

Company registration number 00451880 (England and Wales)

FOREST GATE CONSTRUCTION CO LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

FOREST GATE CONSTRUCTION CO LTD

COMPANY INFORMATION

Directors	T S Hosking P R Reeves S W Pockett	(Appointed 2 October 2023)
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Company number	00451880
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Registered office	Sidney House Christy Close Southfields Basildon Essex SS15 6TN
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Auditor	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
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Business address	Sidney House Christy Close Southfields Basildon Essex SS15 6TN
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Bankers	National Westminster Bank Plc South Essex Commercial Office Ground Floor Thanet Grange Westcliff-on-Sea Essex SS0 0EJ
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FOREST GATE CONSTRUCTION CO LTD

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FOREST GATE CONSTRUCTION CO LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present the strategic report for the year ended 30 September 2023.

Review of the business

The principal activity of the company was that of building contractors. The Directors are satisfied with the results for the year and of the company's financial position at the year end. Although there was a slight decline in turnover compared to the previous year, a strong gross profit margin was achieved. Whilst the construction industry sector continues to be challenging, the directors remain confident about the company's long-term prospects.

Principal risks and uncertainties

The Directors considers the key performance indicators for Forest Gate Construction to be tenders converted into secured contracts, gross margin and profit before tax. The company has derived a large proportion of its turnover in previous years via public sector projects. This has resulted in the fluctuation of tenders received due to government fiscal pressures. The Directors have aimed to seek a larger client base within the commercial and private sectors to reduce any short-term reduction in tenders in the time of recession. This is proving to be positive.

Development and performance

The volume of tenders submitted throughout the period decreased on the previous period although the percentage of tenders secured remained similar at an approximate conversion rate of 1:4. Those tenders secured into firm orders proved to be profitable and contracts have been managed in an efficient manner.

Key performance indicators

Cash reserves have increased and the Directors place great important on having sufficient surplus funds to provide working capital for the Company's business. These funds are placed in non-risk accounts bearing interest in order that the Company continues to pay creditors in a timely fashion. The company generates consistent cash inflows from operations and has liabilities that are known and can be discharged without recourse to external funding.

Other performance indicators

The Directors are pleased that the strong balance sheet has been maintained. Cash reserves continue to be healthy and this enables the Director's to monitor performance.

On behalf of the board

T S Hosking

Director

6 December 2023

FOREST GATE CONSTRUCTION CO LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their annual report and financial statements for the year ended 30 September 2023.

Principal activities

The principal activity of the company continued to be that of building contractors.

Directors

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

T S Hosking

P R Reeves

S W Pockett

(Appointed 2 October 2023)

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £201,960. The directors do not recommend payment of a final dividend.

Future developments

The directors recognise the increasing importance of the effect that the company and its employees have upon the environment and the demands placed upon contractors by local authorities and clients in that area. The company follows the Environmental Management Scheme and achieved the ISO14001 accreditation again this year. This should continue to enable the company to widen its client base.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

T S Hosking

Director

6 December 2023

FOREST GATE CONSTRUCTION CO LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors are responsible for preparing the annual 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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FOREST GATE CONSTRUCTION CO LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FOREST GATE CONSTRUCTION CO LTD

Opinion

We have audited the financial statements of Forest Gate Construction Co Ltd (the 'company') for the year ended 30 September 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 company's affairs as at 30 September 2023 and of its 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

FOREST GATE CONSTRUCTION CO LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FOREST GATE CONSTRUCTION CO LTD

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, 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 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

FOREST GATE CONSTRUCTION CO LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FOREST GATE CONSTRUCTION CO LTD

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of Management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and review the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulation and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Employment law and the Health and Safety Act.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Ian Meaburn
Senior Statutory Auditor
For and on behalf of Myers Clark

18 December 2023

Chartered Accountants
Statutory Auditor

Egale 1
80 St Albans Road
Watford
Hertfordshire
WD17 1DL

FOREST GATE CONSTRUCTION CO LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023 £	2022 £
	Notes		
Turnover	3	15,875,464	17,345,276
Cost of sales		(12,733,358)	(13,844,990)
Gross profit		3,142,106	3,500,286
Administrative expenses		(1,528,144)	(1,359,191)
Other operating income		66,256	53,779
Operating profit	4	1,680,218	2,194,874
Interest receivable and similar income	7	119,169	27,852
Interest payable and similar expenses	8	(216)	(941)
Profit before taxation		1,799,171	2,221,785
Tax on profit	9	(428,314)	(429,734)
Profit for the financial year		1,370,857	1,792,051

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

FOREST GATE CONSTRUCTION CO LTD

BALANCE SHEET

AS AT 30 SEPTEMBER 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11		228,113		161,058
Current assets					
Stocks	12	708,062		1,374,176	
Debtors	13	1,200,089		1,761,941	
Cash at bank and in hand		7,207,148		4,604,684	
			9,115,299		7,740,801
Creditors: amounts falling due within one year	14	(4,404,370)		(4,152,413)	
Net current assets			4,710,929		3,588,388
Total assets less current liabilities			4,939,042		3,749,446
Provisions for liabilities					
Deferred tax liability	15	38,000	(38,000)	17,300	(17,300)
Net assets			4,901,042		3,732,146
Capital and reserves					
Called up share capital	17		46,000		46,001
Distributable profit and loss reserves			4,855,042		3,686,145
Total equity			4,901,042		3,732,146

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 6 December 2023 and are signed on its behalf by:

T S Hosking
Director

Company registration number 00451880 (England and Wales)

FOREST GATE CONSTRUCTION CO LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 October 2021		46,001	2,544,094	2,590,095
Year ended 30 September 2022:				
Profit and total comprehensive income		-	1,792,051	1,792,051
Dividends	10	-	(650,000)	(650,000)
Balance at 30 September 2022		46,001	3,686,145	3,732,146
Year ended 30 September 2023:				
Profit and total comprehensive income		-	1,370,857	1,370,857
Dividends	10	-	(201,960)	(201,960)
Reduction of shares	17	(1)	-	(1)
Balance at 30 September 2023		46,000	4,855,042	4,901,042

FOREST GATE CONSTRUCTION CO LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	22	3,876,115	544,491
Interest paid		(216)	(941)
Income taxes paid		(535,634)	(436,324)
Net cash inflow from operating activities		<u>3,340,265</u>	<u>107,226</u>
Investing activities			
Purchase of tangible fixed assets		(149,944)	(64,388)
Proceeds from disposal of tangible fixed assets		45,033	12,288
Repayment of loans		(550,099)	-
Interest received		119,169	27,852
Net cash used in investing activities		<u>(535,841)</u>	<u>(24,248)</u>
Financing activities			
Dividends paid		(201,960)	350,000
Net cash (used in)/generated from financing activities		<u>(201,960)</u>	<u>350,000</u>
Net increase in cash and cash equivalents		<u>2,602,464</u>	<u>432,978</u>
Cash and cash equivalents at beginning of year		<u>4,604,684</u>	<u>4,171,706</u>
Cash and cash equivalents at end of year		<u><u>7,207,148</u></u>	<u><u>4,604,684</u></u>

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

Company information

Forest Gate Construction Co Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Sidney House, Christy Close, Southfields, Basildon, Essex, SS15 6TN.

1.1 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.

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.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts are recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably.

1.4 Tangible fixed assets

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

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

Fixtures, fittings & equipment	15% of net book value
Motor vehicles	25% of net book value

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.

1.5 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.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.11 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

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 company'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.

3 Turnover and other revenue

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

	2023	2022
	£	£
Turnover analysed by class of business		
Sales	15,875,464	17,345,276
	<u> </u>	<u> </u>
	2023	2022
	£	£
Turnover analysed by geographical market		
United Kingdom	15,875,464	17,345,276
	<u> </u>	<u> </u>
	2023	2022
	£	£
Other revenue		
Interest income	119,169	27,852
	<u> </u>	<u> </u>

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	15,050	13,050
Depreciation of owned tangible fixed assets	58,422	45,480
Profit on disposal of tangible fixed assets	(20,566)	(5,199)
Operating lease charges	50,004	50,004
	<u> </u>	<u> </u>

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5 Employees

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

2023	2022
Number	Number
26	27

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,542,179	1,601,680
Social security costs	198,096	194,169
Pension costs	64,319	47,602
	<u>1,804,594</u>	<u>1,843,451</u>

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	285,441	182,669
Company pension contributions to defined contribution schemes	35,700	15,525
	<u>321,141</u>	<u>198,194</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	121,873	200,312
Company pension contributions to defined contribution schemes	35,700	15,525
	<u>157,573</u>	<u>215,837</u>

7 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	119,169	27,852
	<u>119,169</u>	<u>27,852</u>
Investment income includes the following:		
	£	£
Interest on financial assets not measured at fair value through profit or loss	119,169	27,852
	<u>119,169</u>	<u>27,852</u>

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

8 Interest payable and similar expenses

	2023	2022
	£	£
Other finance costs:		
Other interest	216	941
	<u>216</u>	<u>941</u>

9 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	407,614	426,134
	<u>407,614</u>	<u>426,134</u>
Deferred tax		
Origination and reversal of timing differences	20,700	3,600
	<u>20,700</u>	<u>3,600</u>
Total tax charge	<u>428,314</u>	<u>429,734</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit before taxation	1,799,171	2,221,785
	<u>1,799,171</u>	<u>2,221,785</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	449,793	422,139
Tax effect of expenses that are not deductible in determining taxable profit	48,727	13,414
Tax effect of income not taxable in determining taxable profit	(5,142)	(986)
Effect of change in corporation tax rate	(55,411)	-
Permanent capital allowances in excess of depreciation	(30,353)	(8,433)
Deferred tax	20,700	3,600
	<u>428,314</u>	<u>429,734</u>
Taxation charge for the year	<u>428,314</u>	<u>429,734</u>

10 Dividends

	2023	2022
	£	£
Interim paid	201,960	650,000
	<u>201,960</u>	<u>650,000</u>

Dividends of £103,000 (2022: £331,500) were paid to a director during the year.

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

11 Tangible fixed assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 October 2022	67,312	235,330	302,642
Additions	2,192	147,752	149,944
Disposals	-	(75,049)	(75,049)
At 30 September 2023	69,504	308,033	377,537
Depreciation and impairment			
At 1 October 2022	39,969	101,615	141,584
Depreciation charged in the year	4,270	54,152	58,422
Eliminated in respect of disposals	-	(50,582)	(50,582)
At 30 September 2023	44,239	105,185	149,424
Carrying amount			
At 30 September 2023	25,265	202,848	228,113
At 30 September 2022	27,343	133,715	161,058

12 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	708,062	1,374,176

13 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	567,985	1,681,769
Other debtors	551,000	2,067
Prepayments and accrued income	81,104	78,105
	1,200,089	1,761,941

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

14 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,491,336	1,453,060
Corporation tax	165,114	293,134
Other taxation and social security	257,456	320,788
Other creditors	607,391	308,631
Accruals and deferred income	1,883,073	1,776,800
	<u>4,404,370</u>	<u>4,152,413</u>

15 Deferred taxation

Deferred tax assets and liabilities are offset where the 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 2023	Liabilities 2022
	£	£
Balances:		
Accelerated capital allowances	<u>38,000</u>	<u>17,300</u>
		2023
		£
Movements in the year:		
Liability at 1 October 2022		17,300
Charge to profit or loss		20,700
		<u>38,000</u>
Liability at 30 September 2023		<u>38,000</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>64,319</u>	<u>47,602</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of of £1 each	<u>46,000</u>	<u>46,000</u>	<u>46,000</u>	<u>46,000</u>

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

17 Share capital

(Continued)

	2023 Number	2022 Number	2023 £	2022 £
Preference share capital				
Issued and fully paid				
Preference share of £1 each	-	1	-	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			-	1
			<u> </u>	<u> </u>
Total equity share capital			46,000	46,001
			<u> </u>	<u> </u>

The Ordinary Shares are irredeemable and have full rights in the company with regards to voting, dividend and capital distribution. A dividend may be declared on this class of shares to the exclusion of the other classes but where a dividend is declared on more than one class of shares the dividend for each class may be fixed individually.

The Preference Shares are irredeemable and do not entitle the holders thereof to receive notice of, attend or vote at general meetings, or vote on a written resolution, of the company. The Preference Shares do not entitle the holders thereof to participate in any capital distribution other than to reclaim the capital paid up on such shares. A dividend may be declared on this class of share to the exclusion of other classes but where a dividend is declared on more than one class of share the dividend for each class may be fixed individually.

During the year, the Preference Share was bought back by the company for £1 and cancelled.

18 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	20,833	50,000
Between two and five years	-	20,833
	<u> </u>	<u> </u>
	20,833	70,833
	<u> </u>	<u> </u>

Lessor

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

18 Operating lease commitments

(Continued)

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

	2023	2022
	£	£
Within one year	40,000	40,000
Between two and five years	6,666	46,666
	<u>46,666</u>	<u>86,666</u>

19 Related party transactions

Remuneration of key management personnel

Other than the directors there are no other members of key management.

Other information

Rent of £50,004 (2022: £50,004) was paid to a company under the same control as Forest Gate Construction Company Ltd and has been charged to the P&L.

At the year end a director owed the company £550,099 (2022: Company owed director £250,071).

20 Events after the reporting date

On 2 October 2023 100% of the share capital of the company was sold to The Forest Gate Construction Employee Ownership Trust.

21 Controlling party

The ultimate controlling party is T S Hosking who, together with his wife, held 100% of the issued share capital of the company at the year end date.

Following the sale of 100% of the share capital in the company on 2 October 2023 the ultimate controlling party changed to the Forest Gate Construction Employee Ownership Trust.

FOREST GATE CONSTRUCTION CO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

22 Cash generated from operations

	2023	2022
	£	£
Profit for the year after tax	1,370,857	1,792,051
Adjustments for:		
Taxation charged	428,314	429,734
Finance costs	216	941
Investment income	(119,169)	(27,852)
Gain on disposal of tangible fixed assets	(20,566)	(5,199)
Depreciation and impairment of tangible fixed assets	58,421	45,480
Movements in working capital:		
Decrease/(increase) in stocks	666,114	(463,701)
Decrease/(increase) in debtors	1,111,951	(276,466)
Increase/(decrease) in creditors	379,977	(950,497)
Cash generated from operations	3,876,115	544,491

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.