

Company Registration No. 07707155 (England and Wales)

CAREY LONDON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

Riordan O'Sullivan & Co
Chartered Certified Accountants & Statutory Auditors
40 Chamberlayne Road
London
NW10 3JE

CAREY LONDON LIMITED

COMPANY INFORMATION

Directors	M Carey E Cosgrove D Hockley E Carty
Secretary	E Cosgrove
Company number	07707155
Registered office	Unit E1 The Courtyard Alban Park St. Albans AL4 0LA
Auditors	Riordan O'Sullivan & Co Chartered Certified Accountants & Statutory Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Svenska Handelsbanken AB (publ) Thomas More Square 3 Thomas More Street St Katherine's & Wapping London E1W 1WY Allied Irish Bank (GB) 202 Finchley Rd London NW3 6BX

CAREY LONDON LIMITED

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CAREY LONDON LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018

The directors present the strategic report for the year ended 31 July 2018.

Headline facts and key performance indicators

The key financial highlights of the company for the last four years are as follows:

		2018	2017	2016	2015
		£	£	£	£
Turnover	£'000	34,839	26,731	14,481	13,210
Profit before tax	£'000	3,996	5,185	900	1,127
Profit margin	(%)	11.47%	19.40%	6.22%	8.53%
Balance sheet strength	£'000	11,022	7,502	3,533	2,820

Fair review of the business and future prospects

The company had a successful year achieving profits of £4.0 million before tax on turnover of £34.8 million as against profits of £5.2 million before tax from turnover of £26.7 million the year before and our balance sheet strengthened to £11.0 million from £7.5 million.

Pricing remained challenging in a competitive market and costs continue to rise especially so in tradesmen's wages and raw material costs. The directors, nevertheless, consider the results for the year to be satisfactory.

Profit margins in the current year remain demanding but satisfactory. The directors believe that Brexit uncertainties will be managed satisfactorily and that confidence will be maintained in the UK economy and in the UK construction sector. We continue to expect the strength of our company and our dedicated team to continue to deliver a consistent, timely and quality service to our valued customers and to generate profit and positive cashflow going forward.

Principal risks and uncertainties

Construction is a high risk competitive sector and there are a number of uncertainties which could have an impact on the company's performance and could cause results to differ substantially from historical profits and future projections. However, we have well established systems and procedures in place to help avoid or minimise risks to the company. The principal risks for our company include the following:

Credit risk

The company's credit risk are mainly attributable to the amounts receivable from our customers for services carried out. Our policy therefore remains to have a good mix of long standing and established customers and we have a financial and management reporting system that monitors our customers and our debtor book on a day to day basis.

Liquidity risk

The company finances its operations through a mixture of cash reserves, trade and intercompany debtors including amounts receivable from contracts less trade creditors and hire purchases. Therefore the directors are confident that they can meet their obligations as they fall due.

Health and safety risk

At Carey London Ltd Health and Safety remains top of our priorities.

Carey London Ltd has in place a robust Health & Safety policy that is constantly under review. The key to our success is we are always exceeding the industry standards and never to rest on our laurels. We are constantly looking at new innovative ideas to carry out our works whilst ensuring our work force are fully protected at all times. This is done by Carey London Ltd continually investing in new plant & equipment, formwork systems and Work at Height access equipment. While at the same time, ensuring we have a fully trained and competent workforce to successfully carry out the tasks on hand.

Our Integrated Management System are accredited to various standards such as ISO 9001 & 14001, Achilles, SMAS & CHAS. This management system provides the framework and procedures to help identify and control our Health & Safety risks and aid legislative compliance.

CAREY LONDON LIMITED
STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Brexit and the economy

The state of the economy, business confidence, Brexit uncertainties and related global activity are issues on which every business sector depends and they can have a significant impact on our longer term performance and success. Our policy therefore remains to continue to strengthen our balance sheet and to trade within our means.

Going concern

The company made a £3.8 million profit during the year and it has a £11.0 million balance sheet with strong liquidity. Business confidence in the construction sector continues and we have a satisfactory order book from well-established customers. Therefore, the directors are confident that the company can continue to trade successfully and continue to provide an excellent and reliable service to our customers for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Our people, training and employee involvement

The company's success is attributable to our team of skilled, experienced and dedicated directors, management, tradesmen and support staff, of whom we are proud and most of whom are long term and committed Carey London employees.

We continue to invest in the life-long training and development of our staff so that we offer a career path that helps retain and enhance the skills, talents and experience required to deliver best service to our valued customers and so that we offer the challenge, training, motivation and career development expected by the best employees throughout their working life. We never forget that it is our employees that will ensure the continuing success of our company into the future.

Our short chain of command keeps us in constant dialogue with our employees and keeps them abreast of company activity, performance, quality control, training, health and safety, environmental issues, planning and future prospects.

We remain an equal opportunity employer without reference to age, ethnicity or gender and we are opposed to all forms of discrimination. We continue our policy regarding the employment of disabled persons and fair consideration is given to applications for employment by disabled persons where the requirements of the job can be adequately fulfilled by a handicapped person.

I extend my sincere thanks to all our staff for their continuing dedication and commitment and I hope they continue to work on developing a life-long and rewarding career where they feel valued and respected and a part of the on-going success of Carey London Limited.

The future

The board looks forward with confidence to continue the success of the company into the future.

This report was approved by the board on 24 January 2019 and signed on its behalf by:

M Carey
Director

CAREY LONDON LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JULY 2018

The directors present their annual report and financial statements for the year ended 31 July 2018.

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:

M Carey
E Cosgrove
D Hockley
E Carty

(Appointed 17 July 2018)

Results and dividends

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

Interim dividends were paid amounting to £321,000 (2017: £240,000). The directors do not recommend payment of a further dividend.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties, people, training and health and safety.

CAREY LONDON LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2018

Statement of disclosure to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Riordan O'Sullivan & Co, Chartered Certified Accountants and Statutory Auditors were appointed during the year and are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approval

This report was approved by the Board on 24 January 2019 and signed on its behalf by:

M Carey
Director

CAREY LONDON LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CAREY LONDON LIMITED

Opinion

We have audited the financial statements of Carey London Limited (the 'company') for the year ended 31 July 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The 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 auditor's 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Patrick McNamara (Senior Statutory Auditor)
for and on behalf of Riordan O'Sullivan & Co
Chartered Certified Accountants & Statutory Auditors
40 Chamberlayne Road
London
NW10 3JE
24 January 2019

CAREY LONDON LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2018

		2018	2017
	Notes	£	£
Turnover	3	34,839,117	26,731,451
Cost of sales		(28,199,664)	(19,147,441)
Gross profit		<u>6,639,453</u>	<u>7,584,010</u>
Administrative expenses		(2,633,879)	(2,355,458)
Operating profit	4	<u>4,005,574</u>	<u>5,228,552</u>
Interest receivable and similar income	8	11,269	2,846
Interest payable and similar expenses	9	(20,782)	(46,367)
Profit before taxation		<u>3,996,061</u>	<u>5,185,031</u>
Taxation	10	(155,484)	(976,161)
Profit for the financial year after taxation		<u><u>3,840,577</u></u>	<u><u>4,208,870</u></u>

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

CAREY LONDON LIMITED

BALANCE SHEET AS AT 31 JULY 2018

		2018		2017	
Notes	£	£	£	£	£
Fixed assets					
Tangible assets	12		5,364,934		3,265,812
Current assets					
Debtors	13	7,218,265		3,505,617	
Cash at bank and in hand		6,208,734		6,407,837	
		13,426,999		9,913,454	
Creditors: amounts falling due within one year	14	(7,434,462)		(5,200,160)	
Net current assets			5,992,537		4,713,294
Total assets less current liabilities			11,357,471		7,979,106
Creditors: amounts falling due after more than one year	15		(113,631)		(353,994)
Provisions for liabilities			(221,925)		(122,774)
Net assets			11,021,915		7,502,338
Capital and reserves					
Called up share capital	19		1,000		1,000
Profit and loss reserves			11,020,915		7,501,338
Total equity			11,021,915		7,502,338

The financial statements were approved by the board of directors and authorised for issue on 24 January 2019 and are signed on its behalf by:

M Carey
Director

E Cosgrove
Director

Company Registration No. 07707155

CAREY LONDON LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 August 2016	1,000	3,532,468	3,533,468
Year ended 31 July 2017:			
Profit and total comprehensive income for the year	-	4,208,870	4,208,870
Dividends	11	-	(240,000)
Balance at 31 July 2017	1,000	7,501,338	7,502,338
Year ended 31 July 2018:			
Profit and total comprehensive income for the year	-	3,840,577	3,840,577
Dividends	11	-	(321,000)
Balance at 31 July 2018	1,000	11,020,915	11,021,915
	<u>1,000</u>	<u>11,020,915</u>	<u>11,021,915</u>

CAREY LONDON LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	22		3,421,301		6,221,508
Interest paid			(20,782)		(46,367)
Corporation tax paid			(269,136)		(604,593)
Net cash inflow from operating activities			<u>3,131,383</u>		<u>5,570,548</u>
Investing activities					
Purchase of tangible fixed assets		(3,007,229)		(1,433,994)	
Proceeds on disposal of tangible fixed assets		454,498		707,789	
Interest received		11,269		2,846	
Net cash used in investing activities			<u>(2,541,462)</u>		<u>(723,359)</u>
Financing activities					
Payment of finance leases obligations		(468,024)		(788,331)	
Dividends paid		(321,000)		(240,000)	
Net cash used in financing activities			<u>(789,024)</u>		<u>(1,028,331)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(199,103)</u>		<u>3,818,858</u>
Cash and cash equivalents at beginning of year			<u>6,407,837</u>		<u>2,588,979</u>
Cash and cash equivalents at end of year			<u><u>6,208,734</u></u>		<u><u>6,407,837</u></u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies

Company information

Carey London Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit E1, The Courtyard, Alban Park, St. Albans, AL4 0LA.

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.

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

1.2 Going concern

The directors are required to consider whether the company can continue in operational existence for the foreseeable future. The company's business activities and the factors which may affect its future development, financial position and principal risks and uncertainties are set out in the Strategic Report. The directors are confident that the company has adequate resources to continue in operational existence and to manage its business risks successfully and to generate profit and positive cash flows for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

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

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 equipment	Range between 10% - 20% reducing balance
Fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Amount recoverable on contracts

Amounts recoverable on contracts, including work-in-progress, are shown within debtors and are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Turnover and related costs are recorded as contract activity progresses. An appropriate proportion of the anticipated contract profit or loss is recognised as the contract activity progresses commensurate with performance and anticipated final outcome. Excess progress payments are included in creditors as payments received on account.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (continued)

1.6 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.

1.7 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.

1.8 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.

1.9 Taxation

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

Current tax

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

Deferred tax

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

1.10 Employee benefits

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

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

1.11 Retirement benefits

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

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies (continued)

1.12 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 estimates and assumptions

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

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	604,697	747,356
Profit on disposal of tangible fixed assets	(23,287)	(23,161)
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditors:		
For audit services		
Audit of the financial statements of the company	15,000	10,000
	<u> </u>	<u> </u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

6 Employees

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

	2018	2017
	Number	Number
Administration and technical	5	4
	<u>5</u>	<u>4</u>

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	530,572	447,548
Social security costs	71,948	61,116
Pension costs	2,084	73
	<u>604,604</u>	<u>508,737</u>

7 Directors' remuneration

	2018	2017
	£	£
Remuneration for qualifying services	450,705	399,679
	<u>450,705</u>	<u>399,679</u>

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

	2018	2017
	£	£
Remuneration for qualifying services	200,000	167,947
	<u>200,000</u>	<u>167,947</u>

8 Interest receivable and similar income

	2018	2017
	£	£
Interest income		
Interest on bank deposits	7,648	2,846
Other interest income	3,621	-
	<u>11,269</u>	<u>2,846</u>
Total interest revenue	<u>11,269</u>	<u>2,846</u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2018

9 Interest payable and similar expenses	2018	2017
	£	£
Interest on bank overdrafts and loans	-	7,911
Interest on finance leases and hire purchase contracts	20,782	38,456
	20,782	46,367
	20,782	46,367

10 Taxation	2018	2017
	£	£
Current tax		
UK corporation tax	703,567	976,371
Research and development tax credit	(647,234)	-
	56,333	976,371
Total current tax	56,333	976,371
Deferred tax		
Origination and reversal of timing differences	99,151	(210)
	99,151	(210)
Total tax charge	155,484	976,161

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:

	2018	2017
	£	£
Profit before taxation	3,996,061	5,185,031
	3,996,061	5,185,031
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	759,252	985,156
Tax effect of expenses that are not deductible in determining taxable profit	43,466	61,832
Tax effect of income not taxable in determining taxable profit	-	(97,731)
Effect of change in corporation tax rate	-	32,843
Permanent capital allowances in excess of depreciation	(9,108)	(1,539)
Research and development tax credit	(647,234)	-
Deferred tax movement	13,533	-
Profit on disposal of fixed asset	(4,425)	(4,400)
	155,484	976,161
Taxation charge for the year	155,484	976,161

CAREY LONDON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 JULY 2018**

11	Dividends			
		2018	2017	
		£	£	
	Final paid	321,000	240,000	
		<u> </u>	<u> </u>	
12	Tangible fixed assets			
		Plant and equipment	Fixtures and fittings	Motor vehicles
		£	£	£
	Cost			Total
	At 1 August 2017	5,149,009	90,131	160,340
	Additions	3,101,958	18,641	14,430
	Disposals	(467,000)	-	(9,225)
		<u> </u>	<u> </u>	<u> </u>
	At 31 July 2018	7,783,967	108,772	165,545
		<u> </u>	<u> </u>	<u> </u>
	Depreciation and impairment			
	At 1 August 2017	2,036,066	49,155	48,446
	Depreciation charged in the year	561,567	13,099	30,031
	Eliminated in respect of disposals	(41,987)	-	(3,027)
		<u> </u>	<u> </u>	<u> </u>
	At 31 July 2018	2,555,646	62,254	75,450
		<u> </u>	<u> </u>	<u> </u>
	Carrying amount			
	At 31 July 2018	5,228,321	46,518	90,095
		<u> </u>	<u> </u>	<u> </u>
	At 31 July 2017	3,112,942	40,975	111,895
		<u> </u>	<u> </u>	<u> </u>

Included within the net book value of £5,364,934 is £957,484 (2017: £644,874) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £279,717 (2017: £198,090).

13	Debtors		
		2018	2017
	Amounts falling due within one year:	£	£
	Trade debtors	4,553,122	2,739,142
	Amounts owed by related undertakings	1,909,667	679,653
	VAT recoverable	354,800	20,732
	Other debtors	135,000	-
	Prepayments	265,676	66,090
		<u> </u>	<u> </u>
		7,218,265	3,505,617
		<u> </u>	<u> </u>

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Obligations under finance leases	16	352,904	452,765
Trade creditors		5,026,983	2,830,674
Amounts due to related undertakings		401,200	-
Corporation tax		293,568	506,371
Other taxation and social security		35,214	17,725
Other creditors		42,171	11,693
Accruals and deferred income		1,282,422	1,380,932
		7,434,462	5,200,160
		7,434,462	5,200,160

Amounts due to related undertakings are unsecured, interest free and payable on demand.

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	16	113,631	353,994
		113,631	353,994

16 Finance lease obligations

		2018 £	2017 £
Future minimum lease payments due under finance leases:			
Within one year		363,492	428,951
In two to five years		117,759	411,597
		481,251	840,548
Less: future finance charges		(14,716)	(33,789)
		466,535	806,759
		466,535	806,759

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.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

17 Provision for liabilities

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 2018	Liabilities 2017
	£	£
Balances:		
Accelerated capital allowances	221,925	122,774
	<u> </u>	<u> </u>
		2018
Movements in the year:		£
Liability at 1 August 2017		122,774
Charge to profit or loss		99,151
		<u> </u>
Liability at 31 July 2018		<u>221,925</u>

18 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	2,084	73
	<u> </u>	<u> </u>

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

19 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
1,000 Ordinary of £1 each	1,000	1,000
	<u> </u>	<u> </u>

20 Events after the reporting date

There were no events since the year end which materially affected the company.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 JULY 2018

21 Related party transactions

Key management personnel

The key management personnel are the company directors and their remuneration is disclosed in note 7 of the financial statements.

Transactions with related parties

During the year the company traded on normal commercial term with Alban Park Management Services Limited and M Carey Properties Limited, companies in which there are common directors/shareholders.

The company incurred management fees of £386,000 (2017: £220,000) to Alban Park Management Services Limited.

The company incurred rental charges of £540,000 (2017: £400,000) to M Carey Properties Limited. During the year, the company also made advances to M Carey Properties Limited for a total amount of £1,687,995 (2017: £681,500) which is interest free and payable on demand.

At the year end dates amounts due to/ due from these companies were as follows:

	2018 £	2017 £
Due to Alban Park Management Services Limited:	401,200	136,020
Due from M Carey Properties Limited:	1,909,667	815,673

22 Cash generated from operations

	2018 £	2017 £
Profit for the year after tax	3,840,577	4,208,870
Adjustments for:		
Taxation charged	155,484	976,161
Finance costs	20,782	46,367
Interest income	(11,269)	(2,846)
Gain on disposal of tangible fixed assets	(23,287)	(23,161)
Depreciation and impairment of tangible fixed assets	604,697	747,356
Movements in working capital:		
Increase in debtors	(3,357,849)	(1,078,746)
Increase in creditors	2,192,166	1,347,507
Cash generated from operations	<u>3,421,301</u>	<u>6,221,508</u>

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