

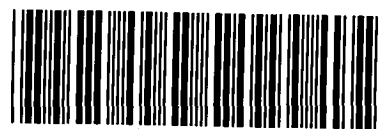
Registered number: 02743908

PAYE STONWORK & RESTORATION LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2013

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COMPANIES HOUSE

PAYE STONWORK & RESTORATION LIMITED

COMPANY INFORMATION

DIRECTORS

A P W Paye
P D Lloyd
P P Newsam
M R Harvey
M J Kember
R W Greer

COMPANY SECRETARY

M R Harvey

REGISTERED NUMBER

02743908

REGISTERED OFFICE

Stationmasters House
Mottingham Station Approach
London
SE9 4EL

INDEPENDENT AUDITOR

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

BANKERS

National Westminster Bank plc
89 Mount Pleasant Road
Tunbridge Wells
Kent
TN1 1QJ

SOLICITORS

Cripps Harries Hall
Wallside House
12 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EG

PAYE STONWORK & RESTORATION LIMITED

DIRECTORS' REPORT for the year ended 31 August 2013

The directors present their report and the financial statements for the year ended 31 August 2013.

PRINCIPAL ACTIVITIES

The company's principal activities during the year were those of cleaning, repairing, extending and adapting historic facades.

BUSINESS REVIEW

Business activities

Market trading conditions continued to improve strongly throughout the year, particularly in the period after Easter when many important prestigious contracts were awarded including conservation works at Cliveden House, the V&A Museum and Battersea Power Station. Work also continued well at Windsor Castle and Eton College. It was interesting to note that many new clients approached us to carry out important projects outside the London area.

The company's reputation as one of the market leaders in the field of conservation, repair, facade adaptation, facade cleaning and creating new landmark buildings and monuments continues to grow.

Review of the Business – Financial

Turnover decreased during the year from £24.1million to £22.1 million whilst a profit before taxation of £438,518 (2012: £31,421) was achieved.

Position of the Business at Year-end

The financial position of the company at the year-end remained healthy as a result of sound financial management.

Events Since Year-end

Following two challenging years, 2013 has seen the company secure more profitable projects than in the recent past. The focus on keeping control of overheads remains unchanged.

Future Developments

The company will continue its strategy of developing long-term relationships with key clients whilst at the same time fostering new links with organisations seen as being able to provide a steady source of future work.

Research and Development

The company constantly strives to find improved methods for carrying out operations to make them more efficient, effective and environmentally sound and all necessary resources are made available to help achieve this.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £327,166 (2012 - loss £990).

The results for the year are set out in the profit and loss account. Interim dividends of £Nil (2012: £Nil) were paid during the year.

No final dividend has been proposed (2012: £Nil).

PAYE STONework & RESTORATION LIMITED

DIRECTORS' REPORT for the year ended 31 August 2013

DIRECTORS

The directors who served during the year were:

A P W Paye
P D Lloyd
P P Newsam
M R Harvey
M J Kember
R W Greer

A McNeill and G Staple were appointed directors on 1 December 2013.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise a bank overdraft facility, lease contracts, cash and short-term deposits. The main purpose of these financial instruments is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, commodity price risk, liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's short-term debt obligations. The company's policy is to manage its interest cost using variable rate debt. The company exposure to interest rate fluctuations on its borrowings is managed by the use of floating facilities. The company finances specific vehicle and equipment acquisitions via contract hire and other operating lease arrangements.

Foreign currency risk

The company's overseas operations do not constitute a significant part of activities and foreign currency risk is therefore minimal. Where possible, transactions are denominated in Sterling to eliminate this risk completely.

Commodity price risk

The company's exposure to the price of stone is relatively high; therefore selling prices are monitored regularly to reduce the impact of such risk.

Credit risk

The company derives a major part of its income from trade with recognised, creditworthy third parties. It is company policy that all customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are vigorously monitored on an ongoing basis with the result that the company's exposure to bad debts is reduced as far as possible.

Liquidity risk

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, contract hire and operating lease contracts.

PAYE STONWORK & RESTORATION LIMITED

**DIRECTORS' REPORT
for the year ended 31 August 2013**

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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 auditor is aware of that information.

This report was approved by the board on 23 May 2014 and signed on its behalf.



M R Harvey
Director

PAYE STONWORK & RESTORATION LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 31 August 2013**

The directors are responsible for preparing 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 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

PAYE STONWORK & RESTORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAYE STONWORK & RESTORATION LIMITED

We have audited the financial statements of PAYE Stonework & Restoration Limited for the year ended 31 August 2013, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PAYE STONWORK & RESTORATION LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PAYE STONWORK &
RESTORATION LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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.



Matthew Stallabrass (senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

23 May 2014

PAYE STONEWORK & RESTORATION LIMITED

**PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2013**

	Note	2013 £	2012 £
TURNOVER	1,2	22,112,871	24,071,517
Cost of sales		<u>(18,098,672)</u>	<u>(20,692,949)</u>
GROSS PROFIT		4,014,199	3,378,568
Administrative expenses		<u>(3,574,514)</u>	<u>(3,348,308)</u>
OPERATING PROFIT	3	439,685	30,260
Interest receivable and similar income		472	1,363
Interest payable and similar charges	6	<u>(1,639)</u>	<u>(202)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		438,518	31,421
Tax on profit on ordinary activities	7	<u>(111,352)</u>	<u>(32,411)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		327,166	(990)
PROFIT BROUGHT FORWARD		<u>862,191</u>	<u>863,181</u>
RETAINED PROFIT CARRIED FORWARD		<u>1,189,357</u>	<u>862,191</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2013 or 2012 other than those included in the profit and loss account. The profit/(loss) on ordinary activities after taxation represented the only movement in shareholders' funds during the current and previous year.

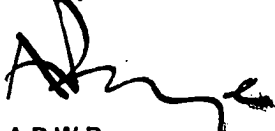
The notes on pages 9 to 15 form part of these financial statements.

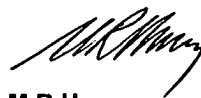
PAYE STONEWORK & RESTORATION LIMITED
Registered number: 02743908

BALANCE SHEET
as at 31 August 2013

	Note	£	2013 £	2012 £
FIXED ASSETS				
Tangible assets	8		26,458	19,963
CURRENT ASSETS				
Stocks	9	525		450
Debtors: amounts falling due after more than one year	10	782,676		597,965
Debtors: amounts falling due within one year	10	7,111,681		5,429,592
		<u>7,894,882</u>		<u>6,028,007</u>
CREDITORS: amounts falling due within one year	11	<u>(5,711,160)</u>		<u>(4,350,987)</u>
NET CURRENT ASSETS			<u>2,183,722</u>	<u>1,677,020</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,210,180</u>	<u>1,696,983</u>
CREDITORS: amounts falling due after more than one year	12		<u>(970,823)</u>	<u>(781,517)</u>
PROVISIONS FOR LIABILITIES				
Deferred tax	13		-	(3,275)
NET ASSETS			<u><u>1,239,357</u></u>	<u><u>912,191</u></u>
CAPITAL AND RESERVES				
Called up share capital	14		50,000	50,000
Profit and loss account			<u>1,189,357</u>	<u>862,191</u>
SHAREHOLDERS' FUNDS			<u><u>1,239,357</u></u>	<u><u>912,191</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 May 2014.


A P W Paye
Director


M R Harvey
Director

The notes on pages 9 to 15 form part of these financial statements.

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and on the going concern basis.

The directors consider the going concern basis to be appropriate having paid due regard to the company's projected results during the twelve months from the date the financial statements are approved and the anticipated cash flows, availability of bank facilities and mitigating actions that can be taken during that period.

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	33% per annum on a straight line basis
Fixtures & fittings	-	20% per annum on a straight line basis

1.4 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.5 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

PAYE STONEMARK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

1. ACCOUNTING POLICIES (continued)

1.7 LONG-TERM CONTRACTS

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

1.8 PENSIONS

The company contributes to personal pension plans and the pension charge represents the amounts payable by the company to the personal pension plans in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to the company's principal activities.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2013 £	2012 £
Depreciation of tangible fixed assets:		
- owned by the company	10,223	7,343
Auditor's remuneration	21,806	31,067
Operating lease rentals:		
- property leases	142,770	143,090
	<u>174,800</u>	<u>181,500</u>

PAYE STONEWORK & RESTORATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

4. STAFF COSTS

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

	2013	2012
	£	£
Wages and salaries	3,911,216	3,745,706
Social security costs	473,111	451,721
Other pension costs	199,666	195,261
	<u>4,583,993</u>	<u>4,392,688</u>

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

	2013	2012
	No.	No.
Administrative staff	23	19
Contracts and site staff	49	53
	<u>72</u>	<u>72</u>

5. DIRECTORS' REMUNERATION

	2013	2012
	£	£
Remuneration	<u>1,091,119</u>	<u>1,111,118</u>
Company pension contributions to defined contribution pension schemes	<u>97,314</u>	<u>79,810</u>

During the year retirement benefits were accruing to 4 directors (2012 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £333,984 (2012 - £320,149).

6. INTEREST PAYABLE

	2013	2012
	£	£
On other loans	<u>1,639</u>	<u>202</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

7. TAXATION

	2013 £	2012 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year	120,789	25,916
Adjustments in respect of prior periods	(6,162)	3,220
TOTAL CURRENT TAX	<u>114,627</u>	<u>29,136</u>
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	(3,275)	3,275
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>111,352</u>	<u>32,411</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2012 - *higher than*) the standard rate of corporation tax in the UK of 23.6% (2012 - 20%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	438,518	31,421
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.6% (2012 - 20%)	103,490	6,284
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	19,221	22,052
Capital allowances for year in excess of depreciation	(1,922)	(2,420)
Adjustments to tax charge in respect of prior periods	(6,162)	3,220
CURRENT TAX CHARGE FOR THE YEAR (see note above)	<u>114,627</u>	<u>29,136</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

PAYE STONWORK & RESTORATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

8. TANGIBLE FIXED ASSETS

	Plant & machinery £	Fixtures & fittings £	Total £
COST			
At 1 September 2012	109,678	11,131	120,809
Additions	16,718	-	16,718
Disposals	(84,090)	(1,765)	(85,855)
At 31 August 2013	<u>42,306</u>	<u>9,366</u>	<u>51,672</u>
DEPRECIATION			
At 1 September 2012	97,305	3,541	100,846
Charge for the year	8,490	1,733	10,223
On disposals	(84,090)	(1,765)	(85,855)
At 31 August 2013	<u>21,705</u>	<u>3,509</u>	<u>25,214</u>
NET BOOK VALUE			
At 31 August 2013	<u>20,601</u>	<u>5,857</u>	<u>26,458</u>
At 31 August 2012	<u>12,373</u>	<u>7,590</u>	<u>19,963</u>

9. STOCKS

	2013 £	2012 £
Raw materials	<u>525</u>	<u>450</u>

10. DEBTORS

	2013 £	2012 £
DUE AFTER MORE THAN ONE YEAR		
Amounts recoverable on long term contracts	<u>782,676</u>	<u>597,965</u>
DUE WITHIN ONE YEAR		
Trade debtors	619,095	609,902
Amounts owed by group undertakings	1,460,286	630,845
Other debtors	103,749	63,891
Prepayments and accrued income	17,696	71,123
Amounts recoverable on long term contracts	4,910,855	4,053,831
	<u>7,111,681</u>	<u>5,429,592</u>

PAYE STONEWORK & RESTORATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

**11. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Bank loans and overdrafts	729,458	368,264
Trade creditors	3,527,326	3,109,786
Corporation tax	114,627	25,916
Other taxation and social security	274,264	259,023
Other creditors	2,608	8,528
Accruals and deferred income	1,062,877	579,470
	<u>5,711,160</u>	<u>4,350,987</u>

The company's bank facilities are secured by a fixed and floating charge over the company's assets.

**12. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Trade creditors	<u>970,823</u>	<u>781,517</u>

13. DEFERRED TAXATION

	2013 £	2012 £
At beginning of year	3,275	-
Movement during year	(3,275)	3,275
	<u>-</u>	<u>3,275</u>

The provision for deferred taxation is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	<u>-</u>	<u>3,275</u>

14. SHARE CAPITAL

	2013 £	2012 £
ALLOTTED, CALLED UP AND FULLY PAID		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

PAYE STONEWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

15. OPERATING LEASE COMMITMENTS

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2013	2012	2013	2012
	£	£	£	£
EXPIRY DATE:				
Within 1 year	-	-	12,514	7,567
Between 2 and 5 years	95,200	125,200	21,443	28,121

16. RELATED PARTY TRANSACTIONS

16.1 Goodwin Paye Partnership ("GPP")

A P W Paye, P D Lloyd and P P Newsam are directors of the company and partners of GPP. £478,139 (2012: £715,648) was charged during the year by GPP to the company for goods and services provided. At 31 August 2013 the company was owed £619,095 (2012: £609,902) by GPP.

16.2 Paye Stonework and Historic Facades Limited ("PSHF")

A P W Paye, P D Lloyd and P P Newsam are directors of the company and directors and shareholders of PSHF. £1,393,414 (2012: £1,322,821) was charged during the year by PSHF to the company for goods and services provided. At 31 August 2013 the company owed PSHF £377,656 (2012: £295,059).

16.3 M J Kember ("MJK")

An interest free loan made in a previous year to MJK, a director, is being repaid in monthly instalments and during the year £4,200 (2012: £1,750) of the loan was repaid. At the year-end MJK owed the company £7,150 (2012: £11,350).

16.4 P P Newsam ("PPN")

An interest free loan of £50,000 was made in the year to PPN, a director. At the year-end PPN owed the company £50,000 and this amount was repaid in full subsequent to the year-end.

16.5 Ultimate Parent Undertaking.

As a wholly owned subsidiary the company has taken advantage of FRS8 not to disclose transactions with its ultimate parent undertaking.

17. ULTIMATE PARENT UNDERTAKING

Paye Stonework Holdings Limited ("PSHL") is the company's immediate and ultimate parent undertaking.

PSHL's consolidated financial statements are publicly available from Companies House.