

Company Registration No. 06855708 (England and Wales)

SAINT FORTCHERN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2018



SAINT FORTCHERN LIMITED

COMPANY INFORMATION

Directors	P J O'Keefe R E O'Keefe
Secretary	M V Lessey
Company number	06855708
Registered office	St Andrew's House 1 Dreadnought Street Greenwich London SE10 0PU
Auditor	Barnes Roffe LLP Chartered Accountants Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA

SAINT FORTCHERN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present the strategic report for the year ended 31 May 2018.

Review of the business

A summary of the Group's financial results for the year ended 31 May 2018, the financial position as at that date and certain key financial performance indicators are set out in the table below:

	2018 £'000	2017 £'000
Turnover	80,309	74,213
Gross profit percentage	12.6%	11.7%
Profit for the year before taxation	2,304	2,413
Net cash inflow / (outflow) from operating activities	2,446	8,011
Net current assets	5,790	5,481
Net assets	10,970	10,600

Details of additional key financial and non-financial indicators used by the Group's management is set out on page 3 of this report.

During the Financial Year ending 31st May 2018, the Directors launched the **O'Keefe Vision**. This is our strategy of continued "**Best in Class**" improvement throughout our business; ensuring all that we do is aligned to our Four Core Values of Industry Leading Health and Safety, Best in Class Quality, Programme Certainty and Sustainable Profit. We ensure we measure against all goals and objectives within our Vision document and we are pleased to announce we have secured ISO 45001 during 2018 to assist in the monitoring and control of O'Keefe Vision. This review continues to be successful and financial results for the Year Ended 31st May 2018 are in line with expectations. Turnover has increased 8.2%, shareholders funds by 3.5%. Once again, thanks should be given to all employees who have worked with great vigour 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 to record levels. The Company 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 continued with our IT improvements & BIM platform. We have a dedicated team of 16 people, wholly concentrated on the development of BIM within all our operational business fronts; as well as other areas of Digital Construction. This includes the recruitment of a dedicated member of the Senior Team whose primary responsibility is to manage our change progression from traditional methods of reporting and management process to that of one led by Digital Innovation. On our Projects where BIM has been at the heart of the culture, we continue to see programme certainty and increased profits. We have developed and implemented our own Health and Safety Hazards Reporting App and created a Hazard Aware Culture which we believe allows us to monitor Hazard Trends. These trends when aligned with our Dashboard reporting leads for a proactive Culture of Development and Training of our workforce.

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

Principal risks and uncertainties

Health and Safety

Health & Safety is at the forefront of everything we do at 'O'Keefe'. The Directors continue to ensure Health & Safety is the first item of every meeting agenda and warrant that all Managers do the same, when both talking internally or to our Clients. In 2018, we launched our **Safety Strategy** in line with O'Keefe Vision. A great deal of research, debate and thought went into the development of our Safety Strategy and we are confident our Safety Strategy can be measured and audited against, as part of our continuous improvement. As stated, our aim is to become "**Best in Class**" at what we do and being the safest is part of that plan. Our safetymoments@okeefe.co.uk distribution list, allows us to share our Health & Safety experiences, and ensures we pass our internal knowledge base across all the teams we are working with. Our "**near miss**" reporting has developed into our Hazard Reporting System, which we predict will not just eliminate incidents on site but also forms the basis of improved awareness.

Market Conditions

Post Year End we have seen the market which we operate "harden" with projects being delayed and/or cancelled, so we forecast our Year End to 31st May 2019 will show a reduction in turnover (down approximately 12%). We believe that once political certainty is reached, these opportunities will once again go live and turnover levels will return to a level of controlled growth; but, as always, we continue to focus on strong financial management of the Company with sound investment principles. Our measured approach of bringing in the right assets of land, plant, IT and most importantly people; allows 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
- Reinforced Concrete Frames
- Temporary works
- BIM

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

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, to up skill our in-house abilities and allow our people to progress in their own development. We continue to plan for record numbers of training days delivered to our workforce which will be increased in the next 12 months moving forward in line with our O'Keefe Vision.

Capital Purchase

With sustainable profits come solid investment back into the Company and we continue to review and renew our plant fleet. Since 1st June 2018 we have taken delivery of over £2.9m of new plant and equipment, which includes 29 excavators, a Wirtgen Integrated Soil Stabiliser and a selection of latest euro spec forward tipping dumpers and compaction rollers.

Cricketts Farm

Our Kent Office is now fully operational along with our Plant & Logistics facility as of September 2018, both located at Cricketts Farm. Our aim is for our Head Office to be based at Cricketts Farm from early 2020. We have purchased, refitted to the highest specification in parity with our New Head Office Design, and subsequently opened a full-time office in Central London.

We are very aware that with our Industry comes challenges that include new processes, cultural differences of teams and financial controls overall, to name but a few. We, as a group of people have a proud record of over 49 years of successful trading; and within that we have amassed an amazing skill set of loyal, long serving people who are experts in their field, with systems that work. All this combines to produce fantastic projects with great levels of Health and Safety for our workforce and sustainable profits that allow the Company to flourish. Together we need to ensure we have the best interests for each other and for 'O'Keefe', as we look to continuously improve in our ways and embrace the challenges before us. With vigor it will place us in the market as ***THE*** Go-To Company for our Clients and indeed future employees considering coming to work for us.

To achieve this, we must always keep our Core Values embedded in our philosophy;

1. Industry Leading Health and Safety Quality
2. Best in Class Quality
3. Programme Certainty
4. Commercial Focus and Sustainable Profits

SAINT FORTCHERN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

Key performance indicators

The main Key Performance Indicators used in 2018 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 vs turnover (to control wastage and over-stocking)
 - d. Staff turnover by role
 - e. Non-chargeable time analysis

The Directors and Senior Management Team review these Key Performance Indicators on a weekly, monthly or quarterly basis as considered appropriate, and act where necessary to address any performance issues identified. During the year ended 31st May 2018 there were no significant variances against budget on key performance indicators.

Market value of land and buildings

The Directors are of the opinion that there is no material difference between the market value of the company'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 Glenny LLP Chartered Surveyors & Property Consultants.

Strategy to achieve objectives

The Board of O'Keefe meets on the first Wednesday of every month to review the direction and compliance of the Company. 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.

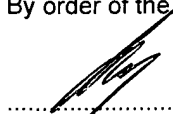
Future plans

Based on **O'Keefe Vision** and our implementation of ISO 45001, our future plans are targeted towards December 2020 where our continued improvements are driven towards

- Improved Customer Satisfaction
- Health and Safety recognition via awards winning Safety systems
- 360 review of in-house lessons learnt and best practice findings
- Increased volume of repeat business and Negotiated Contracts

In Q3 2020 we will issue our updated Strategic **O'Keefe Vision**

By order of the board


.....
M V Lessey

Secretary

26/02/2019
.....

SAINT FORTCHERN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present their annual report and financial statements for the year ended 31 May 2018.

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 a holding company.

Directors

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

P J O'Keefe
R E O'Keefe

(Appointed 1 June 2017)

Results and dividends

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

Ordinary dividends were paid amounting to £1,576,000 (2017: £225,000). The director does not recommend payment of a further dividend (2017: £Nil)

Directors' insurance

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

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.

Auditor

Barnes Roffe LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Strategic report

Information is not shown within the Directors' Report in respect of future development and financial instruments risk as it is instead included within the Strategic Report on pages 1 to 4 under S414c(11).

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

M V Lessey
Secretary

26/02/2019

P J O'Keefe
Director

SAINT FORTCHERN LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2018

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 directors are 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 directors are 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 them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and 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

Opinion

We have audited the financial statements of Saint Fortchern Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2018 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

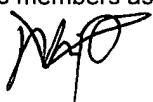
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Mario Ciantanni (Senior Statutory Auditor)

For and on behalf of Barnes Roffe LLP, Statutory Auditor

Chartered Accountants

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent, DA2 6QA

26/62/2019

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	2017 £
Turnover	3	80,308,845	74,212,664
Cost of sales		(70,198,651)	(65,538,985)
Gross profit		10,110,194	8,673,679
Administrative expenses		(7,720,060)	(6,173,847)
Other operating income		33,155	37,225
Operating profit	6	2,423,289	2,537,057
Interest receivable and similar income	9	4,668	1,144
Interest payable and similar expenses	8	(124,086)	(125,692)
Profit before taxation		2,303,871	2,412,509
Tax on profit	10	(358,478)	(200,619)
Profit for the financial year		1,945,393	2,211,890

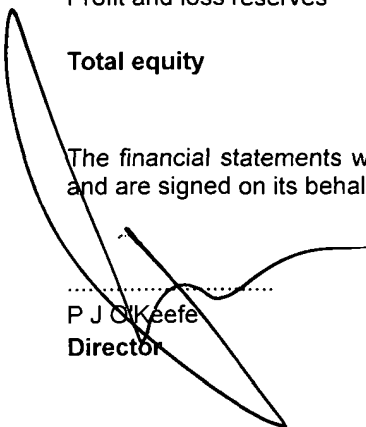
Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

SAINT FORTCHERN LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	12		207,793		415,590
Tangible assets	13		5,802,111		5,634,521
			<u>6,009,904</u>		<u>6,050,111</u>
Current assets					
Stocks	16	162,956		78,396	
Debtors	17	17,131,150		16,778,869	
Cash at bank and in hand		6,797,210		7,872,309	
		<u>24,091,316</u>		<u>24,729,574</u>	
Creditors: amounts falling due within one year	18	<u>(18,301,199)</u>		<u>(19,248,611)</u>	
Net current assets			<u>5,790,117</u>		<u>5,480,963</u>
Total assets less current liabilities			<u>11,800,021</u>		<u>11,531,074</u>
Creditors: amounts falling due after more than one year	19		(703,759)		(789,689)
Provisions for liabilities	23		(126,540)		(141,056)
Net assets			<u>10,969,722</u>		<u>10,600,329</u>
Capital and reserves					
Called up share capital	25		9,232		9,232
Share premium account	26		4,671,255		4,671,255
Revaluation reserve	26		100,000		100,000
Profit and loss reserves	26		6,189,235		5,819,842
Total equity			<u>10,969,722</u>		<u>10,600,329</u>

The financial statements were approved by the board of directors and authorised for issue on 26/02/2019 and are signed on its behalf by:


 P J O'Keefe
 Director

SAINT FORTCHERN LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 MAY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	14		7,070,125		7,070,125
Current assets					
Debtors	17	-		440,362	
Creditors: amounts falling due within one year	18	(299,638)		(740,000)	
Net current liabilities			(299,638)		(299,638)
Total assets less current liabilities			6,770,487		6,770,487
Capital and reserves					
Called up share capital	25		9,232		9,232
Share premium account	26		4,671,255		4,671,255
Profit and loss reserves	26		2,090,000		2,090,000
Total equity			6,770,487		6,770,487

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,576,000 (2017 - £1,545,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 26/02/2019 and are signed on its behalf by:

.....
P J O'Keefe
Director

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016		9,232	4,671,255	100,000	3,832,952	8,613,439
Year ended 31 May 2017:						
Profit and total comprehensive income for the year		-	-	-	2,211,890	2,211,890
Dividends	11	-	-	-	(225,000)	(225,000)
Balance at 31 May 2017		9,232	4,671,255	100,000	5,819,842	10,600,329
Year ended 31 May 2018:						
Profit and total comprehensive income for the year		-	-	-	1,945,393	1,945,393
Dividends	11	-	-	-	(1,576,000)	(1,576,000)
Balance at 31 May 2018		9,232	4,671,255	100,000	6,189,235	10,969,722

SAINT FORTCHERN LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 June 2016		9,232	4,671,255	770,000	5,450,487
Year ended 31 May 2017:					
Profit and total comprehensive income for the year		-	-	1,545,000	1,545,000
Dividends	11	-	-	(225,000)	(225,000)
Balance at 31 May 2017		9,232	4,671,255	2,090,000	6,770,487
Year ended 31 May 2018:					
Profit and total comprehensive income for the year		-	-	1,576,000	1,576,000
Dividends	11	-	-	(1,576,000)	(1,576,000)
Balance at 31 May 2018		9,232	4,671,255	2,090,000	6,770,487

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	27	2,899,966		8,108,385	
Interest paid		(124,086)		(125,692)	
Income taxes (paid)/refunded		(329,456)		28,354	
Net cash inflow from operating activities		2,446,424		8,011,047	
Investing activities					
Purchase of tangible fixed assets		(279,822)		(12,660)	
Proceeds on disposal of tangible fixed assets		291,860		563,095	
Proceeds from other investments and loans		(1,166)		(2,734)	
Interest received		4,668		1,144	
Net cash generated from investing activities		15,540		548,845	
Financing activities					
Repayment of debentures		(720,000)		(600,000)	
Payment of finance leases obligations		(1,241,063)		(1,300,603)	
Dividends paid to equity shareholders		(1,576,000)		(225,000)	
Net cash used in financing activities		(3,537,063)		(2,125,603)	
Net (decrease)/increase in cash and cash equivalents		(1,075,099)		6,434,289	
Cash and cash equivalents at beginning of year		7,872,309		1,438,020	
Cash and cash equivalents at end of year		6,797,210		7,872,309	

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Saint Fortchern Limited ("the company") is a private company limited by shares which is registered, domiciled and incorporated in England and Wales. The registered office is St Andrew's House, 1 Dreadnought Street, Greenwich, London, SE10 0PU.

The group consists of Saint Fortchern Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Strategic Report and the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Basis of consolidation

The consolidated financial statements incorporate those of Saint Fortchern Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 May 2018. 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.

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.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Going concern

After making reasonable enquiries, the directors consider 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.

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.

Other income represents rental income, this is recognised over the period to which it relates.

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 which the loss is first foreseen.

Intangible fixed assets - goodwill

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

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land freehold	not depreciated
Land and buildings Short Leasehold	over the term of the lease
Plant and equipment	between 10% and 33%
Fixtures, fittings and equipment	25% straight line

Assets under construction are not depreciated until they are brought into use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors (including accrued income), and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, which include trade and other creditors (including accruals), finance lease obligations, gross amounts due to contract customers, debenture loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either other creditors or other debtors.

Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key areas of accounting estimation relates to revenue recognition and long-term contracts whose policies are disclosed above.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Sale of services	80,308,845	74,212,664
	<u> </u>	<u> </u>
	2018 £	2017 £
Other revenue		
Interest income	4,668	1,144
	<u> </u>	<u> </u>

4 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Site labour	129	129	-	-
Administrative staff	64	59	2	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	193	188	2	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

4 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	10,056,176	8,000,629	-	-
Social security costs	1,038,491	957,647	-	-
Pension costs	378,155	345,541	-	-
	<u>11,472,822</u>	<u>9,303,817</u>	<u>-</u>	<u>-</u>

5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	80,847	75,287
Company pension contributions to defined contribution schemes	435	-
	<u>81,282</u>	<u>75,287</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounts to 1 (2017: Nil).

6 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Other operating income - property rental income	(33,155)	(37,225)
Research and development costs	-	793,571
Depreciation of owned tangible fixed assets	438,867	1,050,376
Depreciation of tangible fixed assets held under finance leases	709,087	64,800
Profit on disposal of tangible fixed assets	(189,387)	(188,031)
Amortisation of intangible assets	207,797	207,797
Cost of stocks recognised as an expense	61,249,655	57,701,633
Operating lease charges	<u>75,000</u>	<u>198,717</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

7 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	4,000	3,700
Audit of the financial statements of the company's subsidiaries	16,000	29,800
	<u>20,000</u>	<u>33,500</u>
For other services		
Taxation compliance services	-	5,225
All other non-audit services	-	5,010
	<u>-</u>	<u>10,235</u>

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and loans	-	15,614
Interest on finance leases and hire purchase contracts	124,086	94,794
Other interest	-	15,284
	<u>124,086</u>	<u>125,692</u>

9 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	4,668	1,144
	<u>4,668</u>	<u>1,144</u>

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	372,994	329,456
Adjustments in respect of prior periods	-	(137,402)
	<u>372,994</u>	<u>192,054</u>
Deferred tax		
Origination and reversal of timing differences	(14,516)	8,565
	<u>(14,516)</u>	<u>8,565</u>
Total tax charge for the year	<u>358,478</u>	<u>200,619</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

10 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	2,303,871	2,412,509
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)	437,735	478,401
Tax effect of expenses that are not deductible in determining taxable profit	23,947	88,372
Tax effect of income not taxable in determining taxable profit	-	(17,392)
Adjustments in respect of prior years	-	(137,402)
Effect of change in corporation tax rate	-	(10,015)
Amortisation on assets not qualifying for tax allowances	39,482	-
Research and development tax credit	(144,393)	(204,604)
Timing differences	1,708	3,183
Other tax adjustments	(1)	76
Taxation charge for the year	358,478	200,619

11 Dividends

	2018 £	2017 £
Interim paid	1,576,000	225,000

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 June 2017 and 31 May 2018	2,077,965
Amortisation and impairment	
At 1 June 2017	1,662,375
Amortisation charged for the year	207,797
At 31 May 2018	1,870,172
Carrying amount	
At 31 May 2018	207,793
At 31 May 2017	415,590

The company had no intangible fixed assets at 31 May 2018 or 31 May 2017.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

13 Tangible fixed assets

Group	Land freehold	Land and buildings Short Leasehold	Assets under construction	Plant and equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£	£
Cost						
At 1 June 2017	1,500,000	131,388	237,663	9,556,542	127,406	11,552,999
Additions	-	-	6,171	1,344,246	67,600	1,418,017
Disposals	-	-	-	(811,280)	-	(811,280)
At 31 May 2018	1,500,000	131,388	243,834	10,089,508	195,006	12,159,736
Depreciation and impairment						
At 1 June 2017	-	131,388	-	5,670,757	116,333	5,918,478
Depreciation charged in the year	-	-	-	1,134,757	13,197	1,147,954
Eliminated in respect of disposals	-	-	-	(708,807)	-	(708,807)
At 31 May 2018	-	131,388	-	6,096,707	129,530	6,357,625
Carrying amount						
At 31 May 2018	1,500,000	-	243,834	3,992,801	65,476	5,802,111
At 31 May 2017	1,500,000	-	237,663	3,885,785	11,073	5,634,521

The company had no tangible fixed assets at 31 May 2018 or 31 May 2017.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Plant and equipment	2,847,820	4,154,039	-	-
Depreciation charge for the year in respect of leased assets	709,087	64,800	-	-

14 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	15	-	-	7,070,125	7,070,125

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 June 2017 and 31 May 2018	7,070,125
Carrying amount	
At 31 May 2018	7,070,125
At 31 May 2017	7,070,125

15 Subsidiaries

Details of the company's subsidiaries at 31 May 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
O'Keefe Construction (Greenwich) Limited	a)	Construction	Ordinary	100.00	-
O'Keefe Demolition Limited	a)	Demolition	Ordinary	-	100.00
O'Keefe Construction (Kent) Limited	a)	Dormant	Ordinary	-	100.00
O'Keefe Construction (London) Limited	a)	Dormant	Ordinary	-	100.00
O'Keefe Plant Limited	a)	Dormant	Ordinary	-	100.00

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

15 Subsidiaries (Continued)

The investments in subsidiaries are all stated at cost.

a) St Andrew's House, 1 Dreadnought Street, Greenwich, London, SE10 0PU

16 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	162,956	78,396	-	-

17 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	10,964,871	12,799,844	-	-
Amounts owed by group undertakings	-	-	-	440,362
Other debtors	4,326,862	2,935,928	-	-
Prepayments and accrued income	1,839,417	1,043,097	-	-
	17,131,150	16,778,869	-	440,362

18 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Debenture loans	20	-	720,000	-	720,000
Obligations under finance leases	21	1,190,427	1,207,365	-	-
Trade creditors		12,730,306	12,927,408	-	-
Gross amounts due to contract customers		1,346,135	1,338,996	-	-
Amounts due to group undertakings		-	-	279,638	-
Corporation tax payable		372,994	329,456	-	-
Other taxation and social security		646,108	807,537	-	-
Other creditors		312,547	196,955	20,000	20,000
Accruals and deferred income		1,702,682	1,720,894	-	-
		18,301,199	19,248,611	299,638	740,000

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

19 Creditors: amounts falling due after more than one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Obligations under finance leases	21	703,759	789,689	-	-

20 Borrowings

	Group 2018 £	2017 £	Company 2018 £	2017 £
Debenture loans	-	720,000	-	720,000
Payable within one year	-	720,000	-	720,000

21 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Less than one year	1,190,427	1,207,365	-	-
Between one and five years	703,759	789,689	-	-
	1,894,186	1,997,054	-	-

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

22 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	15,539,046	15,260,156	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	16,091,670	16,904,253	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

23 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	135,626	148,043
Other timing differences	(9,086)	(6,987)
	<u>126,540</u>	<u>141,056</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 June 2017	141,056	-
Credit to profit or loss	(14,516)	-
Liability at 31 May 2018	<u>126,540</u>	<u>-</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

24 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	378,155	345,541

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions totalling £75,765 (2017: £53,878) remain outstanding at year end and included in other creditors.

25 Share capital

	Group and company	
	2018	2017
Ordinary share capital	£	£
Issued and fully paid		
9,232 Ordinary shares of £1 each	9,232	9,232

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

26 Reserves

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings.

Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

27 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,945,393	2,211,890
Adjustments for:		
Taxation charged	358,478	200,619
Finance costs	124,086	125,692
Investment income	(4,668)	(1,144)
Gain on disposal of tangible fixed assets	(189,387)	(188,031)
Amortisation and impairment of intangible assets	207,797	207,797
Depreciation and impairment of tangible fixed assets	1,147,954	1,115,176
Movements in working capital:		
(Increase) in stocks	(84,560)	(54,222)
(Increase)/decrease in debtors	(351,115)	1,164,421
(Decrease)/increase in creditors	(254,012)	3,326,187
Cash generated from operations	2,899,966	8,108,385

28 Financial commitments, guarantees and contingent liabilities

A guarantee dated 15 June 2016 in respect of the borrowings of Braven Limited, in favour of Santander UK Plc, is secured over the assets of O'Keefe Construction (Greenwich) Limited. The directors consider the possibility of the company having to make any payment under the terms of this guarantee to be remote, and no provision is required. The maximum exposure to the company is £1,817,600 (2017: £785,284) at the balance sheet date.

29 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the group for certain of its motor vehicles. Leases are negotiated for an average term of 36 months.

At the reporting end date the group had outstanding commitments for total future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	78,107	100,699	-	-
Between one and five years	43,169	113,186	-	-
	<u>121,276</u>	<u>213,885</u>	<u>-</u>	<u>-</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

29 Operating lease commitments (Continued)

Lessor

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	35,000	35,000	-	-

The group also have commitments for lease of land and buildings not included in the above. The annual commitment is £90,000 (2017: £90,000) and has no expiry date.

30 Capital commitments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Contracted for but not provided in the financial statements:				
Acquisition of property, plant and equipment	-	1,565,942	-	-

31 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors of the parent or of its subsidiary, is as follows.

	2018 £	2017 £
Aggregate compensation	1,803,832	425,975

The above figure includes employers NI contributions totalling £114,579 (2017: £47,514).

The group rents its leasehold premises at St Andrew's House at £nil (2017: £90,000) 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 to, and paid expenses on behalf of O'Keefe Utilities Limited, a company controlled by P J O'Keefe. As at 31 May 2018 the balance due from O'Keefe Utilities Limited was £1,434,362 (2017: £1,434,173) which is included within debtors.

As at 31 May 2018 the balance due from Braven Limited, a company controlled by P J O'Keefe, was £2,173,052 (2017: £34,215) which is included in other debtors. The group also has accrued income due from Braven Limited which was outstanding at the year end and totalled £505,504 (2017: £505,504) which is included in debtors.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

32 Directors' transactions

During the year the group made an interest free loan to the director totalling £3,900 (2017: £Nil). At 31 May 2018 £1,166 (2017: creditor £2,734) remained outstanding and included within debtors (2017: creditors).

Dividends totalling £1,576,000 (2017: £225,000) were paid in the year in respect of shares held by the company's directors.

33 Controlling party

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