	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
The company's minimum operating lease payments are as follows:				
within one year	118,503	400,339	159,320	459,732
between one and five years	122,100	325,996	230,847	304,276
	240,603	726,335	390,167	764,008

Parent company

	2017		2016	
	Land & buildings	Other	Land & buildings	Other
	£	£	£	£
The company's minimum operating lease payments are as follows:				
within one year	307,003	295,010	536,770	338,979
between one and five years	982,350	306,042	1,831,397	196,665
in more than five years	1,247,750	0	2,839,121	0
	2,537,103	601,052	5,207,288	535,644

24. Contingent liabilities

The company is party to cross guarantees for the bank borrowings of Tolent PLC, Tolent Corporation Limited, Tolent Construction Limited, Ravensworth Properties Limited, Tolent Homes Limited, T Holdings Limited, Tolent Solutions Limited and Tolent Living Limited.

At 31 December 2017 this amounted to £nil (2016 - £nil).

25. Ultimate parent undertaking

The immediate and ultimate parent undertaking/controlling related party of this company is Tolent PLC, which is registered in England and Wales whose financial statements can be obtained from the Registered Office.

26. Related party transactions

Transactions amounting to £56,000 (2016 - £7,000) at normal market rates were carried out between the Company and an entity owned by one of the substantial shareholders of the Company's ultimate parent company, Tolent Plc. At 31st December 2016 the amount of £330,000 (2016 - £333,000) was included within other debtors.