

Company Registration No. 06855708 (England and Wales)

SAINT FORTCHERN LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2015**

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SAINT FORTCHERN LIMITED

COMPANY INFORMATION

Director	P J O'Keefe
Secretary	M V Lessey
Company number	06855708
Registered office	St Andrew's House 1 Dreadnought Street Greenwich London SE10 0PU
Registered auditors	Baker Tilly UK Audit LLP STC House 7 Elmfield Road Bromley Kent BR1 1LT

SAINT FORTCHERN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2015

The director presents the strategic report and financial statements for the year ended 31 May 2015.

Review of the business

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.

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 as well as our dedicated demolition Group, O'Keefe Demolition Limited.

Health and Safety

H&S is at the forefront of everything we do at 'O'Keefe'. In the last few months the Directors have agreed to put H&S as the First Item of every meeting agenda and we have asked all Project Managers to do the same when talking internally to O'Keefe Personnel or to our Clients. Our aim is to become "Best in Class" at what we do, and being the safest is part of that plan. We have also introduced safetymoments@okeefe.co.uk which is a dedicated email address and distribution list, which allows us to share our H&S experiences. This in turn will allow us to pass information on down the line to the teams we are working closest to.

Market Conditions

Our estimations are that the market will continue to be buoyant for the next 2/3 years; and so we are continuing to develop, invest and prepare for the challenges that this growing market will bring. In 2008 entering the recession our Group was a £32m business with a balance sheet of £4.3m. We exited the recession in 2013 as a £41m business with a £6.2m balance sheet. By 31st May 2016, our next Financial Year End, our turnover is expected to be circa £70m and our balance sheet increasing proportionately. We believe this will continue and are forecasting 'O'Keefe' will grow year on year both in turnover and on balance sheet. This demonstrates strong financial management of the Group, with sound investment principles. Our approach of bringing in the right assets of land, plant, IT and most importantly people allow us to have the confidence that we are moving in the right direction. We can now offer services to our Clients that include;

- Bulk excavation
- Groundworks
- Enabling works
- External Works
- Basement
- Demolition
- Soil Stabilisation
- HBM
- Recycled Aggregates
- RC Frames
- Temporary works
- BIM

Training

Running in parallel to our drive in Health and Safety we work to ensure our workforce have a level of competency and certification that not only meets the minimum legislative requirements but goes beyond this.

Capital Purchase

We continue to plough profits back into the Group and continue to renew and review our plant fleet. Since 1st June 2014 we have taken delivery of £2.6m of new plant and equipment.

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

Demolition

In early 2014 we established our Demolition Division. We continue to build this team and have been very successful in winning an £8m pipeline of work between now and the 31st May 2016.

RC Frames

In February 2015 we started a targeted programme to enter the high rise RC Frame market by securing the services of several key people who have brought their knowledge of large project RC Frames into 'O'Keefe'. This has led to our investment in Ischbeck Titan falsework and increasing our stock of Peri Trio shutters.

South East Office

Dedicated to Kent and the South East Home Counties this Office has gone from strength to strength. Focusing on key Clients with a regional presence, we are currently trading at circa £12m per annum in Kent.

BIM

We have been working behind the scenes on BIM since early 2014 and we believe we finally have a route for success in how we intend to use it. In September 2015, our Millharbour Project has become the first project to use our BIM Platform.

Alpha House

In July 2015 we opened our office at Alpha House, London Bridge dedicated to our work in the City and West End of London

Joint Ventures

In June 2015 we established a new Joint Venture with Sheerness Recycling. We have secured an 8 acre recycling yard in Swanscombe. The new JV will provide 'O'Keefe' with our own tipping facility and designated yard, where we can take our site waste for recycling, produce HBM, lean mix recycled concrete and traditional recycled products such as 6F2.

We are very aware that with growth come challenges that include new processes, cultural differences of new teams and financial controls overall, to name but a few.

Key performance indicators

The main Key Performance Indicators used in 2015 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 2015 there were no significant variances against budget on key performance indicators.

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

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.

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.

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.

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

Future plans

We have built our own On-Line Induction system which will begin to roll out in Q2 of the year to 31st May 2016 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. Those core values are

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

By order of the board


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M V Lessey
Secretary
9 October 2015
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SAINT FORTCHERN LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MAY 2015

The director presents his report and financial statements for the year ended 31 May 2015.

Principal activities

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

The principal activity of the company continued to be that of holding company.

Results and dividends

The group's trading profit for the year, after taxation was £1,435,710 (2014 loss £141,537).

An interim ordinary dividend was paid amounting to £100,000 (2014 - £90,000). The director does not recommend payment of a final dividend.

Matters of strategic importance

Information is not shown within this Director's Report as it is instead included within the Strategic Report on pages 1 to 4 under S414c(11) of the Companies Act 2006.

Group research and development activities

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.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

P J O'Keefe

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 of 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.

There is no employee share scheme at present, but the director is considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the group's performance.

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.

Auditors

Baker Tilly UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

SAINT FORTCHERN LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2015

Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

By order of the board



M V Lessey

Secretary

9 October 2015

SAINT FORTCHERN LIMITED

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2015

The director is responsible for preparing the Strategic Report, 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 company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 company and the group 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 company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 28. 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 of the financial statements

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/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 2015 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year 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 directors' 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
14 October 2015

SAINT FORTCHERN LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2015

	Notes	2015 £	2014 £
Turnover	2	58,935,925	55,189,878
Cost of sales		(53,115,763)	(51,491,091)
Gross profit		5,820,162	3,698,787
Administrative expenses		(4,440,168)	(3,802,331)
Other operating income		38,239	54,519
Operating profit/(loss)		1,418,233	(49,025)
Interest receivable and similar income		961	330
Interest payable and similar charges	5	(30,122)	(62,859)
Profit/(loss) on ordinary activities before taxation	6	1,389,072	(111,554)
Tax on profit/(loss) on ordinary activities	7	46,638	(29,983)
Profit/(loss) on ordinary activities after taxation	19	1,435,710	(141,537)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MAY 2015

	2015 £	2014 £
Profit/(loss) for the financial year	1,435,710	(141,537)
Unrealised surplus on revaluation of properties	100,000	-
Total recognised gains and losses relating to the year	<u>1,535,710</u>	<u>(141,537)</u>

SAINT FORTCHERN LIMITED
BALANCE SHEETS
AS AT 31 MAY 2015

	Notes	Group 2015 £	2014 £	Company 2015 £	2014 £
Fixed assets					
Intangible assets	10	831,184	1,038,981	-	-
Tangible assets	11	4,496,795	4,167,217	-	-
Investments	12	-	-	7,070,125	7,070,125
		<u>5,327,979</u>	<u>5,206,198</u>	<u>7,070,125</u>	<u>7,070,125</u>
Current assets					
Stocks	13	24,174	22,674	-	-
Debtors	14	11,305,549	10,204,784	-	-
Cash at bank and in hand		5,036,448	645,628	-	-
		<u>16,366,171</u>	<u>10,873,086</u>	<u>-</u>	<u>-</u>
Creditors: amounts falling due within one year	15	(13,092,203)	(8,666,970)	(299,638)	(299,638)
Net current assets/(current liabilities)		<u>3,273,968</u>	<u>2,206,116</u>	<u>(299,638)</u>	<u>(299,638)</u>
Total assets less current liabilities		<u>8,601,947</u>	<u>7,412,314</u>	<u>6,770,487</u>	<u>6,770,487</u>
Creditors: amounts falling due after more than one year	16	(1,964,874)	(2,244,647)	(1,370,000)	(1,870,000)
Provisions for liabilities	17	(169,686)	(135,990)	-	-
Net assets		<u>6,467,387</u>	<u>5,031,677</u>	<u>5,400,487</u>	<u>4,900,487</u>
Capital and reserves					
Called up share capital	18	9,232	9,232	9,232	9,232
Share premium account	19	4,671,255	4,671,255	4,671,255	4,671,255
Revaluation reserve	19	100,000	-	-	-
Profit and loss account	19	1,686,900	351,190	720,000	220,000
Shareholders' funds	20	<u>6,467,387</u>	<u>5,031,677</u>	<u>5,400,487</u>	<u>4,900,487</u>

The financial statements on pages 9 to 28 were approved and signed by the director and authorised for issue on 9th October 2015

P J O'Keefe
 Director

SAINT FORTCHERN LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2015

	Notes	2015 £	2014 £
Net cash inflow from operating activities	27	5,111,237	2,114,483
Returns from investment and servicing of finance	27	(29,161)	(62,529)
Taxation		(71,928)	(256,087)
Capital expenditure and financial investment	27	46,003	(116,712)
Equity dividends		(100,000)	(90,000)
		<u>4,956,151</u>	<u>1,589,155</u>
Cash inflow before management of liquid resources and financing		4,956,151	1,589,155
Financing	27	(1,083,997)	(877,632)
Increase in cash in the year		<u><u>3,872,154</u></u>	<u><u>711,523</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/(DEBT)

Increase in cash in the year		3,872,154	711,523
Net cash inflow from movement in debt and lease financing		1,083,997	877,632
		<u>4,956,151</u>	<u>1,589,155</u>
Change in net debt resulting from cash flows		4,956,151	1,589,155
New finance leases		(1,035,925)	(673,088)
		<u>3,920,226</u>	<u>916,067</u>
Movement in net funds/(debt) in the year		3,920,226	916,067
Opening net funds/(debt)		(2,023,066)	(2,939,133)
		<u>(2,023,066)</u>	<u>(2,939,133)</u>
Closing net funds/(debt)	27	<u><u>1,897,160</u></u>	<u><u>(2,023,066)</u></u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings with applicable UK accounting standards.

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.

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 2015.

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.

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.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

Research and development

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and its amortised in line with sales from the related product. All research and other development costs are written off as incurred.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at 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:

Land and buildings	Short Leasehold	over the term of the lease
Plant and machinery		between 10% and 33%
Fixtures, fittings and equipment		25% straight line

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

1 Accounting policies (Continued)

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 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.

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value.

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 losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Pensions

The Group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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 recognised in the financial statements.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

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.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Site labour	163	174
Administrative staff	53	48
	<u>216</u>	<u>222</u>

Employment costs

	2015 £	2014 £
Wages and salaries	8,887,987	9,080,902
Social security costs	953,207	883,141
Other pension costs	330,314	227,820
	<u>10,171,508</u>	<u>10,191,863</u>

4 Director's remuneration

	2015 £	2014 £
Remuneration for qualifying services	<u>87,420</u>	<u>149,712</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

5 Interest payable and similar charges

	2015 £	2014 £
On bank loans and overdrafts	2,782	7,410
Hire purchase interest	27,202	55,449
Other interest	138	-
	<u>30,122</u>	<u>62,859</u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

6	Profit/(loss) on ordinary activities before taxation	2015	2014
		£	£
	Profit/(loss) on ordinary activities before taxation is stated after charging/ (crediting):		
	Amortisation of intangible assets	207,797	207,797
	Depreciation of tangible fixed assets		
	- owned	629,747	386,892
	- held under finance leases and hire purchase contracts	143,917	394,667
	(Profit) on disposal of tangible assets	(13,320)	(80,944)
	Operating lease rentals		
	- Plant and machinery	126,424	114,705
	- Other assets	75,000	75,000
		<u> </u>	<u> </u>

Auditor's remuneration

Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services were as follows

Audit services		
- statutory audit of parent and consolidated financial statements	3,500	4,000
- statutory audit of subsidiary financial statements	26,250	25,000
Non audit services		
- taxation	4,250	3,500
- other services	3,500	4,000
	<u> </u>	<u> </u>
	37,500	36,500
	<u> </u>	<u> </u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

7	Tax on profit/(loss) on ordinary activities	2015	2014
		£	£
	Current tax		
	U.K. corporation tax	317,457	62,517
	Adjustment in respect of prior years	(397,791)	(9,745)
	Total current tax	(80,334)	52,772
	Deferred tax		
	Origination and reversal of timing differences	33,696	(22,789)
	Total tax on profit/(loss) on ordinary activities	(46,638)	29,983
	Factors affecting the tax (credit)/charge for the year		
	The tax assessed for the year is higher than the standard rate of corporation tax of 20.83% (2014 - 22.67%). The differences are explained below:		
	Profit/(loss) on ordinary activities before taxation	1,389,072	(111,554)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.83% (2014 - 22.67%)	289,344	(25,289)
	Effects of:		
	Expenses not deductible for tax purposes	27,841	24,976
	Depreciation add back	204,444	224,287
	Capital allowances	(200,773)	(158,376)
	Adjustments to previous periods	(397,791)	(9,745)
	Marginal relief	(406)	(3,070)
	Other tax adjustments	(2,993)	(11)
		(369,678)	78,061
	Current tax (credit)/charge for the year	(80,334)	52,772

The adjustment in respect of prior years of £397,791 has arisen following a research and development tax credit claim that was submitted in the year in respect of the year ended 31 May 2013.

8	Profit attributable to members of the parent company	2015	2014
		£	£
	Dealt with in the financial statements of the parent company	600,000	200,000

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

9	Dividends	2015	2014
		£	£
	Interim dividends paid on ordinary shares	100,000	90,000
		<u>100,000</u>	<u>90,000</u>
10	Intangible fixed assets Group	Goodwill	
		£	
	Cost or valuation		
	At 1 June 2014 & at 31 May 2015	2,077,965	
	Amortisation		
	At 1 June 2014	1,038,984	
	Charge for the year	207,797	
	At 31 May 2015	1,246,781	
	Net book value		
	At 31 May 2015	831,184	
	At 31 May 2014	1,038,981	

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

11 Tangible fixed assets

Group	Land Freehold	Land and buildings Short Leasehold	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost or valuation					
At 1 June 2014	1,400,000	131,388	8,500,159	114,746	10,146,293
Additions	-	-	1,057,024	-	1,057,024
Revaluation	100,000	-	-	-	100,000
Disposals	-	-	(706,079)	-	(706,079)
At 31 May 2015	1,500,000	131,388	8,851,104	114,746	10,597,238
Depreciation					
At 1 June 2014	-	131,388	5,732,942	114,746	5,979,076
On disposals	-	-	(652,297)	-	(652,297)
Charge for the year	-	-	773,664	-	773,664
At 31 May 2015	-	131,388	5,854,309	114,746	6,100,443
Net book value					
At 31 May 2015	1,500,000	-	2,996,795	-	4,496,795
At 31 May 2014	1,400,000	-	2,767,217	-	4,167,217

The most recent full professional valuation of the freehold land was performed by Levy Real Estate LLP, Chartered Surveyors, as at 31 May 2015, which valued the land at £1,500,000. No depreciation is provided in respect of freehold land.

Comparable historical cost for tangible fixed assets included at valuation:

	Land Freehold £
At cost	620,000
Aggregate depreciation	-
Net book value	
At 31 May 2015	620,000
At 31 May 2014	620,000

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

11 Tangible fixed assets (Continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 May 2015	1,584,198
At 31 May 2014	1,908,047
Depreciation charge for the year	
At 31 May 2015	143,917
At 31 May 2014	394,667

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 land at 31 May 2015 was £176,000 (2014: £156,000).

12 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 June 2014 & at 31 May 2015	7,070,125
Net book value	
At 31 May 2015	7,070,125
At 31 May 2014	7,070,125

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
O'Keefe Construction (Greenwich) Limited	England	Ordinary	100.00
O'Keefe Demolition Limited	England	Ordinary	100.00

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

12 Fixed asset investments (Continued)

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
O'Keefe Construction (Greenwich) Limited	Construction
O'Keefe Demolition Limited	Demolition

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

13 Stocks

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Raw materials and consumables	24,174	22,674	-	-

14 Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	9,815,936	8,429,898	-	-
Corporation tax	117,478	-	-	-
Other debtors	1,139,452	1,616,150	-	-
Prepayments and accrued income	232,683	158,736	-	-
	11,305,549	10,204,784	-	-

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

15 Creditors : amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank overdrafts	518,666	-	-	-
Payments received on account	866,898	1,160,000	-	-
Net obligations under finance lease and hire purchase contracts	655,748	424,047	-	-
Trade creditors	8,282,177	4,574,872	-	-
Amounts owed to group undertakings	-	-	279,638	279,638
Corporation tax	21,505	56,289	-	-
Taxation and social security costs	641,568	640,198	-	-
Directors current accounts	2,500	2,500	-	-
Other creditors	200,180	112,210	20,000	20,000
Accruals and deferred income	1,902,961	1,696,854	-	-
	<u>13,092,203</u>	<u>8,666,970</u>	<u>299,638</u>	<u>299,638</u>

Bank overdrafts of £518,666 (2014: £Nil) are secured by a fixed and floating charge over the assets of the company.

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

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

16 Creditors : amounts falling due after more than one year

	Group 2015 £	2014 £	Company 2015 £	2014 £
Debenture loans	1,370,000	1,870,000	1,370,000	1,870,000
Net obligations under finance leases and hire purchase agreements	594,874	374,647	-	-
	<u>1,964,874</u>	<u>2,244,647</u>	<u>1,370,000</u>	<u>1,870,000</u>
Analysis of loans				
Wholly repayable within five years	1,370,000	1,870,000	1,370,000	1,870,000
	<u>1,370,000</u>	<u>1,870,000</u>	<u>1,370,000</u>	<u>1,870,000</u>

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

Net obligations under finance leases and hire purchase contracts

Amounts payable:				
Within one year	655,748	424,047	-	-
Within two to five years	594,874	374,647	-	-
	<u>1,250,622</u>	<u>798,694</u>	<u>-</u>	<u>-</u>
Included in liabilities falling due within one year	(655,748)	(424,047)	-	-
	<u>594,874</u>	<u>374,647</u>	<u>-</u>	<u>-</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.

17 Provisions for liabilities Group

	Deferred taxation £
Balance at 1 June 2014	135,990
Profit and loss account	33,696
Balance at 31 May 2015	<u>169,686</u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

17 Provisions for liabilities (Continued)

The deferred tax liability is made up as follows:

	Group 2015 £	2014 £	Company 2015 £	2014 £
Accelerated capital allowances	183,227	144,084	-	-
Other timing differences	(13,541)	(8,094)	-	-
	<u>169,686</u>	<u>135,990</u>	<u>-</u>	<u>-</u>

18 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
9,232 Ordinary shares of £1 each	<u>9,232</u>	<u>9,232</u>

19 Reserves Group

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 June 2014	4,671,255	-	351,190
Profit for the year	-	-	1,435,710
Dividends paid	-	-	(100,000)
Revaluation during the year	-	100,000	-
Balance at 31 May 2015	<u>4,671,255</u>	<u>100,000</u>	<u>1,686,900</u>

Company

	Share premium account £	Profit and loss account £
Balance at 1 June 2014	4,671,255	220,000
Profit for the year	-	600,000
Dividends paid	-	(100,000)
Balance at 31 May 2015	<u>4,671,255</u>	<u>720,000</u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

20	Reconciliation of movements in shareholders' funds	2015	2014
	Group	£	£
	Profit/(loss) for the financial year	1,435,710	(141,537)
	Dividends	(100,000)	(90,000)
		<u>1,335,710</u>	<u>(231,537)</u>
	Other recognised gains and losses	100,000	-
		<u>1,435,710</u>	<u>(231,537)</u>
	Net addition to/(depletion in) shareholders' funds	5,031,677	5,263,214
	Opening shareholders' funds	<u>6,467,387</u>	<u>5,031,677</u>
	Closing shareholders' funds	<u>6,467,387</u>	<u>5,031,677</u>

	2015	2014
	£	£
Company		
Profit for the financial year	600,000	200,000
Dividends	(100,000)	(90,000)
	<u>500,000</u>	<u>110,000</u>
Net addition to shareholders' funds	4,900,487	4,790,487
Opening shareholders' funds	<u>5,400,487</u>	<u>4,900,487</u>
Closing shareholders' funds	<u>5,400,487</u>	<u>4,900,487</u>

21 Capital commitments

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Contracted for but not provided in the financial statements	<u>191,123</u>	<u>-</u>	<u>-</u>	<u>-</u>

22 Commitments under operating leases

At 31 May 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within one year	-	-	2,557	70,407
Between two and five years	75,000	75,000	43,233	35,493
	<u>75,000</u>	<u>75,000</u>	<u>45,790</u>	<u>105,900</u>

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

23 Retirement Benefits

Defined contribution scheme

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. Contributions totalling £68,838 (2014: £41,603) were payable to the fund at the year end and are included in creditors.

	2015 £	2014 £
Contributions payable by the group for the year	330,314	227,820

24 Contingent liabilities

Group

The group 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 (2014: £700,000), providing a charge over the assets of the company.

25 Related party relationships and transactions

Dividends

The following dividends were paid during the year as outlined in the table below:

	2015 £	2014 £
P J O'Keefe	100,000	90,000
	100,000	90,000

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

25 Related party relationships and transactions (Continued)

Group

The group has taken advantage of the exemption provided by Financial Reporting Standard No.8 from the requirement to make disclosures concerning transactions with entities that are wholly owned within the group.

The group rents its leasehold premises at St Andrew's House at £75,000 (2014: £75,000) per annum from O'Keefe Construction (Greenwich) Limited (Scheme 3) Retirement Benefit Scheme, a pension fund of which P J O'Keefe is a member.

During the year the group provided services of £5,285,523 (2014: £3,906,858) to, and paid expenses totalling £490,978 (2014: £408,524) on behalf of O'Keefe Utilities Limited, a company controlled by P J O'Keefe. As at 31 May 2015 the balance due to O'Keefe Utilities Limited was £20,384 (2014: £692,298 debtor) which is included within other creditors.

During the year the group loaned £Nil (2014: £60,000) to M O'Keefe, P J O'Keefe's brother. £Nil (2014: £110,000) was repaid during the year. At 31 May 2015 M O'Keefe owed the group £Nil (2014: £Nil).

During the year the group provided a loan of £Nil (2014: £94,215) to Braven Limited, a company controlled by P J O'Keefe. £60,000 (2014: £Nil) was repaid during the year. As at 31 May 2015 the balance due from Braven Limited was £34,215 (2014: £94,215) which is included in other debtors.

During the year P J O'Keefe, director of the group, made repayments to the group totalling £Nil (2014: £90,000) and received an additional loan of £Nil (2014: £45,000). At the year end the group owed £2,500 (2014: £2,500) to P J O'Keefe which is included in creditors. No interest is charged on this balance

26 Control

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

27 Notes to the cash flow statement

Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2015	2014
	£	£
Operating profit/(loss)	1,418,233	(49,025)
Depreciation of tangible assets	773,664	781,559
Amortisation of intangible assets	207,797	207,797
Profit on disposal of tangible assets	(13,320)	(80,944)
Increase in stocks	(1,500)	(2,000)
(Increase)/decrease in debtors	(983,287)	1,523,207
Increase/(decrease) in creditors	3,709,650	(266,111)
Net cash inflow from operating activities	5,111,237	2,114,483

SAINT FORTCHERN LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2015

27 Notes to the cash flow statement (Continued)

Analysis of cash flows for headings netted in the cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	961	330
Interest paid	(2,920)	(7,410)
Interest element of finance lease payments	(27,202)	(55,449)
Net cash outflow for returns on investments and servicing of finance	<u>(29,161)</u>	<u>(62,529)</u>
Capital expenditure and financial investment		
Purchase of tangible assets	(21,099)	(225,394)
Receipts from sale of tangible assets	67,102	108,682
Net cash inflow/(outflow) from capital expenditure & financial investment	<u>46,003</u>	<u>(116,712)</u>
Financing		
Repayments of debenture loans	(500,000)	(110,000)
Capital element of hire purchase contract payments	(583,997)	(767,632)
Net cash outflow from financing	<u>(1,083,997)</u>	<u>(877,632)</u>

Analysis of net funds/(debt)

	1 June 2014 £	Cash flow £	Other non- cash changes £	31 May 2015 £
Net cash:				
Cash at bank and in hand	645,628	4,390,820	-	5,036,448
Bank overdrafts	-	(518,666)	-	(518,666)
	<u>645,628</u>	<u>3,872,154</u>	<u>-</u>	<u>4,517,782</u>
Finance leases	(798,694)	583,997	(1,035,925)	(1,250,622)
Debts falling due after one year	(1,870,000)	500,000	-	(1,370,000)
Net (debt)/funds	<u>(2,023,066)</u>	<u>4,956,151</u>	<u>(1,035,925)</u>	<u>1,897,160</u>