

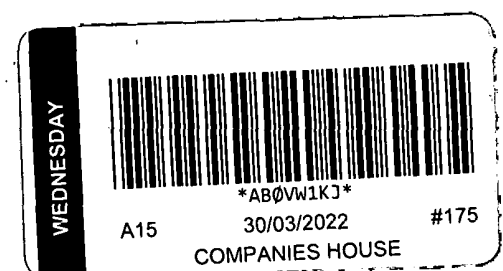
Registrar

Company registration number: 2420211

Fahey's Concrete Limited

Financial statements

30 June 2021



Fahey's Concrete Limited

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Fahey's Concrete Limited

Directors and other information

Directors	Mr K J Fahey Mrs S M Fahey Mr N Fahey
Secretary	S M Fahey
Company number	2420211
Registered office	Penince Par Cornwall PL24 5SH
Auditor	Franklins Accountants Ltd Astor House 2 Alexandra Road Mutley Plain Plymouth UK
Bankers	Lloyds TSB St Austell

Fahey's Concrete Limited

Strategic report Year ended 30 June 2021

Strategic report

The directors present their strategic report for Fahey's Concrete Ltd for the year ending 30th June 2021.

Principal activity

The company has two main activities;

- 1/ the sale of ready mix concrete from their three batching plants, two in Cornwall and one in mid Devon
- 2/ the quarrying and sale of aggregates and stone from their quarries

The main product line continues to be ready mix concrete which accounts for 90% of this gross turnover.

Fair review of the business

The ongoing Covid-19 pandemic has not had any material adverse financial impact this year.

There has been continuing steady demand from the construction sector.

The profitability of ready mix still remains good and the company has a very strong position in the market. Over a number of years Fahey's has built significant competitive advantage over other local operators. The company's gross profit percentage has this year increased from 26.1% (when adjusted for CJRS) to 30%.

The company continues to invest in the extraction of stone and aggregates from the quarries at Cansford and Okehampton but at a slower rate. The directors still see the quarries as a long-term company asset complementing the core business of ready mix and investments for the future.

Fahey's Concrete has always placed high importance on the quality assurance requirement for concrete and have developed a very good quality product which is highly regarded. It continues to comply with all of the required British quality standards. This has given them good relationships with both customers and suppliers.

Overall financial performance continues to be very good. Net profit before tax has increased to £2.3m (2021) from £1.13m (2020) due to the increase in sales and gross profit margin plus overheads remaining fairly consistent. Once again this year there has been significant investment in plant and machinery and vehicles. The continued profitability allows Fahey's to operate and invest in plant and equipment without any requirement for bank finance.

Their joint venture West Country Cement Ltd (WCC) has now been trading for 5 years and is now performing well. This has allowed for loan repayments to continue being paid to Fahey's.

A major motivation for the creation of WCC was to take control of the key input to the ready mix. This control has reduced the risk of either a lack of available cement or an unexpected increase in supplier prices and so has worked out well and as planned.

The directors are very aware that they operate in a dangerous and regulated sector and dedicate a large amount of time and money towards the regulatory requirements of their operation. They employ external experts for health and safety and planning to ensure they meet all the current requirements.

The company's directors and shareholders are confident that the business will continue to trade profitably for many years. The continued Covid-19 restrictions are not causing material operational issues or having a detrimental impact on the financial performance.

The balance sheet continues to be very strong.

Fahey's Concrete Limited

Strategic report (continued) Year ended 30 June 2021

Financial performance

Gross turnover has increased to £14m from £11.2m, a 25% increase

Gross profit increased from £2.85m to £4.2m, a 47% increase.

Gross Profit percentage has increased from 25.4% (26.1% after CJRS adjustment) to 30%.

Net profit has risen from £1.128m to £2.283m following an increase in turnover, gross profit margins and fairly consistent overheads.

Retained profit increased from £15.39m to £17.26m.

Principal risks and uncertainties

The main risk affecting the company centres on the variety of laws and regulations they operate under. The directors are very aware of this and use external experts to advise on all aspects of their activity. Safety features such as CCTV in the lorries is an example of how the directors approach the health and safety regulations.

The company has no borrowing and large cash deposits and therefore no credit risk. This provides comfort in covering any poor trading years and still being able to keep their employees.

The company has a very good reputation in Cornwall and Devon and has a large share of the market and due to their history and reputation has little competitive risk although the directors are aware that they need to continue to offer a good product at a competitive price. With this mind set and the fact they provide a product that will always be in high demand they have confidence regarding the future of the company. They have made no long term decisions that cause concern for any negative consequences.

This report was approved by the board of directors on 29 March 2022 and signed on behalf of the board by:



Mr N Fahey
Director

Fahey's Concrete Limited

Directors report Year ended 30 June 2021

The directors present their report and the financial statements of the company for the year ended 30 June 2021.

Directors

The directors who served the company during the year were as follows:

Mr K J Fahey
Mrs S M Fahey
Mr N Fahey

Dividends

The directors do not recommend the payment of a dividend.

Future developments

West Country Cement Ltd is now operating at a profit. No new major business development plans are expected.

Both companies who have invested in West Country Cement remain to see it as a long term opportunity to remove the dominant nature of their previous cement supplier. In the medium to long term it will add significant value to their current concrete business which is starting to show.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are only conducted in sterling. The company does not enter into any hedging transactions.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 24 to the financial statements.

Disclosure of information in the strategic report.

Specific risks are set out in the Strategic Report.

Directors report (continued)
Year ended 30 June 2021

Directors responsibilities statement

The directors are responsible for preparing the strategic report, directors report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 29 March 2022 and signed on behalf of the board by:



Mr N Fahey
Director

Fahey's Concrete Limited

Independent auditor's report to the members of Fahey's Concrete Limited Year ended 30 June 2021

Opinion

We have audited the financial statements of Fahey's Concrete Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of income and retained profits, Balance sheet, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

Fahey's Concrete Limited

Independent auditor's report to the members of Fahey's Concrete Limited (continued) Year ended 30 June 2021

Opinions 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 has 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 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 the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Fahey's Concrete Limited

Independent auditor's report to the members of Fahey's Concrete Limited (continued) Year ended 30 June 2021

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with the director and other management, and from our knowledge of the industry Faheys operates in.
- We focused on specific laws and regulations relevant to the entity that may have a material impact on the financial statements including the Companies Act 2006, taxation legislation and data protection.
- We assessed the extent of compliance with the above legislation through discussions with management and review of specific correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur by:

- Making enquires of management as to where they considered there was a susceptibility to fraud, the knowledge of actual or suspected or alleged fraud
- Considering the internal controls in place to reduce the risk of fraud or non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed preliminary analytical procedures to identify any unusual or unexpected relationships.
- Tested journal entries to identify unusual transactions
- Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation.
- Enquiring of management as to actual or potential litigation and claims.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

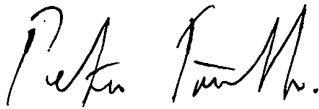
Fahey's Concrete Limited

**Independent auditor's report to the members of
Fahey's Concrete Limited (continued)
Year ended 30 June 2021**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Peter Franklin (Senior Statutory Auditor)

For and on behalf of
Franklins Accountants Ltd
Chartered Accountants and Statutory Auditors
Astor House
2 Alexandra Road
Mutley Plain
Plymouth UK

29 March 2022

Fahey's Concrete Limited

Statement of income and retained profits
Year ended 30 June 2021

	Note	2021 £	2020 £
Turnover	4	14,031,020	11,242,333
Cost of sales		(9,824,089)	(8,383,608)
Gross profit		4,206,931	2,858,725
Distribution costs		(5,141)	(4,860)
Administrative expenses		(1,984,704)	(1,908,537)
Other operating income	5	40,581	108,779
Operating profit	6	2,257,667	1,054,107
Other interest receivable and similar income	9	11,600	76,985
Interest payable and similar expenses	10	-	(2,626)
Profit before taxation		2,269,267	1,128,466
Tax on profit	11	(406,472)	(215,022)
Profit for the financial year and total comprehensive income		<u>1,862,795</u>	<u>913,444</u>
Retained earnings at the start of the year		15,388,450	14,475,006
Retained earnings at the end of the year		<u>17,251,245</u>	<u>15,388,450</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

Fahey's Concrete Limited

Balance sheet 30 June 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	12	4,418,750		3,873,204	
Investments	13	150		150	
		<u>4,418,900</u>		<u>3,873,354</u>	
Current assets					
Stocks	14	187,123		148,955	
Debtors	15	4,880,552		4,800,590	
Cash at bank and in hand		10,265,295		8,501,388	
		<u>15,332,970</u>		<u>13,450,933</u>	
Creditors: amounts falling due within one year	16	(1,984,385)		(1,601,744)	
Net current assets		<u>13,348,585</u>		<u>11,849,189</u>	
Total assets less current liabilities		<u>17,767,485</u>		<u>15,722,543</u>	
Provisions for liabilities	17	(516,140)		(333,993)	
Net assets		<u><u>17,251,345</u></u>		<u><u>15,388,550</u></u>	
Capital and reserves					
Called up share capital	21	100		100	
Profit and loss account	22	17,251,245		15,388,450	
Shareholders funds		<u><u>17,251,345</u></u>		<u><u>15,388,550</u></u>	

The notes on pages 14 to 26 form part of these financial statements.

Fahey's Concrete Limited

Balance sheet (continued)

30 June 2021

These financial statements were approved by the board of directors and authorised for issue on 29 March 2022, and are signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'N Fahey'.

Mr N Fahey
Director

Company registration number: 2420211

The notes on pages 14 to 26 form part of these financial statements.

Fahey's Concrete Limited

**Statement of cash flows
Year ended 30 June 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	1,862,795	913,444
<i>Adjustments for:</i>		
Depreciation of tangible assets	984,939	793,613
Government grant income	(10,411)	(78,913)
Other interest receivable and similar income	(11,600)	(76,985)
Interest payable and similar expenses	-	2,626
Gain/(loss) on disposal of tangible assets	(11,116)	2,308
Tax on profit	406,472	215,022
Accrued expenses/(income)	18,092	(15,854)
<i>Changes in:</i>		
Stocks	(38,168)	121,412
Trade and other debtors	(79,962)	749,175
Trade and other creditors	257,484	151,560
Cash generated from operations	3,378,525	2,777,408
Interest paid	-	(2,626)
Interest received	11,600	76,985
Tax paid	(117,875)	(277,575)
Net cash from operating activities	<u>3,272,250</u>	<u>2,574,192</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,533,619)	(1,637,041)
Proceeds from sale of tangible assets	14,250	9,289
Net cash used in investing activities	<u>(1,519,369)</u>	<u>(1,627,752)</u>
Cash flows from financing activities		
Proceeds from borrowings	615	(50)
Government grant income	10,411	78,913
Net cash from financing activities	<u>11,026</u>	<u>78,863</u>
Net increase/(decrease) in cash and cash equivalents	1,763,907	1,025,303
Cash and cash equivalents at beginning of year	8,501,388	7,476,085
Cash and cash equivalents at end of year	<u>10,265,295</u>	<u>8,501,388</u>

Fahey's Concrete Limited

Notes to the financial statements Year ended 30 June 2021

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Fahey's Concrete Limited, Penince, Par, Cornwall, PL24 5SH.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have examined the adverse effects of the Covid 19 pandemic and the affect that this is expected to have on the company. These are detailed in the strategic report. The directors are confident that the company will continue to trade for a period of at least 12 months from approval and therefore these financial statements have been prepared on the going concern basis.

Fahey's Concrete Limited

Notes to the financial statements (continued) Year ended 30 June 2021

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies (note 3), management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered relevant. The actual result may differ from these estimates.

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

The critical judgements made by management that have a significant effect on the amounts recognised in the financial statements are described below.

Sources of estimation uncertainty

Valuation of mixed used land

As per note 12 two pieces of mixed-use land which house concrete batching plants, offices, material storage along with areas of mineral reserves for the quarrying operation are not depreciated. These are held at historic cost. Management are of the opinion that these pieces of land are worth more than their historic cost. Uncertainty is present as they have not been formally valued by a Chartered Surveyor.

Valuation of investment property

The last valuation was carried out by the management based on the 2018 rent review and feel this is still reasonable. The tenant has a long lease on the property with a market rent. The valuation is based on the rental return and other local experience with similar properties. The valuation has not been carried out by a Chartered Surveyor which increases the uncertainty.

Useful economic lives of assets

The depreciation rates are set to account for the cost of the asset over its useful economic life. These rates are consistent and have historically been accurate. The management have huge experience in running the business and are confident that the UEL are realistic. The uncertainty in the area revolves around technology obsolescence along with unusually high wear and tear, both of which are highly unlikely.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Fahey's Concrete Limited

Notes to the financial statements (continued) **Year ended 30 June 2021**

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 15%	reducing balance
Fittings fixtures and equipment	- 15%	reducing balance
Motor vehicles	- 25%	reducing balance
Freehold land	- 0%	
Leasehold land	- 5%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Investment property

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Fahey's Concrete Limited

Notes to the financial statements (continued) Year ended 30 June 2021

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three month or less.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Fahey's Concrete Limited

Notes to the financial statements (continued) **Year ended 30 June 2021**

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

Fahey's Concrete Limited

Notes to the financial statements (continued)
Year ended 30 June 2021

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	13,806,685	11,092,407
Rendering of services	224,335	149,926
	<u>14,031,020</u>	<u>11,242,333</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Rental income	30,170	29,866
Government grant income	10,411	78,913
	<u>40,581</u>	<u>108,779</u>

6. Operating profit

Operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible assets	984,939	793,613
(Gain)/loss on disposal of tangible assets	(11,116)	2,308
Impairment of trade debtors	3,139	6,092
Operating lease rentals	6,190	6,190
Fees payable for the audit of the financial statements	16,790	16,300
Non audit accountancy services	6,470	6,280
Tax compliance services	580	560
Tax advisory services	680	660
	<u>984,939</u>	<u>793,613</u>

Fahey's Concrete Limited

Notes to the financial statements (continued) Year ended 30 June 2021

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
Production staff	62	64
Administrative staff	6	6
	<u>68</u>	<u>70</u>

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	2,064,411	1,910,198
Social security costs	714,245	624,626
Other pension costs	60,010	48,185
	<u>2,838,666</u>	<u>2,583,009</u>

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	332,227	326,823
Company contributions to pension schemes in respect of qualifying services	3,153	3,153
	<u>335,380</u>	<u>329,976</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	Number	Number
Defined contribution plans	<u>3</u>	<u>3</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	110,550	110,400
Company contributions to pension plans in respect of qualifying services	3,153	3,153
	<u>113,703</u>	<u>113,553</u>

Fahey's Concrete Limited

Notes to the financial statements (continued)
Year ended 30 June 2021

9. Other interest receivable and similar income

	2021	2020
	£	£
Bank deposits	8,515	76,985
Other interest receivable and similar income	3,085	-
	<u>11,600</u>	<u>76,985</u>

10. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable and similar expenses	<u>-</u>	<u>2,626</u>

11. Tax on profit

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	<u>224,325</u>	<u>115,543</u>
Deferred tax:		
Origination and reversal of timing differences	<u>182,147</u>	<u>99,479</u>
Tax on profit	<u>406,472</u>	<u>215,022</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	<u>2,269,267</u>	<u>1,128,466</u>
Profit multiplied by rate of tax	431,161	214,409
Capital allowances for period in excess of depreciation	(210,250)	(99,353)
Disallowable expenses	3,414	487
Deferred tax movements	182,147	99,479
Tax on profit	<u>406,472</u>	<u>215,022</u>

Fahey's Concrete Limited

Notes to the financial statements (continued) Year ended 30 June 2021

12. Tangible assets

	Freehold and leasehold properties £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2020	1,297,985	2,219,096	129,314	7,342,221	10,988,616
Additions	-	250,190	12,284	1,271,145	1,533,619
Disposals	-	-	-	(61,500)	(61,500)
At 30 June 2021	<u>1,297,985</u>	<u>2,469,286</u>	<u>141,598</u>	<u>8,551,866</u>	<u>12,460,735</u>
Depreciation					
At 1 July 2020	284,426	1,332,529	90,396	5,408,061	7,115,412
Charge for the year	6,204	170,512	7,680	800,543	984,939
Disposals	-	-	-	(58,366)	(58,366)
At 30 June 2021	<u>290,630</u>	<u>1,503,041</u>	<u>98,076</u>	<u>6,150,238</u>	<u>8,041,985</u>
Carrying amount					
At 30 June 2021	<u>1,007,355</u>	<u>966,245</u>	<u>43,522</u>	<u>2,401,628</u>	<u>4,418,750</u>
At 30 June 2020	<u>1,013,559</u>	<u>886,567</u>	<u>38,918</u>	<u>1,934,160</u>	<u>3,873,204</u>

Included in freehold and leasehold properties are non depreciating land assets of £974,448.

Included in freehold and leasehold property are two pieces of mixed use land. These have both operational capacity and mineral reserves. These pieces of land are held at historic cost and not depreciated.

The directors are therefore of the opinion that the current value of these pieces of land exceed the historic cost. However, no professional valuations have been undertaken

No professional valuations of the quarries in use have been undertaken this year.

Investment property

Included within the above is investment property measured at fair value as follows:

	£
At 1 July 2020 and 30 June 2021	<u>411,218</u>

The company own one freehold investment property which was purchased in 2015. The property has a tenant with a long lease. Following a rent review, which increased the rent significantly the directors revalued the quarry in 2018. The revaluation was based on an expected market yield.

The directors are of the opinion that this represents the fair value and are confident the quarry is not materially misstated in the financial statements and that this value still stands.

Prior to purchase the quarry was valued by a professional valuer.

Fahey's Concrete Limited

Notes to the financial statements (continued) Year ended 30 June 2021

13. Investments

	Other loans	Total
	£	£
Cost		
At 1 July 2020 and 30 June 2021	150	150
Impairment		
At 1 July 2020 and 30 June 2021	-	-
Carrying amount		
At 30 June 2021	150	150
At 30 June 2020	150	150

These represent investments in two separate limited companies.

A 100% interest in A. H. White (St. Austell) Limited a dormant UK Ltd company. This is a historic investment and the dormant company has no assets or liabilities.

A 50% interest in West Country Cement Ltd a trading limited company. This is a joint venture company. Fahey's Concrete Ltd have loaned West Country Cement Ltd £3m at 30th June 2021. This loan is interest free and repayable on demand.

The accounts present information about the company as an individual undertaking not about the group.

Group accounts are not required as the investment is not a material trading subsidiary.

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
A. H. White (St. Austell) Limited	Penince Par Cornwall PL24 5SH	Ordinary	100
Participating interest			
West Country Cement Ltd	Glentor Ashburton Newton Abbot TQ13 7LF	Ordinary	50

Fahey's Concrete Limited

Notes to the financial statements (continued)
Year ended 30 June 2021

14. Stocks

	2021	2020
	£	£
Raw materials	<u>187,123</u>	<u>148,955</u>

15. Debtors

	2021	2020
	£	£
Trade debtors	1,618,364	1,353,162
Amounts owed by undertakings in which the company has a participating interest	3,000,000	3,300,000
Prepayments and accrued income	<u>262,188</u>	<u>147,428</u>
	<u>4,880,552</u>	<u>4,800,590</u>

16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	1,339,055	1,099,889
Accruals and deferred income	223,425	205,333
Corporation tax	123,763	17,313
Social security and other taxes	255,590	237,272
Director loan accounts	42,190	41,575
Other creditors	<u>362</u>	<u>362</u>
	<u>1,984,385</u>	<u>1,601,744</u>

17. Provisions

	Provisions - user defined	Deferred tax (note 18)	Total
	£	£	£
At 1 July 2020	109,664	224,329	333,993
Charges against provisions	<u>-</u>	<u>182,147</u>	<u>182,147</u>
At 30 June 2021	<u>109,664</u>	<u>406,476</u>	<u>516,140</u>

The main element of the other provision relates to an obligation to remove and treat wastage already produced as a result of the trade. By obligation this removal and treatment must take place on a regular basis.

Fahey's Concrete Limited

Notes to the financial statements (continued)
Year ended 30 June 2021

18. Deferred tax

The deferred tax included in the Balance sheet is as follows:

	2021	2020
	£	£
Included in provisions (note 17)	406,476	224,329
	<u> </u>	<u> </u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	406,476	224,329
	<u> </u>	<u> </u>

The provision is based on a corporation tax rate of 19% (2019 19%).

19. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £60,010 (2020: £48,185).

20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	10,411	78,913
	<u> </u>	<u> </u>

21. Called up share capital

Issued, called up and fully paid

	2021		2020
	No	£	No
	100	100	100
Ordinary shares shares of £ 1.00 each	<u>100</u>	<u>100</u>	<u>100</u>

22. Reserves

The profit and loss account is the only reserve and consists of retained earnings plus £75,000 of non-distributable reserves from the revaluation of the investment property as detailed in note 13.

Fahey's Concrete Limited

Notes to the financial statements (continued)
Year ended 30 June 2021

23. Analysis of changes in net debt

	At 1 July 2020	Cash flows	At 30 June 2021
	£	£	£
Cash and cash equivalents	8,501,388	1,763,907	10,265,295
Debt due within one year	(41,575)	(615)	(42,190)
	<u>8,459,813</u>	<u>1,763,292</u>	<u>10,223,105</u>

24. Events after the end of the reporting period

Since the year end government Covid 19 related restrictions have remained though are greatly reduced. During these restrictions the company has remained able to continue to trade as usual. There have been some continued immaterial additional costs related to customer and employee protection however these are relatively small and non-adjusting.

25. Directors advances, credits and guarantees

As at the year end the company owed Mr KJ and Mrs SM Fahey £42,190. This loan is interest free and repayable on demand.

26. Related party transactions

The company has recieved a loan from the directors detailed in note 25.

Details of West Country Cement Ltd a joint venture are given in note 13. During the year Fahey's Concrete purchased raw materials from WCC Ltd. These transactions were carried out at arms length and amounted to approximately £3.01 million net.

There are no other related party transactions to disclose.

27. Controlling party

The company is controlled by Mr KJ and Mrs SM Fahey (directors and shareholders) and Mr N Fahey (director).

28. General information

Fahey's Concrete Ltd is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Penince, Par, Cornwall, PL24 5SH