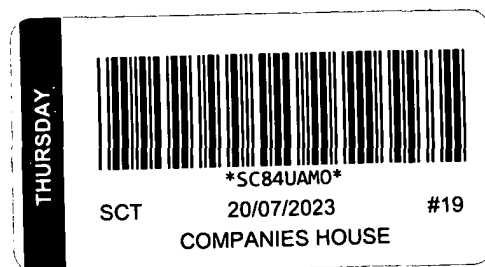


Palmaris Services Limited

Annual report and financial statements

Registered number SC281565

30 November 2022



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Company information

Directors:	TM Paterson J Stickler
Secretary:	J Stickler
Registered office:	Gartsherrie Road Coatbridge ML5 2EU
Auditor:	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

Directors' Report

The directors present their report and the audited financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the company in the year under review was that of contract cleaning, site security, retail security, CCTV installation and monitoring, cabin hire and the provision of other facilities management services.

Business review

The company had a satisfactory year, reporting a profit before tax of £2,859 (2021: £98,727).

Dividend

The directors do not propose payment of a dividend (2021: £nil).

Directors

The directors who held office during the financial year and to the date of this report were as follows:

W Paterson (up to 7 September 2022)
TM Paterson
J Stickler

Employees

The company has maintained its policy of communicating and consulting with employees on matters of concern to them and providing information in particular on the financial and economic factors affecting the performance of the company. Fair and equal consideration is given to the recruitment and career development of all employees including disabled persons, whether or not they become disabled while in the company's employment, and to the provision of training and other assistance where necessary.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board

James Stickler

J Stickler
Secretary

Gartsherrie Road
Coatbridge
ML5 2EU

1 June 2023

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Palmaris Services Limited

Opinion

We have audited the financial statements of Palmaris Services Limited ('the company') for the year ended 30 November 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Cashflow Statement, and notes to the financial statements, including 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 30 November 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 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 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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of Palmaris Services Limited

(continued)

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 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 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

Extent the audit was considered capable of detecting irregularities, including fraud

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.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Tax legislation; and
- UK Generally Accepted Accounting Practice.

Independent auditor's report to the members of Palmaris Services Limited (continued)

Extent the audit was considered capable of detecting irregularities, including fraud (continued)

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls
- Revenue recognition

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that 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 intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

J. G. Marjoribanks

Jeffrey Marjoribanks (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

01 / 06 / 2023

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

Profit and Loss Account
for the year ended 30 November 2022

	<i>Note</i>	2022 £	2021 £
Turnover		6,789,586	6,680,913
Cost of sales		(5,706,522)	(5,555,479)
Gross profit		1,083,064	1,125,434
Administrative expenses		(1,080,205)	(1,054,464)
Operating profit	2	2,859	70,970
Dividend income		-	27,757
Profit before taxation		2,859	98,727
Tax on profit	5	35,170	38,730
Profit for the financial year		38,029	137,457

The above results relate to continuing operations and all profits and losses for the respective financial years are attributable to equity shareholders of the company.

The company has no other comprehensive income in the current or prior year.

Balance Sheet
at 30 November 2022

	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	6		1		1
Intangible assets	7		139,802		161,870
Tangible assets	8		2,044,325		1,222,551
			<hr/>		<hr/>
			2,184,128		1,384,422
Current assets					
Stocks	9	25,961		28,160	
Debtors	10	1,636,853		1,759,290	
Cash at bank and in hand		59,227		80,143	
		<hr/>		<hr/>	
		1,722,041		1,867,593	
Creditors: amounts falling due within one year	11	(3,101,728)		(2,485,603)	
		<hr/>		<hr/>	
Net current liabilities			(1,379,687)		(618,010)
			<hr/>		<hr/>
Net assets			804,441		766,412
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	100,000		100,000	
Profit and loss account		704,441		666,412	
		<hr/>		<hr/>	
Shareholders' funds			804,441		766,412
			<hr/>		<hr/>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved by the board of directors on 1 June 2023 and were signed on its behalf by:



TM Paterson
Director

Statement of Changes in Equity
for the year ended 30 November 2022

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 December 2020	100,000	528,955	628,955
Profit for the financial year	-	137,457	137,457
	<hr/>	<hr/>	<hr/>
Balance at 30 November 2021	100,000	666,412	766,412
	<hr/>	<hr/>	<hr/>

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 December 2021	100,000	666,412	766,412
Profit for the financial year	-	38,029	38,029
	<hr/>	<hr/>	<hr/>
Balance at 30 November 2022	100,000	704,441	804,441
	<hr/>	<hr/>	<hr/>

Cash Flow Statement
for the year ended 30 November 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the year	38,029	137,457
<i>Adjustments for:</i>		
Depreciation and amortisation	307,112	146,366
Dividend income	-	(27,757)
Taxation	(35,170)	(38,730)
	<hr/>	<hr/>
	309,971	217,336
<i>Other non-cash operating items;</i>		
Gain on sale of tangible fixed assets	(5,025)	(9,436)
<i>Working capital cash items;</i>		
Decrease/(increase) in stocks	2,199	(697)
Decrease/(increase) in trade and other debtors	178,101	(238,831)
Decrease in trade and other creditors	(249,067)	(265,547)
	<hr/>	<hr/>
	(68,767)	(505,075)
<i>Other cash operating items;</i>		
Tax paid	-	(6,863)
	<hr/>	<hr/>
Net cash from operating activities	<hr/> 236,179	<hr/> (304,038)
Cash flows from investing activities		
Acquisition of tangible fixed assets	(1,176,346)	(1,231,657)
Receipts from sales of tangible fixed assets	74,553	28,064
	<hr/>	<hr/>
Net cash from investing activities	<hr/> (1,101,793)	<hr/> (1,203,593)
Cash flows from financing activities		
Payments from group undertakings	844,698	1,555,659
	<hr/>	<hr/>
Net cash from financing activities	<hr/> 844,698	<hr/> 1,555,659
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(20,916)	48,028
Cash and cash equivalents at 1 December	80,143	32,115
	<hr/>	<hr/>
Cash and cash equivalents at 30 November	<hr/> 59,227	<hr/> 80,143

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

Palmaris Services Limited is a company limited by shares and incorporated and domiciled in Scotland.

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 ("*FRS 102*"). All amounts in the financial statements have been rounded to the nearest £1.

The company's immediate parent undertaking, Patersons Quarries Limited includes the company in its consolidated financial statements. The consolidated financial statements of Patersons Quarries Limited are prepared in accordance with UK Generally Accepted Accounting Practice, are available to the public and may be obtained from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Key Management Personnel compensation.

The company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared group cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts have also modelled plausible downside scenarios for sustained and enforced downturn arising from current economic uncertainty. These forecasts indicate that the company will have sufficient funds through a combination of cash balances and committed intergroup borrowing facilities from its parent company to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents the value of goods and services supplied to customers during the year, excluding VAT.

Revenue is recognised to the extent that the company obtains the right of consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Grants

During the prior year, Coronavirus Job Retention Scheme income was received, accounted for under the accruals model and classified as grants related to revenue. Grant income is disclosed in note 2.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	- 10% on cost
Plant and machinery	- 20% on cost
Office furniture and equipment	- 20% on cost
Motor vehicles	- 25% on cost

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

Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the company's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill is capitalised and amortised through the profit and loss account in equal instalments over its estimated useful life. The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill is tested for impairment when there is an indication that goodwill may be impaired.

Stocks

Stocks are valued at the lower of cost and net realisable value on a first-in-first-out basis, after making due allowance for obsolete and slow moving items.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the related tax is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Pensions

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes (continued)

1 Accounting policies (continued)

Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated in accordance with the company's depreciation policy.

Finance costs incurred on these contracts are charged to the profit and loss account over the term of the contract. The capital element of the future payments is treated as a liability.

Non-financial assets

The carrying amounts of the company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such impairment exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows arising from the asset, or its cash generating unit, are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset, or its cash generating unit, exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss.

Employee benefits

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

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

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

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

2 Profit before taxation

	2022 £	2021 £
<i>Profit before taxation is stated after charging/(crediting):</i>		
Depreciation and other amounts written off tangible fixed assets:		
Owned	285,044	124,297
Amortisation of intangible fixed assets	22,068	22,069
Gain on disposal of tangible fixed assets	(5,025)	(9,436)
Coronavirus Job Retention Scheme income	-	(189,140)
	<u>285,044</u>	<u>124,297</u>

Auditor's remuneration

	2022 £	2021 £
Audit of these financial statements	6,850	6,250
	<u>6,850</u>	<u>6,250</u>

3 Remuneration of directors

None of the directors received any remuneration in the period for services to the company (2021: £nil).

Directors of the company are remunerated through Patersons of Greenoakhill Limited, another subsidiary within the Group.

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Cleaning	128	137
Security	126	144
Management	24	24
	<u>278</u>	<u>305</u>

The aggregate payroll costs of these persons were as follows:

	2022 £	2021 £
Wages and salaries	4,536,410	4,925,317
Social security costs	363,633	363,987
Other pension costs	94,938	101,380
	<u>4,994,981</u>	<u>5,390,684</u>

Notes (continued)

5 Taxation

	2022 £	2021 £
<i>Current tax</i>		
Current tax on profit for the year	(28,167)	(32,562)
Adjustments in respect of previous periods	(3)	(5,168)
Deferred tax	(7,000)	(1,000)
	<hr/>	<hr/>
Total tax	(35,170)	(38,730)
	<hr/>	<hr/>

Reconciliation of effective tax rate

	2022 £	2021 £
Profit for the year	38,029	137,457
Total tax credit	(35,170)	(38,730)
	<hr/>	<hr/>
Profit before taxation	2,859	98,727
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19.00% (2021: 19.00%)	543	18,758
Effects of:		
Expenses not deductible for tax purposes	4,538	4,991
Adjustments in respect of previous periods	(3)	(5,168)
Deferred tax asset not recognised	(38,852)	(51,042)
Other income not taxable	-	(5,274)
Other	(1,396)	(995)
	<hr/>	<hr/>
Total tax credit included in profit and loss	(35,170)	(38,730)
	<hr/>	<hr/>

Factors affecting the future current and total tax charges

A change to the future UK corporation tax rate was announced in the March 2021 Budget. The rate will increase from 19% to 25% with effect from 1 April 2023. This change had been substantively enacted at the balance sheet date and therefore recognised as the deferred tax rate applied in these financial statements.

The company has an unrecognised deferred tax asset relating to asset timing differences of £nil (2021: £45,852).

Notes (continued)

6 Fixed asset investments

	2022 £	2021 £
Investments in subsidiary undertakings	1	1

The subsidiary undertaking of the company is as follows:

Company	Principal activity	Holding
Fraser Fire Alarms Limited *	Dormant	100%

* Same registered office address as the company.

The trade and assets of Fraser Fire Alarms Limited were transferred to the company on 1 December 2020 and Fraser Fire Alarms Limited ceased trading from that date (note 19).

7 Intangible fixed assets

	Goodwill £
Cost	
At beginning and end of year	183,939
Depreciation	
At beginning of year	22,069
Charge for year	22,068
At end of year	44,137
Net book value	
At 30 November 2022	139,802
At 30 November 2021	161,870

Notes (continued)

8 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office furniture and equipment £	Total £
Cost					
At beginning of year	65,230	2,263,934	89,319	953,790	3,372,273
Additions	-	1,083,237	71,831	21,278	1,176,346
Disposals	-	(111,986)	-	(1,255)	(113,241)
At end of year	65,230	3,235,185	161,150	973,813	4,435,378
Depreciation					
At beginning of year	57,995	1,165,841	50,908	874,978	2,149,722
Charge for year	2,020	231,121	21,204	30,699	285,044
On disposal	-	(43,671)	-	(42)	(43,713)
At end of year	60,015	1,353,291	72,112	905,635	2,391,053
Net book value					
At 30 November 2022	5,215	1,881,894	89,038	68,178	2,044,325
At 30 November 2021	7,235	1,098,093	38,411	78,812	1,222,551

9 Stocks

	2022 £	2021 £
Raw materials and consumables	25,961	28,160

Notes (continued)

10 Debtors

	2022 £	2021 £
<i>Amounts falling due within one year</i>		
Trade debtors	1,049,912	1,300,498
Other debtors	1,246	4,644
Prepayments and accrued income	209,694	133,811
Amounts owed by group undertakings	340,834	287,775
Group relief receivable	28,167	32,562
Deferred tax asset (note 12)	7,000	-
	<u>1,636,853</u>	<u>1,759,290</u>

Included within trade debtors is £105,631 (2021: £127,590) owed by group undertakings.

Amounts owed by group undertakings of £340,834 (2021: £287,775) have no fixed date of repayment, do not accrue interest and are repayable on demand.

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	291,814	512,631
Amounts owed to group undertakings	2,211,175	1,345,983
Other creditors including taxation and social security	369,621	410,577
Accruals and deferred income	229,118	216,412
	<u>3,101,728</u>	<u>2,485,603</u>

Included within trade creditors is £55,860 (2021: £285,887) owed to group undertakings.

Amounts owed to group undertakings of £2,211,175 (2021: £1,345,983) have no fixed date of repayment, do not accrue interest and are repayable on demand.

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 £	2021 £	2022 £	2021 £	2022 £	2021 £
Accelerated capital allowances	-	-	206,000	-	206,000	-
Trading losses carried forward	(213,000)	-	-	-	(213,000)	-
	<u>(213,000)</u>	<u>-</u>	<u>206,000</u>	<u>-</u>	<u>(7,000)</u>	<u>-</u>
Deferred tax (assets)/liabilities	(213,000)	-	206,000	-	(7,000)	-
Net of deferred tax liabilities	206,000	-	(206,000)	-	-	-
	<u>206,000</u>	<u>-</u>	<u>(206,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net deferred tax assets	(7,000)	-	-	-	(7,000)	-

Notes (continued)

13 Reconciliation of net cash flow to movement in net (debt)/funds

	2022 £	2021 £
(Decrease)/increase in cash in the year	(20,916)	48,028
Cash inflow from increase in debt	(844,698)	(1,555,659)
Change in net debt arising from cash flows	(865,614)	(1,507,631)
Dividend in specie – non-cash item	-	55,396
Net liabilities transferred from subsidiary undertaking – non-cash item	-	4,345
Group relief – non-cash item	32,565	2,081
Movement in net debt in the year	(833,049)	(1,445,809)
Net (debt)/funds at 1 December	(978,065)	467,744
Net debt at 30 November	(1,811,114)	(978,065)

14 Analysis of changes in net funds/(debt)

	At beginning of year £	Cash flow £	Other non-cash changes £	At end of year £
<i>Net cash:</i>				
Cash at bank and in hand	80,143	(20,916)	-	59,227
<i>Debt:</i>				
Amounts owed to group undertakings (net)	(1,058,208)	(844,698)	32,565	(1,870,341)
Total	(1,058,208)	(844,698)	32,565	(1,870,341)
Net funds/(debt)	(978,065)	(865,614)	32,565	(1,811,114)

15 Called up share capital

	2022 £	2021 £
<i>Allotted, issued and fully paid</i>		
100,000 ordinary shares of £1 each	100,000	100,000

16 Contingent liabilities

The company has granted a floating charge in favour of Clydesdale Bank PLC in respect of unlimited guarantees that have been given in respect of overdraft and other related facilities granted to fellow group undertakings. At 30 November 2022 the value of such facilities utilised elsewhere in the group was £8,506,513 (2021: £11,182,417).

Notes (continued)

17 Related party disclosures

The company does not disclose transactions with members of the same group that are wholly owned and has taken the exemption provided by paragraph 33.1A of FRS 102.

During the year the company provided services to non-wholly owned subsidiary undertakings of Patersons Quarries Limited totalling £32,875 (2021: £25,047). Amounts due from non-wholly owned subsidiary undertakings of Patersons Quarries Limited as at 30 November 2022 were £5,424 (2021: £4,333).

During the year the company purchased goods and services from non-wholly owned subsidiary undertakings of Patersons Quarries Limited totalling £52,276 (2021: £63,973). Amounts due to non-wholly owned subsidiary undertakings of Patersons Quarries Limited as at 30 November 2022 were £9,365 (2021: £9,804).

18 Ultimate parent undertaking

The company is a subsidiary undertaking of Patersons Quarries Limited which is the ultimate parent undertaking, a company incorporated in Scotland.

The largest and smallest group in which the results of the company are consolidated is that headed by Patersons Quarries Limited. No other group financial statements include the results of the company. The consolidated financial statements of this group are available to the public and may be obtained from the Registrar of Companies.

19 Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The directors do not consider there to be any such judgements or estimates that would have a material impact on the financial statements.

Notes (continued)

20 Transfer of the trade and assets of Fraser Fire Alarms Limited

On 1 December 2020, the trade and assets of Fraser Fire Alarms Limited were transferred to the company. Details of the transfer are set out below:

	2021 £000
Net assets and liabilities transferred	
Tangible fixed assets	5,050
Stocks	2,500
Debtors	28,124
Creditors	(27,541)
Corporation tax	(11,478)
Deferred tax	(1,000)
	<hr/>
	(4,345)
Amounts owed to group undertakings	(6,212)
Cash at bank and in hand	65,953
	<hr/>
Dividend in specie	55,396
	<hr/>
Represented by	
Dividend income (profit and loss account)	27,757
Investments (pre-acquisition reserves)	27,639
	<hr/>
	55,396
	<hr/>