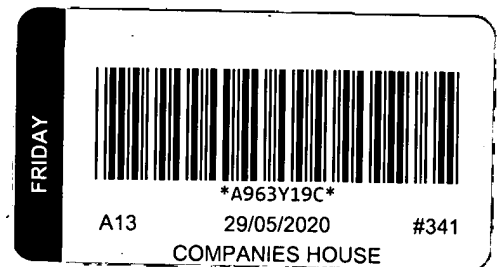


Company Registration No. 02670127 (England and Wales)

DANNY SULLIVAN & SONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019



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

DANNY SULLIVAN & SONS LIMITED

COMPANY INFORMATION

Directors	Timothy O'Sullivan Michael Dowling David Saxton
Company secretary	Michael Dowling
Company number	02670127
Registered office	22 Barretts Green Road Park Royal London NW10 7AE
Independent auditors	Riordan O'Sullivan & Co Chartered Certified Accountants and Statutory Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Allied Irish Bank (GB) 202-204 Finchley Road Hampstead London NW3 6BX

DANNY SULLIVAN & SONS LIMITED

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DANNY SULLIVAN & SONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2019

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

Headline facts and key performance indicators

		2019	2018	2017	2016
Turnover	£'000	80,683	82,596	80,708	63,659
Profit after tax	£'000	3,117	5,275	6,401	2,897
Profit margin after tax	%	3.9	6.4	7.9	4.6
Balance sheet strength	£'000	8,342	11,135	5,860	3,259

Principal activities

The principal activity of the company during the year remained that of resourcing, assessing, training and supplying site professional and skilled trades and labourers to the building and civil engineering industry.

Review of the business and future prospects

The company had a successful year achieving profits of 3.9% after tax on turnover of £81 million. Pricing remained challenging in a competitive market and costs continue to rise especially so in trades' wages but nevertheless the directors consider these results to be satisfactory.

We continue to work on some of the largest construction and infrastructure projects currently in progress in the United Kingdom. Profit margins in the current year have tightened significantly in a highly competitive market with aggressive tendering and increasing costs. However, our order book is healthy and we continue to expect the strength of our company and our dedicated and experienced team and reputation in our sector to continue to deliver a consistent and efficient service to our longstanding customers and to generate an acceptable level of profitable business for the foreseeable future.

We have been trading successfully for over 30 years and we strive to retain the family culture with all our directors actively involved with our clients and projects. The business is built on family values, which evolve to meet the expectations of our clients, staff and stakeholders. We work hard to maintain our reputation for consistency, reliability, timely delivery and with safe working practices, to be the contractor of choice and to continue the long term relationships with our customer base by focusing on our core activities, our long standing team and in-house resources and capabilities and by working closely with our customers.

Principal risks and uncertainties

Covid-19

Construction activity is currently significantly reduced due to Covid-19 and we do not know how long this will last or what damaging effect it will have. However, the directors believe that the company's strong and liquid balance sheet and its long standing and experience team should see us through the business disruption caused by this pandemic.

The economy

The state of the economy, business confidence and related global activity can have a significant impact on our medium and longer term performance and success. A trade deal with the EU has yet to be negotiated but the directors believe that this and Covid-19 uncertainties will be overcome satisfactorily. We have a strong and liquid balance sheet and a significant order book, we continue to receive new enquiries and the directors are confident that sufficient profitability will be generated to maintain and enhance the company going forward.

DANNY SULLIVAN & SONS LIMITED

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

Financial instruments, credit, liquidity and interest rate risk

The company does not have any complex financial instruments or hedging products and neither does it have any borrowings or hire purchase liabilities. Therefore, interest rate fluctuation do not present a significant risk to the business. Its principal financial instruments are trade debtors and trade creditors.

The company's credit and liquidity risks are mainly attributable to its trade debtors. As the financial statements show we maintain a strong balance sheet and we have a good mix of long standing blue chip customers and a modern and efficient financial and management reporting system that monitor our day to day operational risk.

Going concern

The company has a strong balance sheet with adequate liquidity, a healthy order book from long standing customers and no borrowing. The directors are confident that the company can continue to trade successfully for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 2.2 of the financial statements.

Corporate social responsibility

We embrace our corporate social responsibility by integrating social and environmental concerns into our business operations. The company ensures that high standards are maintained for the benefit of our staff and the wider community. We continue to provide high quality tradesmen to our clients and the highest possible levels of health and safety training.

Health and safety at work

The directors and senior managers aided by our dedicated in-house health and safety director and professionals continue to strive to embed the best health and safety policies, practices and awareness throughout our operations. We support the health and safety and environmental policies of our customers and the construction industry generally.

Our health and safety team has developed a Mental Health Champion Program where site supervisors are trained as a champion to enable them to identify and support colleagues who may be struggling with mental health issues. The aim is to promote better mental and physical health which in turn makes our sites a safer place.

We hold all the usual health and safety accreditations for a large construction company such as: OHSAS 18001, CHAS, RISQS, Achilles Building Confidence and UVDB.

Environment and quality management

As a labour supplier to the construction industry, the company believes it needs to make a significant contribution to protecting the environment. The company achieved ISO 14001: 2015 accreditation, which is the internationally recognised environmental standard.

Quality management is central to our business and helps us to deliver value and efficiency and meet or exceed our customers' requirements. To maintain and continue to meet these needs, there are processes put in place and we encourage all stakeholders to participate in helping us make these improvements. We hold full accreditation to quality standards ISO 9001 Quality Management.

DANNY SULLIVAN & SONS LIMITED

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

Our people, training and employee involvement

The company's success is attributable to our team of skilled, experienced and dedicated directors, management, trades and support staff. Our short chain of command keeps us close to our employees at all times. Our employees are constantly updated with regard to company activity, performance, quality control, training, health and safety, environmental issues and future prospects.

We continue to invest in the training and development of our staff so that we retain the recognised skills, talents and experience required to deliver best service to our valued customers. We continue to employ and sponsor trainees in the various disciplines in our sector.

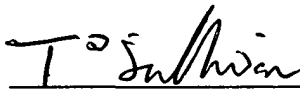
We remain an equal opportunity employer, we are opposed to all forms of discrimination and fair consideration is given to applications for employment without reference to age, ethnicity, gender, religion, sexual orientation or marital status. Similarly, fair consideration is given to applications for employment by disabled persons having regard to their particular aptitudes and abilities.

The company was awarded the CITB Be Fair accreditation in March 2019 and we are the first UK labour supplier to achieve this award. The Be Fair Framework embeds fairness, inclusion and respect at the heart of the business and sets the standard for equality and diversity in the UK construction industry.

The company has also achieved the BRE Ethical Labour Sourcing accreditation, having been successfully audited on our human rights due diligence and overall ethical approach to organisational and supply chain management.

Complimenting this, the company is now registered with the industrywide Considerate Constructors Scheme. The scheme is concerned with any direct or indirect impact the industry has on the general public, the workforce and the environment and we have been successfully audited across two of our key sites demonstrating best practice.

This report was approved by the board on 26 May 2020 and signed on its behalf.



Timothy O'Sullivan
Director

DANNY SULLIVAN & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2019

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

Results and dividends

The profit for the year, after taxation, amounted to £3,117,232 (2018 - £5,275,157).

Interim dividends amounting to £5,910,070 (2018: £Nil) were paid to the parent company during the year. The directors do not recommend payment of a final dividend (2018: £Nil).

Directors

The directors who served during the year were:

Daniel O'Sullivan (resigned 10 May 2019)
Timothy O'Sullivan
Michael Dowling
David Saxton

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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

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 future developments, principal risks and uncertainties.

DANNY SULLIVAN & SONS LIMITED

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

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

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

This report was approved by the board on 26 May 2020 and signed on its behalf.



Timothy O'Sullivan
Director

DANNY SULLIVAN & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANNY SULLIVAN & SONS LIMITED

Opinion

We have audited the financial statements of Danny Sullivan & Sons 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

DANNY SULLIVAN & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANNY SULLIVAN & SONS LIMITED (CONTINUED)

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.

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; 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 4, 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. This description forms part of our Auditors' Report.

DANNY SULLIVAN & SONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DANNY SULLIVAN & SONS LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the company's members 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 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 and Statutory Auditors

40 Chamberlayne Road

London

NW10 3JE

26 May 2020

DANNY SULLIVAN & SONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2019**

	Note	2019 £	2018 £
Turnover	4	80,682,700	82,595,841
Cost of sales		(73,097,522)	(69,972,194)
Gross profit		7,585,178	12,623,647
Administrative expenses		(3,232,929)	(5,393,748)
Operating profit	5	4,352,249	7,229,899
Interest receivable and similar income	9	11,496	5,240
Interest payable and similar expenses	10	(208)	(1,191)
Profit before tax		4,363,537	7,233,948
Taxation	11	(1,246,305)	(1,958,791)
Profit for the financial year after tax		3,117,232	5,275,157


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

DANNY SULLIVAN & SONS LIMITED
REGISTERED NUMBER:02670127

BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	1,297,751	1,040,501
Current assets			
Debtors	14	13,470,923	18,600,561
Cash at bank and in hand		5,154,819	3,940,558
		<u>18,625,742</u>	<u>22,541,119</u>
Creditors: amounts falling due within one year	15	(11,528,989)	(12,390,236)
Net current assets		<u>7,096,753</u>	<u>10,150,883</u>
Total assets less current liabilities		<u>8,394,504</u>	<u>11,191,384</u>
Provisions for liabilities			
Deferred tax	16	(52,081)	(56,123)
		<u>(52,081)</u>	<u>(56,123)</u>
Net assets		<u>8,342,423</u>	<u>11,135,261</u>
Capital and reserves			
Called up share capital	18	100,000	100,000
Profit and loss account		8,242,423	11,035,261
		<u>8,342,423</u>	<u>11,135,261</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 May 2020.



Timothy O'Sullivan
 Director

DANNY SULLIVAN & SONS LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2017	100,000	5,760,104	5,860,104
Profit for the year after tax	-	5,275,157	5,275,157
At 1 August 2018	100,000	11,035,261	11,135,261
Profit for the year after tax	-	3,117,232	3,117,232
Dividends to parent company	-	(5,910,070)	(5,910,070)
At 31 July 2019	100,000	8,242,423	8,342,423

DANNY SULLIVAN & SONS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year after tax	3,117,232	5,275,157
Adjustments for:		
Depreciation of tangible assets	214,768	187,562
Profit on disposal of tangible assets	(1,759)	(1,590)
Interest paid	208	1,191
Interest received	(11,496)	(5,240)
Corporation tax charge	1,246,305	1,958,791
Corporation tax paid	(963,368)	(2,035,100)
Decrease/(increase) in debtors	5,129,766	(3,748,897)
Decrease in creditors	(1,148,354)	(2,051,364)
Net cash generated/(used) in operating activities	7,583,302	(419,490)
Cash flows from investing activities		
Purchase of tangible fixed assets	(496,692)	(752,506)
Sale of tangible fixed assets	26,433	66,899
Interest received	11,496	5,240
Net cash used in investing activities	(458,763)	(680,367)
Cash flows from financing activities		
Dividends paid to parent company	(5,910,070)	-
Interest paid	(208)	(1,191)
Net cash used in financing activities	(5,910,278)	(1,191)
Net increase/(decrease) in cash and cash equivalents	1,214,261	(1,101,048)
Cash and cash equivalents at beginning of year	3,940,558	5,041,606
Cash and cash equivalents at the end of year	5,154,819	3,940,558
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,154,819	3,940,558

DANNY SULLIVAN & SONS LIMITED

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

1. Company information

Danny Sullivan & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is 22 Barretts Green Road, Park Royal, London, NW10 7AE.

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

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

The following principal accounting policies have been applied:

2.2 Going concern

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 principal risks and uncertainties, including the impact of Brexit and Covid-19, details of its financial instruments, management of capital and exposure to credit and liquidity risk.

The company has 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 from services provided to the construction industry is recognised at the fair value of the consideration received or receivable excluding value added taxes. It represents the invoiced value of the services which are provided.

2.4 Pensions

The company operates a defined contribution plan for its employees. Payments to defined contribution schemes are charged as an expense as they fall due.

DANNY SULLIVAN & SONS LIMITED

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

2. Accounting policies (continued)

2.5 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.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- Straight-line over 4 years
Motor vehicles	- Straight-line over 4 years
Fixtures and fittings	- Straight-line over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

Freehold properties are maintained so as to ensure that their values do not diminish over time. The maintenance costs are charged to the profit and loss account in the year in which they are incurred. In the director's opinion, depreciation would be immaterial and has not been charged.

2.7 Cash and cash equivalents

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.

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.

The company has taken advantage of the disclosure exemption of FRS 102, section 1.12 (c) as information is included in the consolidated financial statements.

DANNY SULLIVAN & SONS LIMITED

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

2. Accounting policies (continued)

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Current and deferred taxation

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.

3. Judgements 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:

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 and all of which is continuing.

DANNY SULLIVAN & SONS LIMITED

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

5. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	214,768	187,562
Profit on disposal of tangible assets	(1,759)	(1,590)
	213,009	185,972

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the company's auditors for audit services	28,000	28,000
	28,000	28,000
Fees payable to the company's auditors for other services:		
Accountancy and tax services	31,950	52,500
	31,950	52,500

7. Employees

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

	2019 £	2018 £
Wages and salaries	56,059,544	57,490,968
Social security costs	6,196,336	6,525,091
Pension contributions	763,129	680,172
	63,019,009	64,696,231

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

	2019 No.	2018 No.
Directors	4	4
Administration	19	14
Trades	1,166	1,225
	1,189	1,243

DANNY SULLIVAN & SONS LIMITED

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

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	626,780	1,716,270
Pension contributions	2,491	21,132
	629,271	1,737,402

During the year retirement benefits were accruing to 1 director (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £250,000 (2018 - £1,273,294).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL).

9. Interest receivable

	2019 £	2018 £
Bank and other interest receivable	11,496	5,240

10. Interest payable and similar expenses

	2019 £	2018 £
Other interest payable	208	1,191

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	1,250,347	1,214,733
Adjustments in respect of previous periods	-	734,100
	1,250,347	1,948,833
Deferred tax		
Origination and reversal of timing differences	(4,042)	9,958
Taxation on profit on ordinary activities	1,246,305	1,958,791

DANNY SULLIVAN & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>4,363,537</u>	<u>7,233,948</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	829,072	1,374,450
Effects of:		
Expenses not deductible for tax purposes	79,695	130,338
Difference in capital allowances and depreciation	4,375	(11,963)
Adjustments in respect of previous periods	-	734,100
Deferred tax adjustments	(4,042)	9,958
Profit on sale of assets	(334)	(302)
Movement in provisions	337,539	(277,790)
Total tax charge for the year	<u>1,246,305</u>	<u>1,958,791</u>

12. Dividends

	2019 £	2018 £
Interim dividends paid to parent company	<u>5,910,070</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 August 2018	494,781	714,738	155,964	462,688	1,828,171
Additions	324,699	136,030	18,711	17,252	496,692
Disposals	-	(60,798)	(46,120)	(19,368)	(126,286)
At 31 July 2019	<u>819,480</u>	<u>789,970</u>	<u>128,555</u>	<u>460,572</u>	<u>2,198,577</u>
Depreciation					
At 1 August 2018	-	483,043	81,914	222,713	787,670
Charge for the year	-	119,156	25,003	70,609	214,768
Disposals	-	(56,366)	(25,878)	(19,368)	(101,612)
At 31 July 2019	<u>-</u>	<u>545,833</u>	<u>81,039</u>	<u>273,954</u>	<u>900,826</u>
Net book value					
At 31 July 2019	<u>819,480</u>	<u>244,137</u>	<u>47,516</u>	<u>186,618</u>	<u>1,297,751</u>
At 31 July 2018	<u>494,781</u>	<u>231,695</u>	<u>74,050</u>	<u>239,975</u>	<u>1,040,501</u>

DANNY SULLIVAN & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Debtors

	2019 £	2018 £
Trade debtors	11,251,663	12,023,138
Amounts owed by group undertakings	2,159,419	6,215,656
Other debtors	22,597	14,198
Prepayments and accrued income	37,244	347,569
	13,470,923	18,600,561
	13,470,923	18,600,561

The amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors and accruals	7,925,409	7,974,850
Amounts owed to group undertakings	21,320	21,192
Corporation tax	341,880	54,901
Other taxation and social security	3,123,104	4,006,366
Other creditors	115,876	127,938
Directors current accounts	1,400	204,989
	11,528,989	12,390,236
	11,528,989	12,390,236

The amounts owed to directors and to group undertakings are unsecured, interest-free and payable on demand.

16. Deferred taxation

	2019 £	2018 £
At beginning of year	56,123	46,165
Movement to profit or loss	(4,042)	9,958
At end of year	52,081	56,123
	52,081	56,123

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16. **Deferred taxation (continued)**

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
Accelerated capital allowances	<u>52,081</u>	<u>56,123</u>

17. **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 £763,129 (2018 - £680,172). Contributions totalling £38,356 (2018 - £53,620) were payable to the fund at the balance sheet date and are included in creditors.

18. **Share capital**

	2019	2018
	£	£
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

19. **Related party transactions**

a) Group companies

The company has taken advantage of the exemption available in accordance with Financial Reporting Standard 102, Section 33.1A, 'Related Party Disclosures' not to disclose transactions entered and outstanding balances between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

b) Key management personnel

The remuneration of key management personnel who are also directors, is disclosed in note 8.

20. **Post balance sheet events**

Currently, the business activities have significantly reduced due to Covid-19 and the directors are unable to estimate the financial effect at this stage. However, they are optimistic that with the company's strong balance sheet and its experienced team they will be able to navigate the business disruption caused by this pandemic.

21. **Controlling party**

Danny Sullivan Group Limited is the company's immediate parent undertaking. The ultimate parent company is Danny Sullivan Group Holdings Limited. Timothy O'Sullivan who holds 100% of the shares in Danny Sullivan Group Holdings Limited is the ultimate controller of the company. The consolidated financial statements of Danny Sullivan Group Limited can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.