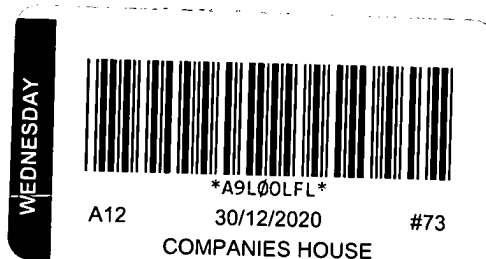


**F. J. BOOTH CONSTRUCTION LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2019**



**ArmstrongWatson<sup>®</sup>**  
Accountants, Business & Financial Advisers

**F. J. BOOTH CONSTRUCTION LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	S N Muir G Wright S P Agar
<b>Registered number</b>	05864341
<b>Registered office</b>	Victoria Court Rectory Lane Guisborough TS14 7GA
<b>Independent auditors</b>	Armstrong Watson Audit Limited Statutory Auditors and Chartered Accountants York House Northallerton North Yorkshire DL6 2XQ

## **F. J. BOOTH CONSTRUCTION LIMITED**

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**F. J. BOOTH CONSTRUCTION LIMITED**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**Introduction**

The directors present their strategic report for the period ended 31 December 2019.

**Business review**

The principal activity of the company for the period under review was that of building and construction.

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the period and the company's position at the period end.

Over recent years the company has grown its customer base within the construction industry and expanded into the aviation sector with a focus on sustainability and repeat business.

Following a company / group restructuring in 2018, the company enjoys a much more stable financial foothold. There is a continued focus to increase turnover and improve profitability which in turn affords an improved trade credit status for the company.

**Principal risks and uncertainties**

The business environment in which the company operates continues to be challenging. The construction industry in the UK is highly competitive and vulnerable to both economic downturn and fluctuating prices. There is also a possibility that the company could be adversely affected by instability and insolvencies among local businesses.

The company manages these risks through monthly valuation and invoicing, minimal retentions, and favourable payment terms. The company has also implemented policies that require appropriate credit checks to be carried out on corporate customers before sales are made.

The company has exposure to foreign currency exchange risk which it manages through forward fixing the commercial values of its projects, and holding foreign currency accounts.

Given the nature of these risks and uncertainties, the directors are aware that any plans for future development of the business may be subject to unforeseen future events outside their control.

**Financial key performance indicators**

The board has established certain key performance indicators (KPI's) which are important in monitoring the company's performance. The principal KPI's are continued and sustainable turnover and guaranteed minimal margin. However, as has been previously stated, the continued growth and development of the company is largely dependent on prevailing external factors, namely the volatile nature of the construction industry.

During the financial year to 31 December 2019, turnover has decreased to £6,079,880 from £9,055,078 in 2018. In addition, there is a further £224,749 recoverable on long-term contracts (2018: £122,482). The overall decrease in turnover is largely due to the current trading environment, which has been severely hampered by the economic uncertainty surrounding Brexit. At this moment in time, businesses are focusing on austerity and trying to implement cost-cutting measures where possible, which naturally means that there is less demand for large construction projects.

Although tendering activities remain high, the aforementioned factors have led to a reluctance to place orders for new works, which has contributed to the decrease in revenue.

The company has recognised a profit before taxation of £158,217 in the financial year to 31 December 2019, compared with a loss of £300,367 in 2018.

**F. J. BOOTH CONSTRUCTION LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

A handwritten signature in black ink, appearing to be 'S N Muir', written over a faint, horizontal oval-shaped line.

**S N Muir**

Director

Date: 13 October 2020

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £158,217 (2018 - £154,046).

#### **Directors**

The Directors who served during the year were:

S N Muir  
G Wright  
S P Agar

#### **Future developments**

During the final quarter of 2019, the Company was successful in securing a number of new projects which will run through 2020 and into 2021. Contracts at two major UK airports worth in excess of £6.5m and a commercial building worth £1m were underway in quarter one 2020. In addition to these existing contracts and new work the directors envisage a turnover for 2020 of circa £10m.

During the COVID-19 pandemic, there has been a curtailment in operations at various sites and as a consequence, since March 2020, action has been taken to minimize the operational and financial impact of the pandemic. In some cases the programme of work has been deferred to later in 2020 and beyond. This will adversely affect the original financial forecast for 2020.

The company is continually seeking new contract opportunities and considers itself in a strong position to gain new work once the pandemic has curtailed allowing a return to more normal times.

**F. J. BOOTH CONSTRUCTION LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Disclosure of information to auditors**

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

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

**Auditors**

The auditors, Armstrong Watson Audit Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**S N Muir**

Director

Date: 13 October 2020

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. J. BOOTH CONSTRUCTION LIMITED**

#### **Opinion**

We have audited the financial statements of F. J. Booth Construction Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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.

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. J. BOOTH CONSTRUCTION LIMITED (CONTINUED)**

We have nothing to report in this regard.

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

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

- the information given in the 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.

#### **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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. J. BOOTH CONSTRUCTION LIMITED (CONTINUED)**

#### **Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### **Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Simon Turner (Senior Statutory Auditor)  
for and on behalf of  
**Armstrong Watson Audit Limited**  
Statutory Auditors and Chartered Accountants  
Northallerton  
Date: 16 October 2020

**F. J. BOOTH CONSTRUCTION LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		6,079,880	9,055,078
Cost of sales		<u>(5,021,979)</u>	<u>(7,875,459)</u>
<b>Gross profit</b>		<b>1,057,901</b>	<b>1,179,619</b>
Administrative expenses		<u>(863,794)</u>	<u>(1,466,798)</u>
<b>Operating profit/(loss)</b>	4	<b>194,107</b>	<b>(287,179)</b>
Interest receivable and similar income		-	4
Interest payable and expenses		<u>(35,890)</u>	<u>(13,192)</u>
<b>Profit/(loss) before tax</b>		<b>158,217</b>	<b>(300,367)</b>
Tax on profit/(loss)	8	<u>-</u>	<u>146,321</u>
<b>Profit/(loss) for the financial year</b>		<u><b>158,217</b></u>	<u><b>(154,046)</b></u>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

**F. J. BOOTH CONSTRUCTION LIMITED**  
**REGISTERED NUMBER: 05864341**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	229,443	642,394
		<u>229,443</u>	<u>642,394</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	890,807	2,785,375
Cash at bank and in hand	12	444,722	1,816
		<u>1,335,529</u>	<u>2,787,191</u>
Creditors: amounts falling due within one year	13	(1,353,548)	(2,119,739)
<b>Net current (liabilities)/assets</b>		<u>(18,019)</u>	<u>667,452</u>
<b>Total assets less current liabilities</b>		<u>211,424</u>	<u>1,309,846</u>
Creditors: amounts falling due after more than one year	14	(58,416)	(71,376)
<b>Provisions for liabilities</b>			
Deferred tax	16	(36,314)	(29,993)
		<u>(36,314)</u>	<u>(29,993)</u>
<b>Net assets</b>		<u><u>116,694</u></u>	<u><u>1,208,477</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1,000	1,000
Profit and loss account		<u>115,694</u>	<u>1,207,477</u>
		<u><u>116,694</u></u>	<u><u>1,208,477</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



**S N Muir**  
Director

Date: 13 October 2020

The notes on pages 11 to 23 form part of these financial statements.

**F. J. BOOTH CONSTRUCTION LIMITED**

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

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2018</b>	1,000	1,424,023	1,425,023
<b>Comprehensive income for the year</b>			
Loss for the year	-	(154,046)	(154,046)
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	(154,046)	(154,046)
Dividends: Equity capital	-	(62,500)	(62,500)
<b>Total transactions with owners</b>	-	(62,500)	(62,500)
<b>At 1 January 2019</b>	1,000	1,207,477	1,208,477
<b>Comprehensive income for the year</b>			
Profit for the year	-	158,217	158,217
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	158,217	158,217
Dividends: Equity capital	-	(1,250,000)	(1,250,000)
<b>Total transactions with owners</b>	-	(1,250,000)	(1,250,000)
<b>At 31 December 2019</b>	1,000	115,694	116,694

The notes on pages 11 to 23 form part of these financial statements.

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **1. General information**

F J Booth Construction Limited is a private company limited by shares, incorporated in England with the registration number 05864341. Its registered office is Victoria Court, Rectory Lane, Guisborough, TS17 7GA. Its principal activity for the year ended 31 December 2019 was building and construction.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

##### **2.2 Going concern**

In common with construction businesses across the country, the measures announced by the UK government in March 2020 in response to Covid-19 have had a material impact on the company's post year end trading performance.

Notwithstanding that fact, the directors have taken measures to address this performance including altering the operating cost base of the business. Whilst leaner the business has a strong pipeline and has received positive confirmations from key customers that legacy projects will be re-commence in the coming months. Whilst these assumptions show cash headroom the directors have taken a prudent approach projected a discounted potential income and inflating potential cost outflows. Even with those sensitivities the company remains within its available facility.

In the opinion of the directors, and after consideration of all available facts, this information provides assurance that the company has sufficient available cash to continue to meet its liabilities as they fall due. On this basis, and after consideration of all other factors, the directors continue to adopt the going concern basis in preparing the financial statements.

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.3 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### **2.4 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for construction 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 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.

##### **2.5 Construction contracts**

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

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

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

**F. J. BOOTH CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**2. Accounting policies (continued)**

**2.6 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

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

**2.7 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.8 Finance costs**

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

**2.9 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.10 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

##### **2.11 Tangible fixed assets**

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

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

Depreciation is provided on the following basis:

Freehold property	-	4% on cost
Plant and machinery	-	20% on cost and reducing balance
Motor vehicles	-	25% on cost
Office equipment	-	25% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### **2.12 Debtors**

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

## **F. J. BOOTH CONSTRUCTION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

#### **2. Accounting policies (continued)**

##### **2.13 Cash and cash equivalents**

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

##### **2.14 Creditors**

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

##### **2.15 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### **2.16 Dividends**

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

## F. J. BOOTH CONSTRUCTION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (a) Revenue recognition & Amounts Recoverable on Long Term Contracts

The company recognises income on a stage of completion basis. Amounts Recoverable on Long Term Contracts is calculated on an input basis where the margins are consistent throughout the project with revenue matching costs incurred at each stage. Judgement is used when calculating Amounts Recoverable on Long Term Contracts and estimating the stage of completion of each project. These estimates have not been impacted by COVID 19 at this balance sheet date.

##### (b) Providing for doubtful debts

The company makes an estimate of the recoverable value of trade and other debtors. The company uses estimates based on historical experience in determining the level of debts, which the company believes, will not be collected. These estimates include such factors as the credit rating of the debtor, the ageing profile of debtors and historical experience. Any significant change in the level of customers that default on payments or other significant improvements that resulted in a change in the level of bad debt provision would have an impact on the operating results. The level of provision required is reviewed on an on-going basis. These estimates have not been impacted by COVID 19 at this balance sheet date.

#### 4. Operating profit/(loss)

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

	2019 £	2018 £
Exchange differences	2,770	22,569
Other operating lease rentals	82,841	53,989
	<u>82,841</u>	<u>53,989</u>

#### 5. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,250	9,250
	<u>9,250</u>	<u>9,250</u>

# **F. J. BOOTH CONSTRUCTION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

### **6. Employees**

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

	<b>2019 No.</b>	<b>2018 No.</b>
Staff	<u>52</u>	<u>78</u>

### **7. Directors' remuneration**

	<b>2019 £</b>	<b>2018 £</b>
Directors' emoluments	<u>109,019</u>	<u>123,386</u>
	<u><b>109,019</b></u>	<u><b>123,386</b></u>

There are no key management personnel other than the directors.

### **8. Taxation**

	<b>2019 £</b>	<b>2018 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<u>-</u>	<u>(140,000)</u>
	<u>-</u>	<u>(140,000)</u>
<b>Total current tax</b>	<u><b>-</b></u>	<u><b>(140,000)</b></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>-</u>	<u>(6,321)</u>
<b>Total deferred tax</b>	<u><b>-</b></u>	<u><b>(6,321)</b></u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><b>-</b></u>	<u><b>(146,321)</b></u>

# F. J. BOOTH CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>158,217</u>	<u>(300,367)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	30,061	(57,070)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	6,113
Capital allowances for year in excess of depreciation	18,685	45,921
Utilisation of tax losses	(10,756)	6,061
R & D repayment	(35,512)	(141,025)
Movement in deferred tax	-	(6,321)
Changes in provisions leading to an increase (decrease) in the tax charge	(2,478)	-
<b>Total tax (credit)/charge for the period/year</b>	<u>-</u>	<u>(146,321)</u>

### 9. Dividends

	2019 £	2018 £
Paid during the year - dividends on ordinary shares	<u>1,250,000</u>	<u>62,500</u>
	<u>1,250,000</u>	<u>62,500</u>

On 23 January 2019 the company was subject to a group reconstruction which saw its 85% ownership transfer from S Muir to SNM Holdings Limited.

**F. J. BOOTH CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**10. Tangible fixed assets**

	Freehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2019	750,485	291,025	133,485	120,444	1,295,439
Additions	-	51,275	-	1,941	53,216
Transfers intra group	(644,770)	-	-	-	(644,770)
At 31 December 2019	105,715	342,300	133,485	122,385	703,885
<b>Depreciation</b>					
At 1 January 2019	337,057	204,586	45,368	66,034	653,045
Charge for the year on owned assets	5,286	53,143	29,624	21,138	109,191
Charge for the year on financed assets	-	6,975	-	-	6,975
Transfers intra group	(294,771)	-	-	-	(294,771)
At 31 December 2019	47,572	264,704	74,992	87,172	474,440
<b>Net book value</b>					
At 31 December 2019	58,143	77,596	58,493	35,213	229,445
At 31 December 2018	413,428	86,439	88,117	54,410	642,394

During the year, the freehold property was transferred to SNM Holdings Limited, the ultimate parent company. Accounts for this company can be obtained from Companies House. There was no gain or loss on this transaction.

**F. J. BOOTH CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**11. Debtors**

	2019 £	2018 £
Trade debtors	306,972	1,178,763
Amounts owed from group undertakings	203,801	-
Other debtors	72,157	1,400,298
Prepayments and accrued income	83,128	83,832
Amounts recoverable on long term contracts	224,749	122,482
	<u>890,807</u>	<u>2,785,375</u>

**12. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	444,720	1,815
Less: bank overdrafts	-	(115,143)
	<u>444,720</u>	<u>(113,328)</u>

**13. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank overdrafts	-	115,143
Payments received on account	-	350,533
Trade creditors	797,004	963,397
Other taxation and social security	400,030	459,239
Obligations under finance lease and hire purchase contracts	18,196	45,751
Other creditors	42,908	44,260
Accruals and deferred income	95,410	141,416
	<u>1,353,548</u>	<u>2,119,739</u>

**14. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	58,416	71,376
	<u>58,416</u>	<u>71,376</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

**F. J. BOOTH CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**15. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	18,196	45,751
Between 1-5 years	58,416	71,376
	<u>76,612</u>	<u>117,127</u>

**16. Deferred taxation**

	2019 £
At beginning of year	(29,993)
Charged to profit or loss	(6,321)
<b>At end of year</b>	<u><b>(36,314)</b></u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(36,314)	(29,993)
	<u>(36,314)</u>	<u>(29,993)</u>

# F. J. BOOTH CONSTRUCTION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 17. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,000 (2018 - 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 18. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund. Contributions totalling £8,395 (2018 - £6,926) were payable to the fund at the balance sheet date.

### 19. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	6,080	27,729
Later than 1 year and not later than 5 years	<u>37,737</u>	<u>25,064</u>
	<u>43,817</u>	<u>52,793</u>

### 20. Transactions with directors

During the year the company entered into transactions with the following directors and the following balances remain at the year end:

- S Muir Debtor £31,398
- S Agar Debtor £17,329
- G Wright Creditor £8,663

### 21. Related party transactions

During the year the company entered into transactions with companies that have common ownership, director or related family connections. Details of these transactions are as follows:

Amounts owed from Shaun Muir Racing Limited £77,002.

Amounts owed from Shaun Muir Leisure Limited £4,268.

Amounts owed from SNM Holdings Limited £122,128.

**F. J. BOOTH CONSTRUCTION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**22. Post balance sheet events**

The preparation of these financial statements does not include any adjustments that may be required as a consequence of the COVID-19 pandemic outbreak during March 2020. At the date of signing of the financial statements, the consequences of COVID-19 on the company and the financial statements are subject to a high level of estimation uncertainty and these financial statements therefore do not include any such adjustment.

**23. Controlling party**

The ultimate controlling party is S N Muir by virtue of his shareholding in SNM Holdings Limited.

On 23 January 2019 SNM Holdings Limited purchased 85% of the share capital of the company.

# F. J. BOOTH CONSTRUCTION LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover		6,079,880	9,055,078
Cost Of Sales		(5,021,979)	(7,875,458)
<b>Gross profit</b>		<b>1,057,901</b>	<b>1,179,620</b>
<b>Gross profit %</b>		<b>17.4 %</b>	<b>13.0 %</b>
<b>Less: overheads</b>			
Administration expenses		(863,794)	(1,466,800)
<b>Operating profit/(loss)</b>		<b>194,107</b>	<b>(287,180)</b>
Interest receivable		-	4
Interest payable		(35,890)	(13,191)
Tax on profit/(loss) on ordinary activities		-	146,321
<b>Profit/(Loss) for the year</b>		<b>158,217</b>	<b>(154,046)</b>

**F. J. BOOTH CONSTRUCTION LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Turnover</b>		
Sales	6,079,880	9,055,078
	<u>6,079,880</u>	<u>9,055,078</u>
	2019 £	2018 £
<b>Cost of sales</b>		
Purchases - raw materials	1,179,888	1,642,731
Wages and salaries	2,182,269	3,460,900
National insurance	171,296	299,873
CoS staff pens costs - defined contribution scheme	23,069	22,656
Directors' remuneration	96,346	107,631
Subcontract labour	873,871	1,289,807
Hire of plant and equipment	196,280	609,200
Depreciation of plant and equipment	60,118	65,631
Haulage	91,480	139,995
Tools and consumables	114,173	182,629
Travel expenses	33,189	54,405
	<u>5,021,979</u>	<u>7,875,458</u>

**F. J. BOOTH CONSTRUCTION LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
<b>Administration expenses</b>		
Directors national insurance	534	721
Directors salaries	12,673	15,755
Staff salaries	172,359	310,001
Staff private health insurance	1,656	4,189
Staff national insurance	50,554	78,614
Staff pension costs - defined contribution schemes	8,309	6,165
Staff training	2,483	60,919
Motor running costs	26,431	4,797
Motor vehicle leasing (operational)	35,897	53,989
Printing and stationery	8,810	17,664
Postage	892	884
Telephone and fax	17,240	29,304
Computer costs	21,664	31,311
General office expenses	6,021	(3,395)
Advertising and promotion	21,692	62,426
Trade subscriptions	24,586	22,711
Charity donations	-	405
Legal and professional	34,508	44,469
Auditors' remuneration	9,250	9,250
Accountancy fees	40,422	22,393
Equipment hire	11,924	27,098
Bank charges	6,187	12,110
Bad debts	-	(2)
Difference on foreign exchange	2,770	22,569
Sundry expenses	(92)	-
Rent - operating leases	46,944	-
Rates	24,657	29,700
Water	1,515	1,901
Light and heat	18,473	18,426
Cleaning	2,139	2,524
Insurances	99,826	163,783
Repairs and maintenance	33,342	32,678
Sundry establishment expenses	2,247	2,141
Depreciation - plant and machinery	28,761	64,276
Depreciation - motor vehicles	29,624	24,045
Profit/loss on sale of tangible assets	856	1,043
Deficit on revaluation of tangible fixed assets	-	190,349
Protective clothing	12,147	35,908
Fuel and oil	46,493	66,539
Apprenticeship levy	-	(860)
	<u>863,794</u>	<u>1,466,800</u>

**F. J. BOOTH CONSTRUCTION LIMITED**

**SCHEDULE TO THE DETAILED ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019 £</b>	<b>2018 £</b>
<b>Interest receivable</b>		
Other interest receivable	-	4
	<u>-</u>	<u>4</u>
	<u><u>-</u></u>	<u><u>4</u></u>
	<b>2019 £</b>	<b>2018 £</b>
<b>Interest payable</b>		
Bank loan interest payable	-	5,541
Other loan interest payable	29,982	490
Hire purchase interest payable	5,908	7,160
	<u>35,890</u>	<u>13,191</u>
	<u><u>35,890</u></u>	<u><u>13,191</u></u>