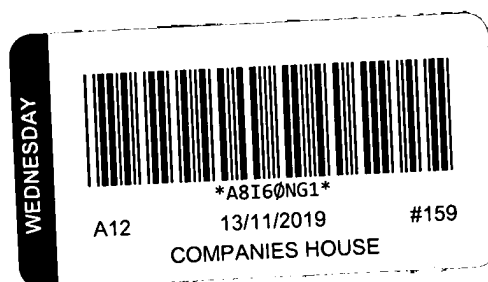


Company Registration No. 07707155 (England and Wales)

**CAREY LONDON LIMITED**  
**AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2019**



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

**CAREY LONDON LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	M Carey E Cosgrove D Hockley E Carty
<b>Company secretary</b>	E Cosgrove
<b>Registered number</b>	07707155
<b>Registered office</b>	Unit E1 The Courtyard Alban Park St.Albans AL4 0LA
<b>Independent auditors</b>	Riordan O'Sullivan & Co Chartered Certified Accountants & Statutory Auditors 40 Chamberlayne Road London NW10 3JE
<b>Bankers</b>	Svenska Handelsbanken AB (Publ) 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 2019

The directors present the strategic report for the year ended 31 July 2019.

#### Key performance indicators

		2019	2018	2017	2016
Turnover	£'000	36,367	34,839	26,731	14,481
Profit before tax	£'000	6,185	3,996	5,185	900
Profit margin	%	17.01	11.47	19.40	6.22
Balance sheet strength	£'000	15,696	11,022	7,502	3,533

#### Business review

The company had a successful year achieving profits of £6.2 million before tax on turnover of £36.4 million against profits of £4.0 million before tax from turnover of £34.8 million the year before and our balance sheet strengthened to £15.7 million from £11.0 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 cash flow 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 risks 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 receivables 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 Limited, health and safety remains top of our priorities.

Carey London Limited has in place a robust health and safety policy that is constantly under review. The key to our success is we are always exceeding the industry standards and never 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 Limited 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.

## CAREY LONDON LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

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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.

#### 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 have a significant impact on our long 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 £6.2 million profit during the year and it has a £15.7 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.

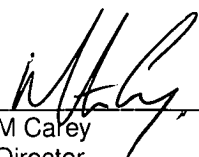
We remain an equal opportunity employer without reference to age, ethnicity or gender and we are opposed to all forms of discrimination. We continue our policy regarding the employment of disabled persons and fair consideration is given to applications for employment by disabled persons where the requirement 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 6 November 2019 and signed on its behalf.

  
\_\_\_\_\_  
M Carey  
Director

## CAREY LONDON LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

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The directors present their report and the financial statements for the year ended 31 July 2019.

#### **Principal activity**

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

#### **Directors**

The directors who served during the year were:

M Carey  
E Cosgrove  
D Hockley  
E Carty

#### **Results and dividends**

The profit for the year, after taxation, amounted to £5,178,859 (2018 - £3,840,577).

Interim dividends were paid amounting to £550,000 (2018: £321,000). The directors do not recommend payment of a further dividend.

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**CAREY LONDON LIMITED**

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

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**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.

**Disclosure of information to auditors**


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

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

**Auditors**

Under section 487(2) of the Companies Act 2006, Riordan O'Sullivan & Co, Chartered Certified Accountants and Statutory Auditors, are deemed to be reappointed as auditors.

This report was approved by the board on 6 November 2019 and signed on its behalf.

  
\_\_\_\_\_  
M Carey  
Director

## CAREY LONDON LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAREY LONDON LIMITED

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#### Opinion

We have audited the financial statements of Carey London Limited (the 'Company') for the year ended 31 July 2019, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

#### Other information

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

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



## CAREY LONDON LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAREY LONDON LIMITED (CONTINUED)

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required to report that fact.

We have nothing to report in this regard.

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

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

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

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept by the company; 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 on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

CAREY LONDON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAREY LONDON LIMITED  
(CONTINUED)

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



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

6 November 2019

CAREY LONDON LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Turnover	4	36,367,290	34,839,117
Cost of sales		(27,543,629)	(28,199,664)
<b>Gross profit</b>		<b>8,823,661</b>	<b>6,639,453</b>
Administrative expenses		(2,678,785)	(2,633,879)
<b>Operating profit</b>	5	<b>6,144,876</b>	<b>4,005,574</b>
Interest receivable and similar income	8	51,028	11,269
Interest payable and similar expenses	9	(10,584)	(20,782)
<b>Profit before tax</b>		<b>6,185,320</b>	<b>3,996,061</b>
Tax on profit	10	(1,006,461)	(155,484)
<b>Profit for the financial year</b>		<b>5,178,859</b>	<b>3,840,577</b>

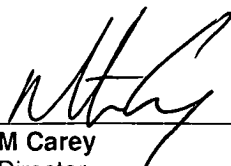
The Profit and Loss account has been prepared on the basis that all operations are continuing operations.

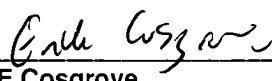
**CAREY LONDON LIMITED**  
**REGISTERED NUMBER:07707155**

**BALANCE SHEET**  
**AS AT 31 JULY 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	6,763,690	5,364,934
		<u>6,763,690</u>	<u>5,364,934</u>
<b>Current assets</b>			
Debtors	13	10,326,261	7,218,265
Cash at bank and in hand		9,497,460	6,208,734
		<u>19,823,721</u>	<u>13,426,999</u>
Creditors: amounts falling due within one year	14	(10,593,869)	(7,434,462)
		<u>9,229,852</u>	<u>5,992,537</u>
<b>Net current assets</b>		<u>9,229,852</u>	<u>5,992,537</u>
<b>Total assets less current liabilities</b>		<u>15,993,542</u>	<u>11,357,471</u>
Creditors: amounts falling due after more than one year		-	(113,631)
<b>Provisions for liabilities</b>			
Deferred tax	18	(342,768)	(221,925)
		<u>(342,768)</u>	<u>(221,925)</u>
<b>Net assets</b>		<u>15,650,774</u>	<u>11,021,915</u>
<b>Capital and reserves</b>			
Called up share capital	19	1,000	1,000
Profit and loss account		15,649,774	11,020,915
		<u>15,650,774</u>	<u>11,021,915</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 November 2019.

  
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 M Carey  
 Director

  
 \_\_\_\_\_  
 E Cosgrove  
 Director

CAREY LONDON LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2019

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 August 2017</b>	1,000	7,501,338	7,502,338
Profit for the year	-	3,840,577	3,840,577
Dividends	-	(321,000)	(321,000)
<b>At 1 August 2018</b>	1,000	11,020,915	11,021,915
Profit for the year	-	5,178,859	5,178,859
Dividends	-	(550,000)	(550,000)
<b>At 31 July 2019</b>	1,000	15,649,774	15,650,774

CAREY LONDON LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	5,178,859	3,840,577
<b>Adjustments for:</b>		
Depreciation of tangible assets	845,575	604,697
Loss/(profit) on disposal of tangible assets	257,349	(23,287)
Interest paid	10,584	20,782
Interest received	(51,028)	(11,269)
Taxation charge	1,006,461	155,484
(Increase) in debtors	(1,286,037)	(2,127,835)
(Increase) in amounts owed by related undertakings	(1,821,959)	(1,230,014)
Increase in creditors	3,598,525	1,790,966
(Decrease)/increase in amounts owed to related undertakings	(401,200)	401,200
Corporation tax (paid)	(684,263)	(269,136)
<b>Net cash generated from operating activities</b>	<u>6,652,866</u>	<u>3,152,165</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(2,855,014)	(3,007,229)
Sale of tangible fixed assets	353,334	454,498
Interest received	51,028	11,269
HP interest paid	(10,584)	(20,782)
<b>Net cash used in investing activities</b>	<u>(2,461,236)</u>	<u>(2,562,244)</u>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(352,904)	(468,024)
Dividends paid	(550,000)	(321,000)
<b>Net cash used in financing activities</b>	<u>(902,904)</u>	<u>(789,024)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>3,288,726</u>	<u>(199,103)</u>
Cash and cash equivalents at beginning of year	6,208,734	6,407,837
<b>Cash and cash equivalents at the end of year</b>	<u><u>9,497,460</u></u>	<u><u>6,208,734</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	9,497,460	6,208,734
	<u><u>9,497,460</u></u>	<u><u>6,208,734</u></u>

## CAREY LONDON LIMITED

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

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#### 1. General 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.

#### 2. Accounting policies

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

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

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

Financial statements are prepared in sterling which is the functional currency of the company.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors' Report and the Strategic Report sets out the company's business activities, and highlights the factors which may impact on its financial performance, market position and future prospects.

The Strategic Report also provides information in relation to the company's financial and liquidity position, details of its financial instruments, management of capital and exposure to credit and liquidity risk.

The company has a strong balance sheet and a substantial order book for the twelve months from the date of approval of these financial statements and its forecasts indicate that it will continue to generate profit and positive cash flows for the foreseeable future.

As a consequence, the directors believe that the company has adequate resources to continue in operational existence and that it is well placed to continue to manage its business risks successfully. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### 2.3 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.

##### 2.4 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.

CAREY LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2019

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2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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 basis:

Plant and machinery	- Range between 10% - 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 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.

2.5 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.

2.6 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probable requires settlement by transfer or economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.7 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.

2.8 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.



## CAREY LONDON LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.9 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.

##### 2.10 Current and deferred taxation

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

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

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

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

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

##### 2.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employer'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.

##### 2.12 Pensions

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

##### 2.13 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.

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NOTES TO THE FINANCIAL STATEMENTS  
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3. **Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements under FRS 102 requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the balance sheet date and the amounts of revenue and expenses incurred during the year. Actual outcome may therefore differ from these estimates and assumptions. The estimates and assumptions that have the most significant impact on the carrying values of assets and liabilities of the company within the next financial year are detailed as follows:

**Long term contracts**

Recognition of revenue and profit on long term contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the balance sheet date. Management undertakes detailed reviews on a monthly basis in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

**Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as technological innovations, maintenance and projected disposal values.

4. **Turnover**

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

5. **Operating profit**

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation of owned tangible fixed assets	688,729	324,980
Depreciation of tangible fixed assets held under hire purchase contracts	156,846	279,717
Loss/(profit) on disposal of tangible fixed assets	257,349	(23,287)
Fees payable to the Company's auditors for the audit of the financial statements	15,000	15,000

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6. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	599,004	530,572
Social security costs	75,018	71,948
Pension costs	4,123	2,084
	<u>678,145</u>	<u>604,604</u>

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

	2019 No.	2018 No.
Administration and technical	<u>8</u>	<u>5</u>

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	<u>433,654</u>	<u>450,705</u>

The highest paid director received remuneration of £183,333 (2018 - £200,000).

8. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>51,028</u>	<u>11,269</u>

9. Interest payable and similar expenses

	2019 £	2018 £
Finance leases and hire purchase contracts	<u>10,584</u>	<u>20,782</u>

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10. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,124,548	703,567
Adjustments in respect of previous periods	(238,930)	(647,234)
<b>Deferred tax</b>		
Origination and reversal of timing differences	120,843	99,151
<b>Taxation on profit on ordinary activities</b>	<u>1,006,461</u>	<u>155,484</u>

**Factors affecting tax charge for the year**

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

	2019 £	2018 £
Profit on ordinary activities before tax	<u>6,185,320</u>	<u>3,996,061</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,175,211	759,252
<b>Effects of:</b>		
Expenses not deductible for tax purposes	70,180	43,466
Capital allowances for year in excess of depreciation	(169,739)	(94,726)
Origination and reversal of timing differences	120,843	99,151
Adjustment in respect of previous periods	(238,930)	(647,234)
Loss/(profit) on disposal of fixed assets	48,896	(4,425)
<b>Total tax charge for the year</b>	<u>1,006,461</u>	<u>155,484</u>

11. Dividends

	2019 £	2018 £
Interim paid	<u>550,000</u>	<u>321,000</u>

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12. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 August 2018	7,783,967	165,545	108,772	8,058,284
Additions	2,818,554	30,000	6,460	2,855,014
Disposals	(1,049,123)	(94,710)	(31,607)	(1,175,440)
At 31 July 2019	<u>9,553,398</u>	<u>100,835</u>	<u>83,625</u>	<u>9,737,858</u>
<b>Depreciation</b>				
At 1 August 2018	2,555,646	75,450	62,254	2,693,350
Charge for the year	819,465	15,455	10,655	845,575
Disposals	(500,457)	(41,436)	(22,864)	(564,757)
At 31 July 2019	<u>2,874,654</u>	<u>49,469</u>	<u>50,045</u>	<u>2,974,168</u>
<b>Net book value</b>				
At 31 July 2019	<u>6,678,744</u>	<u>51,366</u>	<u>33,580</u>	<u>6,763,690</u>
At 31 July 2018	<u>5,228,321</u>	<u>90,095</u>	<u>46,518</u>	<u>5,364,934</u>

Included within the net book value of £6,763,690 is £627,386 (2018: £957,484) 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 £156,846 (2018: £279,717).

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13. Debtors

	2019 £	2018 £
Amounts recoverable on long term contracts	5,823,275	4,553,122
Amounts owed by related undertakings	3,731,626	1,909,667
Other debtors	536,567	489,800
Prepayments	234,793	265,676
	<u>10,326,261</u>	<u>7,218,265</u>

Amounts owed by related undertakings are unsecured and repayable on demand.

14. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	7,656,295	5,026,983
Amounts owed to related undertakings	-	401,200
Corporation tax	494,923	293,568
Obligations under finance lease and hire purchase contracts	113,631	352,904
Other taxation and social security	43,274	35,214
Other creditors	48,455	42,171
Accruals	2,237,291	1,282,422
	<u>10,593,869</u>	<u>7,434,462</u>

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

15. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	<u>-</u>	<u>113,631</u>

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16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	117,759	363,492
Between 1-5 years	-	117,759
Less: future finance charges	(4,128)	(14,716)
	<u>113,631</u>	<u>466,535</u>

17. Financial instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	9,497,460	6,208,734
Financial assets that are debt instruments measured at amortised cost	4,131,199	2,044,667
	<u>13,628,659</u>	<u>8,253,401</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(9,914,846)	(6,722,531)

18. Deferred taxation

	2019 £	2018 £
At beginning of year	221,925	122,774
Charged to profit or loss	120,843	99,151
<b>At end of year</b>	<u>342,768</u>	<u>221,925</u>
	2019 £	2018 £
Accelerated capital allowances	<u>342,768</u>	<u>221,925</u>

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19. Share capital

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

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,123 (2018 - £2,084). Contributions totalling £3,066 (2018 - £636) were payable to the fund at the balance sheet date and are included in creditors.

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 £127,000 (2018: £386,000) to Alban Park Management Services Limited.

The company incurred rental charges of £470,000 (2018: £540,000) to M Carey Properties Limited.

During the year, the company also received an interest of £46,107 (2018 - £Nil) from M Carey Properties Limited in respect of advances made..

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

Due from M Carey Properties Limited: £3,640,310 (2018 - £1,909,667)  
Due from Alban Park Management Services Limited: £91,316 (2018 - £Nil)  
Due to Alban Park Management Services Limited: £Nil (2018 - £401,200)

22. Post balance sheet events

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