

PAYE STONWORK & RESTORATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 August 2022

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PAYE STONWORK & RESTORATION LIMITED

STRATEGIC REPORT For the Year Ended 31 August 2022

The directors present their strategic report for the year ended 31 August 2022.

Business review

2021 was an extremely challenging year marked by substantial unbudgeted increases in material, labour and overhead costs. Particularly high levels of inflation, not seen in the construction industry for many years, significantly increased the costs in these key areas of the business.

Post-Brexit labour shortages increased labour costs as the demand for skilled workers outstripped supply in this difficult year, which was the second year of the Covid 19 pandemic. The impact of the pandemic exacerbated these cost increases resulting in a reduction in margins below the level needed to cover overheads.

The objective for 2022 was to adjust our business model to meet the challenges detailed above.

Trading throughout the year was strong, with work being secured and delivered at current costs, which ensured the business no longer had to bear the costs of excessive inflationary pressure.

Despite delays to several high value major works contracts reducing projected turnover and profitability, our objective to adjust and recover from the previous year's result was achieved.

Turnover for the year to 31 August 2022 increased to £37.8m (2021:£35.8m) with a corresponding pre-tax profit of £433k (2021:loss £791k).

The continued recovery of the business is thanks to the hard work of the directors and staff, whose commitment to the company is a testament to our established policy of recruiting and training talented people from diverse backgrounds.

Trading since the start of the current financial year has been strong. We currently have £39m of profitable work secured. Turnover for this financial year is currently projected to be £42m, with a large amount of work set to be delivered in quarters 3 and 4 of this year. Our current overhead remains at a similar level as in our last financial year and overall the position of the business is healthy as the return to profitable trading continues.

The profile of work secured from our pipeline continues to be several large-value projects, along with a large number of small to medium-size projects where we act as a principal contractor or a specialist sub-contractor. This is the work on which the company has built its reputation and leads to repeat business from a wide range of private and publicly funded clients who value the technical skills, professionalism and commercial service we provide.

Our clients include museums, galleries, hotels, schools, embassies, large department stores and other retail outlets, The Royal Household, The Parliamentary Estates, Government Estates Management, The Crown Estate, English Heritage, churches, residential developers and local authorities.

The varied nature of the work we deliver and client base is key to the success of the business and something we strive to maintain and develop.

It remains our objective to continue to undertake specialist craft work of the highest caliber at a cost which represents value to our clients. This principle has served us well, as evidenced by the continued demand for our services and growth of the business.

STRATEGIC REPORT (CONTINUED)
For the Year Ended 31 August 2022

Principal risks and uncertainties

The company's principal financial instruments comprise bank loan and overdraft facilities, lease contracts, cash and short-term deposits. The main purpose of these financial instruments is to provide 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 the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are detailed below. The board reviews and agrees policies for managing each of these risks and they are summarised as follows:

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's short-term and long-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. The company also has a trade credit insurance policy in place.

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.

Financial key performance indicators

Turnover increased to £37.8 million (2021: £35.8 million) whilst profit before taxation was £433,842 (2021: loss £791,330) and shareholders' funds decreased to £320,945 (2021: £434,205).

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



M R Harvey
Director

Date: 26 May 2023

PAYE STONWORK & RESTORATION LIMITED

DIRECTORS' REPORT For the Year Ended 31 August 2022

The directors present their report and the financial statements for the year ended 31 August 2022.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £566,376 (2021 - loss £322,859).

No dividends were paid in the year ended 31 August 2022 or in the subsequent period to date.

Directors

The directors who served during the year were:

A P W Paye
P P Newsam
M R Harvey
M J Kember
R W Greer
A McNeill (resigned 31 March 2023)
G Staple
D J Peachey
D J Devon (non-executive)

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.

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

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



M R Harvey
Director

Date: 26 May 2023

PAYE STONWORK & RESTORATION LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
For the Year Ended 31 August 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PAYE STONWORK & RESTORATION LIMITED

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

Opinion

We have audited the financial statements of Paye Stonework & Restoration Limited (the 'company') for the year ended 31 August 2022, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2022 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

PAYE STONWORK & RESTORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYE STONWORK & RESTORATION LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

PAYE STONWORK & RESTORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYE STONWORK & RESTORATION LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit is capable of detecting irregularities, including fraud

We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations – this responsibility lies with management with the oversight of the directors.

Based on our understanding of the company and its industry together with discussions with management and directors, we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- completing a risk-assessment process during our planning for this audit that specifically considered the risk of fraud;
- enquiry of management about the company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review, where applicable, of minutes of meetings of the board of directors;
- enquiry of management, about any litigations and claims and inspection of relevant correspondence
- analytical procedures to identify any unusual or unexpected relationships;
- specific audit testing on and review of areas that could be subject to management override of controls and potential bias, most notably around the key judgments and estimates;
- considering management override of controls outside of the normal operating cycles including testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements including evaluating the business rationale of significant transactions, outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organised schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

PAYE STONWORK & RESTORATION LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAYE STONWORK & RESTORATION
LIMITED (CONTINUED)**

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

M Stallabrass

Matthew Stallabrass (senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill

London

EC4M 7JW

26 May 2023

PAYE STONWORK & RESTORATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 August 2022

	Note	2022 £	2021 £
Turnover		37,816,231	35,781,471
Cost of sales		(32,114,448)	(31,502,679)
Gross profit		5,701,783	4,278,792
Administrative expenses		(5,245,325)	(5,120,251)
Other operating income	4	-	62,575
Operating profit/(loss)	5	456,458	(778,884)
Interest receivable and similar income		6,392	401
Interest payable and similar expenses		(29,008)	(12,847)
Profit/(loss) before tax		433,842	(791,330)
Tax on profit/(loss)	8	132,534	468,471
Profit/(loss) for the financial year		566,376	(322,859)

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 12 to 21 form part of these financial statements.

PAYE STONEWORK & RESTORATION LIMITED
Registered number: 02743908

STATEMENT OF FINANCIAL POSITION
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	9	53,483	53,113
Current assets			
Stocks		5,622	3,723
Debtors: amounts falling due after more than one year	10	1,389,976	986,888
Debtors: amounts falling due within one year	10	8,435,031	8,100,274
Cash at bank and in hand	11	35,759	2,363,299
		<u>9,866,388</u>	<u>11,454,184</u>
Creditors: amounts falling due within one year	12	(8,247,875)	(9,562,905)
Net current assets		<u>1,618,513</u>	<u>1,891,279</u>
Total assets less current liabilities		<u>1,671,996</u>	<u>1,944,392</u>
Creditors: amounts falling due after more than one year	13	(1,351,051)	(1,510,187)
Net assets		<u><u>320,945</u></u>	<u><u>434,205</u></u>
Capital and reserves			
Called up share capital	14	50,000	50,000
Profit and loss account		270,945	384,205
		<u><u>320,945</u></u>	<u><u>434,205</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


P P Newsam
Director


M R Harvey
Director

Date: 26 May 2023

The notes on pages 12 to 21 form part of these financial statements.

<p>PAYE STONework & RESTORATION LIMITED</p>
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STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 August 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2020	50,000	1,847,308	1,897,308
Loss for the year	-	(322,859)	(322,859)
Gifts to Paye Employee Ownership Trust	-	(1,140,244)	(1,140,244)
At 1 September 2021	50,000	384,205	434,205
Profit for the year	-	566,376	566,376
Gifts to Paye Employee Ownership Trust	-	(679,636)	(679,636)
At 31 August 2022	50,000	270,945	320,945

The notes on pages 12 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022**

1. General information

The company is a private company (limited by shares) incorporated and domiciled in England and Wales and its principal activities during the year were those of cleaning masonry, repairing, extending and adapting historic facades. The company's principal place of business and its registered office are located at Stationmasters House, Mottingham Station Approach, London SE9 4EL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Paye Stonework Investments Limited as at 31 August 2022 and these financial statements may be obtained from the Companies House website.

2.3 Going concern

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.

The directors only allow gifts to be made to the Paye Employee Ownership Trust if there are sufficient distributable reserves available to cover such payments and that adequate working capital remains within the company.

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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.

2.5 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Non short term debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short term creditors are measured at transaction price. Non short term creditors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include estimation, where applicable, for items relating to the carrying value of amounts recoverable under long-term contracts.

4. Other operating income

	2022 £	2021 £
Other operating income: government grants	-	62,575

The government grants received in the previous year related to monies received under the Coronavirus Job Retention Scheme.

5. Operating profit/(loss)

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

	2022 £	2021 £
Depreciation of tangible fixed assets	31,181	30,768
Operating lease rentals: property leases	277,106	256,989
Auditor's remuneration	34,250	30,750

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

6. Employees

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

	2022	2021
	£	£
Wages and salaries	7,662,711	7,295,169
Social security costs	939,219	852,659
Cost of defined contribution pension scheme	387,771	389,896
	8,989,701	8,537,724

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

	2022	2021
	No.	No.
Administrative staff	22	26
Contracts and site staff	102	93
	124	119

7. Directors' remuneration

	2022	2021
	£	£
Directors' emoluments	1,197,541	1,370,787
Company contributions to defined contribution pension schemes	96,108	109,424
	1,293,649	1,480,211

During the year retirement benefits were accruing to 8 directors (2021 - 8) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £200,685 (2021 - £208,800).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,906 (2021 - £14,567).

The directors are the key management of the company.

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

8. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	88,400	<i>(136,666)</i>
Adjustments in respect of previous periods	(220,934)	<i>(331,805)</i>
Total current tax	(132,534)	<i>(468,471)</i>

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022	2021
	£	£
Profit/(loss) before tax	433,842	<i>(791,330)</i>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% <i>(2021 - 19%)</i>	82,430	<i>(150,353)</i>
Effects of:		
Adjustments to tax charge in respect of prior periods	(220,934)	<i>(331,805)</i>
Other differences	5,970	<i>13,687</i>
Total tax charge for the year	(132,534)	<i>(468,471)</i>

Factors that may affect future tax charges

There are no significant factors that may affect future tax charges.

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

9. Tangible fixed assets

	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost				
At 1 September 2021	138,959	62,513	6,995	208,467
Additions	29,771	1,780	-	31,551
Disposals	(61,414)	(3,185)	-	(64,599)
At 31 August 2022	<u>107,316</u>	<u>61,108</u>	<u>6,995</u>	<u>175,419</u>
Depreciation				
At 1 September 2021	114,583	33,776	6,995	155,354
Charge for the year on owned assets	22,980	8,201	-	31,181
Disposals	(61,414)	(3,185)	-	(64,599)
At 31 August 2022	<u>76,149</u>	<u>38,792</u>	<u>6,995</u>	<u>121,936</u>
Net book value				
At 31 August 2022	<u><u>31,167</u></u>	<u><u>22,316</u></u>	<u><u>-</u></u>	<u><u>53,483</u></u>
At 31 August 2021	<u><u>24,376</u></u>	<u><u>28,737</u></u>	<u><u>-</u></u>	<u><u>53,113</u></u>

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

10. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts recoverable on long-term contracts	<u>1,389,976</u>	<u>986,888</u>
	2022 £	2021 £
Due within one year		
Other debtors	161,989	112,127
Prepayments and accrued income	55,241	46,516
Amounts recoverable on long-term contracts	8,087,883	7,146,756
Corporation tax recoverable	129,918	794,875
	<u>8,435,031</u>	<u>8,100,274</u>

11. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>35,759</u>	<u>2,363,299</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	300,000	300,000
Trade creditors	5,684,835	5,658,623
Other taxation and social security	582,970	1,159,469
Other creditors	3,347	18,564
Accruals and deferred income	1,676,723	2,426,249
	<u>8,247,875</u>	<u>9,562,905</u>

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

PAYE STONWORK & RESTORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

13. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Bank loans	825,000	1,125,000
Trade creditors	526,051	385,187
	<u>1,351,051</u>	<u>1,510,187</u>

The bank loan detailed above and in the preceding note is repayable over a five year period in equal monthly instalments from June 2021 and attracts interest at 3.12% over the base rate.

14. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

15. Commitments under operating leases

At 31 August 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	370,000	335,000
Later than 1 year and not later than 5 years	1,170,000	1,136,000
Later than 5 years	-	207,000
	<u>1,540,000</u>	<u>1,678,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022**

16. Related party transactions

Paye Employee Ownership Trust ("the Trust")

The Trust is the company's ultimate parent undertaking, see the following note for further details.

On 7 September 2018 the company entered into a loan facility agreement ("LFA") with the Trust to assist in funding the acquisition of the entire issued share capital of Paye Stonework Investments Limited. Under the LFA the company granted to the Trust a loan facility.

During the year-ended 31 August 2022 gifts of £679,636 were made to the Trust.

The maximum available facility at 31 August 2022 was £3,314,705 of which up to £1,927,240 could be drawn down within the next twelve months.

At the date of approval of these financial statements the maximum available facility was £3,314,705 of which a maximum of £3,212,066 could be drawn down in the twelve months following the financial statements approval date.

To date the Trust has drawn down £Nil in respect of the LFA.

Goodwin Paye Partnership ("GPP")

A P W Paye and PP Newsam are directors of the company and partners of GPP. £61,305 (2021: £90,000) was charged during the year by GPP to the company for property rental. At 31 August 2022 the company owed GPP £Nil (2021: £27,100).

D J Peachey ("DJP")

Interest-free loans were made during previous years to DJP (a director of the company). The loans are being repaid in instalments and during the year £1,500 (2021: £5,500) was repaid. At the year-end DJP owed the company £21,000 (2021: £22,500).

M J Kember ("MJK")

Interest free loans were made during previous years to MJK (a director of the company) and a further loan of £13,073 was made during the year. No repayments were made during the year. At the year-end MJK owed the company £76,441 (2021: £63,368).

Fitzbers Properties Limited ("FPL")

MJK is a director and shareholder of FPL. £30,756 (2021: £Nil) was charged during the year by FPL to the company for property rental. At 31 August 2022 and 31 August 2021 no amounts were owed by the company to FPL.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 August 2022

17. Parent Undertakings and Controlling parties

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

Paye Stonework Investments Limited ("PSIL") is the immediate parent undertaking of PSHL.

PSIL prepares consolidated financial statements which are publicly available from Companies House whilst PSHL does not prepare consolidated financial statements.

Both PSHL and PSIL have the same registered offices and principal places of business as the company.

PSIL's immediate parent undertaking and the company's ultimate parent undertaking is Paye Employee Ownership Trust ("the Trust")

The Trust has no controlling party and does not prepare consolidated financial statements that are publicly available.