

Saint Fortchern Limited

FINANCIAL STATEMENTS

for the year ended

31 May 2014

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COMPANIES HOUSE

Company number 06855708

Saint Fortchern Limited

DIRECTOR AND ADVISERS

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
STC House
7 Elmfield Road
Bromley
Kent
BR1 1LT

Saint Fortchern Limited

STRATEGIC REPORT

The director submits his strategic report and the group financial statements of Saint Fortchern Limited for the year ended 31 May 2014.

REVIEW OF THE BUSINESS

During the financial year ended 31 May 2014 the director undertook an extensive review of the group's business operations. A revised business strategy was put in place due to the Construction Industry coming out of a sustained period of economic downturn. This has proved to be successful and the financial results for the year ended 31 May 2014 are in line with expectations. If we compare against O'Keefe's year end accounts of 31 May 2008, pre the period of economic downturn, we have seen an increase in turnover of 72% due to the targeting of specific projects, which meet our capabilities, and more importantly, an increase in shareholders' funds of 45%. Thanks should be given to all employees who have worked with great vigor and commitment in securing these results, which bring with them a foundation for sustainable growth and strength in depth.

In the latest financial year we have yet again increased turnover (by 31%) to a level never seen before by the group. The group has 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 our BIM platform. We have a dedicated team of 5 people, wholly concentrated on the development of BIM within all our operational business fronts. We believe BIM will revolutionise the way we build and will be at the heart of all things 'O'Keefe', moving forward.

Credit needs to be given to all Employees from Operational Team members up to Directors who in February 2009 decided on a 10% wage suspension for Directors, and in April 2009 a 7.5% suspension for Employees. These suspensions have been now been lifted completely during 2014 both for Directors and Employees. Wage increases have returned and we thank our staff for being patient with us in recent times.

Our core business is now split into two regional divisions with an Operations Director responsible for London and an Operations Director for the Southern Home Counties.

The Health and Safety of our team remains our first regard. 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 Directors can report that on average our site based employees receive a safety briefing every 9 hours worked. An improvement of 22% compared to last year. All our Supervisors now hold either a SMSTS or a SSSTS, all Supervisors have attended a Managing Director's Health and Safety Workshop and all employees have attended our What If! Behavioral Safety Program. We train all our employees in line with the minimum requirements of The UKCG. We have also implemented the use of a Company Nurse to work with our workforce in ensuring attention is given to their health and to promote awareness of health issues in the work place. 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 integrated into our daily working practice.

In April 2014 the group's directors employed the services of a specialist H&S Audit Company to carry out a full audit of our operations and procedural H&S practice and systems. Whilst the results of the Audit were very pleasing to the Board, an action plan has been put in place to ensure a continuous level of improvement.

Saint Fortchern Limited

STRATEGIC REPORT *(continued)*

KEY PERFORMANCE INDICATORS

The main Key Performance Indicators used in 2014 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 as 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 2014 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.

RISKS AND FINANCIAL INSTRUMENTS

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.

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.

Saint Fortchern Limited

STRATEGIC REPORT *(continued)*

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 profit and bank borrowings. The group's exposure to interest rate fluctuations on its borrowing 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 trade debtors, which represent its principal credit risk.

In order to manage credit risk management set 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 2013/14 there were no concentrations of credit risk, with exposure being spread over a large number of customers. The only financial instruments held by the group are trade debtors, trade creditors, cash and finance leases.

STRATEGY TO ACHIEVE OBJECTIVES

The Board of O'Keefe meets on the first Monday of every month to review the direction and compliance of the Group. The agenda for this meeting is controlled to ensure we remain focused on the strategy in hand. Our Strategy is communicated via our Senior Management AGM and our quarterly Associate Directors Meetings.

FUTURE PLANS

In August 2014 we established a wholly owned subsidiary providing Demolition Services. O'Keefe Demolition Limited, in its first year of trading has secured £6m of forward turnover.

We have built our own On-Line Induction system which we will begin to roll out in Q2 of the year to 31st May 2015 and continue to invest in our state of the art plant fleet.

We aim to control growth in the next period and concentrate on improvements to our bottom line by keeping our core values close to everything we do. These core values are:

1. Excellent Health and Safety
2. Best in class Quality
3. Programme certainty
4. Sustainable Profitability

By order of the board

M V LESSEY
Secretary

16 December 2014

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 2014.

PRINCIPAL ACTIVITY

The principal activity of the group continued to be that of civil engineering, encompassing groundworks, basements, structural refurbishments, external works, soil remediation and stabilisation.

RESULTS AND DIVIDENDS

The results for the year are set out on page 9.

During the year a dividend of £90,000 (2013: £Nil) was paid. The directors do not recommend a final dividend (2013: £Nil).

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.

DIRECTOR

The following director has held office since 1 June 2013:

P J O'Keefe

STRATEGIC REPORT

Information is not shown within this Director's Report as it is instead included within the Strategic Report on pages 2 to 4 under S414c(11) of the Companies Act 2006.

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 THE 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.

Saint Fortchern Limited

DIRECTOR'S REPORT *(continued)*

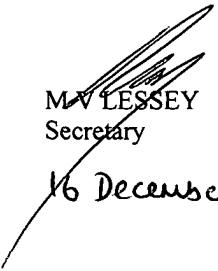
THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

Qualifying third party indemnity provision was in place for the benefit of the director.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board



M. V. LESSEY
Secretary

16 December 2014

Saint Fortchern Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The director is responsible for preparing the Director's Report, Strategic 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 9 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 7 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 www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2014 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 and the Strategic 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

Richard Coates (Senior Statutory Auditor)

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

Chartered Accountants

STC House, 7 Elmfield Road

Bromley, Kent BR1 1LT

18 December 2014

Saint Fortchern Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	55,244,397	41,998,473
Cost of sales		(51,491,091)	(38,466,021)
Gross profit		<u>3,753,306</u>	<u>3,532,452</u>
Other operating expenses	2	(3,802,331)	(3,415,547)
OPERATING (LOSS)/PROFIT	3	<u>(49,025)</u>	<u>116,905</u>
Interest receivable		330	714
Interest payable	4	(62,859)	(60,050)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(111,554)</u>	<u>57,569</u>
Taxation	6	(29,983)	(65,832)
LOSS FOR THE FINANCIAL YEAR	18	<u>(141,537)</u>	<u>(8,263)</u>

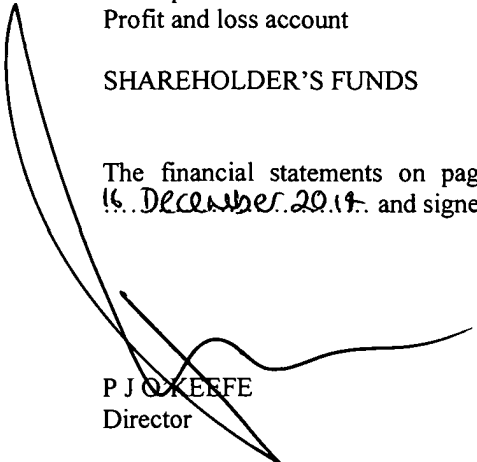
The operating loss for the year arises from the group's continuing operations.

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 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	9	1,038,981	1,246,778
Tangible assets	10	4,167,217	4,078,032
		<u>5,206,198</u>	<u>5,324,810</u>
CURRENT ASSETS			
Stocks	12	22,674	20,674
Debtors	13	10,204,784	11,727,991
Cash at bank and in hand		645,628	311,885
		<u>10,873,086</u>	<u>12,060,550</u>
CREDITORS: Amounts falling due within one year	14	<u>(8,666,970)</u>	<u>(9,721,764)</u>
NET CURRENT ASSETS		<u>2,206,116</u>	<u>2,338,786</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,412,314</u>	<u>7,663,596</u>
CREDITORS: Amounts falling due after more than one year	15	(2,244,647)	(2,241,603)
PROVISION FOR LIABILITIES	16	(135,990)	(158,779)
NET ASSETS		<u><u>5,031,677</u></u>	<u><u>5,263,214</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	9,232	9,232
Share premium account	18	4,671,255	4,671,255
Profit and loss account	18	351,190	582,727
SHAREHOLDER'S FUNDS	19	<u><u>5,031,677</u></u>	<u><u>5,263,214</u></u>

The financial statements on pages 9 to 27 were approved by the board, authorised for issue on ~~16 December 2014~~ and signed on its behalf by:


P J O'KEEFE
Director

Saint Fortchern Limited

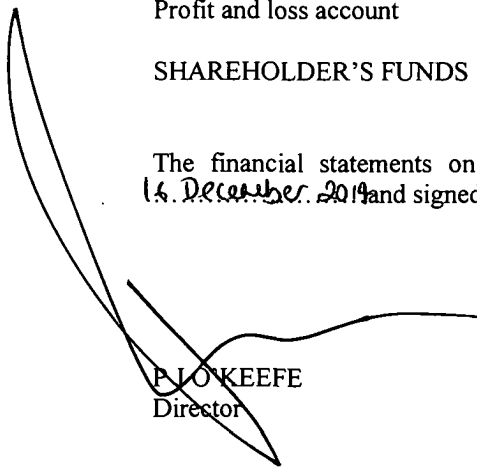
COMPANY BALANCE SHEET

31 May 2014

Company registration No 06855708

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	11	7,070,125	7,070,125
		<u>7,070,125</u>	<u>7,070,125</u>
CREDITORS: Amounts falling due within one year	14	(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	15	(1,870,000)	(1,980,000)
NET ASSETS		<u>4,900,487</u>	<u>4,790,487</u>
CAPITAL AND RESERVES			
Called up share capital	17	9,232	9,232
Share premium account	18	4,671,255	4,671,255
Profit and loss account	18	220,000	110,000
SHAREHOLDER'S FUNDS	19	<u>4,900,487</u>	<u>4,790,487</u>

The financial statements on pages 9 to 27 were approved by the board, authorised for issue on 14 December 2014 and signed on its behalf by:


P. O'KEEFE
Director

Saint Fortchern Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 May 2014

	<i>Notes</i>	2014 £	2013 £
Cash inflow from operating activities	20a	2,114,483	2,119,040
Returns on investments and servicing of finance	20b	(62,529)	(59,336)
Taxation		(256,087)	(4,126)
Capital expenditure and financial investment	20b	(116,712)	(302,940)
Equity dividends paid		(90,000)	-
CASH INFLOW BEFORE USE OF LIQUID RESOURCES AND FINANCING		1,589,155	1,752,638
Financing	20b	(877,632)	(719,604)
INCREASE IN CASH IN THE YEAR		711,523	1,033,034
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		£	£
Increase in cash in the period		711,523	1,033,034
Cash inflow from increase in debt and lease financing		877,632	719,604
Change in net debt arising from cash flows		1,589,155	1,752,638
New finance leases		(673,088)	-
MOVEMENT IN NET DEBT IN THE YEAR		916,067	1,752,638
NET DEBT AT 1 June 2013		(2,939,133)	(4,691,771)
NET DEBT AT 31 May 2014	20c	(2,023,066)	(2,939,133)

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 land.

COMPLIANCE WITH ACCOUNTING STANDARDS

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

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 2014.

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.

GOING CONCERN

After making reasonable enquiries, the director considers that the company and the group have adequate resources to continue operations for the foreseeable future, and therefore these financial statements have been prepared on a going concern basis.

TANGIBLE FIXED ASSETS

Tangible fixed assets, other than freehold land, 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	over the term of the lease
Plant and machinery	between 10% and 33%
Fixtures, fittings and equipment	25% straight line

Freehold land is 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

Long term investments are classified as fixed assets, and are included at cost. Provision is made for any impairment in the value of fixed asset investments.

Saint Fortchern Limited

ACCOUNTING POLICIES *(continued)*

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.

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 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.

LONG TERM CONTRACTS

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future leases on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

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 *(continued)*

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.

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.

COMPARATIVE FIGURES

In accordance with the requirements of FRS28, certain of the comparative figures in the profit and loss account have been restated to be consistent with the classification of expenses adopted in 2014. The impact has been to increase cost of sales by £1,572,916 and reduce administrative expenses by the same amount.

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 May 2014

1 TURNOVER

The group's turnover has been derived from its principal activity, wholly undertaken in the United Kingdom.

	2014 £	2013 £
2 OTHER OPERATING EXPENSES (Net)		
Administrative expenses	3,802,331	3,415,547
3 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):		
Amortisation of goodwill	207,797	207,797
Depreciation charge for the period:		
- owned assets	386,892	312,126
- leased assets	394,667	295,508
Profit on disposal of fixed assets	(80,944)	-
Operating lease rentals:		
- plant and machinery	98,438	114,705
- other assets	75,000	75,000
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	3,500	3,500
- other services	4,000	4,000
4 INTEREST PAYABLE	2014 £	2013 £
Bank loans and overdrafts	7,410	10,151
Finance leases and hire purchase contracts	55,449	49,899
	62,859	60,050

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2014

5	EMPLOYEES	2014 No	2013 No
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The average monthly number of persons (including directors) employed by the group during the period was:

Site labour	323	259
Administrative staff	48	47
	<u>371</u>	<u>306</u>

2014 £	2013 £
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Staff costs for the above persons:

Wages and salaries	14,175,435	11,619,338
Social security costs	883,141	783,787
Other pension costs	172,194	134,798
	<u>15,230,770</u>	<u>12,537,923</u>

2014 £	2013 £
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DIRECTOR'S REMUNERATION

Director's Emoluments	149,712	150,087
Company pension contributions to a defined contribution pension scheme	-	7,000
	<u>149,712</u>	<u>157,087</u>

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

<u>1</u>	<u>1</u>
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Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2014

	2014 £	2013 £
6 TAXATION		
Based on the (loss)/profit for the year:		
UK corporation tax on (loss)/profit of the year	62,517	90,915
Adjustment for prior years	(9,745)	-
Current tax charge	<u>52,772</u>	<u>90,915</u>
Deferred taxation:		
Deferred tax credit current year	(22,789)	(25,083)
Tax on (loss)/profit on ordinary activities	<u>29,983</u>	<u>65,832</u>
Factors affecting the tax charge for the year:		
The tax assessed for the year is higher than the standard rate of corporation tax 22.67% (2013: 23.83%) as explained below:		
(Loss)/profit on ordinary activities before tax	(111,554)	57,569
(Loss)/profit on ordinary activities multiplied by the standard rate of UK corporation tax of 22.67% (2013: 23.83%)	<u>(25,289)</u>	<u>13,719</u>
Effects of:		
Expenses not deductible for tax purposes	24,976	16,514
Capital allowances	(158,376)	(130,433)
Depreciation and amortisation add back	224,287	194,317
Marginal relief	(3,070)	(3,215)
Adjustments to previous periods	(9,745)	-
Other tax adjustments	(11)	13
Current tax charge	<u>52,772</u>	<u>90,915</u>
7 DIVIDENDS	2014 £	2013 £
Ordinary:		
Interim paid - £9.75 per share (2013: £Nil)	<u>90,000</u>	<u>-</u>
8 LOSS ATTRIBUTABLE TO THE MEMBERS OF THE HOLDING COMPANY	2014 £	2013 £
Retained by subsidiary undertakings	66,260	199,534
Amortisation of goodwill arising on consolidation	(207,797)	(207,797)
	<u>(141,537)</u>	<u>(8,263)</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2014

9	INTANGIBLE ASSETS					Goodwill £
	GROUP					
	Cost					
	1 June 2013 and 31 May 2014					2,077,965
	Amortisation					
	1 June 2013					831,187
	Charged in year					207,797
	31 May 2014					1,038,984
	Net book value:					
	31 May 2014					1,038,981
	31 May 2013					1,246,778
10	TANGIBLE FIXED ASSETS					
	GROUP	<i>Freehold land £</i>	<i>Leasehold improvements £</i>	<i>Fixtures, fittings and equipment £</i>	<i>Plant and machinery £</i>	<i>Total £</i>
	Cost or valuation					
	1 June 2013	1,400,000	131,388	114,746	8,293,512	9,939,646
	Additions	-	-	-	898,482	898,482
	Disposals	-	-	-	(691,835)	(691,835)
	31 May 2014	1,400,000	131,388	114,746	8,500,159	10,146,293
	Depreciation					
	1 June 2013	-	131,388	114,746	5,615,480	5,861,614
	Charged in the year	-	-	-	781,559	781,559
	Disposals	-	-	-	(664,097)	(664,097)
	31 May 2014	-	131,388	114,746	5,732,942	5,979,076
	Net book value					
	31 May 2014	1,400,000	-	-	2,767,217	4,167,217
	31 May 2013	1,400,000	-	-	2,678,032	4,078,032

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2014

10 TANGIBLE FIXED ASSETS *(continued)*

Included within the net book value is £1,908,047 (2013: £1,554,838) 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 £394,667 (2013: £295,508).

The most recent full professional valuation of the freehold land was conducted by DE & J Levy, Chartered Surveyors, on 31 May 2012, which valued the land at £1,400,000. The directors do not consider that there has been any material change in the value of the land since that date. No depreciation is provided in respect of freehold land.

The historic cost of the freehold land at 31 May 2014 was £620,000 (2013: £620,000).

No provision for deferred tax has been recognised on the unrealised gain arising on the freehold land as such tax would only crystallise if the land were sold. The total un-provided deferred tax in relation to this property as 31 May 2014 was £156,000 (2013: £179,400).

The company held no tangible fixed assets.

11	INVESTMENTS	Subsidiary undertaking £
	COMPANY	
	Cost	
	At 1 June 2013 and at 31 May 2014	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 Demolition Limited	Ordinary	Dormant	*100%

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

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 May 2014

12 STOCKS

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
Raw materials and consumables	22,674	20,674	-	-

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
13 DEBTORS				
Due within one year:				
Trade debtors	5,426,706	6,665,689	-	-
Amounts recoverable on long term contract	3,003,192	2,513,127	-	-
Other debtors	1,616,150	2,502,852	-	-
Prepayments and accrued income	158,736	46,323	-	-
	<u>10,204,784</u>	<u>11,727,991</u>	<u>-</u>	<u>-</u>

	<i>Group</i>		<i>Company</i>	
	2014	2013	2014	2013
	£	£	£	£
14 CREDITORS: Amounts falling due within one year				
Bank overdrafts	-	377,780	-	-
Payments received on account	1,160,000	863,759	-	-
Obligations under hire purchase contracts	424,047	631,635	-	-
Trade creditors	4,574,872	3,471,735	-	-
Amounts owed to group undertakings	-	-	279,638	279,638
Corporation tax	45,664	248,979	-	-
Other taxation and social security costs	650,823	666,951	-	-
Directors' current accounts	2,500	-	-	-
Other creditors	112,210	102,586	20,000	20,000
Accruals and deferred income	1,696,854	3,358,339	-	-
	<u>8,666,970</u>	<u>9,721,764</u>	<u>299,638</u>	<u>299,638</u>

Bank overdrafts of £Nil (2013: £377,780) 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 *(continued)* for the year ended 31 May 2014

15	CREDITORS: Amounts falling due after more than one year			
	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Debenture loans	1,870,000	1,980,000	1,870,000	1,980,000
Obligations under hire purchase contracts	374,647	261,603	-	-
	<u>2,244,647</u>	<u>2,241,603</u>	<u>1,870,000</u>	<u>1,980,000</u>
Amounts falling due at 31 May 2014				
Debenture loans/hire purchase contracts due:				
in the first year	424,047	631,635	-	-
in the second to fifth year	374,647	261,603	-	-
after five years	1,870,000	1,980,000	1,870,000	1,980,000
	<u>2,668,694</u>	<u>2,873,238</u>	<u>1,870,000</u>	<u>1,980,000</u>
Repayable by instalments				
Debenture loans:				
after five years	1,870,000	1,980,000	1,870,000	1,980,000
Obligations under finance leases:				
in the second to fifth year	374,647	261,603	-	-
	<u>2,244,647</u>	<u>2,241,603</u>	<u>1,870,000</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'Keefe 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 *(continued)* for the year ended 31 May 2014

16	PROVISION FOR LIABILITIES	<i>Deferred tax liability</i> £
<i>GROUP</i>		
	Balance at 1 June 2013	158,779
	Profit and loss account	(22,789)
	Balance at 31 May 2014	<u>135,990</u>

The provisions for deferred taxation consist of the tax effect of timing differences in respect of:
Group

	2014 £	2013 £
Accelerated capital allowances	<u>135,990</u>	<u>158,779</u>
17	SHARE CAPITAL	
	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 *(continued)* for the year ended 31 May 2014

18	RESERVES	Share premium account £	Profit and loss account £
	GROUP		
	1 June 2013	4,671,255	582,727
	Loss for the year	-	(141,537)
	Dividend	-	(90,000)
	31 May 2014	4,671,255	351,190
	COMPANY		
	1 June 2013	4,671,255	110,000
	Profit for the year	-	200,000
	Dividend	-	(90,000)
	31 May 2014	4,671,255	220,000
19	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2014 £	2013 £
	GROUP		
	Loss after taxation	(141,537)	(8,263)
	Dividend	(90,000)	-
	Net reduction in shareholders' funds	(231,537)	(8,263)
	Opening shareholders' funds	5,263,214	5,271,477
	Closing shareholders' funds	5,031,677	5,263,214
	COMPANY		
	Profit after taxation	200,000	-
	Dividend	(90,000)	-
	Net addition to shareholders' funds	110,000	-
	Opening shareholders' funds	4,790,487	4,790,487
	Closing shareholders' funds	4,900,487	4,790,487

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2014

20	CASH FLOWS	2014 £	2013 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating (loss)/profit	(49,025)	116,905
	Amortisation of goodwill	207,797	207,797
	Depreciation	781,559	607,634
	Increase in stocks	(2,000)	(4,888)
	Decrease in debtors	1,525,707	1,133,005
	(Decrease)/increase in creditors	(268,611)	58,587
	Profit on disposal of fixed assets	(80,944)	-
		<u>2,114,483</u>	<u>2,119,040</u>
b	Analysis of cash flows for headings netted in the cash flow	2014 £	2013 £
	Returns on investments and servicing of finance		
	Interest received	330	714
	Interest paid	(7,410)	(10,151)
	Interest element of finance lease rental payments	(55,449)	(49,899)
	Net cash outflow for returns on investment and servicing of income	<u>(62,529)</u>	<u>(59,336)</u>
	Capital expenditure and financial investment		
	Purchase of tangible fixed assets	(225,394)	(302,940)
	Sale of tangible fixed assets	108,682	-
	Net cash outflow for capital expenditure and financial investment	<u>(116,712)</u>	<u>(302,940)</u>
	Financing		
	Capital element of finance lease rental payments	(767,632)	(719,604)
	Debt due beyond one year		
	- redemption of debenture loan	(110,000)	-
	Net cash outflow from financing	<u>(877,632)</u>	<u>(719,604)</u>

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 May 2014

20 CASH FLOWS (continued)

	<i>At</i>			<i>At</i>
	<i>1 June</i>		<i>Non-cash</i>	<i>31 May</i>
c	<i>2013</i>	<i>Cash flow</i>	<i>items</i>	<i>2014</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cash at bank and in hand	(65,895)	711,523	-	645,628
Debt due after five years	(1,980,000)	-	110,000	(1,870,000)
Finance leases	(893,238)	767,632	(673,088)	(798,694)
Total	(2,939,133)	1,479,155	(563,088)	(2,023,066)

21 COMMITMENTS UNDER OPERATING LEASES

At 31 May 2014 the group had annual commitments under non-cancellable operating leases as follows:

	<i>2014</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Land and buildings		
expiring after five years	75,000	75,000

The company had no non-cancellable operating leases

22 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 £172,194 (2013: £134,798). Contributions totalling £41,603 (2013: £40,370) were payable to the fund at the year end and are included in creditors.

23 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 (2013: £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 £3,906,858 (2013: £975,691) to, and paid expenses totaling £408,524 (2013: £333,921) on behalf of O'Keefe Utilities Limited, a company controlled by P J O'Keefe. As at 31 May 2014 the balance due from O'Keefe Utilities Limited was £692,298 (2013: £2,254,751) which is included within other debtors.

During the year the group loaned £60,000 (2013: £50,000) to M O'Keefe, the director's brother. £110,000 (2013: £Nil) was repaid during the year. At 31 May 2014 M O'Keefe owed the group £Nil (2013: £50,000).

Saint Fortchern Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* for the year ended 31 May 2014

23 RELATED PARTIES *(continued)*

During the year the company provided a loan of £94,215 (2013: £Nil) to Braven Limited, a company controlled by P J O'Keefe. As at 31 May 2014 the balance due from Braven Limited was £94,215 (2013: £Nil) which is included in other debtors.

During the year the company has provided guarantees to Braven Limited, a company which P J O'Keefe has a common interest, over fixed and variable loans totaling £700,000, providing a charge over the assets of the group.

During the year P J O'Keefe, the director, made repayments to the company totaling £90,000 (2013: £26,000) and received an additional loan of £45,000 (2013: £42,500). The loan is interest free and repayable on demand. At 31 May 2014 the group owed P J O'Keefe £2,500 (2013: £42,500 owed from) which is included within creditors.

24 ULTIMATE CONTROLLING PARTY

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