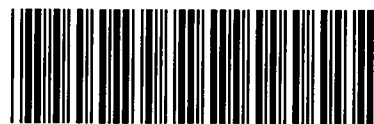


**PAYE STONERWORK & RESTORATION LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 August 2014**

TUESDAY



\*L4870HH4\*

LD4

26/05/2015

#112

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  
A McNeill (appointed 1 December 2013)  
G Staple (appointed 1 December 2013)  
D J Devon (non-executive) (appointed 1 December 2014)

**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

**STRATEGIC REPORT  
for the year ended 31 August 2014**

The directors present their strategic report for the year ended 31 August 2014.

**BUSINESS REVIEW**

Market conditions remained strong throughout the year with many prestigious contracts being awarded including works at County Hall, Canada House and Westminster School. The company continued to undertake a significant amount of work on churches throughout South East England.

The company's reputation as a market leader in the field of façade conservation, repair, refurbishment and adaptation, and creating new landmark buildings and monuments continued to grow.

**PRINCIPAL RISKS AND UNCERTAINTIES**

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.

**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**

**STRATEGIC REPORT (continued)  
for the year ended 31 August 2014**

**FINANCIAL KEY PERFORMANCE INDICATORS**

Turnover increased very slightly to £22.4 million (2013: £22.1 million) whilst profit before taxation increased to £472,988 (2013: £438,518).

After paying dividends of £19,542 (2013: £Nil) shareholders' funds increased to £1,504,782 (2013: £1,239,358)

**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.

This report was approved by the board on 21 May 2015 and signed on its behalf.

  
**M R Harvey**  
Director

**DIRECTORS' REPORT**  
**for the year ended 31 August 2014**

The directors present their report and the financial statements for the year ended 31 August 2014.

**PRINCIPAL ACTIVITIES**

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

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £284,966 (2013 - £327,166).

Interim dividends of £19,542 (2013: £Nil) were paid during the year.

No final dividend has been proposed (2013: £Nil).

**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 (appointed 1 December 2013)  
G Staple (appointed 1 December 2013)

D J Devon was appointed a non-executive director on 1 December 2014.

**MATTERS COVERED IN THE STRATEGIC REPORT**

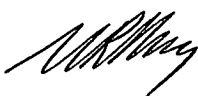
The business review, principal risks and uncertainties, financial key performance indicators and future developments are included within the strategic report.

**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 21 May 2015 and signed on its behalf.



**M R Harvey**  
Director

## **PAYE STONWORK & RESTORATION LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT for the year ended 31 August 2014**

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 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 2014, 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 strategic report and 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.

*M Stallabrass*

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

22 May 2015



# PAYE STONWORK & RESTORATION LIMITED

## PROFIT AND LOSS ACCOUNT for the year ended 31 August 2014

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>22,425,382</b>	22,112,871
Cost of sales		<b>(17,978,098)</b>	(18,098,672)
<b>GROSS PROFIT</b>		<b>4,447,284</b>	4,014,199
Administrative expenses		<b>(3,972,313)</b>	(3,574,514)
<b>OPERATING PROFIT</b>	3	<b>474,971</b>	439,685
Interest receivable and similar income		231	472
Interest payable and similar charges	6	<b>(2,214)</b>	(1,639)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>472,988</b>	438,518
Tax on profit on ordinary activities	7	<b>(188,022)</b>	(111,352)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>284,966</b>	327,166
<b>PROFIT BROUGHT FORWARD</b>		<b>1,189,358</b>	862,192
Dividends: Equity capital		<b>(19,542)</b>	-
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>1,454,782</b>	1,189,358

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

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 2014

	Note	£	2014 £	2013 £
<b>FIXED ASSETS</b>				
Tangible assets	8		21,680	26,459
<b>CURRENT ASSETS</b>				
Stocks	9	664		525
Debtors: amounts falling due after more than one year	10	1,288,873	782,676	
Debtors: amounts falling due within one year	10	5,961,417	7,111,681	
		<u>7,250,954</u>	<u>7,894,882</u>	
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(4,855,091)</u>	<u>(5,711,160)</u>	
<b>NET CURRENT ASSETS</b>			<u>2,395,863</u>	<u>2,183,722</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,417,543</u>	<u>2,210,181</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		<u>(912,761)</u>	<u>(970,823)</u>
<b>NET ASSETS</b>			<u><u>1,504,782</u></u>	<u><u>1,239,358</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	13		50,000	50,000
Profit and loss account			<u>1,454,782</u>	<u>1,189,358</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>1,504,782</u></u>	<u><u>1,239,358</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 May 2015.

P P Newsam  
Director



M R Harvey  
Director



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

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**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 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.

**1.7 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.

# PAYE STONEMARK & RESTORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 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:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	9,312	10,223
Auditor's remuneration	22,650	24,500
Operating lease rentals:		
- property leases	149,652	142,770
	<u>149,652</u>	<u>142,770</u>

### 4. STAFF COSTS

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

	2014 £	2013 £
Wages and salaries	4,336,680	3,911,216
Social security costs	573,817	473,111
Other pension costs	207,256	199,666
	<u>5,117,753</u>	<u>4,583,993</u>

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

	2014 No.	2013 No.
Administrative staff	22	23
Contracts and site staff	59	49
	<u>81</u>	<u>72</u>

# PAYE STONEWORK & RESTORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 5. DIRECTORS' REMUNERATION

	2014 £	2013 £
Remuneration	<u>1,473,469</u>	<u>1,091,119</u>
Company pension contributions to defined contribution pension schemes	<u>76,035</u>	<u>97,314</u>

During the year retirement benefits were accruing to 6 directors (2013 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £406,388 (2013 - £333,984).

### 6. INTEREST PAYABLE

	2014 £	2013 £
On other loans	<u>2,214</u>	<u>1,639</u>

### 7. TAXATION

	2014 £	2013 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
UK corporation tax charge on profit for the year	184,603	120,789
Adjustments in respect of prior periods	3,419	(6,162)
<b>TOTAL CURRENT TAX</b>	<u>188,022</u>	<u>114,627</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	-	(3,275)
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>188,022</u>	<u>111,352</u>

**PAYE STONEWORK & RESTORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 August 2014**

**7. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 22.16% (2013 - 23.6%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>472,988</u>	<u>438,518</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.16% (2013 - 23.6%)	104,814	103,490
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	67,825	19,221
Short-term timing differences	11,964	(1,922)
Adjustments to tax charge in respect of prior periods	3,419	(6,162)
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>188,022</u>	<u>114,627</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**8. TANGIBLE FIXED ASSETS**

	Plant & machinery £	Fixtures & fittings £	Total £
<b>COST</b>			
At 1 September 2013	42,306	9,367	51,673
Additions	3,980	553	4,533
At 31 August 2014	<u>46,286</u>	<u>9,920</u>	<u>56,206</u>
<b>DEPRECIATION</b>			
At 1 September 2013	21,705	3,509	25,214
Charge for the year	7,468	1,844	9,312
At 31 August 2014	<u>29,173</u>	<u>5,353</u>	<u>34,526</u>
<b>NET BOOK VALUE</b>			
At 31 August 2014	<u>17,113</u>	<u>4,567</u>	<u>21,680</u>
At 31 August 2013	<u>20,601</u>	<u>5,858</u>	<u>26,459</u>

# PAYE STONEWORK & RESTORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

### 9. STOCKS

	2014 £	2013 £
Raw materials	664	525

### 10. DEBTORS

	2014 £	2013 £
<b>DUE AFTER MORE THAN ONE YEAR</b>		
Trade debtors	512,448	-
Amounts recoverable on long term contracts	776,425	782,676
	<u>1,288,873</u>	<u>782,676</u>

	2014 £	2013 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	-	619,095
Amounts owed by group undertakings	1,878,120	1,460,286
Value Added Tax	146,465	-
Other debtors	73,832	103,749
Prepayments and accrued income	18,293	17,696
Amounts recoverable on long term contracts	3,844,707	4,910,855
	<u>5,961,417</u>	<u>7,111,681</u>

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

	2014 £	2013 £
Bank loans and overdrafts	624,918	729,458
Trade creditors	3,215,543	3,527,326
Corporation tax	109,423	114,627
Other taxation and social security	303,491	274,264
Outstanding consideration	23,500	-
Other creditors	14,896	2,608
Accruals and deferred income	563,320	1,062,877
	<u>4,855,091</u>	<u>5,711,160</u>

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

# PAYE STONEWORK & RESTORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2014

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

	2014 £	2013 £
Trade creditors	<u>912,761</u>	<u>970,823</u>

### 13. SHARE CAPITAL

	2014 £	2013 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

### 14. OPERATING LEASE COMMITMENTS

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
<b>EXPIRY DATE:</b>				
Within 1 year	5,200	-	7,635	12,514
Between 2 and 5 years	<u>90,000</u>	<u>95,200</u>	<u>18,378</u>	<u>21,443</u>



**NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31-August 2014**

**15. RELATED PARTY TRANSACTIONS**

**15.1 Goodwin Paye Partnership ("GPP")**

A P W Paye, P D Lloyd and P P Newsam are directors of the company and partners of GPP. £577,642 (2013: £478,139) was charged during the year by GPP to the company for goods and services provided. At 31 August 2014 amounts owed by GPP to the company had a carrying value of £512,448 (2013: £619,095), which is stated net of a £200,000 (2013 £Nil) provision made in the year. The amount owed by GPP represents the entire trade debtors balance.

**15.2 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. £1,408,487 (2013: £1,393,414) was charged during the year by PSHF to the company for goods and services provided. At 31 August 2014 the company owed PSHF £344,909 (2013: £377,656) and this amount is included within the trade creditors.

**15.3 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 (2013: £4,200) of the loan was repaid. At the year-end MJK owed the company £2,950 (2013: £7,150) and this amount is included within other debtors.

**15.4 P P Newsam ("PPN")**

An interest free loan of £50,000 was made in the previous year to PPN, a director. This amount was repaid in full during the year.

**15.5 Ultimate Parent Undertaking.**

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

**16. 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.