
SAINT FORTCHERN LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020



SAINT FORTCHERN LIMITED

COMPANY INFORMATION

Directors	P J O'Keefe R E O'Keefe
Company secretary	M L Lessey
Registered number	06855708
Registered office	Cricketts Farm Business Park Borough Green Road Ightham Nr. Sevenoaks Kent TN15 9JB
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditor Charles Lake House Claire Causeway Crossways Business Park Dartford Kent DA2 6QA

SAINT FORTCHERN LIMITED

CONTENTS

	Page
Group strategic report	1 - 4
Directors' report	5 - 6
Independent auditors' report	7 - 9
Consolidated statement of comprehensive income	10
Consolidated balance sheet	11
Company balance sheet	12
Consolidated statement of changes in equity	13
Company statement of changes in equity	14
Consolidated Statement of cash flows	15 - 16
Analysis of net debt	17
Notes to the financial statements	18 - 37

SAINT FORTCHERN LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2020

Introduction

The directors present their strategic report for the year ended 31 May 2020.

We are delighted to say these accounts mark our 50th year in trading, something we are all very proud of.

Business review

A summary of the group's financial results for the year ended 31 May 2020, the financial position as at that date and certain key financial performance indicators are set out in the table below:

	2020 £'000	2019 £'000
Turnover	61,138	67,464
Gross profit percentage	8.5%	13.3%
Profit/(Loss) for the year before taxation	(1,815)	1,261
Net cash inflow / (outflow) from operating activities	958	(4,657)
Net current assets	3,940	4,249
Net assets	10,422	11,819

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, using our ISO 45001 Business Management System to assist in the monitoring and control of O'Keefe Vision. Financial results for the Year Ended 31st May 2020 are below original expectations with complications initially resulting from delayed project commencement due to Brexit and then covid 19 complications, which we link to the political uncertainty in the UK, thus resulting in a drop in turnover. As always, thanks should be given to all employees who have worked with great vigour and commitment during this difficult period.

Despite the decrease in turnover the company continues with its investment in our Management Team, state of the art mechanical equipment and our ongoing Digital Transformation; all to improve our operational capability. Our dedicated team of 16 wholly concentrate on the development of BIM within all our business fronts; and lead by our dedicated Digital Leader, 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. Projects are influenced by BIM, which has become a key factor of our culture.

SAINT FORTCHERN LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

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, both when talking internally or to our clients.

Following the implementation of our Health and Safety Hazards Reporting App assisting to create a Hazard Aware Culture and is further development with the implementation of QR codes and a live Business Information dash board, we are pleased to report that at 31st May 2020, we have reported over 15,000 Hazards which may have led to an incident or accident. These Hazards have allowed us to monitor Hazard Trends, which in turn allow us to focus on areas of training and 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.

Market Conditions

The Construction Market continues to be a challenging sector, however we forecast our Year End to 31st May 2021 will show a return to growth in turnover. We believe that with the roll out programme of a vaccination for COVID and once BREXIT political certainty is reached, opportunities will once again go live and turnover will return to a level of controlled growth most notably around modern methods of construction (MMC) and infrastructure spend 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 continue to offer services to our clients that include;

- Bulk excavation
- Groundworks
- Enabling works
- External Works
- Basements
- Demolition
- Soil Stabilisation
- Reinforced Concrete Frames
- Temporary works
- BIM

Modern Methods of Construction

We have now delivered 5 projects in the Modern Methods of Construction (MMC) arena and as per our prediction that with time, this business opportunity will assist in the growth of our Company. Our goal is to be a leading provider of civil engineering and infrastructure services to all things MMC.

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. Training has been a real challenged at the end of the financial year due to COVID restrictions but we remain committed to our "O'Keefe Baccalaureate" which offers a continued pathway of upskilling those members of our Team who wish to progress with their personal development at our Company.

SAINT FORTCHERN LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Capital Purchase

Our investment back into the company continues with renewal of our plant fleet. In the year we have upgraded all our commercial vehicles ensuring the latest Euro Code engines for the lowest possible emissions. Our Cricketts Farm Plant Depot is being readied for arrival of Electric vehicles in due course.

Cricketts Farm

As of November 2019, our Head Office is fully operational along with our Kent and Plant Offices & our Logistics facility, all located at Cricketts Farm Business Park. This is supported by our team based at our Curlew Street 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 50 years of successful trading, and in that time, 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 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 for other people who are considering joining our workforce.

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

Key performance indicators

The main Key Performance Indicators used to the year end 2019 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 in line with O'Keefe Vision:
 - a. Reportable injuries per 100,000 hours worked
 - b. Hazards reported
 - c. Concrete and rebar usage vs turnover (to control waste 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 2020 there were no significant variances against budget on key performance indicators.

The group's 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.

SAINT FORTCHERN LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2020

Market value of land and buildings

The Directors are of the opinion that there is no material difference between the market value of the group's interest in land and the amount at which it is shown in the financial statements. This opinion is supported by a full valuation conducted by 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. Monthly Board meetings have been reinforced with twice weekly meetings every Tuesday and Thursday embracing technology. These meetings allow the Board to keep up to date with any immediate challenges, most notably COVID related.

Directors' statement of compliance with duty to promote the success of the group

The directors are well aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term
- the interests of the group's employees
- the need to foster the group's business relationships with suppliers, customers and others
- the impact of the group's operations on the community and the environment
- the desirability of the group maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the group, (the "s.172(1) Matters").

Induction materials provided on appointment include an explanation of directors' duties, and the board is regularly reminded of the s.172(1) matters. The key matters that are consistently prevalent in the decision-making process include:

- ensuring corporate governance policies are adhered to
- long term objectives of the group
- setting the right culture at board level and throughout the group, and
- maximising the key performance metrics of the group

The above is to ensure the success of the group is at the forefront of all decision-making process.

This report was approved by the board and signed on its behalf.

M L Lessey
Secretary

Date:


11th December 2020

SAINT FORTCHERN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2020

The directors present their report and the financial statements for the year ended 31 May 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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 for the group's financial statements and then apply them consistently;
- make judgments 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and to 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,397,112 (2019 - profit £1,023,473).

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

Ordinary dividends were paid amounting to £Nil (2019: £174,000).

Directors

The directors who served during the year were:

P J O'Keefe
R E O'Keefe

SAINT FORTCHERN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020**

Future developments

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 Q1 2021 we will issue our updated Strategic O'Keefe Vision.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the group since the year end, other than the coronavirus pandemic as disclosed in note 2.3

Auditors

The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

P J O'Keefe
Director

Date: 11 December 2020

SAINT FORTCHERN LIMITED

INDEPENDENT AUDITORS' 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 2020, which comprise the group Statement of comprehensive income, the group and company Balance sheets, the group Statement of cash flows, the group and company Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 of the parent company's affairs as at 31 May 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

SAINT FORTCHERN LIMITED

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or 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 on page 5, 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.

SAINT FORTCHERN LIMITED

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

Auditors' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the company's members 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 Auditors' 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 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

Chartered Accountants

Statutory Auditor

Charles Lake House

Claire Causeway

Crossways Business Park

Dartford

Kent

DA2 6QA

Date: 18. December 2010

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2020

	Note	2020 £	2019 £
Turnover		61,138,389	67,464,124
Cost of sales		(55,939,806)	(58,524,302)
Gross profit		5,198,583	8,939,822
Administrative expenses		(7,252,417)	(7,647,501)
Other operating income	5	373,167	89,404
Operating (loss)/profit		(1,680,667)	1,381,725
Interest receivable and similar income		11,194	1,818
Interest payable and expenses		(146,500)	(121,776)
(Loss)/profit before taxation		(1,815,973)	1,261,767
Tax on (loss)/profit	12	418,861	(238,294)
(Loss)/profit for the financial year		(1,397,112)	1,023,473
(Loss)/profit for the year attributable to:			
Owners of the parent company		(1,397,112)	1,023,473
		(1,397,112)	1,023,473

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED
REGISTERED NUMBER: 06855708

CONSOLIDATED BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	7,456,678	9,495,010
Current assets			
Stocks	17	196,559	191,305
Debtors: amounts falling due after more than one year	18	5,023,012	4,962,406
Debtors: amounts falling due within one year	18	14,780,319	15,330,789
Cash at bank and in hand	19	1,992,398	1,554,510
		<u>21,992,288</u>	<u>22,039,010</u>
Creditors: amounts falling due within one year	20	(18,052,332)	(17,789,806)
Net current assets		<u>3,939,956</u>	<u>4,249,204</u>
Total assets less current liabilities		<u>11,396,634</u>	<u>13,744,214</u>
Creditors: amounts falling due after more than one year	21	(921,591)	(1,776,973)
Provisions for liabilities			
Deferred taxation	23	(52,960)	(148,046)
Net assets		<u><u>10,422,083</u></u>	<u><u>11,819,195</u></u>
Capital and reserves			
Called up share capital	24	9,232	9,232
Share premium account		4,671,255	4,671,255
Revaluation reserve		100,000	100,000
Profit and loss account		5,641,596	7,038,708
		<u><u>10,422,083</u></u>	<u><u>11,819,195</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P J O'Keefe
Director

R E O'Keefe
Director

Date: 11th December 2020

[Signature]
11th December 2020

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED
REGISTERED NUMBER: 06855708

COMPANY BALANCE SHEET
AS AT 31 MAY 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	15	1,648,743	1,664,444
Investments	16	7,070,125	7,070,125
		<u>8,718,868</u>	<u>8,734,569</u>
Current assets			
Debtors: amounts falling due within one year	18	78,058	78,058
		<u>78,058</u>	<u>78,058</u>
Creditors: amounts falling due within one year	20	(2,057,696)	(2,057,696)
Net current liabilities		<u>(1,979,638)</u>	<u>(1,979,638)</u>
Total assets less current liabilities		<u>6,739,230</u>	<u>6,754,931</u>
Net assets		<u><u>6,739,230</u></u>	<u><u>6,754,931</u></u>
Capital and reserves			
Called up share capital	24	9,232	9,232
Share premium account		4,671,255	4,671,255
Profit and loss account		2,058,743	2,074,444
		<u>6,739,230</u>	<u>6,754,931</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P J O'Keefe
 Director

R E O'Keefe
 Director

Date: 11th December 2020

The notes on pages 18 to 37 form part of these financial statements.

[Handwritten signature of P J O'Keefe]
 11th December 2020

SAINT FORTCHERN LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 June 2019	9,232	4,671,255	100,000	7,038,708	11,819,195
Loss for the year	-	-	-	(1,397,112)	(1,397,112)
At 31 May 2020	9,232	4,671,255	100,000	5,641,596	10,422,083

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019**

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 June 2018	9,232	4,671,255	100,000	6,189,235	10,969,722
Profit for the year	-	-	-	1,023,473	1,023,473
Dividends: Equity capital	-	-	-	(174,000)	(174,000)
At 31 May 2019	9,232	4,671,255	100,000	7,038,708	11,819,195

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2019	9,232	4,671,255	2,074,444	6,754,931
Loss for the year	-	-	(15,701)	(15,701)
At 31 May 2020	9,232	4,671,255	2,058,743	6,739,230

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 June 2018	9,232	4,671,255	2,090,000	6,770,487
Profit for the year	-	-	158,444	158,444
Dividends: Equity capital	-	-	(174,000)	(174,000)
At 31 May 2019	9,232	4,671,255	2,074,444	6,754,931

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2020

	2020 £	2019 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,397,112)	1,023,473
Adjustments for:		
Amortisation of intangible assets	-	207,799
Depreciation of tangible assets	1,385,183	1,159,310
Loss on disposal of tangible assets	264,912	(38,730)
Government grants	(249,961)	-
Interest paid	146,500	121,776
Interest received	(11,194)	(1,818)
Taxation charge	(418,861)	238,294
(Increase) in stocks	(5,254)	(28,349)
Decrease/(increase) in debtors	593,248	(3,162,045)
Increase/(decrease) in creditors	402,840	(3,713,769)
Corporation tax (paid)	(1,765)	(372,994)
Net cash generated from operating activities	708,536	(4,567,053)
Cash flows from investing activities		
Purchase of tangible fixed assets	(161,795)	(5,391,216)
Sale of tangible fixed assets	555,400	577,737
Government grants received	249,961	-
Interest received	11,194	1,818
HP interest paid	(61,135)	(101,167)
Net cash from investing activities	593,625	(4,912,828)

SAINT FORTCHERN LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2020

	2020 £	2019 £
Cash flows from financing activities		
(Repayment of)/New finance leases	(1,278,908)	1,431,790
Dividends paid	-	(174,000)
Interest paid	(85,365)	(20,609)
Net cash used in financing activities	<u>(1,364,273)</u>	<u>1,237,181</u>
Net (decrease) in cash and cash equivalents	<u>(62,112)</u>	<u>(8,242,700)</u>
Cash and cash equivalents at beginning of year	(1,445,490)	6,797,210
Cash and cash equivalents at the end of year	<u><u>(1,507,602)</u></u>	<u><u>(1,445,490)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,992,398	1,554,510
Bank overdrafts	(3,500,000)	(3,000,000)
	<u><u>(1,507,602)</u></u>	<u><u>(1,445,490)</u></u>

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MAY 2020

	At 1 June 2019 £	Cash flows £	At 31 May 2020 £
Cash at bank and in hand	1,554,510	437,888	1,992,398
Bank overdrafts	(3,000,000)	(500,000)	(3,500,000)
Finance leases	(3,325,976)	1,278,908	(2,047,068)
	<u>(4,771,466)</u>	<u>1,216,796</u>	<u>(3,554,670)</u>

The notes on pages 18 to 37 form part of these financial statements.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

1. General information

Saint Fortchern Limited is a private company limited by shares, and is incorporated in England and Wales. The registered office is Cricketts Farm, Borough Green Road, Ightham, Sevenoaks TN15 9JB.

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 June 2016.

2.3 Going concern

During and subsequent to the year the group has had to deal with the coronavirus pandemic and the associated measures that governments, customers, suppliers and finance providers are putting in place to deal with it. While the group will undoubtedly suffer some adverse impact from this in the short term, the directors are confident that we can work through the temporary disruption and that our business plans are robust even in the current situation. Also, the directors consider that the group has adequate resources to continue operations for the foreseeable future, and therefore these financial statements have been prepared on a going concern basis

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the group as lessor

Rentals income from operating leases is credited to the Consolidated statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.6 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 June 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.7 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the group in independently administered funds.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- not depreciated
Long-term leasehold property	- over the term of the lease
Plant and machinery	- between 10% and 33% straight line
Fixtures and fittings	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.16 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Consolidated statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.21 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.

2.22 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2020

2. Accounting policies (continued)

2.23 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.24 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies 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.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Services rendered	<u>61,138,389</u>	<u>67,464,124</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

5. Other operating income

	2020 £	2019 £
Rent receivable	123,206	89,404
Government grants receivable	249,961	-
	<u>373,167</u>	<u>89,404</u>

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	29,000	75,000
	<u>29,000</u>	<u>75,000</u>

7. Auditors' remuneration

Fees payable to the group's auditor and its associates in respect of:

Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	24,650	24,650
All other services	3,300	3,300
	<u>27,950</u>	<u>27,950</u>

SAINT FORTCHERN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	8,682,046	8,536,264	-	-
Cost of defined contribution scheme	415,317	421,439	-	-
	9,097,363	8,957,703	-	-

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	<i>Group 2019 No.</i>	Company 2020 No.	<i>Company 2019 No.</i>
Employee	178	194	2	2

9. Directors' remuneration

	2020 £	<i>2019 £</i>
Directors' emoluments	80,617	77,024
Company contributions to defined contribution pension schemes	10,000	2,339
	90,617	79,363

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

10. Interest receivable

	2020 £	<i>2019 £</i>
Other interest receivable	11,194	1,818

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	85,175	-
Other loan interest payable	190	20,609
Finance leases and hire purchase contracts	61,135	101,167
	<u>146,500</u>	<u>121,776</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(173,770)	216,788
Adjustments in respect of previous periods	(150,005)	-
Total current tax	<u>(323,775)</u>	<u>216,788</u>
Deferred tax		
Origination and reversal of timing differences	(95,086)	21,506
Total deferred tax	<u>(95,086)</u>	<u>21,506</u>
Taxation on (loss)/profit on ordinary activities	<u>(418,861)</u>	<u>238,294</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(1,815,973)	1,261,767
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(345,035)	239,736
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	39,480
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	72,934	33,492
Capital allowances for year (in excess of) / lower than depreciation	134,763	(95,920)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(258,757)	-
Unrelieved tax losses carried forward	72,320	-
Deferred taxation	(95,086)	21,506
Total tax (credit)/charge for the year	(418,861)	238,294

13. Dividends

	2020 £	2019 £
Interim paid	-	174,000

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

14. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 June 2019	2,077,965
At 31 May 2020	<u>2,077,965</u>
Amortisation	
At 1 June 2019	2,077,965
At 31 May 2020	<u>2,077,965</u>
Net book value	
At 31 May 2020	<u>-</u>
At 31 May 2019	<u>-</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

15. Tangible fixed assets

Group

	Land freehold £	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Assets under construction £
Cost or valuation					
At 1 June 2019	1,500,000	1,680,000	266,547	11,260,849	257,734
Additions	-	-	-	120,759	-
Disposals	-	-	-	(1,628,440)	-
At 31 May 2020	1,500,000	1,680,000	266,547	9,753,168	257,734
Depreciation					
At 1 June 2019	-	15,556	131,388	5,491,950	-
Charge for the year on owned assets	-	15,701	-	280,076	-
Charge for the year on financed assets	-	-	-	1,032,715	-
Disposals	-	-	-	(808,128)	-
At 31 May 2020	-	31,257	131,388	5,996,613	-
Net book value					
At 31 May 2020	1,500,000	1,648,743	135,159	3,756,555	257,734
At 31 May 2019	1,500,000	1,664,444	135,159	5,768,899	257,734

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

15. Tangible fixed assets (continued)

	Fixtures, fittings and equipment £	Total £
Cost or valuation		
At 1 June 2019	250,073	15,215,203
Additions	41,036	161,795
Disposals	-	(1,628,440)
At 31 May 2020	<u>291,109</u>	<u>13,748,558</u>
Depreciation		
At 1 June 2019	81,299	5,720,193
Charge for the year on owned assets	51,323	347,100
Charge for the year on financed assets	-	1,032,715
Disposals	-	(808,128)
At 31 May 2020	<u>132,622</u>	<u>6,291,880</u>
Net book value		
At 31 May 2020	<u>158,487</u>	<u>7,456,678</u>
At 31 May 2019	<u>168,774</u>	<u>9,495,010</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, is as follows:

	2020 £	2019 £
Plant and machinery	<u>4,229,994</u>	<u>5,237,711</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

15. Tangible fixed assets (continued)

Company

	Long-term leasehold property £
Cost or valuation	
At 1 June 2019	1,680,000
At 31 May 2020	<u>1,680,000</u>
Depreciation	
At 1 June 2019	15,556
Charge for the year on owned assets	15,701
At 31 May 2020	<u>31,257</u>
Net book value	
At 31 May 2020	<u><u>1,648,743</u></u>
At 31 May 2019	<u><u>1,664,444</u></u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2019	7,070,125
At 31 May 2020	<u>7,070,125</u>

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the company:

Name	Class of shares	Holding
O'Keefe Construction (Greenwich) Limited	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Class of shares	Holding
O'Keefe Demolition Limited	Ordinary	100%
O'Keefe Construction (Kent) Limited	Ordinary	100%
O'Keefe Construction (London) Limited	Ordinary	100%
O'Keefe Plant Limited	Ordinary	100%

17. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	<u>196,559</u>	<u>191,305</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

18. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due after more than one year				
Amounts owed by connected companies	5,023,012	4,962,406	-	-
	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due within one year				
Trade debtors	10,443,416	11,426,048	-	-
Other debtors	2,956,268	2,633,409	78,058	78,058
Prepayments and accrued income	1,380,635	1,271,332	-	-
	14,780,319	15,330,789	78,058	78,058

19. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash at bank and in hand	1,992,398	1,554,510
Less: bank overdrafts	(3,500,000)	(3,000,000)
	(1,507,602)	(1,445,490)

SAINT FORTCHERN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020**

20. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank overdrafts	3,500,000	3,000,000	-	-
Payments received on account	649,273	950,028	-	-
Trade creditors	7,649,366	9,262,555	-	-
Amounts owed to group undertakings	-	-	2,057,696	2,057,696
Corporation tax	-	216,788	-	-
Other taxation and social security	920,705	308,601	-	-
Obligations under finance lease and hire purchase contracts	1,125,477	1,549,003	-	-
Other creditors	1,508,478	1,019,377	-	-
Accruals and deferred income	2,699,033	1,483,454	-	-
	<u>18,052,332</u>	<u>17,789,806</u>	<u>2,057,696</u>	<u>2,057,696</u>

Bank overdrafts are secured by way of a first legal charge over freehold property owned by the group.

21. Creditors: Amounts falling due after more than one year

	Group 2020 £	<i>Group 2019 £</i>
Net obligations under finance leases and hire purchase contracts	<u>921,591</u>	<u>1,776,973</u>

Net obligations under hire purchase contracts due within and after one year are secured over the assets to which they relate.

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Within one year	1,125,477	1,549,003	1,125,447	1,549,003
Between 1-5 years	921,591	1,776,972	921,591	1,776,972
	<u>2,047,068</u>	<u>3,325,975</u>	<u>2,047,038</u>	<u>3,325,975</u>

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

23. Deferred taxation

Group

	2020 £	2019 £
At beginning of year	148,046	126,540
(Credited)/Charged to profit or loss	(95,086)	21,506
At end of year	52,960	148,046

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	52,960	148,046

24. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
9,232 (2019 - 9,232) Ordinary share shares of £1 each	9,232	9,232

25. Financial commitments, guarantees and contingent liabilities

A guarantee dated 15 June 2016 in respect of the borrowings of Braven Limited, a company under common control, in favour of Santander UK Plc, is secured over the assets of O'Keefe Construction (Greenwich) Limited. The directors consider the possibility of the group having to make any payment under the terms of the guarantee to be remote, and no provision is required. The maximum exposure to the group is £6,693,992 (2019: £6,712,475) at the balance sheet date.

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £377,973 (2019 - £389,140). Contributions totalling £143,473 (2019 - £90,690) were payable to the fund at the balance sheet date and are included in creditors.

SAINT FORTCHERN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020

27. Commitments under operating leases

At 31 May 2020 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	88,142	84,841
Later than 1 year and not later than 5 years	6,865	17,793
	95,007	102,634

28. Transactions with directors

During the year the group made an interest free loan to a director. At 31 May 2020 £19,166 (2019: £19,166) remained outstanding and is included within debtors.

Dividends totalling £Nil (2019: £174,000) were paid in the year in respect of shares held by the company's directors.

29. Related party transactions

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

	2020 £	2019 £
Aggregate compensation	1,140,451	1,407,739

The above figure includes employers NI contributions totalling £81,117 (2019: £103,308).

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 2020 the balance due from O'Keefe Utilities Limited was £1,434,362 (2019: £1,434,362) which is included within debtors.

As at 31 May 2020 the balance due from Braven Limited, a company controlled by P J O'Keefe, was £5,893,200 (2019: £4,993,011) which is included in other debtors.

30. Controlling party

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