

Saint Fortchern Limited

FINANCIAL STATEMENTS

for the period ended

31 May 2010

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COMPANIES HOUSE

Company number 06855708

Saint Fortchern Limited

DIRECTOR AND OFFICERS

DIRECTOR

P J O'Keefe

SECRETARY

M V Lessey

COMPANY NUMBER

06855708 (England and Wales)

REGISTERED OFFICE

St Andrews House
1 Dreadnought Street
Greenwich
London SE10 0PU

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley, West Sussex
RH10 6AD

BANKERS

Allied Irish Bank (GB)
44 Masons Hill
Bromley
Kent BR2 9EQ

SOLICITORS

Steptoe & Johnson
99 Gresham Street
London
EC2V 7NG

Saint Fortchern Limited

DIRECTOR'S REPORT

The director submits his report and the group financial statements of Saint Fortchern Limited for the period from 23 March 2009 to 31 May 2010. The company was incorporated on 23 March 2009 and acquired the O'Keefe Construction (Greenwich) Group on 1 June 2009.

PRINCIPAL ACTIVITY

The group's principal activity during the period was civil engineering, encompassing groundworks, basements, structural refurbishments, external works, soil remediation and stabilisation.

RESULTS AND DIVIDENDS

The group trading profit for the period, after taxation was £416,823.

An interim dividend of £9.75 per share was declared during the year. The director does not recommend a final dividend for the period.

REVIEW OF THE BUSINESS

In the financial year, in spite of significant challenges posed by the economic climate and the competition for work that this brings, we have traded at a satisfactory level of turnover. Further, the Group has remained profitable above market averages. The investment in our Management Team and in high quality state of the art mechanical equipment we believe will improve operational capability.

Credit needs to be given to all employees from operational team members up to directors who currently are working under on a 10% wage suspension for directors and a 7.5% suspension for all employees. This combined with our key Service Suppliers, who are all working on reduce fees by 10%, have ensured that we have managed to keep our base costs down, helping to secure workload in competitive tender.

The Group makes a significant investment in Health and Safety. Two full-time staff and a number of external consultants perform regular and detailed checks to ensure that standards are met and improved upon. The Group produces foreign language manuals for workers whose first language is not English, and continues to invest in regular and thorough safety training. For the Financial Year being reported we can confirm an AFR of 0.16 during the period, and to-date in the next current Financial Year we have an AFR of 0.00. We can also confirm that our site based teams receive safety briefings at the frequency of at least 1 every 20 working hours with a target set for 1 every 10 hours. This target has been radically reduced down from previous targets of 1 safety briefing every 100 hours worked.

The Director continues in his commitment to a steady workforce provided mainly by staff employed by the Group. The Director does, however, wish to express his disappointment yet again that other construction industry organisations do not share this commitment. One result of this is the continued difficulty in recruiting skilled labour who currently will take sub-contract work as a preference to full-time direct employment, due to the personal tax advantages that this is seen to deliver, despite the recent changes to the CIS regime. We want to see if the new Coalition Government will review this ongoing situation.

The main Key Performance Indicators used in 2010 were

- 1 Financial Indicators
 - a Gross profit by project
 - b Total group net profit
 - c Gross profit by type of project
 - d Overheads as a percentage of turnover

Saint Fortchern Limited

DIRECTOR'S REPORT

2 Non-Financial Indicators

- a Reportable injuries per 100,000 hours worked
- b Results against Target 10 Safety Awards (each site is judged against an advanced range of safety criteria)
- c Concrete and rebar v turnover (to control wastage and over-stocking)
- d Internal / External Plant Utilisation
- e Staff turnover by role
- f Non-chargeable time analysis

The Director and key Management Team review these key performance indicators on a weekly, monthly or quarterly basis, as considered appropriate, and take action where necessary to address any performance issues identified. During the period ended 31st May 2010 there were no significant variances against budget on key performance indicators.

FUTURE DEVELOPMENTS

With the continued fine tuning of the O'Keeffe Construction (Greenwich) Limited revised business strategy arising from the review that identified large groundworks projects, together with soil remediation, as the core business of the organisation, we have formed very strong links with a demolition specialist with the aim to increase market presence in the City and West End when they return to previous levels. Our Residential Groundworks Division will assist in increasing turnover, internal plant utilisation and a reduction in overhead as a percentage. We have also employed an internal design function that will assist in tenders that are technically complex. These advancements continue to help us achieve our goal of being a market leader in the supply of groundworks and with a first class balance sheet to match.

MARKET VALUE OF LAND AND BUILDINGS

The director is of the opinion that there is no material difference between the market value of the group's interest in land and the amount at which it is shown in the financial statements. This opinion is supported by an interim valuation conducted by Clarke Wilson, Chartered Surveyors.

RISKS AND UNCERTAINTIES

The group uses various financial instruments including overdrafts, hire purchase, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations in the form of working capital.

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below. In order to manage the group's exposure to those risks, in particular the group's exposure to interest rates, the group enters into transactions including, but not limited to, fixed interest rate agreements.

Saint Fortchern Limited

DIRECTOR'S REPORT

The main risks arising from the group's financial instruments are liquidity risk, interest rate risk and credit risk. The director reviews and agrees policies for managing each of these risks and they are summarised below.

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. Short-term flexibility is achieved by the use of an overdraft facility.

INTEREST RATE RISK

The group finances its operations through a mixture of profits, bank borrowings and debenture loans. The group's exposure to interest rate fluctuations on its bank borrowings is minimal due to the short-term nature of the borrowings. Exposure to interest rate fluctuations on hire purchase contracts and debenture loans is nil as all hire purchase agreements are at a known fixed rate and the debenture loans do not bear interest.

CREDIT RISK

The group's principal financial assets are cash and trade debtors. There is no credit risk on cash. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the director sets limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit control department and our credit insurance company on a regular basis in conjunction with debt ageing and collection history.

During 2009/10 there were no concentrations of credit risk, with exposure being spread over a large number of customers.

DISABLED PERSONS

The group's policy is one of equal opportunity in the selection, training, career development and promotion of staff. The group has a policy to recruit disabled employees for those vacancies that they are able to fill and will provide facilities, equipment and training to assist any disabled persons employed.

Saint Fortchern Limited

DIRECTOR'S REPORT

DIRECTOR

The following director has held office since incorporation

P J O'Keefe

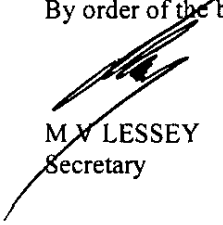
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The director who was in office on the date of approval of these financial statements has confirmed that, as far as he is aware, there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

The auditor, Baker Tilly UK Audit LLP, was appointed during the year and has expressed its willingness to continue in office. A resolution to reappoint them will be put to the members at the annual general meeting.

By order of the board



M.V. LESSEY
Secretary

Saint Fortchern Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period

In preparing those financial statements, the director is required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Saint Fortchern Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAINT FORTCHERN LIMITED

We have audited the group and parent company financial statements (the "financial statements") on pages 8 to 27. 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).

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.

Respective responsibilities of director and auditor

As more fully explained in the Director's Responsibilities Statement set out on page 6, the director is 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 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.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2010 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Director's Report for the financial period 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 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Elfed Jarvis (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

12 Gleneagles Court

Brighton Road

Crawley, West Sussex

RH10 6AD

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Saint Fortchern Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 31 May 2010

	<i>Notes</i>	Period from 23 March 2009 to 31 May 2010 £
TURNOVER	1	24,327,549
Cost of sales		19,857,548
Gross profit		<u>4,470,001</u>
Administrative expenses		3,675,597
OPERATING PROFIT	2	<u>794,404</u>
Interest payable	3	78,001
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>716,403</u>
Taxation	5	299,580
PROFIT FOR THE FINANCIAL PERIOD	16	<u><u>416,823</u></u>

The operating profit for the period arises from operations acquired during the period

Saint Fortchern Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period ended 31 May 2010

	Period to 31 May 2010 £
Profit for the financial period	416,823
Unrealised surplus on revaluation of properties	-
Total recognised gains and losses relating to period	<u>416,823</u>

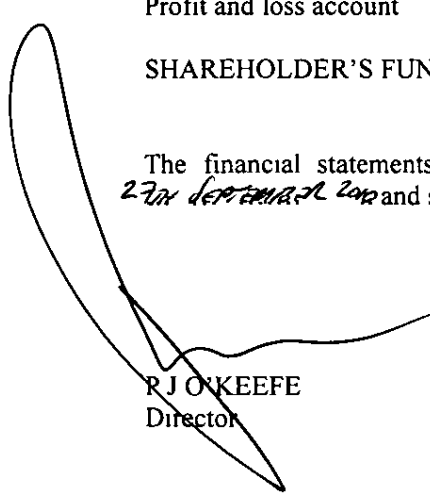
NOTE OF HISTORICAL COST PROFITS AND LOSSES for the period ended 31 May 2010

	Period to 31 May 2010 £
Profit on ordinary activities before taxation	416,823
Realisation of property valuation gains of previous years	-
Difference between an historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	-
Historical cost profit on ordinary activities before taxation	<u>416,823</u>
Historical cost profit for the year retained after taxation, minority interests, extraordinary items and dividends	<u>326,823</u>

Saint Fortchern Limited
CONSOLIDATED BALANCE SHEET
31 May 2010

	<i>Notes</i>	31 May 2010 £
FIXED ASSETS		
Intangible assets	7	1,870,169
Tangible assets	8	3,334,570
Investments	9	50
		<u>5,204,789</u>
CURRENT ASSETS		
Stocks	10	15,846
Debtors	11	5,553,361
Cash at bank and in hand		1,330,223
		<u>6,899,430</u>
CREDITORS Amounts falling due within one year	12	4,933,323
NET CURRENT ASSETS		<u>1,966,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,170,896</u>
CREDITORS Amounts falling due after more than one year	13	2,022,750
PROVISION FOR LIABILITIES	14	140,836
NET ASSETS		<u>5,007,310</u>
CAPITAL AND RESERVES		
Called up share capital	15	9,232
Share premium account	16	4,671,255
Profit and loss account	16	326,823
SHAREHOLDER'S FUNDS	17	<u>5,007,310</u>

The financial statements on pages 8 to 27 were approved by the board, authorised for issue on ~~27th September 2010~~ and signed on its behalf by

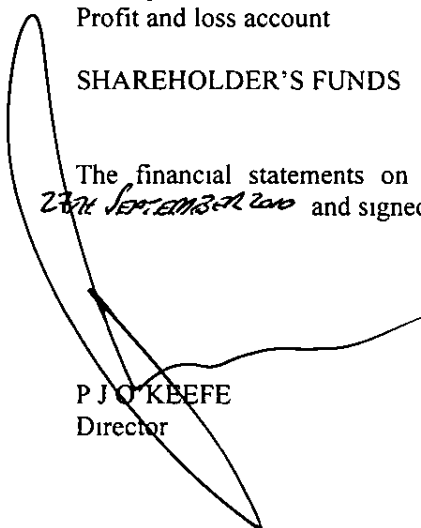

P J O'KEEFE
 Director

Saint Fortchern Limited
COMPANY BALANCE SHEET
31 May 2010

Company registration No 06855708

	<i>Notes</i>	31 May 2010 £
FIXED ASSETS		
Investments	9	7,070,125
		<u>7,070,125</u>
CREDITORS Amounts falling due within one year	12	299,638
NET CURRENT LIABILITIES		<u>(299,638)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,770,487</u>
CREDITORS Amounts falling due after more than one year	13	1,980,000
NET ASSETS		<u>4,790,487</u>
CAPITAL AND RESERVES		
Called up share capital	15	9,232
Share premium account	16	4,671,255
Profit and loss account	16	110,000
SHAREHOLDER'S FUNDS	17	<u>4,790,487</u>

The financial statements on pages 8 to 27 were approved by the board, authorised for issue on *27th September 2010* and signed on its behalf by


P J O'KEEFE
 Director

Saint Fortchern Limited

CONSOLIDATED CASH FLOW STATEMENT for the period ended 31 May 2010

	<i>Notes</i>	31 May 2010 £
Cash flow from operating activities	18a	(3,309)
Returns on investments and servicing of finance	18b	(78,001)
Taxation		(496,869)
Capital expenditure and financial investment	18b	(171,118)
Acquisitions and disposals	18d	3,027,134
Equity dividends paid		(90,000)
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		2,187,837
Financing	18b	(857,614)
INCREASE IN CASH IN THE PERIOD		1,330,223
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£
Increase in cash in the period		1,330,223
Cash inflow from increase in debt and lease financing		(2,113,080)
MOVEMENT IN NET DEBT IN THE PERIOD		(782,857)
NET DEBT ON INCORPORATION		-
NET DEBT AT 31 MAY 2010	18c	(782,857)

Saint Fortchern Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Saint Fortchern Limited and all of its subsidiary undertakings for the period. All financial statements are made up to 31 May 2010

The holding company has not presented its own profit and loss account as permitted by the Companies Act 2006

RESEARCH AND DEVELOPMENT

Expenditure on research activities is recognised as an expense in the period in which it is incurred

An internally-generated intangible asset in respect of development expenditure is recognised only if all of the following conditions are met

- an asset is created that can be identified,
- it is probable that the asset will generate future economic benefits,
- the development cost of the asset can be measured reliably,
- the product or process is technically and commercially feasible, and
- sufficient resources are available to complete the development and to either sell or use the asset

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. Internally-generated intangible assets are amortised on a straight-line basis over their useful lives

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost or valuation less depreciation

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows -

Leasehold improvements	25% per annum reducing balance
Plant and machinery	25% per annum reducing balance
Fixtures and fittings	25% per annum reducing balance

VALUATION OF LAND AND BUILDINGS

Freehold properties are revalued in accordance with FRS15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the Guidance Notes of the Royal Institution of Chartered Surveyors every five years and an interim valuation is carried out in year three

INVESTMENTS

Investments are included at cost

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognized in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Saint Fortchern Limited

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are 'operating leases' and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

TURNOVER

Turnover represents the invoiced value (excluding trade discounts and VAT) for contract work or agreed surveyors' valuation, reflecting contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs.

PENSION CONTRIBUTIONS

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill on acquisition of subsidiaries is separately disclosed.

Goodwill is stated at cost net of amortisation and is amortised over the period in which benefits are derived. Impairment reviews on the carrying value of goodwill are undertaken at the end of the first full year following acquisition and on the identification of any indication of impairment.

LONG-TERM CONTRACTS

The attributable profit on long term contracts is only recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Amounts recoverable on contracts (trade debtors) are stated at surveyors' valuation less provision for anticipated losses and deduction of applicable payments on account.

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

Saint Fortchern Limited

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 May 2010

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity, wholly undertaken in the United Kingdom

	Period ended 31 May 2010 £
2 OPERATING PROFIT	
Operating profit is stated after charging	
Amortisation	207,796
Depreciation charge for the period	
Owned assets	374,043
Leased assets	288,387
Operating lease rentals	
Plant and machinery	-
Land and buildings	75,000
Auditor's remuneration	
Audit services – statutory audit (company and consolidation)	4,000

	Period ended 31 May 2010 £
3 INTEREST PAYABLE	
GROUP	
Bank loans and overdrafts	7,080
Finance leases and hire purchase contracts	70,921
	78,001

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 May 2010

4	EMPLOYEES	Period ended 31 May 2010 No
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GROUP

The average monthly number of persons (including directors) employed by the group during the period was

Site labour	150
Administrative staff	38
	<u>188</u>

£

Staff costs for the above persons

Wages and salaries	7,344,111
Social security costs	924,560
Other pension costs	144,298
	<u>8,412,969</u>

£

DIRECTOR'S REMUNERATION

Director's Emoluments	<u>227,078</u>
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Director's remuneration relates to the highest paid director

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 May 2010

	Period ended 31 May 2010 £
5 TAXATION	
Based on the profit for the period	
UK corporation tax on profits of the period	350,190
Adjustments in respect of previous periods	(11,140)
	<u>339,050</u>
Deferred taxation	
Origination and reversal of timing differences	(39,470)
	<u>299,580</u>
Tax on profit on ordinary activities	<u>716,403</u>
Factors affecting the tax charge for the period	
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below	
Profit on ordinary activities before tax	<u>716,403</u>
Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 28%	<u>200,593</u>
Effects of	
Expenses not deductible for tax purposes	93,717
Depreciation for period in excess of capital allowances	55,920
Other timing differences	(40)
Adjustments to tax charges of subsidiaries in respect of previous periods	(11,140)
	<u>339,050</u>
6 PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE HOLDING COMPANY	31 May 2010 £
Dealt with in the financial statements of the parent company	110,000
Retained by subsidiary undertakings	624,620
Amortisation of goodwill arising on consolidation	(207,797)
Eliminated on consolidation	(110,000)
	<u>416,823</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 May 2010

7	INTANGIBLE ASSETS					Goodwill £
	GROUP					
	Cost					
	Additions					2,077,965
	31 May 2010					2,077,965
	Amortisation					
	Charged in period					207,796
	31 May 2010					207,796
	Net book value					
	31 May 2010					1,870,169
8	TANGIBLE FIXED ASSETS					
		<i>Freehold Properties</i> £	<i>Leasehold improvements</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
	GROUP					
	Cost or valuation					
	Acquired 1 June 2009	1,400,000	31,177	20,888	2,376,641	3,828,706
	Additions	-	-	-	178,794	178,794
	Disposals	-	-	-	(37,637)	(37,637)
	31 May 2010	1,400,000	31,177	20,888	2,517,798	3,969,863
	Depreciation					
	Charged in the period	-	31,177	20,888	610,365	662,430
	Disposals	-	-	-	(27,137)	(27,137)
	31 May 2010	-	31,177	20,888	583,228	635,293
	Net book value					
	31 May 2010	1,400,000	-	-	1,934,570	3,334,570

Included within the net book value of £3,334,570 is £761,590 relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the period in respect of such assets amounted to £288,387.

An interim valuation conducted by Clarke Wilson, Chartered Surveyors, has indicated no material difference between the open market value of the freehold property and the book value as at 31 May 2010.

The group acquired the freehold property as part of the acquisition of O'Keefe Construction (Greenwich) Limited. Prior to acquisition the property had been revalued from its historic cost. No provision for deferred tax has been recognised on the unrealised gain arising on the freehold property as such tax would only crystallise if the property were sold. The total un-provided deferred tax in relation to this property as 31 May 2010 was £218,000 (2009: £218,000).

The company held no tangible fixed assets.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 May 2010

9	INVESTMENTS	Subsidiary undertaking £	Total £
	COMPANY		
	Cost		
	Additions and at 31 May 2010	7,070,125	7,070,125

The investment in subsidiary undertaking relates to the company's 100% investment in the ordinary share capital of O'Keefe Construction (Greenwich) Limited, a company incorporated in England and Wales. O'Keefe Construction (Greenwich) Limited's principal activity is construction.

The company's net profit for the year ended 31 May 2010 was £804,909 and the net assets at that date were £4,314,997.

GROUP	Associated undertaking £
Cost	
Additions	50
31 May 2010	50

The group holds 50% of the ordinary share capital of H Smith O'Keefe Limited, although the results have not been consolidated as the company has remained dormant throughout the period and is immaterial to the group.

<i>Subsidiary undertakings</i>	<i>Country of registration/ incorporation</i>	<i>Principal Activity</i>	<i>Proportion held</i>
O'Keefe Soil Remediation Ltd	England	Soil remediation and stabilisation	100%
O'Keefe Construction (Greenwich) Limited	England	Construction	100% *
<i>Associated undertaking</i>			
H Smith O'Keefe Ltd	England	Dormant	50% *

* shares held indirectly

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 May 2010

9 INVESTMENTS (continued)

On 1 June 2009 the group acquired 100% of the ordinary share capital of O'Keefe Construction (Greenwich) Limited for a consideration of £7,070,125 which was part financed by a long term loan and part by virtue of a share for share exchange in Saint Fortchern Limited. The assets and liabilities of O'Keefe Construction (Greenwich) Limited and its subsidiary undertaking have been consolidated at their fair values to the group, as set out below

	<i>Initial book value</i> £	<i>Fair value adjustment</i> £	<i>Fair value at date of acquisition</i> £
Tangible fixed assets	3,828,707	-	3,828,707
Investments	50	-	50
Stock	16,770	-	16,770
Debtors	3,202,798	-	3,202,798
Cash at bank	3,076,773	-	3,076,773
TOTAL ASSETS	10,125,098	-	10,125,098
Trade creditor	1,712,844	-	1,712,844
Amounts due under HP agreements			
Within one year	500,464	-	500,464
After one year	130,230	-	130,230
Other creditors	8,674	-	8,674
Accruals	2,048,120	-	2,048,120
Other tax and social security	189,984	-	189,984
Corporation tax	362,316	-	362,316
Provisions Deferred Taxation	180,306	-	180,306
TOTAL LIABILITIES	5,132,938	-	5,132,938
NET ASSETS	4,992,160	-	4,992,160

Goodwill of £2,077,965, being the difference between the fair value of net assets acquired and consideration paid, arises from this transaction

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
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10 STOCKS

	Group 31 May 2010 £	Company 31 May 2010 £
Consumables	15,846	-
	<u> </u>	<u> </u>

11 DEBTORS

	Group 31 May 2010 £	Company 31 May 2010 £
Due within one year		
Trade debtors	4,560,677	-
Other debtors	992,684	-
	<u>5,553,361</u>	<u> </u>

12 CREDITORS Amounts falling due within one year

	Group 31 May 2010 £	Company 31 May 2010 £
Trade creditors	2,300,967	-
Obligations under finance leases	90,330	-
Amounts owed to group undertakings	-	209,638
Corporation tax	184,641	-
Other taxation and social security costs	153,841	-
Other creditors	121,624	90,000
Accruals and deferred income	2,081,920	-
	<u>4,933,323</u>	<u>299,638</u>

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
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13 CREDITORS Amounts falling due in more than one year

	Group 31 May 2010 £	Company 31 May 2010 £
Debenture loans	1,980,000	1,980,000
Obligations under finance leases	42,750	-
	<u>2,022,750</u>	<u>1,980,000</u>
Amounts falling due at 31 May 2010		
Debenture loans/finance leases due		
in the first year	42,750	-
after five years	1,980,000	1,980,000
	<u>2,022,750</u>	<u>1,980,000</u>
Repayable by instalments		
Debenture loans		
after five years	1,980,000	1,980,000
Obligations under finance leases		
in the second to fifth year	-	-
after five years	-	-
	<u>1,980,000</u>	<u>1,980,000</u>

The debenture loans are interest free and unsecured and are due for repayment by 1 November 2019. In the intervening period repayments must be made to such minimum amount as is equal to 55% of the cash dividends distributed to the company by its subsidiary, O'Keeffe Construction (Greenwich) Limited.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 May 2010

14 PROVISION FOR LIABILITIES

	Group 31 May 2010 £	Company 31 May 2010 £
The movement in the deferred taxation provision during the period was		
Acquired on acquisition	180,306	180,306
Movement in period	(39,470)	(40,783)
Provision carried forward	<u>140,836</u>	<u>139,523</u>

The group and company's provisions for deferred taxation consist of the tax effect of timing differences in respect of

	Group 31 May 2010 £	Company 31 May 2010 £
Accelerated capital allowances	146,927	-
Other timing differences	(6,091)	-
	<u>140,836</u>	<u>-</u>

15 SHARE CAPITAL

	31 May 2010 £
Authorised 10,000 ordinary shares of £1 each	10,000
Allotted, issued and fully paid 9,232 ordinary shares of £1 each	<u>9,232</u>

1 ordinary share of £1 was issued on incorporation at nominal value 9,231 ordinary shares of £1 each were issued for proceeds of £4,680,486 to finance the acquisition of O'Keefe Construction (Greenwich) Limited

	Share premium account £	Profit and loss account £
16 RESERVES		
GROUP		
Profit for the period	-	416,823
Dividend paid	-	(90,000)
Share issue	4,671,255	-
	<u>4,671,255</u>	<u>326,823</u>
COMPANY		
Profit for the period	-	200,000
Dividend paid	-	(90,000)
Share issue	4,671,255	-
	<u>4,671,255</u>	<u>110,000</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 May 2010

17	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	31 May 2010 £
	GROUP	
	Profit after taxation	416,823
	Dividends	(90,000)
		<u>326,823</u>
	Other recognised gains and losses relating to the year	-
	New share capital subscribed	4,680,487
		<u>5,007,310</u>
	Net addition to shareholders' funds	5,007,310
	Opening shareholders' funds	-
	Closing shareholders' funds	<u>5,007,310</u>
	COMPANY	
	Profit after taxation	200,000
	Dividends	(90,000)
		<u>110,000</u>
	Other recognised gains and losses relating to the year	-
	New share capital subscribed	4,680,487
		<u>4,790,487</u>
	Net addition to shareholders' funds	4,790,487
	Opening shareholders' funds	-
	Closing shareholders' funds	<u>4,790,487</u>
18	CASH FLOWS	31 May 2010 £
a	Reconciliation of operating profit to net cash inflow from operating activities	
	Operating profit	794,404
	Amortisation of goodwill	207,796
	Depreciation	662,430
	Decrease in stocks	924
	Increase in debtors	(2,350,563)
	Increase in creditors	678,876
	Loss on disposal of fixed assets	2,824
		<u>(3,309)</u>

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 May 2010

18	CASH FLOWS (<i>continued</i>)			31 May 2010 £
b	Analysis of cash flows for headings netted in the cash flow			
	Returns on investments and servicing of finance			
	Interest paid			(7,080)
	Interest element of finance lease rental payments			(70,921)
	Net cash outflow for returns on investment and servicing of income			<u>(78,001)</u>
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets			(178,794)
	Sale of tangible fixed assets			7,676
	Net cash outflow for capital expenditure and financial investment			<u>(171,118)</u>
	Financing			
	Capital element of finance lease rental payments			(497,614)
	Debenture loan			(360,000)
	Net cash outflow from financing			<u>(857,614)</u>
c	Analysis of net debt			
		<i>On</i>		<i>At</i>
		<i>incorporation</i>	<i>Cash flow</i>	<i>31 May</i>
		£	£	2010
				£
	Cash at bank and in hand	-	1,330,223	- 1,330,223
	Debt due after five years	-	360,000	(2,340,000) (1,980,000)
	Finance leases	-	497,614	(630,694) (133,080)
	Total	<u>-</u>	<u>2,187,837</u>	<u>(2,970,694)</u> <u>(782,857)</u>
d	Acquisition of business			£
	Net assets acquired (Note 9)			10,125,098
	Less Liabilities (Note 9)			(5,132,938)
				<u>4,992,160</u>
	Goodwill arising on acquisition			2,077,965
	Consideration			<u>7,070,125</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 May 2010

d	Acquisition of business <i>(continued)</i>	£
	Consideration	
	Satisfied by -	
	Issue of share capital	4,680,486
	Issue of debenture loans	2,340,000
	Cash	49,639
		<u>7,070,125</u>
	Analysis of the net flow of cash in respect of the purchase of the business	
	Cash consideration	(49,639)
	Cash at bank and in hand acquired	3,076,773
		<u>3,027,134</u>

19 COMMITMENTS UNDER OPERATING LEASES

At 31 May 2010 the group had annual commitments under non-cancellable operating leases as follows

	31 May 2010 £
Land and buildings expiring after five years	75,000

The company had no non-cancellable operating leases

21 PENSION COMMITMENTS

The group operates a defined contribution pension scheme whose assets are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group and amounted to £142,153. Included in other creditors at the year end were accrued pension costs of £21,751.

22 RELATED PARTIES

Advantage has been taken of the exemption provided by paragraph 3(c) of Financial Reporting Standard 8 from reporting transactions with group companies.

The group rents its leasehold premises at St Andrew's House at £75,000 per annum from O'Keefe Construction (Greenwich) Limited (Scheme 3) Retirement Benefit Scheme, a pension fund of which the director is a member.

As at 31 May 2010, the group and company owed £90,000 to P J O'Keefe, the director, which is included in other creditors.

During the period the group provided construction services of £1,225,475 to O'Keefe Utilities Limited, a company controlled by P J O'Keefe. As at 31 May 2010 the balance due from O'Keefe Utilities Limited was £843,146 which is included in other debtors.

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is considered to be P J O'Keefe by virtue of his controlling interest in the company.