

Company Registration No. 02112592 (England and Wales)

OPECPRIME DEVELOPMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

OPECPRIME DEVELOPMENT LIMITED

COMPANY INFORMATION

Directors	B M Comer L A Comer T Donnellan
Secretary	Grosvenor Financial Nominees Limited
Company number	02112592
Registered office	Harold Benjamin Solicitors Fourth Floor Hygeia House, 66 College Road Harrow Middlesex HA1 1BE
Auditor	Evans Mockler Limited 5 Beauchamp Court Victors Way Barnet London EN5 5TZ
Solicitors	Harold Benjamin Solicitors Fourth Floor Hygeia House, 66 College Road Harrow Middlesex HA1 1BE

OPECPRIME DEVELOPMENT LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 23

OPECPRIME DEVELOPMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

This business review has been prepared in accordance with the recommendations of the Companies Act 2006 and is in line with best practice of the industry.

The company completed another successful development during the year and began work on two further developments towards the end of the financial year. The timing of the developments decreased turnover for the year ended 30 June 2021 however this did not impact the company's profitability.

Principal risks and uncertainties

As a business the company could not function properly without the specific identification and management of risk and how we respond to changes in the external environment. Managing risk effectively is a critical element in corporate responsibility and underpins the safe delivery of business plans and strategic objectives. It also protects the company's reputation and supports the ability to create long-term competitive advantage, which will secure the future of the business. The company has a systemic approach to risk management which combines formal review at Board level of issues identified both by the Board and by staff across the wider business.

Development and performance

The company's turnover decreased during the year as a result of less development activity charged to related companies. The company began work on two significant developments towards the end of the current financial year and turnover is expected to increase for the year ended 30 June 2021. Profit remained in line with previous years with both gross and operating margins increasing through continued cost control.

Key performance indicators

Gross profit percentage 4.1% (2019 : 2.0%)

Operating profit percentage 0.6% (2019 : 0.3%)

Future developments

The company expects to achieve healthy sales and profitability through the provision of further development and maintenance services to related companies.

On behalf of the board

B M Comer

Director

25 June 2021

OPECPRIME DEVELOPMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The principal activity of the company is that of the maintenance, development and sale of property.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

B M Comer
L A Comer
T Donnellan

Auditor

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

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

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

On behalf of the board

B M Comer
Director

25 June 2021

OPECPRIME DEVELOPMENT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

OPECPRIME DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OPECPRIME DEVELOPMENT LIMITED

Opinion

We have audited the financial statements of Opecprime Development Limited (the 'company') for the year ended 30 June 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report 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.

OPECPRIME DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPECPRIME DEVELOPMENT LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

OPECPRIME DEVELOPMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF OPECPRIME DEVELOPMENT LIMITED

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.

Simon Toghill (Senior Statutory Auditor)
For and on behalf of Evans Mockler Limited

25 June 2021

Chartered Certified Accountants
Statutory Auditor

5 Beauchamp Court
Victors Way
Barnet
London
EN5 5TZ

OPECPRIME DEVELOPMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Turnover	3	14,089,856	35,274,533
Cost of sales		(13,512,024)	(34,583,108)
Gross profit		577,832	691,425
Administrative expenses		(1,368,095)	(1,406,197)
Other operating income		878,043	850,900
Operating profit	4	87,780	136,128
Interest receivable and similar income	6	160	143
Interest payable and similar expenses	7	(16,799)	(22,964)
Profit before taxation		71,141	113,307
Tax on profit	8	(1,057)	(33,322)
Profit for the financial year		70,084	79,985

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

OPECPRIME DEVELOPMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	£	£
Profit for the year	70,084	79,985
Other comprehensive income	-	-
Total comprehensive income for the year	<u>70,084</u>	<u>79,985</u>

OPECPRIME DEVELOPMENT LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9		1,252,686		1,279,960
Current assets					
Debtors	11	20,896,607		17,050,881	
Cash at bank and in hand		1,370,435		841,177	
		<u>22,267,042</u>		<u>17,892,058</u>	
Creditors: amounts falling due within one year	12	<u>(21,976,204)</u>		<u>(17,678,469)</u>	
Net current assets			290,838		213,589
Total assets less current liabilities			<u>1,543,524</u>		<u>1,493,549</u>
Creditors: amounts falling due after more than one year	13		(174,284)		(194,393)
Provisions for liabilities					
Deferred tax liability	16	134,145		134,145	
		<u>(134,145)</u>		<u>(134,145)</u>	
Net assets			<u>1,235,095</u>		<u>1,165,011</u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss reserves			1,234,095		1,164,011
Total equity			<u>1,235,095</u>		<u>1,165,011</u>

The financial statements were approved by the board of directors and authorised for issue on 25 June 2021 and are signed on its behalf by:

B M Comer
Director

Company Registration No. 02112592

OPECPRIME DEVELOPMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 July 2018	1,000	1,084,026	1,085,026
Year ended 30 June 2019:			
Profit and total comprehensive income for the year	-	79,985	79,985
Balance at 30 June 2019	1,000	1,164,011	1,165,011
Year ended 30 June 2020:			
Profit and total comprehensive income for the year	-	70,084	70,084
Balance at 30 June 2020	1,000	1,234,095	1,235,095

OPECPRIME DEVELOPMENT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	21		920,111		(70,101)
Interest paid			(16,799)		(22,964)
Income taxes paid			(7,508)		(5,320)
Net cash inflow/(outflow) from operating activities			895,804		(98,385)
Investing activities					
Purchase of tangible fixed assets		(359,217)		(688,793)	
Proceeds on disposal of tangible fixed assets		17,000		163,500	
Interest received		160		143	
Net cash used in investing activities			(342,057)		(525,150)
Financing activities					
Increase / (payment) of finance leases obligations		(24,489)		100,522	
Net cash (used in)/generated from financing activities			(24,489)		100,522
Net increase/(decrease) in cash and cash equivalents			529,258		(523,013)
Cash and cash equivalents at beginning of year			841,177		1,364,190
Cash and cash equivalents at end of year			1,370,435		841,177

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Opecprime Development Limited is a private company limited by shares incorporated in England and Wales. The registered office is Harold Benjamin Solicitors, Fourth Floor, Hygeia House, 66 College Road, Harrow, Middlesex, HA1 1BE.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

The company's turnover represents the development and maintenance of residential and commercial property.

The company's other operating income consists of rental income, service charge income and ground rent income, net of applicable expenses.

1.3 Tangible fixed assets

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

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

Land and buildings Freehold	- Nil
Plant and machinery	- 25% reducing balance
Fixtures, fittings & equipment	- 12.5% on cost
Motor vehicles	- 20% reducing balance

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

1.4 Impairment of fixed assets

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

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

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

1.6 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price.

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.7 Equity instruments

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

1.8 Derivatives

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

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

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

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

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

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.12 Leases

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

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Sales	10,726,005	31,371,201
Maintenance income	3,107,122	3,705,210
Other income	256,729	198,122
	<u>14,089,856</u>	<u>35,274,533</u>
	2020 £	2019 £
Other significant revenue		
Interest income	160	143
Grants received	27,143	-
Management charges receivable	850,000	850,000
Ground rent receivable	900	900
	<u>878,103</u>	<u>851,043</u>

4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	29	3
Government grants	(27,143)	-
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	6,000
Depreciation of owned tangible fixed assets	367,134	401,835
Loss/(profit) on disposal of tangible fixed assets	2,357	(83,827)
	<u>648,377</u>	<u>724,011</u>

5 Employees

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

	2020 Number	2019 Number
Administration	10	10
Property maintenance	10	10
	<u>20</u>	<u>20</u>

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	559,212	526,828
	Social security costs	50,885	44,917
	Pension costs	15,510	11,262
		<u>625,607</u>	<u>583,007</u>
		<u><u>625,607</u></u>	<u><u>583,007</u></u>
6	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Interest on bank deposits	159	123
	Other interest income	1	20
		<u>160</u>	<u>143</u>
	Total income	<u><u>160</u></u>	<u><u>143</u></u>
7	Interest payable and similar expenses		
		2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	10	-
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	11,955	18,699
	Other interest	4,834	4,265
		<u>16,799</u>	<u>22,964</u>
		<u><u>16,799</u></u>	<u><u>22,964</u></u>
8	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	1,057	-
	Adjustments in respect of prior periods	-	(7,423)
		<u>1,057</u>	<u>(7,423)</u>
	Total current tax	<u><u>1,057</u></u>	<u><u>(7,423)</u></u>
	Deferred tax		
	Origination and reversal of timing differences	-	40,745
		<u>-</u>	<u>40,745</u>
	Total tax charge	<u><u>1,057</u></u>	<u><u>33,322</u></u>

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

8 Taxation

(Continued)

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

	2020 £	2019 £
Profit before taxation	71,141	113,307
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	13,517	21,528
Tax effect of expenses that are not deductible in determining taxable profit	71,775	963
Tax effect of income not taxable in determining taxable profit	-	(15,927)
Unutilised tax losses carried forward	(11,802)	-
Permanent capital allowances in excess of depreciation	(72,433)	(101,660)
Depreciation on assets not qualifying for tax allowances	-	76,349
Other permanent differences	-	18,747
Under/(over) provided in prior years	-	(7,423)
Deferred tax movement	-	40,745
Taxation charge for the year	1,057	33,322

9 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2019	4,500	2,646,656	428,206	851,919	3,931,281
Additions	-	178,445	87,231	93,541	359,217
Disposals	-	(17,800)	(12,505)	(18,032)	(48,337)
At 30 June 2020	4,500	2,807,301	502,932	927,428	4,242,161
Depreciation and Impairment					
At 1 July 2019	-	1,761,244	350,337	539,740	2,651,321
Depreciation charged in the year	-	264,556	22,616	79,962	367,134
Eliminated in respect of disposals	-	(12,168)	(4,689)	(12,123)	(28,980)
At 30 June 2020	-	2,013,632	368,264	607,579	2,989,475
Carrying amount					
At 30 June 2020	4,500	793,669	134,668	319,849	1,252,686
At 30 June 2019	4,500	885,412	77,869	312,179	1,279,960

The net book value of other tangible assets includes £466,835 (2019 - £550,466) in respect of assets held under finance leases or hire purchase contracts. The depreciation in respect of such assets amounted to £143,801 (2019 - £172,102) for the year.

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

10	Financial instruments		2020	2019
			£	£
	Carrying amount of financial assets			
	Debt instruments measured at amortised cost		20,756,245	16,930,812
			<u> </u>	<u> </u>
	Carrying amount of financial liabilities			
	Measured at amortised cost		22,128,734	17,731,119
			<u> </u>	<u> </u>
11	Debtors		2020	2019
			£	£
	Amounts falling due within one year:			
	Trade debtors		6,242,261	4,623,548
	Corporation tax recoverable		6,896	-
	Other debtors		53,685	90,609
	Prepayments and accrued income		133,466	120,069
			<u> </u>	<u> </u>
			6,436,308	4,834,226
			<u> </u>	<u> </u>
	Amounts falling due after more than one year:		2020	2019
			£	£
	Amount due from related parties		14,460,299	12,216,655
			<u> </u>	<u> </u>
	Total debtors		20,896,607	17,050,881
			<u> </u>	<u> </u>
12	Creditors: amounts falling due within one year		2020	2019
		Notes	£	£
	Obligations under finance leases	14	160,378	164,758
	Trade creditors		21,544,451	17,180,548
	Corporation tax		1,057	612
	Other taxation and social security		20,697	141,131
	Other creditors		147,350	143,548
	Accruals and deferred income		102,271	47,872
			<u> </u>	<u> </u>
			21,976,204	17,678,469
			<u> </u>	<u> </u>
13	Creditors: amounts falling due after more than one year		2020	2019
		Notes	£	£
	Obligations under finance leases	14	174,284	194,393
			<u> </u>	<u> </u>

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

14 Finance lease obligations

	2020	2019
	£	£
Future minimum lease payments due under finance leases:		
Within one year	160,378	164,758
In two to five years	174,284	194,393
	<u>334,662</u>	<u>359,151</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Provisions for liabilities

	2020	2019
	£	£
Deferred tax liabilities	16	134,145
	<u>134,145</u>	<u>134,145</u>

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Accelerated capital allowances	<u>134,145</u>	<u>134,145</u>

17 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>15,510</u>	<u>11,262</u>

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

18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

19 Related party transactions

Transactions with related parties

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

	Description of transaction	Income		Payments	
		2020	2019	2020	2019
		£	£	£	£
Other related parties	Services provided	14,676,635	35,926,412	-	-

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2020	2019	2020	2019
	£	£	£	£
Other related parties	16,024,956	10,791,719	20,689,127	16,817,928

20 Ultimate controlling party

Control is shared equally between Mr B M Comer and Mr L A Comer by virtue of their shareholding.

21 Cash generated from/(absorbed by) operations

	2020	2019
	£	£
Profit for the year after tax	70,084	79,985
Adjustments for:		
Taxation charged	1,057	33,322
Finance costs	16,799	22,964
Investment income	(160)	(143)
Loss/(gain) on disposal of tangible fixed assets	2,357	(83,827)
Depreciation and impairment of tangible fixed assets	367,134	401,835
Movements in working capital:		
Increase in debtors	(3,838,830)	(1,760,628)
Increase in creditors	4,301,670	1,236,391
Cash generated from/(absorbed by) operations	920,111	(70,101)

OPECPRIME DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

22 Analysis of changes in net funds

	1 July 2019	Cash flows	30 June 2020
	£	£	£
Cash at bank and in hand	841,177	529,258	1,370,435
Obligations under finance leases	(359,151)	24,489	(334,662)
	<u>482,026</u>	<u>553,747</u>	<u>1,035,773</u>

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