

Michael O'Connor Limited

Report and Financial Statements

31 August 2018

Michael O'Connor Limited
Report and accounts

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Michael O'Connor Limited

Registered number: 01021327

Directors' Report

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

Principal activities

The company's principal activity during the year was the supply of management services and administration support to Kaybridge Construction (Barnet) Limited.

Directors

The following persons served as directors during the year:

M O'Connor (Deceased - 23/05/19)

P M O'Connor

J P Hurley

Tribute to the late Michael O'Connor

The directors wish to acknowledge the passing of our founder and Managing Director, Michael O'Connor, who died on 23 May 2019.

Michael's expertise and foresight guided the success of the company for nearly 47 years and we mourn his loss.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

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

This report was approved by the board on 1 August 2019 and signed on its behalf.

P M O'Connor

Director

Michael O'Connor Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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.

Michael O'Connor Limited

Strategic Report

Review of business

A summary of the results for the year is given on page 6 of the accounts.

The turnover for the year was £8,648,703, which shows a decrease of £4,307,411 on the previous year as activity in Kaybridge Construction (Barnet) Limited declined.

The profit for the year after taxation of £34,260 has been transferred to reserves.

The company continues to trade well in the current year and the directors consider the state of affairs of the company to be satisfactory.

Principal risks and uncertainties

Financial instrument risk

The company continues to operate within its agreed facilities with its bank and therefore the directors are not aware of any financial instrument risk.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 1 August 2019 and signed on its behalf.

P M O'Connor
Director

Michael O'Connor Limited
Independent auditor's report
to the members of Michael O'Connor Limited

Opinion

We have audited the financial statements of Michael O'Connor Limited for the year ended 31 August 2018 which comprise the Income Statement, 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 the 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 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.

M J Palmer

(Senior Statutory Auditor)

for and on behalf of

Intega

Accountants and Statutory Auditors

1 August 2019

106 Mill Studio

Crane Mead

Ware

Hertfordshire

SG12 9PY

Michael O'Connor Limited
Income Statement
for the year ended 31 August 2018

| | Notes | 2018 £ | 2017 £ |
|--|--------------|-------------------------|-------------------------|
| Turnover | 3 | 8,648,703 | 12,956,114 |
| Cost of sales | | (7,325,866) | (11,659,760) |
| Gross profit | | <u>1,322,837</u> | <u>1,296,354</u> |
| Administrative expenses | | (1,274,541) | (1,290,344) |
| Operating profit | 4 | <u>48,296</u> | <u>6,010</u> |
| Interest payable | 7 | (6,000) | (6,000) |
| Profit on ordinary activities before taxation | | <u>42,296</u> | <u>10</u> |
| Tax on profit on ordinary activities | 8 | (8,036) | (2) |
| Profit for the financial year | | <u><u>34,260</u></u> | <u><u>8</u></u> |

Michael O'Connor Limited
Balance Sheet - 31 August 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|--------------------|--------------------|
| Current assets | | | |
| Cash at bank and in hand | | 499,949 | 500,000 |
| Creditors: amounts falling due within one year | | | |
| | 9 | (440,753) | (475,064) |
| Net current assets | | <hr/> 59,196 | <hr/> 24,936 |
| Net assets | | <hr/> <hr/> 59,196 | <hr/> <hr/> 24,936 |
| Capital and reserves | | | |
| Called up share capital | 10 | 20,000 | 20,000 |
| Profit and loss account | 11 | 39,196 | 4,936 |
| Total equity | | <hr/> <hr/> 59,196 | <hr/> <hr/> 24,936 |

P M O'Connor

Director

Approved by the board on 1 August 2019

Michael O'Connor Limited
Statement of Changes in Equity
for the year ended 31 August 2018

| | Share capital | Profit and loss account | Total |
|-------------------------------|--------------------|-------------------------------|--------------------|
| | £ | £ | £ |
| At 1 September 2016 | 20,000 | 4,928 | 24,928 |
| Profit for the financial year | <hr/> | <hr/> 8 | <hr/> 8 |
| At 31 August 2017 | <hr/> <hr/> 20,000 | <hr/> <hr/> 4,936 | <hr/> <hr/> 24,936 |
| At 1 September 2017 | 20,000 | 4,936 | 24,936 |
| Profit for the financial year | <hr/> | <hr/> 34,260 | <hr/> 34,260 |
| At 31 August 2018 | <hr/> <hr/> 20,000 | <hr/> <hr/> 39,196 | <hr/> <hr/> 59,196 |

Michael O'Connor Limited
Statement of Cash Flows
for the year ended 31 August 2018

| | Notes | 2018 £ | 2017 £ |
|---|-------|----------------|-----------------|
| Operating activities | | | |
| Profit for the financial year | | 34,260 | 8 |
| Adjustments for: | | | |
| Interest payable | | 6,000 | 6,000 |
| Tax on profit on ordinary activities | | 8,036 | 2 |
| Decrease in debtors | | - | 367,429 |
| Decrease in creditors | | (37,212) | (112,782) |
| | | <u>11,084</u> | <u>260,657</u> |
| Interest paid | | (6,000) | (6,000) |
| Cash generated by operating activities | | <u>5,084</u> | <u>254,657</u> |
| Investing activities | | | |
| Proceeds from sale of tangible fixed assets | | - | 41,950 |
| Cash generated by investing activities | | <u>-</u> | <u>41,950</u> |
| Net cash generated | | | |
| Cash generated by operating activities | | 5,084 | 254,657 |
| Cash generated by investing activities | | - | 41,950 |
| Net cash generated | | <u>5,084</u> | <u>296,607</u> |
| Cash and cash equivalents at 1 September | | <u>238,006</u> | <u>(58,601)</u> |
| Cash and cash equivalents at 31 August | | <u>243,090</u> | <u>238,006</u> |
| Cash and cash equivalents comprise: | | | |
| Cash at bank | | 499,949 | 500,000 |
| Bank overdrafts | 9 | (256,859) | (261,994) |
| | | <u>243,090</u> | <u>238,006</u> |

Michael O'Connor Limited
Notes to the Accounts
for the year ended 31 August 2018

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

| 3 Analysis of turnover | 2018 | 2017 |
|--|------------------|-------------------|
| | £ | £ |
| Services rendered | <u>8,648,703</u> | <u>12,956,114</u> |
| By geographical market: | | |
| UK | <u>8,648,703</u> | <u>12,956,114</u> |
| 4 Operating profit | 2018 | 2017 |
| | £ | £ |
| This is stated after charging: | | |
| Auditors' remuneration for audit services | 3,000 | 3,000 |
| Key management personnel compensation (including directors' emoluments) | <u>460,650</u> | <u>460,650</u> |
| 5 Directors' emoluments | 2018 | 2017 |
| | £ | £ |
| Emoluments | <u>159,000</u> | <u>159,000</u> |
| 6 Staff costs | 2018 | 2017 |
| | £ | £ |

| | | |
|-----------------------|------------------|------------------|
| Wages and salaries | 3,814,427 | 4,660,375 |
| Social security costs | 408,541 | 494,995 |
| Other pension costs | 59,164 | 52,997 |
| | <u>4,282,132</u> | <u>5,208,367</u> |

| Average number of employees during the year | Number | Number |
|--|---------------|---------------|
| Administration | 26 | 25 |
| Sales and production | 174 | 155 |
| | <u>200</u> | <u>180</u> |

| | | |
|---------------------------|-------------|-------------|
| 7 Interest payable | 2018 | 2017 |
| | £ | £ |

| | | |
|---------------------------|--------------|--------------|
| Bank loans and overdrafts | <u>6,000</u> | <u>6,000</u> |
|---------------------------|--------------|--------------|

| | | |
|-------------------|-------------|-------------|
| 8 Taxation | 2018 | 2017 |
| | £ | £ |

Analysis of charge in period

Current tax:

| | | |
|---|--------------|----------|
| UK corporation tax on profits of the period | <u>8,036</u> | <u>2</u> |
|---|--------------|----------|

| | | |
|--------------------------------------|--------------|----------|
| Tax on profit on ordinary activities | <u>8,036</u> | <u>2</u> |
|--------------------------------------|--------------|----------|

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | | |
|--|---------------|-------------|
| | 2018 | 2017 |
| | £ | £ |
| Profit on ordinary activities before tax | <u>42,296</u> | <u>10</u> |
| Standard rate of corporation tax in the UK | 19.0% | 19.6% |
| | £ | £ |
| Profit on ordinary activities multiplied by the standard rate of corporation tax | 8,036 | 2 |
| Current tax charge for period | <u>8,036</u> | <u>2</u> |

| | | |
|---|-------------|-------------|
| 9 Creditors: amounts falling due within one year | 2018 | 2017 |
| | £ | £ |

| | | |
|-----------------|---------|---------|
| Bank overdrafts | 256,859 | 261,994 |
| Trade creditors | 15,172 | - |

| | | |
|---------------------------------------|----------------|----------------|
| Corporation tax | 8,040 | 4 |
| Other taxes and social security costs | 142,182 | 124,458 |
| Other creditors | - | 82,608 |
| Accruals and deferred income | 18,500 | 6,000 |
| | <u>440,753</u> | <u>475,064</u> |

| 10 Share capital | Nominal value | 2018 Number | 2018 £ | 2017 £ |
|-------------------------------------|--------------------------|------------------------|-------------------|-------------------|
| Allotted, called up and fully paid: | | | | |
| Ordinary shares | £1 each | 20,000 | <u>20,000</u> | <u>20,000</u> |

| 11 Profit and loss account | 2018 £ | 2017 £ |
|-----------------------------------|-------------------|-------------------|
| At 1 September | 4,936 | 4,928 |
| Profit for the financial year | 34,260 | 8 |
| At 31 August | <u>39,196</u> | <u>4,936</u> |

12 Related party transactions

Kaybridge Construction (Barnet) Limited

During the year the company received staff charges of £8,648,703, (2017: £12,956,114), from Kaybridge Construction (Barnet) Limited, a company controlled by P M O'Connor.

13 Controlling party

The ultimate controlling party is P M O'Connor by virtue of her interest in 95% of the issued share capital of the company.

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

Michael O'Connor Limited is a private company limited by shares and incorporated in England.

16 Principal place of business

The address of the company's principal place of business and registered office is Tudor House, Cecil Road, Enfield, Middlesex, EN2 6TG