

Company Registration No. 01073245 (England and Wales)

**FORKERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

# **FORKERS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr P Forker Mrs B Forker Mrs H Boyle Mrs R Curran Mr R K Thomas Mr P D Watson Mr S J T Somerfield Mr I R Haywood Mr M C Mason Mr H C McCooley
<b>Secretary</b>	Mrs H Boyle
<b>Company number</b>	01073245
<b>Registered office</b>	Golds Green House Shaw Street West Bromwich West Midlands B70 0TX
<b>Auditor</b>	Azets Audit Services Harance House Rumer Hill Business Estate Rumer Hill Road Cannock Staffordshire WS11 0ET
<b>Bankers</b>	Allied Irish Bank Plc 380 Birmingham Road Wylde Green Sutton Coldfield West Midlands B72 1YH
<b>Solicitors</b>	Wright Hassall LLP Olympus Avenue Leamington Spa Warwickshire CV34 6BF

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# **FORKERS LIMITED**

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# **FORKERS LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2020***

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

#### **Business Review and Future Developments**

The comments made by the directors in their last strategic report have been reflected in the company's results for the year ended 31st March 2020.

Turnover in the year at £30,723,120 (2019: £19,186,059) exceeded that of the previous year by 60%.

Results for the current financial year indicate that there will be a further increase in the company's turnover as the company was involved in essential work that was not affected by the effects of Covid-19 that prevented work being undertaken.

As mentioned in the Report of the Directors the company is exploring trading possibilities in the fields of renewable energy.

Shareholder equity in the company increased to £10,427,423 (2019: £9,834,051).

#### **Principal risks and uncertainties**

Many directors who wrote in their company's Strategic Reports before December 2019 would not have envisaged that within 3 months business would be plunged into a parlous state as a result of Covid-19 and many companies and businesses would be placed under great financial pressure and that certain of those businesses and companies would not survive.

Although recently as the result of vaccinations and other measures, businesses are beginning to surface from the restrictions to trade caused by Covid-19 there still remains risks and uncertainties.

Many businesses have seen their cash reserves depleted and have raised money by way of loans, this has raised financial concerns and our company has increased enquiries into the financial positions of its clients before accepting contracts for work. Strict observation to debtors ledgers is maintained to ensure that clients pay their liabilities within the pre agreed timetable.

Although interest rates for borrowing are at present very low, that has helped to sustain companies. Early indications suggest that they will rise in the near future so financially endangering an already fragile recovery and place further financial pressure on companies.

There are therefore many risks and uncertainties to consider and to identify them at the earliest opportunity is of the utmost importance in dealing with them.

#### **Financial Results**

The profit for the year, before taxation, amounted to £731,714 (2019: £48,822).

## **FORKERS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **Key Performance Indicators**

Annual cash flows are prepared and monitored against the company's monthly reconciliations to confirm that the company has sufficient working capital to meet its financial obligations.

The monthly management accounts enable the directors to obtain details of the company's trading performance. Contracts that show that they are underperforming are examined to assess the reasons and where possible to introduce changes to the working processes to attempt to improve their performance.

The retaining of clients indicates to the directors that clients have been happy with the work that has been undertaken by the company and goes some way in the obtaining of future work from those clients.

On behalf of the board

Mrs R Curran

**Director**

19 May 2021

# **FORKERS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2020***

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

### **Directors**

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

Mr P Forker  
Mrs B Forker  
Mrs H Boyle  
Mrs R Curran  
Mr R K Thomas  
Mr P D Watson  
Mr S J T Somerfield  
Mr I R Haywood  
Mr M C Mason  
Mr H C McCooley

### **Results and dividends**

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Employees**

The company recognises that it's employees represent the biggest asset at the heart of the company's success and to this end invests heavily in their training and development to enable them to perform their tasks with the upmost skill and efficiency.

The company operates an open door policy whereby employees are encouraged to meet with senior staff and to air their views on topics that may benefit the company.

Employees welfare is of paramount importance and annual in house medicals are arranged. Health and safety meetings are regularly held with the company's safety manager to ensure that all staff are compliant with the company's up to date procedures.

The directors are pleased to report that there were no recordings of reportable accidents during the year under review which they believe reflects the excellent training given to the company's employees.

Retention of staff is of great importance to the company and every effort is made to this end.

Annual personal development reviews are conducted for all staff to measure their progress and to identify any areas where support is required to help them enhance their performances in carrying out their work.

The company is an equal opportunities employer.

# **FORKERS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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### **Environmental Matters**

The worldwide issues with environmental, ecological and climate change problems are now becoming centre stage and Forkers Limited is making every effort to improve its working practices to play its part in helping to combat the seriousness of the current problems in these areas.

The company has recently started to purchase electric and hybrid cars to replace its fleet of diesel powered cars to help with the problem of climate change.

Where possible the company is improving its working practices when carrying out work such as land reclamation contracts where environments and ecological issues may be detrimentally affected.

All staff are made aware of the importance of working in a manner so as to protect the environment and meetings are arranged to discuss contracts that may have an impact on the environment.

### **Future developments**

With proposed changes to how future power may be produced to replace fossil fuels the company is entering the wind farm and battery storage sectors as it believes that in line with government proposals it will present great opportunities over the coming years.

The company continues with its progress in finding an alternative material to fly ash to use on ground engineering projects.

There have been no post balance sheet events.

### **Auditor**

The shareholders and directors are considering the re-appointment of Azets Audit Services (formerly Baldwins Audit Services) as auditor to the company.

### **Statement of directors' responsibilities**

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.

## **FORKERS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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#### **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

Mrs R Curran

**Director**

19 May 2021



# **FORKERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORKERS LIMITED**

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### **Opinion**

We have audited the financial statements of Forkers Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 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**

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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **FORKERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF FORKERS LIMITED**

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##### **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 and the directors' report.

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

- adequate accounting records have not been kept, 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 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, 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.

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

## **FORKERS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF FORKERS LIMITED**

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##### **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.

**John Hegney FCCA (Senior Statutory Auditor)**  
**For and on behalf of Azets Audit Services**

20 May 2021

**Chartered Accountants**  
**Statutory Auditor**

Harance House  
Rumer Hill Business Estate  
Rumer Hill Road  
Cannock  
Staffordshire  
WS11 0ET

## **FORKERS LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 MARCH 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	30,723,120	19,186,059
Cost of sales		(26,427,992)	(15,596,994)
<b>Gross profit</b>		<b>4,295,128</b>	<b>3,589,065</b>
Administrative expenses		(3,897,769)	(3,617,919)
Other operating income		321,388	323,350
<b>Operating profit</b>	<b>5</b>	<b>718,747</b>	<b>294,496</b>
Interest receivable and similar income	<b>9</b>	42,367	42,627
Exceptional items	<b>4</b>	(29,400)	(288,301)
<b>Profit before taxation</b>		<b>731,714</b>	<b>48,822</b>
Tax on profit	<b>10</b>	(138,422)	(17,174)
<b>Profit for the financial year</b>		<b>593,292</b>	<b>31,648</b>

**AS AT 31 MARCH 2020**

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## **FORKERS LIMITED**

### **STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 April 2018</b>	5,002	9,802,403	9,807,405
<b>Year ended 31 March 2019:</b>			
Profit and total comprehensive income for the year	-	31,648	31,648
<b>Balance at 31 March 2019</b>	5,002	9,834,051	9,839,053
<b>Year ended 31 March 2020:</b>			
Profit and total comprehensive income for the year	-	593,292	593,292
<b>Balance at 31 March 2020</b>	5,002	10,427,343	10,432,345

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

#### **Company information**

Forkers Limited is a private company, limited by shares, incorporated in England and Wales and domiciled in England. The registered office is Golds Green House, Shaw Street, West Bromwich, West Midlands, B70 0TX.

The principal activity of the company continued to be that of civil engineering working on projects relating to industries engaged in motor manufacturing, renewable energy projects, utilities, rail and road maintenance, and ground reclamation and stabilisation including mine infilling.

#### **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.

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Jessup Group Limited. These consolidated financial statements are available from its registered office, Golds Green House, Shaw Street, West Bromwich, West Midlands, B70 0TX.

#### **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.

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of construction services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### **1.4 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### **1.5 Tangible fixed assets**

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

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

Fixtures, fittings & equipment	20% Reducing balance
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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.

#### **1.6 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

#### **1.7 Impairment of fixed assets**

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



# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

**(Continued)**

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

#### **1.9 Cash and cash equivalents**

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.

#### **1.10 Financial instruments**

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

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

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

##### **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.

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

**(Continued)**

#### ***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.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***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.

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

**(Continued)**

#### ***Derecognition of financial liabilities***

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

#### **1.11 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 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.

#### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.14 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.

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **1 Accounting policies**

**(Continued)**

#### **1.15 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### **1.16 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### **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.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Long term contracts**

Profit from long term construction contracts is recognised by reference to the stage of completion, when the costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs.

#### **Impairment of debtors**

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment, management considers factors including the current credit rating of the debtor, the ageing profile and historical experience.

### **3 Turnover and other revenue**

All of the company's turnover originates from the one principal activity of the company.

	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	30,723,120	19,186,059
	<u>                    </u>	<u>                    </u>

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **4 Exceptional items**

The exceptional items incurred during the year are a bad debt written off of £Nil (2019: £209,091) for Dawnus Construction and an impairment of the intercompany loan to the company's subsidiary, Forkers Renewable Energy Limited of £Nil (2019: £49,210), and to a related party, Mini Piling & Drilling Limited of £29,400 (2019: £30,000).

### **5 Operating profit**

	<b>2020</b>	<b>2019</b>
Operating profit for the year is stated after charging/(crediting):	<b>£</b>	<b>£</b>
Research and development costs	-	10,950
Government grants	(18,038)	-
Depreciation of owned tangible fixed assets	48,603	59,268
Hire of plant and machinery	3,163,010	3,053,164
Operating lease charges	384,836	394,911
	<b>=====</b>	<b>=====</b>

### **6 Auditor's remuneration**

	<b>2020</b>	<b>2019</b>
Fees payable to the company's auditor and associates:	<b>£</b>	<b>£</b>
<b>For audit services</b>		
Audit of the financial statements of the company	14,250	13,250
Audit of the financial statements of the company's subsidiaries	3,250	3,500
	<b>=====</b>	<b>=====</b>
	<b>17,500</b>	<b>16,750</b>
	<b>=====</b>	<b>=====</b>

### **7 Employees**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Production staff	80	73
Administration staff	55	54
Directors	10	10
	<b>=====</b>	<b>=====</b>
Total	<b>145</b>	<b>137</b>
	<b>=====</b>	<b>=====</b>

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **7 Employees (Continued)**

Their aggregate remuneration comprised:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,025,553	5,317,004
Social security costs	615,617	576,382
Pension costs	204,897	208,331
	<u>6,846,067</u>	<u>6,101,717</u>

### **8 Directors' remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	956,840	898,444
Company pension contributions to defined contribution schemes	47,926	41,039
	<u>1,004,766</u>	<u>939,483</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2019 - 5).

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	180,554	175,524
Company pension contributions to defined contribution schemes	17,096	13,865
	<u>197,650</u>	<u>189,389</u>

### **9 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	42,367	42,627
	<u>42,367</u>	<u>42,627</u>

### **10 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	163,653	38,355
Adjustments in respect of prior periods	(16,522)	(19,518)
	<u>147,131</u>	<u>18,837</u>

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **10 Taxation**

**(Continued)**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(8,709)	(1,663)
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<b>138,422</b>	<b>17,174</b>
	<u>          </u>	<u>          </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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit before taxation	731,714	48,822
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	139,026	9,276
Tax effect of expenses that are not deductible in determining taxable profit	12,721	11,246
Change in unrecognised deferred tax assets	-	1,120
Under/(over) provided in prior years	(18,911)	(19,518)
Amounts written off intercompany loan	-	9,350
Amounts written off related party loan	5,586	5,700
	<u>          </u>	<u>          </u>
<b>Taxation charge for the year</b>	<b>138,422</b>	<b>17,174</b>
	<u>          </u>	<u>          </u>

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **11 Tangible fixed assets**

	Fixtures, fittings & equipment
	£
<b>Cost</b>	
At 1 April 2019	624,388
Additions	5,937
	<u>630,325</u>
At 31 March 2020	
<b>Depreciation and impairment</b>	
At 1 April 2019	387,311
Depreciation charged in the year	48,603
	<u>435,914</u>
At 31 March 2020	
<b>Carrying amount</b>	
At 31 March 2020	<u>194,411</u>
At 31 March 2019	<u>237,077</u>

### **12 Fixed asset investments**

	Notes	2020 £	2019 £
Investments in subsidiaries	13	<u>200</u>	<u>200</u>

#### **Movements in fixed asset investments**

	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 April 2019 & 31 March 2020	<u>200</u>
<b>Carrying amount</b>	
At 31 March 2020	<u>200</u>
At 31 March 2019	<u>200</u>

### **13 Subsidiaries**

Details of the company's subsidiaries at 31 March 2020 are as follows:



# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **13 Subsidiaries (Continued)**

<b>Name of undertaking</b>	<b>Incorporated</b>	<b>Class of shares held</b>	<b>% Held Direct</b>
Forkers Renewable Energy Ltd	England and Wales	Ordinary	100.00
Forkers Scotland Ltd	Scotland	Ordinary	100.00

The registered office for all the above subsidiaries is:  
Golds Green House, Shaw Street, West Bromwich, West Midlands, B70 0TX.

### **14 Stocks**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Work in progress	105,680	230,141
Finished goods and goods for resale	120,000	135,000
	<u>225,680</u>	<u>365,141</u>

### **15 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,080,883	1,478,185
Amounts recoverable on contracts	4,618,281	2,794,799
Amounts owed by group undertakings	5,000	492,749
Amounts owed by related parties	382,698	135,433
Other debtors	22,340	2,597
Prepayments and accrued income	473,305	572,717
	<u>7,582,507</u>	<u>5,476,480</u>

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	119,613	213,719
	<u>119,613</u>	<u>213,719</u>
<b>Total debtors</b>	<u>7,702,120</u>	<u>5,690,199</u>

# **FORKERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

### **16 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,647,268	1,832,967
Amounts received on account	975,988	124,362
Amounts due to group undertakings	184,766	-
Amounts due to related parties	680,860	552,652
Corporation tax	61,640	3,355
Other taxation and social security	562,656	295,329
Other creditors	28,469	22,014
Accruals and deferred income	1,227,640	1,009,194
	<u>7,369,287</u>	<u>3,839,873</u>

### **17 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Accelerated allowances	24,517	29,813
Retirement benefit obligations	(3,413)	-
	<u>21,104</u>	<u>29,813</u>
	<u><u>21,104</u></u>	<u><u>29,813</u></u>
<b>Movements in the year:</b>		<b>2020</b>
		<b>£</b>
Liability at 1 April 2019		29,813
Credit to profit or loss		(8,709)
		<u>21,104</u>
Liability at 31 March 2020		<u><u>21,104</u></u>

## **FORKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

#### **18 Retirement benefit schemes**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	204,897	208,331

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.

Pension contributions totalling £12,573 (2019: £17,965) were payable at the year end and are included in creditors.

#### **19 Share capital**

	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary of £1 each	2	2	2	2
Ordinary 'B' non voting of £1 each	5,000	5,000	5,000	5,000
	<u>5,002</u>	<u>5,002</u>	<u>5,002</u>	<u>5,002</u>

#### **20 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:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Within one year	32,580	-
Between two and five years	57,015	-
	<u>89,595</u>	<u>-</u>

#### **21 Directors' transactions**

Advances or credits have been granted by the company to its directors as follows:

During the year the company entered into the following transactions on an open market basis with the following directors:

Accountancy fees totalling £4,600 (2019: £4,600) in the year were charged by R K Thomas Limited a company of Chartered Accountants of which Mr R K Thomas is the sole director. At the year end £4,600 (2019: £nil) was outstanding to R K Thomas Limited.

## **FORKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2020**

#### **21 Directors' transactions**

**(Continued)**

Interest free loans have been granted by the company to its directors as follows:

Description	Opening balance £	Amounts advanced £	Closing balance £
Amounts due from directors	2,597	1,705	4,302

#### **22 Ultimate controlling party**

H R F Holdings Limited is regarded by the directors as being the company's ultimate parent company.

The company's ultimate controlling party is Mr P and Mrs B Forker by virtue of their ownership of 100% of the issued ordinary voting share capital in the parent company.

#### **23 Related party transactions**

##### **Transactions with related parties**

During the year the company entered into the following transactions on an open market basis with P Forker Plant Hire Limited, a company of which the directors Mr P Forker, Mrs B M Forker, Mrs H Boyle and Mrs R Curran are also directors and shareholders.

Description of transaction	Income		Payments	
	2020 £	2019 £	2020 £	2019 £
Hire, leasing and rents recharged	-	-	1,677,365	1,677,365
Management charges	133,350	133,350	103,956	103,956
Purchases and expenses recharged	386,924	386,924	323,905	323,905

During the year the company paid rent of £32,500 (2019: £32,500) to P Forker Plant Hire Limited Directors Retirement and Death Benefit Scheme of which the directors Mrs H Boyle and Mrs R Curran are members. During the year the charged P Forker Plant Hire Limited Directors Retirement and Death Benefit Scheme £230,554 (2019: £Nil) for works completed. At the year end a balance was due to the company of £276,665 (2019: £Nil).

Certain directors are also directors of Mini Piling and Drilling Limited which at 31 March 2020 owed the company £106,033 (2019: £135,433). An amount of £29,400 (2019: £30,000) was written off the balance during the year.

Exemption has been taken in accordance with FRS 102 section 33.1a 'Related Party Disclosures' not to disclose transactions with entities that are part of the group as the consolidated financial statements of the parent company at 31st March 2020 H R F Holdings Limited, are made publicly available.

## **FORKERS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2020***

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**23 Related party transactions** **(Continued)**

**Balances with related parties**

	<b>Amounts owed by related parties</b>		<b>Amounts owed to related parties</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
P Forker Plant Hire Limited	-	-	680,860	552,652
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

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.