

Saint Fortchern Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2013

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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
Lancaster House
7 Elmfield Road
Bromley
Kent
BR1 1LT

Saint Fortchern Limited

DIRECTOR'S REPORT

The director submits his report and the group financial statements of Saint Fortchern Limited for the year ended 31 May 2013

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 loss for the year, after taxation was £8,263 (2012 Profit £267,802)

No interim dividend (2012 £Nil) was declared during the year The director does not recommend a final dividend for the year (2012 Nil)

REVIEW OF THE BUSINESS

During the Financial Year Ended 31st May 2013 the Directors undertook an extensive review of the Group's business operations against the previous review of 2006 The revised business strategy has been put in place and has proven successful with the consolidation of financial results for the Year Ended 31st May 2013 We have seen turnover remain stable due to the targeting of specific projects which meet our capabilities, the continued uptake of our residential groundworks services, further successful schools projects, and the resurgence of the Central London commercial market, including working on 5 Broadgate and 5-7 St Helens Place

Our Regional Office servicing our Projects in Kent, East Surrey and East Sussex located in Sevenoaks, Kent, continues to win market share and is now responsible for in excess of £12m per annum of Company turnover

As part of our revised strategy we have targeted 3 main areas where our investment levels will increase in the coming period Those are

- Our People
- Our fixed assets
- Training

The Group has therefore continued with its investment in our management team and in high quality state of the art mechanical equipment, to improve our operational capability We have also committed a six figure sum to IT improvements with a dedicated team working 100% of their time on BIM We believe the introduction of BIM across our Projects will work to reduce cost and allow us to gain a commercial advantage So far, we are operating two Projects under this programme

Credit needs to be given to all employees from operational team members up to directors who in February 2009, agreed upon a 10% wage suspension for directors and in April 2009 a 7.5% wage suspension for employees This suspension has been removed as of September 2013 and the Group cannot thank all of their hard working team enough for their commitment and work ethic during the past 5 years

We currently have the largest secured order book in the Group's history with Turnover due to pass the £50m mark in 2014 We have secured work in the Nine Elms area of London on two projects and continue to see large scale residential projects become an increasing volume of the work for which we tender

The Health and Safety of all our team remains paramount Four 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 At the time of signing these accounts the

Saint Fortchern Limited

DIRECTOR'S REPORT *(continued)*

REVIEW OF THE BUSINESS *(continued)*

Director can report that, on average, our site based employees receive a safety briefings every 11 hours worked, an improvement of 18% compared to last year. All our Supervisors now hold either a SMSTS or a SSSTS card, all Supervisors have attended a Managing Director's Health and Safety Workshop and all employees have attended our "What If" Behavioural Safety Programme. We train all our employees in line with the minimum requirements of The UKCG. These initiatives continue to be rolled out on a monthly basis for any new members to our team and our AFI continues to reduce. All the good work on H&S that was learnt from our time on the Olympic Park has been absorbed into our daily working practice.

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 that will still 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.

The main Key Performance Indicators used in 2013 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
- 2 Non-Financial Indicators
 - a Reportable injuries per 100,000 hours worked
 - b Results against Target 100 Safety Awards (each site is judged against an advanced range of safety criteria)
 - c Concrete and rebar usage v turnover (to control wastage and over-stocking)
 - d Staff turnover by role
 - e 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 year ended 31 May 2013, there were no significant variances against budget on key performance indicators.

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 a full valuation conducted by DE & J Levy LLP, Chartered Surveyors & Property Consultants.

PRINCIPAL RISKS AND UNCERTAINTIES

The group has various financial instruments including overdrafts, hire purchase, cash and others such as trade creditors that arise directly from its operations which finance 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

PRINCIPAL RISKS AND UNCERTAINTIES *(continued)*

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. These policies have remained unchanged from previous years.

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.

It is the director's policy that all borrowings should match the life of the project that they are funding. As such, current borrowings are limited to the overdraft facility and to hire purchase agreements on large equipment over a period that matches the anticipated useful life of the equipment.

INTEREST RATE RISK

The group finances its operations through a mixture of retained 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. All hire purchase agreements are at a known fixed rate.

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 2012/13 there were no concentrations of credit risk, with exposure being spread over a large number of customers.

DISABLED PERSONS

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

EMPLOYEE INVOLVEMENT

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.



Saint Fortchern Limited

DIRECTOR'S REPORT

DIRECTOR

The following director has held office since 1 June 2012

P J O'Keefe

CHARITABLE DONATIONS

Donations to charitable organisations amounted to £14,315 (2012 £9,970)

RESEARCH AND DEVELOPMENT

The Group continues to invest in research and development to improve its market position and sustain future growth. Expenditure is written off as incurred to the profit and loss account.

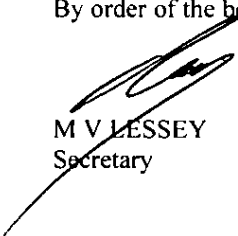
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

Baker Tilly UK Audit LLP have expressed their willingness to continue in office.

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 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 26. 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 and of the group's loss 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.

Baker Tilly UK Audit LLP

Neil Thomas (Senior Statutory Auditor)

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

Chartered Accountants

Lancaster House, 7 Elmfield Road

Bromley, Kent BR1 1LT

26 February 2014

Saint Fortchern Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2013

	<i>Notes</i>	2013 £	2012 £
TURNOVER	1	41,998,473	42,499,998
Cost of sales		(36,893,105)	(37,681,030)
Gross profit		<u>5,105,368</u>	<u>4,818,968</u>
Other operating expenses	2	(4,988,463)	(4,331,515)
OPERATING PROFIT	3	<u>116,905</u>	<u>487,453</u>
Interest receivable		714	5,345
Interest payable	4	(60,050)	(42,468)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>57,569</u>	<u>450,330</u>
Taxation	6	(65,832)	(182,528)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	17	<u><u>(8,263)</u></u>	<u><u>267,802</u></u>

The operating profit for the year arises from operations acquired during the previous year

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account

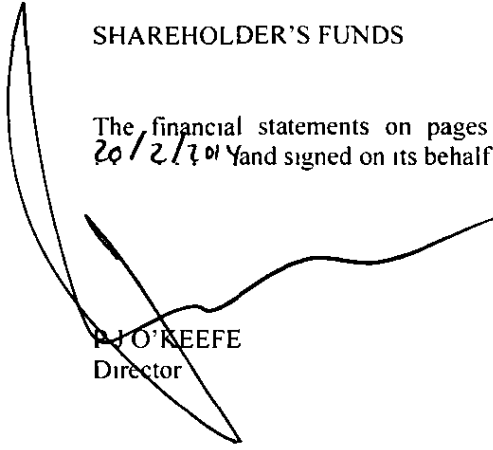


Saint Fortchern Limited
CONSOLIDATED BALANCE SHEET
31 May 2013

Company registration number 06855708

	<i>Notes</i>	2013 £	2012 £
FIXED ASSETS			
Intangible assets	8	1,246,778	1,454,575
Tangible assets	9	4,078,032	4,382,726
		<u>5,324,810</u>	<u>5,837,301</u>
CURRENT ASSETS			
Stocks	11	20,674	15,786
Debtors	12	11,727,991	12,856,871
Cash at bank and in hand		311,885	6,798
		<u>12,060,550</u>	<u>12,879,455</u>
CREDITORS Amounts falling due within one year	13	(9,721,764)	(10,382,269)
NET CURRENT ASSETS		<u>2,338,786</u>	<u>2,497,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,663,596</u>	<u>8,334,487</u>
CREDITORS Amounts falling due after more than one year	14	(2,241,603)	(2,879,148)
PROVISION FOR LIABILITIES	15	(158,779)	(183,862)
NET ASSETS		<u>5,263,214</u>	<u>5,271,477</u>
CAPITAL AND RESERVES			
Called up share capital	16	9,232	9,232
Share premium account	17	4,671,255	4,671,255
Profit and loss account	17	582,727	590,990
SHAREHOLDER'S FUNDS	18	<u>5,263,214</u>	<u>5,271,477</u>

The financial statements on pages 8 to 26 were approved by the board, authorised for issue on 20/2/14 and signed on its behalf by


P. O'KEEFE
 Director

Saint Fortchern Limited

COMPANY BALANCE SHEET

31 May 2013

Company registration No 06855708

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	10	7,070,125	7,070,125
		<u>7,070,125</u>	<u>7,070,125</u>
CREDITORS Amounts falling due within one year	13	(299,638)	(299,638)
NET CURRENT LIABILITIES		<u>(299,638)</u>	<u>(299,638)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,770,487</u>	<u>6,770,487</u>
CREDITORS Amounts falling due after more than one year	14	(1,980,000)	(1,980,000)
NET ASSETS		<u>4,790,487</u>	<u>4,790,487</u>
CAPITAL AND RESERVES			
Called up share capital	16	9,232	9,232
Share premium account	17	4,671,255	4,671,255
Profit and loss account	17	110,000	110,000
SHAREHOLDER'S FUNDS	18	<u>4,790,487</u>	<u>4,790,487</u>

The financial statements on pages 8 to 26 were approved by the board, authorised for issue on 20/2/2014 and signed on its behalf by

P J O'KEEFE
Director

Saint Fortchern Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 May 2013

	<i>Notes</i>	2013 £	2012 £
Cash inflow from operating activities	19a	2,119,040	680,818
Returns on investments and servicing of finance	19b	(59,336)	(37,123)
Taxation		(4,126)	(269,310)
Capital expenditure and financial investment	19b	(302,940)	391,449
Acquisitions and disposals	19b	-	50
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		1,752,638	765,884
Financing	19b	(719,604)	(504,852)
INCREASE IN CASH IN THE YEAR		1,033,034	261,032
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£	£
Increase in cash in the period		1,033,034	261,032
Cash inflow from increase in debt and lease financing		719,604	504,852
New finance leases		-	(1,340,334)
MOVEMENT IN NET DEBT IN THE YEAR		1,752,638	(574,450)
NET DEBT AT 1 June 2012		(4,691,771)	(4,117,321)
NET DEBT AT 31 May 2013	19c	(2,939,133)	(4,691,771)



Saint Fortchern Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention modified to include the revaluation of freehold properties and in accordance with applicable United Kingdom accounting standards

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Saint Fortchern Limited and all of its subsidiary undertakings for the year. Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. All financial statements are made up to 31 May 2013.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The holding company has not presented its own profit and loss account as permitted by Section 408 of 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, other than freehold property, are stated at historical cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows -

Leasehold improvements	Based on assessment of useful life and residual value
Plant and machinery	Based on assessment of useful life and residual value
Fixtures, fittings and equipment	Based on assessment of useful life and residual value

VALUATION OF LAND

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.

Saint Fortchern Limited

ACCOUNTING POLICIES

INVESTMENTS

Investments are included at cost. Provision is made for any permanent diminution in the value of fixed asset investments.

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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

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.

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.

RETIREMENT BENEFITS

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.

Saint Fortchern Limited

ACCOUNTING POLICIES

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, which is deemed to be 10 years. 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.

CLAIMS

No account is taken of claims submitted or to be submitted on completed contracts until such claims are agreed.

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 year ended 31 May 2013

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

	2013 £	2012 £
2 OTHER OPERATING EXPENSES (Net)		
Administrative expenses	4,988,463	4,355,309
Other operating income	-	(23,794)
	<u>4,988,463</u>	<u>4,331,515</u>
	2013 £	2012 £
3 OPERATING PROFIT		
Operating profit is stated after charging/(crediting)		
Amortisation	207,797	207,797
Depreciation charge for the period		
Owned assets	312,126	279,701
Leased assets	295,508	307,719
Profit on disposal of fixed assets	-	(110,689)
Operating lease rentals		
Other assets	114,705	112,368
Auditor's remuneration		
- Audit services – statutory audit (company and consolidation)	4 000	4,000
- Audit services – the audit of the company's subsidiaries	25 000	25,000
- Taxation	500	500
- Other services	2,000	2,000
	<u></u>	<u></u>
	2013 £	2012 £
4 INTEREST PAYABLE		
Bank loans and overdrafts	10,151	9,286
Finance leases and hire purchase contracts	49,899	33,182
	<u>60,050</u>	<u>42,468</u>

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

5	EMPLOYEES	2013 No	2012 No
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The average monthly number of persons (including directors) employed by the group during the period was

Site labour	259	177
Administrative staff	47	49
	<u>306</u>	<u>226</u>

2013 £	2012 £
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Staff costs for the above persons

Wages and salaries	11,619,338	11,254,289
Social security costs	783,787	815,359
Other pension costs	134,798	115,498
	<u>12,537,923</u>	<u>12,185,146</u>

2013 £	2012 £
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DIRECTOR'S REMUNERATION

Director's Emoluments	150,087	73,259
Company pension contributions to money purchase schemes	7,000	-
	<u>157,087</u>	<u>73,259</u>

The number of directors for whom retirement benefits are accruing under money purchase schemes was

<u>1</u>	<u>-</u>
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Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

6	TAXATION	2013 £	2012 £
	Based on the profit for the year		
	UK corporation tax on profits of the year	90,915	158,065
	Current tax charge	<u>90,915</u>	<u>158,065</u>
	Deferred taxation		
	Deferred tax (credit)/charge current year	(25,083)	24,463
	Tax on profit on ordinary activities	<u>65,832</u>	<u>182,528</u>
	Factors affecting the tax charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax 23.83% (2012: 25.67%) as explained below		
	Profit on ordinary activities before tax	<u>57,569</u>	<u>450,330</u>
	Profit on ordinary activities multiplied by the standard rate of UK corporation tax of 23.83% (2012: 25.67%)	13,719	115,600
	Effects of		
	Expenses not deductible for tax purposes	16,514	29,164
	Capital allowances	(130,433)	(160,616)
	Depreciation and amortisation add back	194,317	204,132
	Marginal relief	(3,215)	(1,801)
	Chargeable disposals	-	(28,414)
	Other tax adjustments	13	-
	Current tax charge	<u>90,915</u>	<u>158,065</u>
7	(LOSS)/PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE HOLDING COMPANY	2013 £	2012 £
	Retained by subsidiary undertakings	199,534	475,599
	Amortisation of goodwill arising on consolidation	(207,797)	(207,797)
		<u>(8,263)</u>	<u>267,802</u>

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

8	INTANGIBLE ASSETS	Goodwill
		£
	GROUP	
	Cost	
	1 June 2012 and 31 May 2013	2,077,965
	Amortisation	
	1 June 2012	623,390
	Charged in year	207,797
	31 May 2013	831,187
	Net book value	
	31 May 2013	1,246,778
	31 May 2012	1,454,575
9	TANGIBLE FIXED ASSETS	

GROUP	<i>Freehold property £</i>	<i>Leasehold improvements £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Plant and machinery £</i>	<i>Total £</i>
Cost or valuation					
1 June 2012	1,400,000	131,388	114,746	7 990,572	9,636,706
Additions	-	-	-	302,940	302 940
31 May 2013	1,400,000	131,388	114,746	8,293,512	9,939,646
Depreciation					
1 June 2012	-	131,388	114,746	5,007,846	5,253,980
Charged in the year	-	-	-	607,634	607,634
31 May 2013	-	131,388	114,746	5,615,480	5,861,614
Net book value					
31 May 2013	1,400,000	-	-	2,678,032	4,078,032
31 May 2012	1,400,000	-	-	2 982,726	4,382,726

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2013

9 TANGIBLE FIXED ASSETS *(continued)*

Included within the net book value is £1,554,838 (2012 £1,915,473) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £295,508 (2012 £307,719).

A full professional valuation was conducted by DE & J Levy, Chartered Surveyors, on 31 May 2012, which indicated no material difference between the open market value of the freehold property and the book value as at 31 May 2013.

The historic cost of the freehold property at 31 May 2013 was £620,000 (2012 £620,000).

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 2013 was £179,400 (2012 £200,000).

The company held no tangible fixed assets.

10 INVESTMENTS

Subsidiary
undertaking
£

COMPANY

Cost

At 1 June 2012 and at 31 May 2013

7,070 125

At the year end the company held more than 20% of the allotted share capital (and no other share or loan capital) of the following undertakings:

<i>Subsidiary undertakings</i>	<i>Class of Holding</i>	<i>Principal Activity</i>	<i>Proportion held</i>
O'Keefe Construction (Greenwich) Limited	Ordinary	Construction	100%
O Keefe Soil Remediation Ltd	Ordinary	Dormant	*100%

* O'Keefe Soil Remediation Limited is owned indirectly and is a 100% subsidiary of O'Keefe Construction (Greenwich) Limited.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2013

11 STOCKS

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£	£	£	£
Raw materials and consumables	20,674	15,786	-	-

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£	£	£	£
12 DEBTORS				
Due within one year				
Trade debtors	6,665,689	11,223,444	-	-
Other debtors	438,568	161,866	-	-
Prepayments and accrued income	4,623,734	1,471,561	-	-
	<u>11,727,991</u>	<u>12,856,871</u>	<u>-</u>	<u>-</u>

	<i>Group</i>		<i>Company</i>	
	2013	2012	2013	2012
	£	£	£	£
13 CREDITORS				
Amounts falling due within one year				
Bank overdrafts	377,780	1,105,727	-	-
Obligations under hire purchase contracts	631,635	713,694	-	-
Trade creditors	3,471,735	6,171,155	-	-
Amounts owed to group undertakings	-	-	279,638	279,638
Corporation tax	248,979	158,065	-	-
Other taxation and social security costs	666,951	500,609	-	-
Other creditors	102,586	45,959	20,000	20,000
Accruals and deferred income	4,222,098	1,687,060	-	-
	<u>9,721,764</u>	<u>10,382,269</u>	<u>299,638</u>	<u>299,638</u>

Bank overdrafts of £377,780 (2012 £1,105,727) are secured by a fixed and floating charge over the assets of the group

Obligations under hire purchase contracts are secured by the assets to which they relate

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2013

14 CREDITORS Amounts falling due in more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Debenture loans	1,980,000	1,980,000	1,980,000	1,980,000
Obligations under hire purchase contracts	261,603	899,148	-	-
	<u>2,241,603</u>	<u>2,879,148</u>	<u>1,980,000</u>	<u>1,980,000</u>
Amounts falling due at 31 May 2013				
Debenture loans/hire purchase contracts due				
in the first year	631,635	713,694	-	-
in the second to fifth year	261,603	899,148	-	-
after five years	1,980,000	1,980,000	1,980,000	1,980,000
	<u>2,873,238</u>	<u>3,592,842</u>	<u>1,980,000</u>	<u>1,980,000</u>
Repayable by instalments				
Debenture loans				
after five years	1,980,000	1,980,000	1,980,000	1,980,000
Obligations under finance leases				
in the second to fifth year	261,603	899,148	-	-
	<u>2,241,603</u>	<u>2,879,148</u>	<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.

Amounts due under hire purchase contracts are secured on the assets to which they relate.

Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

15	PROVISION FOR LIABILITIES	<i>Deferred tax liability</i> £
	<i>GROUP</i>	
	Balance at 1 June 2012	183,862
	Movement in year	(25,083)
	Balance at 31 May 2013	<u>158,779</u>

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

	Group	
	2013	2012
	£	£
Accelerated capital allowances	161,768	186,851
Other timing differences	(2,989)	(2,989)
	<u>158,779</u>	<u>183,862</u>
16	SHARE CAPITAL	
	2013	2012
	£	£
Allotted, issued and fully paid 9,232 ordinary shares of £1 each	<u>9,232</u>	<u>9,232</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2013

17	RESERVES	Share premium account	Profit and loss account
		£	£
	GROUP		
	1 June 2012	4,671,255	590,990
	Loss for the year	-	(8,263)
		<u>4,671,255</u>	<u>582,727</u>
	COMPANY		
	1 June 2012	4,671,255	110,000
	Profit for the year	-	-
		<u>4,671,255</u>	<u>110,000</u>
18	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2013	2012
		£	£
	GROUP		
	(Loss)/profit after taxation	(8,263)	267,802
		<u>(8,263)</u>	<u>267,802</u>
	Net (reduction in)/addition to shareholders' funds	(8,263)	267,802
	Opening shareholders' funds	5,271,477	5,003,675
		<u>5,271,477</u>	<u>5,003,675</u>
	Closing shareholders' funds	5,263,214	5,271,477
		<u>5,263,214</u>	<u>5,271,477</u>
	COMPANY		
	Profit after taxation	-	-
		<u>-</u>	<u>-</u>
	Net addition to shareholders' funds	-	-
	Opening shareholders' funds	4,790,487	4,790,487
		<u>4,790,487</u>	<u>4,790,487</u>
	Closing shareholders' funds	4,790,487	4,790,487
		<u>4,790,487</u>	<u>4,790,487</u>



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Saint Fortchern Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

19	CASH FLOWS	2013 £	2012 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	116,905	487,453
	Amortisation of goodwill	207,797	207,797
	Depreciation	607,634	587,420
	(Increase)/decrease in stocks	(4,888)	60
	Decrease/(increase) in debtors	1,133,005	(2,226,433)
	Increase in creditors	58,587	1,735,210
	Profit on disposal of fixed assets	-	(110,689)
		<u>2,119,040</u>	<u>680,818</u>
b	Analysis of cash flows for headings netted in the cash flow	2013 £	2012 £
	Returns on investments and servicing of finance		
	Interest received	714	5,345
	Interest paid	(10,151)	(9,286)
	Interest element of finance lease rental payments	(49,899)	(33,182)
	Net cash outflow for returns on investment and servicing of income	<u>(59,336)</u>	<u>(37,123)</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(302,940)	(187,076)
	Sale of tangible fixed assets	-	578,525
	Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(302,940)</u>	<u>391,449</u>
	Acquisitions and disposals		
	Disposal of associated undertaking	-	50
	Net cash inflow for acquisitions and disposals	<u>-</u>	<u>50</u>
	Financing		
	Capital element of finance lease rental payments	(719,604)	(504,852)
	Net cash outflow from financing	<u>(719,604)</u>	<u>(504,852)</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 May 2013

19 CASH FLOWS (continued)

	<i>At</i> <i>1 June</i>	<i>Cash flow</i>	<i>Non-cash</i> <i>items</i>	<i>At</i> <i>31 May</i>
c	2012			2013
	£	£	£	£
Cash at bank and in hand	(1,098,929)	1,033,034	-	(65,895)
Debt due after five years	(1,980,000)	-	-	(1,980,000)
Finance leases	(1,612,842)	719,604	-	(893,238)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	(4,691,771)	1,752,638	-	(2,939,133)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

20 COMMITMENTS UNDER OPERATING LEASES

At 31 May 2013 the group had annual commitments under non-cancellable operating leases as follows

	2013	2012
	£	£
Land and buildings expiring after five years	75,000	75,000
	<u> </u>	<u> </u>

The company had no non-cancellable operating leases

21 PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the Scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £134,798 (2012 £115,498). Contributions totalling £40,370 (2012 £12,436) were payable to the fund at the year end and are included in creditors.

22 RELATED PARTIES

The group has taken advantage of the exemption in Financial Reporting Standard No 8 from the requirement to disclose transactions within group companies where one of the parties is a wholly owned subsidiary within the group.

The group rents its leasehold premises at St Andrew's House at £75,000 (2012 £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.

During the year the group provided construction services of £975,691 (2012 £722,361) to and paid expenses totaling £333,921 on behalf of O'Keefe Utilities Limited, a company controlled by P J O'Keefe. As at 31 May 2013 the balance due from O'Keefe Utilities Limited was £2,064,284 (2012 £1,471,561) which is included within prepayments and accrued income and £190,467 (2012 £35,874) which is included within other debtors.

During the year the group loaned £50,000 (2012 £Nil) to M O'Keefe, the director's brother. The loan is interest free and repayable on demand. At 31 May 2013 M O'Keefe owed the group £50,000 (2012 £Nil) which is included within other debtors.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 May 2013

22 RELATED PARTIES *(continued)*

During the year the group loaned £42,500 (2012 £26,000) to P J O'Keefe, the director. The loan is interest free and repayable on demand. At 31 May 2013 P J O'Keefe owed the group £42,500 (2012 £26,000) which is included within 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.