

Company Registration No. 07707155 (England and Wales)

CAREY LONDON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017



CAREY LONDON LIMITED

COMPANY INFORMATION

Directors	Mr M J Carey Mr E Cosgrove Mr D Hockley
Secretary	Mr E Cosgrove
Company number	07707155
Registered office	18 Silver Street Enfield Middlesex EN1 3EG
Auditor	McIntyre Irwin 18 Silver Street Enfield Middlesex EN1 3EG
Business address	Unit E1 The Courtyard Alban Park St Albans Hertfordshire AL4 0LA

CAREY LONDON LIMITED

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CAREY LONDON LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present the strategic report for the year ended 31 July 2017.

Fair review of the business

Turnover increased by 85% in the year with a significant increase in the gross profit margin. The increase in the margin arises, mainly, as a result of the significant investment in plant and machinery over the last few years. This has meant that the company has been able to handle the increased turnover without increasing the cost of hired in plant. The company is selective in the contracts it takes - only taking on work which will generate an acceptable profit margin.

Administration costs increased in the year. This was, mainly, attributable to increased rent costs in respect of a yard that was occupied during the year. However, it is expected that administration costs will remain at the current level for the foreseeable future.

As a result of the increased turnover and gross profit margin, profit before tax increased to £5,185,031 - 19.4% of turnover.

The company has a strong order book for the current year and the directors expect to main existing profitability levels.

The directors are pleased by the overall performance of the business.

Principal risks and uncertainties

The company is not significantly exposed to price risk.

Regarding liquidity risk, the company actively manages its cash flow to ensure that sufficient funds are available for operations and planned expansions. External finance is provided by the financing of assets over 2 - 3 years.

Interest rate risk is not considered to be significant in relation to funding requirements.

Regarding credit risk, exposure to individual clients is reviewed and, where necessary, appropriate checks are carried out.

Key performance indicators

The directors consider the key performance indicators for the company to be turnover and gross profit margin:

	2017	2016
Turnover	£26,731,451	£14,481,351
Gross profit margin	30.2%	18.2%

On behalf of the board



Mr M J Carey

Director

3 October 2017

CAREY LONDON LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the company is that of groundworks and reinforced concrete frame contracting.

Directors

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

Mr M J Carey
Mr E Cosgrove
Mr D Hockley

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £240,000. The directors do not recommend payment of a final dividend.

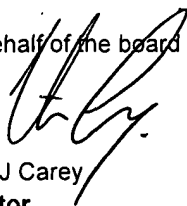
Auditor

In accordance with the company's articles, a resolution proposing that McIntyre Irwin be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr M J Carey
Director
3 October 2017

CAREY LONDON LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 JULY 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CAREY LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF CAREY LONDON LIMITED

We have audited the financial statements of Carey London Limited for the year ended 31 July 2017 set out on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

CAREY LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF CAREY LONDON LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


John McIntyre (Senior Statutory Auditor)
for and on behalf of McIntyre Irwin

Chartered Certified Accountants
Statutory Auditor

3 October 2017

18 Silver Street
Enfield
Middlesex
EN1 3EG

CAREY LONDON LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 JULY 2017

		2017	2016
	Notes	£	£
Turnover	3	26,731,451	14,481,351
Cost of sales		(18,662,502)	(11,851,610)
Gross profit		<u>8,068,949</u>	<u>2,629,741</u>
Administrative expenses		(2,840,397)	(1,675,035)
Operating profit	4	5,228,552	954,706
Interest receivable and similar income	7	2,846	38
Interest payable and similar expenses	8	(46,367)	(54,298)
Profit before taxation		<u>5,185,031</u>	<u>900,446</u>
Tax on profit	9	(976,161)	(187,065)
Profit for the financial year		<u>4,208,870</u>	<u>713,381</u>
Retained earnings brought forward		3,532,468	2,819,087
Dividends	10	(240,000)	-
Retained earnings carried forward		<u><u>7,501,338</u></u>	<u><u>3,532,468</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CAREY LONDON LIMITED

BALANCE SHEET

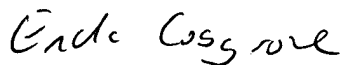
AS AT 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		3,265,812		2,346,292
Current assets					
Debtors	13	3,505,617		2,426,871	
Cash at bank and in hand		6,407,837		2,693,793	
		<u>9,913,454</u>		<u>5,120,664</u>	
Creditors: amounts falling due within one year	14	<u>(5,200,160)</u>		<u>(3,605,251)</u>	
Net current assets			<u>4,713,294</u>		<u>1,515,413</u>
Total assets less current liabilities			<u>7,979,106</u>		<u>3,861,705</u>
Creditors: amounts falling due after more than one year	15		(353,994)		(205,253)
Provisions for liabilities	18		<u>(122,774)</u>		<u>(122,984)</u>
Net assets			<u>7,502,338</u>		<u>3,533,468</u>
Capital and reserves					
Called up share capital	21		1,000		1,000
Profit and loss reserves			<u>7,501,338</u>		<u>3,532,468</u>
Total equity			<u>7,502,338</u>		<u>3,533,468</u>

The financial statements were approved by the board of directors and authorised for issue on 3 October 2017 and are signed on its behalf by:



Mr M J Carey
Director



Mr E Cosgrove
Director

Company Registration No. 07707155

CAREY LONDON LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24	6,213,227		2,336,765	
Interest paid		(46,367)		(54,298)	
Income taxes paid		(604,593)		(136,053)	
Net cash inflow from operating activities		5,562,267		2,146,414	
Investing activities					
Purchase of tangible fixed assets		(2,351,504)		(778,229)	
Proceeds on disposal of tangible fixed assets		707,789		343,600	
Interest received		2,846		38	
Net cash used in investing activities		(1,640,869)		(434,591)	
Financing activities					
Repayment of bank loans		(91,667)		(100,000)	
Payment of finance leases obligations		129,179		(446,619)	
Dividends paid		(240,000)		-	
Net cash used in financing activities		(202,488)		(546,619)	
Net increase in cash and cash equivalents		3,718,910		1,165,204	
Cash and cash equivalents at beginning of year		2,680,646		1,515,442	
Cash and cash equivalents at end of year		6,399,556		2,680,646	
Relating to:					
Cash at bank and in hand		6,407,837		2,693,793	
Bank overdrafts included in creditors payable within one year		(8,281)		(13,147)	

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Carey London Limited is a private company limited by shares incorporated in England and Wales. The registered office is 18 Silver Street, Enfield, Middlesex, EN1 3EG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Turnover

Turnover primarily represents construction work carried out in the year, and is shown net of VAT and other sales related taxes.

1.4 Tangible fixed assets

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

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

Plant and machinery	25% on the reducing balance
Fixtures, fittings & equipment	25%/10% on the reducing balance
Motor vehicles	25% on the reducing balance

1.5 Impairment of fixed assets

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

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

1.6 Construction contracts

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

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

Where the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as expenses in the period in which they are incurred and contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable.

1.7 Cash at bank and in hand

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

1.8 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

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

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

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.9 Equity instruments

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

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

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

Current tax

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

Deferred tax

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

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

1.12 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies (Continued)

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Groundworks and reinforced concrete frame contracting	26,731,451	14,481,351

	2017 £	2016 £
Other significant revenue		
Interest income	2,846	38

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	7,000
Depreciation of owned tangible fixed assets	747,356	685,454
Profit on disposal of tangible fixed assets	(23,161)	(15,360)

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

5 Employees

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

	2017 Number	2016 Number
Administrative	4	4

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	447,548	367,266
Social security costs	61,116	51,009
Pension costs	73	-
	<u>508,737</u>	<u>418,275</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	399,679	328,138

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

	2017 £	2016 £
Remuneration for qualifying services	167,947	140,000

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	2,846	38

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	2,846	38
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CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

8 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	7,911	7,911
Interest on finance leases and hire purchase contracts	38,456	46,387
	<u>46,367</u>	<u>54,298</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	976,371	184,593
	<u>976,371</u>	<u>184,593</u>
Deferred tax		
Origination and reversal of timing differences	(210)	2,472
	<u>(210)</u>	<u>2,472</u>
Total tax charge	<u>976,161</u>	<u>187,065</u>

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

	2017 £	2016 £
Profit before taxation	5,185,031	900,446
	<u>5,185,031</u>	<u>900,446</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.67% (2016: 20.00%)	1,019,896	180,089
Tax effect of expenses that are not deductible in determining taxable profit	63,591	6,976
Tax effect of income not taxable in determining taxable profit	(101,177)	-
Permanent capital allowances in excess of depreciation	(6,149)	-
	<u>976,161</u>	<u>187,065</u>

10 Dividends

	2017 £	2016 £
Interim paid	240,000	-
	<u>240,000</u>	<u>-</u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 August 2016	3,667,612	90,130	163,486	3,921,228
Additions	2,228,494	-	123,010	2,351,504
Disposals	(747,097)	-	(126,156)	(873,253)
At 31 July 2017	5,149,009	90,130	160,340	5,399,479
Depreciation and impairment				
At 1 August 2016	1,488,946	35,497	50,493	1,574,936
Depreciation charged in the year	696,400	13,658	37,298	747,356
Eliminated in respect of disposals	(149,279)	-	(39,346)	(188,625)
At 31 July 2017	2,036,067	49,155	48,445	2,133,667
Carrying amount				
At 31 July 2017	3,112,942	40,975	111,895	3,265,812
At 31 July 2016	2,178,666	54,633	112,993	2,346,292

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,879,990	742,386
Carrying amount of financial liabilities		
Measured at amortised cost	5,030,058	3,554,461

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	1,200,337	586,713
Gross amounts due from contract customers	1,538,805	1,608,257
Other debtors	700,385	155,673
Prepayments and accrued income	66,090	76,228
	3,505,617	2,426,871

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

14 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	16	8,281	104,814
Obligations under finance leases	17	452,765	472,327
Trade creditors		2,300,286	1,563,604
Corporation tax		506,371	134,593
Other taxation and social security		17,725	121,450
Other creditors		692,234	275,973
Accruals and deferred income		1,222,498	932,490
		<u>5,200,160</u>	<u>3,605,251</u>

15 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Obligations under finance leases	17	<u>353,994</u>	<u>205,253</u>

16 Loans and overdrafts

	2017 £	2016 £
Bank loans	-	91,667
Bank overdrafts	8,281	13,147
	<u>8,281</u>	<u>104,814</u>
Payable within one year	<u>8,281</u>	<u>104,814</u>

17 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	428,951	505,453
In two to five years	411,597	219,589
	<u>840,548</u>	<u>725,042</u>
Less: future finance charges	(33,789)	(47,462)
	<u>806,759</u>	<u>677,580</u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

17 Finance lease obligations (Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	19	122,774	122,984

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	122,774	122,984
Movements in the year:		2017 £
Liability at 1 August 2016		122,984
Credit to profit or loss		(210)
Liability at 31 July 2017		122,774

20 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	73	-

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

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

21 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchase of goods			
	2017 £	2016 £	2017 £	2016 £
Other related parties	620,000	60,000		
	<u>620,000</u>	<u>60,000</u>		
	Services received		Property rental	
	2017 £	2016 £	2017 £	2016 £
Other related parties	220,000	-	400,000	60,000
	<u>220,000</u>	<u>-</u>	<u>400,000</u>	<u>60,000</u>

The parties are related as there are common directors/shareholders.

23 Directors' transactions

Dividends totalling £240,000 (2016 - £0) were paid in the year in respect of shares held by the company's directors.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

24 Cash generated from operations

	2017	2016
	£	£
Profit for the year after tax	4,208,870	713,381
Adjustments for:		
Taxation charged	976,161	187,065
Finance costs	46,367	54,298
Investment income	(2,846)	(38)
Gain on disposal of tangible fixed assets	(23,161)	(15,360)
Depreciation and impairment of tangible fixed assets	747,356	685,454
Movements in working capital:		
(Increase) in debtors	(1,058,014)	(177,935)
Increase in creditors	1,318,494	889,900
Cash generated from operations	<u>6,213,227</u>	<u>2,336,765</u>