

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
FOR
HAYWARD SERVICES LIMITED**

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for the Year Ended 31 March 2023

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COMPANY INFORMATION
for the Year Ended 31 March 2023

DIRECTORS:

E I Gordon
I D Forrest
D Simpson
S Walker
Miss S Drews
Mrs S Gordon
Miss S Holden
Mrs S Walker

SECRETARY:

R A C Sears

REGISTERED OFFICE:

227 Berwick Avenue
Slough
Berkshire
SL1 4QT

REGISTERED NUMBER:

03090908 (England and Wales)

AUDITORS:

Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

**STRATEGIC REPORT
for the Year Ended 31 March 2023**

The directors present their strategic report for the year ended 31 March 2023.

REVIEW OF BUSINESS

Sales for the period ended 31 March 2023 were £17.6m (2022: £17.4m) and the gross margin was 22% (2022: 24%).

Operating profit was £1.0m (2022: £1.4m) and profit after tax was £0.8m (2022: £1.1m).

The directors are satisfied with the results for the year and the business continues to perform well in what is a competitive market place.

The business has maintained stability and is performing to a standard enabling it to retain re-tendered business.

Strategically, the directors will seek to continue to strengthen the balance sheet in coming years by building up a cash reserve. Such action may facilitate the purchase of an existing cleaning company to grow turnover, or the acquisition of a company providing subcontracted services. Additionally, the directors wish to investigate the purchase of new head office premises when the current property lease expires.

KEY PERFORMANCE INDICATORS

The company monitors its performance using key performance indicators:

- 1) Turnover has increased by 1% (2022: increased by 11%).
- 2) Wage costs have increased by 1% (2022: increased by 4%).
- 3) Profit margin decreased by 1% (2022: no change).
- 4) Cash decreased by 50% (2022: decreased by 70%).
- 5) Working capital decreased by 9% (2022: increased by 27%).

These are monitored by the directors and are currently showing no major issues for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

Labour Shortages

The smooth running of the business is dependant upon recruitment of cleaning operatives. Covid-19 and Brexit have both combined to leave the whole of the UK with labour shortages across multiple industries, including cleaning services. The company expends considerable effort to recruit successfully at the sites where it provides a service. Additionally, the support and training that is provided to operatives improves retention and reduces the recruitment requirements. The senior and contract management teams continue to be extremely stable.

Credit Risk

Trade debtors are the company's principal financial asset yet the directors do not consider collection of them of any great risk. The company has a very good history of debt collection. A very large percentage of the company's customer base is made up of government departments and other extremely credible organisations.

National Living Wage

The government continue to increase the National Living Wage each year and this requires the cooperation of clients to mitigate these rises. The company now has a well established process to contact clients and agree annual increment to help manage these costs.

Multi-Academy Trusts

We are seeing a steady decline in the number of schools using the county framework agreements for tendering. Over the same period, we are also experiencing a rise in Multi-Academy Trusts and the grouping together of primary and secondary schools into larger groups. Haywards have developed strong relationships with the majority of 3rd party procurement companies and have built up a wealth of experience in both tendering and operating contracts of this nature.

**STRATEGIC REPORT
for the Year Ended 31 March 2023**

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the group may continue. It is the policy of the group that training, career development and promotion opportunities should be made available to all employees.

COMPLIANCE WITH GENDER PAY GAP REPORTING REQUIREMENTS

Hayward Services Limited is required to publish its Gender Pay Gap details. Results have been submitted for the reporting year 2022/23 and are available to view on the company's website.

ON BEHALF OF THE BOARD:

S Walker - Director

18 December 2023

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

DIVIDENDS

An interim dividend of £942,912 was paid during the year, being £943 per share.

The total distribution of dividends for the period ended 31 March 2023 will be £942,912.

FUTURE DEVELOPMENTS

We recognise that a large percentage of the company's turnover is in the public sector and the directors plan to grow the commercial sector of the business in order to rebalance the contract portfolio over the next few years.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

E I Gordon
I D Forrest
D Simpson
S Walker
Miss S Drews
Mrs S Gordon
Miss S Holden
Mrs S Walker

EMPLOYEE INVOLVEMENT

The company has continued its practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2023**

AUDITORS

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

S Walker - Director

18 December 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYWARD SERVICES LIMITED

Opinion

We have audited the financial statements of Hayward Services Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 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 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

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 and one day 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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Strategic Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be misstated. If we identify such inconsistencies or apparent 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 misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAYWARD SERVICES LIMITED**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any matters in the Report of the Directors or the Strategic Report that are inconsistent with our overall view of the financial statements.

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 Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HAYWARD SERVICES LIMITED

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

Identifying and assessing potential irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non compliance with laws and regulations, our procedures included the following:

1. Considering the nature of the industry, sector, control environment and current business activities, including possible performance targets and subsequent remuneration;
2. Enquiring of management concerning policies and procedures relating to:
 - complying with laws and regulations and whether there were any instances of non-compliance; and
 - mitigating, detecting and responding to fraud risk and whether there has been any actual or possible instances of fraud;
3. Discussing with the engagement team and internal specialists where necessary, the legal and regulatory framework in which the company operates and in particular those which would have an impact on the financial statements. The key laws and regulations considered were the Companies Act 2006, UK tax legislation and UK employment law;
4. Discussing with the engagement team and internal specialists where necessary, regarding how and where fraud may occur in the financial statements along with the possible indicators of fraud.

We identified the following areas most likely to be susceptible to fraud:

- Revenue recognition;
- Management override.

Audit response to the risks identified

As noted above, we identified revenue recognition and management override as matters that would most likely be susceptible to fraud. Our procedures to respond to these risks included the following:

- Recalculating and agreeing revenue in line with contracts with customers;
- Reviewing the nominal ledger and journal entries for any indication of management override.

Further, we also identified compliance with the Companies Act 2006, UK tax legislation and UK employment law as being key areas where there may be possible non-compliance. Our procedures to respond to these risks included the following:

- Review the financial statement disclosures and testing to supporting documentation to assess compliance with the Companies Act 2006;
- Reviewing expense codes for any items not allowable for the tax computations;
- Safeguard review of financial statements by a chartered accountant not on the engagement team;
- Safeguard review of tax computations by a person qualified as a CTA not on the engagement team;
- We have checked a sample of compliance with right to work checks and reviewed legal fees for indications of material issues arising out of non-compliance with employment law.

The above matters and identified laws and regulations and potential fraud risks were communicated to all engagement team members and internal specialists where necessary, in order to enable the team to have the ability to identify such risks. The whole team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HAYWARD SERVICES 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 a Report of the Auditors 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.

James Clark (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

20 December 2023

**INCOME STATEMENT
for the Year Ended 31 March 2023**

	Notes	31.3.23 £	31.3.22 £
TURNOVER		17,567,854	17,424,881
Cost of sales		<u>13,698,494</u>	<u>13,311,584</u>
GROSS PROFIT		3,869,360	4,113,297
Administrative expenses		<u>2,853,948</u>	<u>2,911,679</u>
		1,015,412	1,201,618
Other operating income		<u>3,391</u>	<u>156,256</u>
OPERATING PROFIT	4	1,018,803	1,357,874
Interest payable and similar expenses	6	<u>1,116</u>	<u>1,116</u>
PROFIT BEFORE TAXATION		1,017,687	1,356,758
Tax on profit	7	<u>201,654</u>	<u>259,245</u>
PROFIT FOR THE FINANCIAL YEAR		<u>816,033</u>	<u>1,097,513</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the Year Ended 31 March 2023

	31.3.23	31.3.22
Notes	£	£
PROFIT FOR THE YEAR	816,033	1,097,513
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME		
FOR THE YEAR	<u>816,033</u>	<u>1,097,513</u>

BALANCE SHEET
31 March 2023

	Notes	31.3.23 £	£	31.3.22 £	£
FIXED ASSETS					
Tangible assets	9		265,391		229,181
CURRENT ASSETS					
Stocks	10	49,696		54,722	
Debtors	11	3,804,812		4,197,237	
Cash at bank and in hand		<u>60,504</u>		<u>121,934</u>	
		3,915,012		4,373,893	
CREDITORS					
Amounts falling due within one year	12	<u>2,449,877</u>		<u>2,755,822</u>	
NET CURRENT ASSETS			<u>1,465,135</u>		<u>1,618,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,730,526		1,847,252
CREDITORS					
Amounts falling due after more than one year	13		(20,349)		(24,881)
PROVISIONS FOR LIABILITIES	16		<u>(45,953)</u>		<u>(31,268)</u>
NET ASSETS			<u><u>1,664,224</u></u>		<u><u>1,791,103</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		1,000		1,000
Retained earnings	18		<u>1,663,224</u>		<u>1,790,103</u>
SHAREHOLDERS' FUNDS			<u><u>1,664,224</u></u>		<u><u>1,791,103</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 December 2023 and were signed on its behalf by:

S Walker - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2021	1,000	1,532,590	1,533,590
Changes in equity			
Dividends	-	(840,000)	(840,000)
Total comprehensive income	-	1,097,513	1,097,513
Balance at 31 March 2022	<u>1,000</u>	<u>1,790,103</u>	<u>1,791,103</u>
Changes in equity			
Dividends	-	(942,912)	(942,912)
Total comprehensive income	-	816,033	816,033
Balance at 31 March 2023	<u><u>1,000</u></u>	<u><u>1,663,224</u></u>	<u><u>1,664,224</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Hayward Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements and key sources of estimation uncertainty

Depreciation - management uses judgement to estimate the useful lives and residual value of depreciating tangible fixed assets.

Deferred tax - management uses judgement in concluding whether any possible deferred tax asset should be recognised.

Accruals - management uses judgement to estimate the value of expenses to be paid post year end.

Turnover

In respect of contracts for on-going services, turnover represents the apportioned contract value over the timeframe of the contract. Other incidental work is recognised evenly over the duration of the work completed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 66.6% on cost and Straight line over 3 years
Motor vehicles	- Straight line over 4 years
Computer equipment	- 50% on cost

Tangible fixed assets are initially measured at cost. The directors deem that plant and machinery are disposed of after 5 years and so at the end of this period, a disposal is included to remove the accumulated cost and depreciation from the financial statements.

Stocks

Stocks relate to consumables and are therefore held at the lower of cost and net realisable value.

Stock is measured on the FIFO basis.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the relevant instrument, and derecognised when it ceases to be a party to such provisions.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the statement of total comprehensive income are recognised immediately in profit or loss.

Financial assets

The Company classifies its financial assets into the categories, discussed below, due to the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade debtors), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value, including transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost.

The Company's loans and receivables consist of trade and other debtors and prepayments included within the balance sheet. Cash and bank balances include cash held at bank and cash on hand.

Impairment provisions are recognised when there is objective evidence, for example, significant financial difficulties on the part of the counterparty, or default, or significant delay in payment, that the Company will be unable to collect all of the amounts due under the terms of the receivable. The amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For certain categories of financial asset, such as trade debtors, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables includes the Company's past experience of collecting payments.

For trade debtors which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of total comprehensive income. On confirmation that the trade receivables will not be collectable, the gross carrying value of the asset is written off against the associated provision. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity; ordinary shares issued by the Company are recognised at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued**Financial liabilities**

Borrowings are initially recognised at fair value net of any directly attributable transaction costs. These interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method, with the interest expense charged at a constant rate on the outstanding liabilities.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

	31.3.23	31.3.22
	£	£
Wages and salaries	13,205,236	13,071,178
Social security costs	577,930	511,891
Other pension costs	561,684	573,453
	<u>14,344,850</u>	<u>14,156,522</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	31.3.23	31.3.22
Head office	48	47
Site staff	<u>1,354</u>	<u>1,419</u>
	<u>1,402</u>	<u>1,466</u>

	31.3.23	31.3.22
	£	£
Directors' remuneration	290,429	318,638
Directors' pension contributions to money purchase schemes	<u>175,409</u>	<u>199,828</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>7</u>	<u>7</u>
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Information regarding the highest paid director is as follows:

	31.3.23	31.3.22
	£	£
Emoluments etc	57,279	78,231
Pension contributions to money purchase schemes	<u>29,996</u>	<u>23,000</u>

4. OPERATING PROFIT

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

	31.3.23	31.3.22
	£	£
Hire of plant and machinery	7,724	7,129
Other operating leases	67,674	69,528
Depreciation - owned assets	200,200	222,652
Profit on disposal of fixed assets	-	(2,000)
Auditors' remuneration	<u>35,000</u>	<u>23,482</u>

5. EXCEPTIONAL ITEMS

	31.3.23	31.3.22
	£	£
Intercompany loan forgiven	<u>(27,993)</u>	<u>-</u>

The company has forgiven a loan amounting to £27,993, due from a fellow subsidiary. This amount has been written off to profit and loss and is included in administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.23	31.3.22
	£	£
Hire purchase	<u>1,116</u>	<u>1,116</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.3.23	31.3.22
	£	£
Current tax:		
UK corporation tax	186,969	280,047
Deferred tax	<u>14,685</u>	<u>(20,802)</u>
Tax on profit	<u>201,654</u>	<u>259,245</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.23	31.3.22
	£	£
Profit before tax	<u>1,017,687</u>	<u>1,356,758</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022 - 19%)	193,361	257,784
Effects of:		
Expenses not deductible for tax purposes	6,837	6,587
Capital allowances in excess of depreciation	(15,600)	-
Depreciation in excess of capital allowances	-	14,820
Utilisation of group tax losses	(1,785)	(802)
Deferred tax liability movement	14,684	(20,802)
Profit on sale of assets	-	(380)
Other timing differences	4,157	2,038
Total tax charge	<u>201,654</u>	<u>259,245</u>

8. DIVIDENDS

	31.3.23	31.3.22
	£	£
Ordinary shares of £1 each		
Interim	<u>942,912</u>	<u>840,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2022	1,140,528	85,209	268,314	216,632	1,710,683
Additions	183,433	8,020	20,680	24,277	236,410
Disposals	(881,746)	-	-	-	(881,746)
At 31 March 2023	<u>442,215</u>	<u>93,229</u>	<u>288,994</u>	<u>240,909</u>	<u>1,065,347</u>
DEPRECIATION					
At 1 April 2022	1,048,156	83,123	162,049	188,174	1,481,502
Charge for year	122,135	3,002	45,939	29,124	200,200
Eliminated on disposal	(881,746)	-	-	-	(881,746)
At 31 March 2023	<u>288,545</u>	<u>86,125</u>	<u>207,988</u>	<u>217,298</u>	<u>799,956</u>
NET BOOK VALUE					
At 31 March 2023	<u>153,670</u>	<u>7,104</u>	<u>81,006</u>	<u>23,611</u>	<u>265,391</u>
At 31 March 2022	<u>92,372</u>	<u>2,086</u>	<u>106,265</u>	<u>28,458</u>	<u>229,181</u>

10. STOCKS

	31.3.23	31.3.22
	£	£
Stocks	<u>49,696</u>	<u>54,722</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Trade debtors	1,885,784	2,266,791
Amounts owed by group undertakings	243,000	609,359
Other debtors	1,495,302	1,167,401
Prepayments	<u>180,726</u>	<u>153,686</u>
	<u>3,804,812</u>	<u>4,197,237</u>

Other debtors includes £1.49m (2022: £1.15m) relating to amounts held by HSBC Invoice Finance.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.23	31.3.22
	£	£
Hire purchase contracts (see note 14)	3,415	3,415
Trade creditors	313,225	321,047
Tax	114,801	182,967
Social security and other taxes	268,280	295,092
VAT	505,648	515,829
Accruals and deferred income	<u>1,244,508</u>	<u>1,437,472</u>
	<u>2,449,877</u>	<u>2,755,822</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.23	31.3.22
	£	£
Hire purchase contracts (see note 14)	<u>20,349</u>	<u>24,881</u>

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts 31.3.23	31.3.22
	£	£
Net obligations repayable:		
Within one year	3,415	3,415
Between one and five years	<u>20,349</u>	<u>24,881</u>
	<u>23,764</u>	<u>28,296</u>

	Non-cancellable operating leases 31.3.23	31.3.22
	£	£
Within one year	229,153	75,431
Between one and five years	363,194	278,110
In more than five years	<u>-</u>	<u>11,588</u>
	<u>592,347</u>	<u>365,129</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.23	31.3.22
	£	£
Guarantee bonds	<u>436,100</u>	<u>388,100</u>

Hayward Services Limited has guarantees in place with HSBC to cover liabilities relating to the pension schemes in place with employees transferred to the group under the 2006 TUPE Regulations.

16. PROVISIONS FOR LIABILITIES

	31.3.23	31.3.22
	£	£
Deferred tax	<u>45,953</u>	<u>31,268</u>

	Deferred tax £
Balance at 1 April 2022	31,268
Provided during year	<u>14,685</u>
Balance at 31 March 2023	<u>45,953</u>

The deferred tax provision relates entirely to accelerated capital allowances.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.23	31.3.22
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise.

18. RESERVES

	Retained earnings £
At 1 April 2022	1,790,103
Profit for the year	816,033
Dividends	<u>(942,912)</u>
At 31 March 2023	<u>1,663,224</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023**

19. PENSION COMMITMENTS

Pensions are paid one month in arrears. At the year end there were outstanding pension contributions included in other creditors of £79,808 (2022: £76,107).

20. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

At the balance sheet date, Hayward Services Limited was owed £nil (2022: £131,841) by Yoda Investments Ltd, a fellow subsidiary of Hayward Services Holdings Limited by virtue of its 90% share ownership. An amount of £27,993 due from Yoda Investments Limited was forgiven during the year.

21. ULTIMATE PARENT COMPANY

The immediate and ultimate parent undertaking is Hayward Services Holdings Limited by virtue of its 100% share ownership of Hayward Services Limited, a company incorporated in England. The registered office of Hayward Services Holdings Limited is 227 Berwick Avenue, Slough, Berkshire, SL1 4QT.

22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

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.