

Company registration number 02369310 (England and Wales)



PARAMOUNT OFFICE INTERIORS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Helping you prosper

PARAMOUNT OFFICE INTERIORS LIMITED

COMPANY INFORMATION

Director	Mr R Jones
Secretary	Mr S P Mullis
Company number	02369310
Registered office	Summers House Pascal Close St Mellons Cardiff CF3 0LW
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW
Bankers	Natwest Bank PLC 96 Queen Street Cardiff CF10 2GR

PARAMOUNT OFFICE INTERIORS LIMITED

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PARAMOUNT OFFICE INTERIORS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The director presents the strategic report for the year ended 30 June 2022.

Fair review of the business

The company's principal activities are office design, space planning, office fit-out, project management and supply of office furniture. The company operates primarily in South Wales although it regularly undertakes projects throughout the UK and occasionally abroad. The company's USP continues to be its capability to undertake all aspects of commercial premises refurbishment, from concept through design and delivery to handover.

There have been no significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely changes in the company's activities in the forthcoming year.

The profit and loss account is set out on page 7.

The results for the year to 30 June 2022 show pre-tax profits of £1.08m (2021: £0.71m).

Net assets have increased to £2.36m at 30 June 2022 from £1.28m at 30 June 2021.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including economic risk, price risk, credit risk and liquidity risk. The use of financial instruments is monitored by the board of directors. The company's principal financial instruments comprise bank balances, current asset investments and trade debtors.

Economic risk - The economic risk is based upon the continued risk of a shortage of material supplies, together with inflationary pressures in the construction industry leading to a downturn in demand. These risks are managed by ongoing evaluation of future demands and the supply chain necessary to meet such demands, to enable the directors to take action for mitigation and re-evaluate strategy accordingly. The directors are confident that remaining vigilant to potential risk factors, carrying out constant evaluation and being actively involved in the company, affords the company a high level of risk management.

Financial Risk - The financial risks faced by the business are focused around credit and liquidity

Credit risk - The credit risk is attributable to trade debtors. The amounts shown in the financial statements are after bad and doubtful debt provisions. These are based on policies implemented to manage the credit risk and require credit checks on customers and prospects. The amount of exposure to any single customer is subject to credit limits which are regularly reviewed. The company also uses credit insurance to mitigate the risk.

Liquidity risk - The company has limited exposure to liquidity risk as a consequence of having limited long-term external borrowings. The company manages liquidity risk by monitoring working capital and ensuring there are sufficient funds to meet future payments.

Loans relating to assets held under hire purchase contracts are secured upon the assets to which they relate.

On behalf of the board

Mr R Jones
Director

1 November 2022

PARAMOUNT OFFICE INTERIORS LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The director presents his annual report and financial statements for the year ended 30 June 2022.

Principal activities

The principal activity of the company continued to be that of office design, space planning, office fit-out, project management and supply of office furniture.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr R Jones

Mr K Mashford

(Resigned 14 February 2022)

Auditor

UHY Hacker Young have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr R Jones

Director

1 November 2022

PARAMOUNT OFFICE INTERIORS LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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.

PARAMOUNT OFFICE INTERIORS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARAMOUNT OFFICE INTERIORS LIMITED

Opinion

We have audited the financial statements of Paramount Office Interiors Limited (the 'company') for the year ended 30 June 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 June 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 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 director's 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 director 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 director is 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 our audit:

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

PARAMOUNT OFFICE INTERIORS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PARAMOUNT OFFICE INTERIORS LIMITED

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 director's 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and ISO standards;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

PARAMOUNT OFFICE INTERIORS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PARAMOUNT OFFICE INTERIORS LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Mr John Griffiths (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

1 November 2022

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

PARAMOUNT OFFICE INTERIORS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 £	2021 £
Turnover	3	29,476,970	21,430,903
Cost of sales		(24,173,452)	(17,566,426)
Gross profit		5,303,518	3,864,477
Administrative expenses		(4,135,323)	(3,199,917)
Other operating income		-	110,884
Operating profit	4	1,168,195	775,444
Interest receivable and similar income	7	215	14
Interest payable and similar expenses	8	(85,010)	(66,150)
Profit before taxation		1,083,400	709,308
Tax on profit	9	(6,083)	(159,900)
Profit for the financial year		1,077,317	549,408

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PARAMOUNT OFFICE INTERIORS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	£	£
Profit for the year	1,077,317	549,408
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,077,317</u>	<u>549,408</u>

PARAMOUNT OFFICE INTERIORS LIMITED

**BALANCE SHEET
AS AT 30 JUNE 2022**

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		417,574		448,885
Investments	12		340,419		340,419
			<u>757,993</u>		<u>789,304</u>
Current assets					
Debtors	14	8,176,092		7,998,893	
Cash at bank and in hand		51,022		864,941	
		<u>8,227,114</u>		<u>8,863,834</u>	
Creditors: amounts falling due within one year	15	(5,211,682)		(6,472,146)	
Net current assets			<u>3,015,432</u>		<u>2,391,688</u>
Total assets less current liabilities			<u>3,773,425</u>		<u>3,180,992</u>
Creditors: amounts falling due after more than one year	16	(1,387,500)		(1,873,395)	
Provisions for liabilities					
Deferred tax liability	19	23,971		22,960	
		<u>(23,971)</u>		<u>(22,960)</u>	
Net assets			<u><u>2,361,954</u></u>		<u><u>1,284,637</u></u>
Capital and reserves					
Called up share capital	21		27,350		27,350
Capital redemption reserve			24,600		24,600
Profit and loss reserves			2,310,004		1,232,687
Total equity			<u><u>2,361,954</u></u>		<u><u>1,284,637</u></u>

The financial statements were approved by the board of directors and authorised for issue on 1 November 2022 and are signed on its behalf by:

Mr R Jones
Director

Company Registration No. 02369310

PARAMOUNT OFFICE INTERIORS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

		Share capital	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 July 2020		24,600	24,600	1,033,264	1,082,464
Year ended 30 June 2021:					
Profit and total comprehensive income for the year		-	-	549,408	549,408
Bonus issue of shares	21	2,750	-	(2,750)	-
Dividends	10	-	-	(347,235)	(347,235)
Balance at 30 June 2021		27,350	24,600	1,232,687	1,284,637
Year ended 30 June 2022:					
Profit and total comprehensive income for the year		-	-	1,077,317	1,077,317
Balance at 30 June 2022		27,350	24,600	2,310,004	2,361,954

The capital redemption reserve represents the nominal value of shares repurchased by the company.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Paramount Office Interiors Limited is a private company limited by shares incorporated in England and Wales. The registered office is Summers House, Pascal Close, St Mellons, Cardiff, CF3 0LW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Velar Projects Ltd. These consolidated financial statements are available from its registered office, Summers House, Pascal Close, St Mellons, Cardiff, CF3 0LW.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Paramount Office Interiors Limited is a wholly owned subsidiary of Velar Projects Ltd and the results of Paramount Office Interiors Limited are included in the consolidated financial statements of Velar Projects Ltd which are available from its registered office, Summers House, Pascal Close, St Mellons, Cardiff, CF3 0LW.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land	Not depreciated
Leasehold improvements	Over the period of the lease
Fixtures and fittings	20% straight line
Motor vehicles	25% straight line

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies (Continued)

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Employee Ownership

The Paramount Office Interiors Employee Ownership Trust holds 51% of the shares of the company's parent company Velar Projects Ltd. The Trust is for the benefit of all of the company's employees giving them a stake in the business and incentivising them to promote the continued success of the company.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

1 Accounting policies

(Continued)

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

As noted in 1.7 above, revenue from contracts is recognised by reference to the stage of completion, this inevitably involves the directors making estimates about the total anticipated costs of contracts and the future costs; these estimates can have a significant effect on revenue recognition and profit.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Recoverability of retention balances

Management regularly reviews retention balances and makes provision for balances that it believes will not be recovered. The assessment of retention recovery requires management's best estimate based on knowledge of the underlying contracts and past history of recovery.

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Office fit-out	29,476,970	21,430,903
	2022	2021
	£	£
Other revenue		
Interest income	215	14
Grants received	-	59,662

All turnover in both the year ended 30 June 2022 and the year ended 30 June 2021 was generated in the United Kingdom. As such no geographical analysis of turnover is provided.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(59,662)
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	9,898
Depreciation of owned tangible fixed assets	31,753	41,704
Depreciation of tangible fixed assets held under finance leases	17,142	17,142
Operating lease charges	202,531	166,365

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Sales	6	6
Operations	46	41
Administration	5	5
Total	<u>57</u>	<u>52</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,740,954	2,039,359
Social security costs	295,104	210,845
Pension costs	128,928	74,997
	<u>3,164,986</u>	<u>2,325,201</u>

6 Director's remuneration

	2022	2021
	£	£
Remuneration for qualifying services	210,672	27,200
Company pension contributions to defined contribution schemes	35,698	15,167
	<u>246,370</u>	<u>42,367</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	110,175	-
Company pension contributions to defined contribution schemes	34,937	-
	<u>145,112</u>	<u>-</u>

As total directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

7 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	-	14
Other interest income	215	-
	<u>215</u>	<u>-</u>
Total income	<u>215</u>	<u>14</u>

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	83,541	64,384
Interest on finance leases and hire purchase contracts	1,469	1,469
Other interest	-	297
	<u>85,010</u>	<u>66,150</u>

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	215,536	157,297
Adjustments in respect of prior periods	(210,464)	-
	<u>5,072</u>	<u>157,297</u>
Total current tax	<u>5,072</u>	<u>157,297</u>
Deferred tax		
Origination and reversal of timing differences	(6,240)	2,603
Changes in tax rates	7,251	-
	<u>1,011</u>	<u>2,603</u>
Total deferred tax	<u>1,011</u>	<u>2,603</u>
Total tax charge	<u>6,083</u>	<u>159,900</u>

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	1,083,400	709,308
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	205,846	134,769
Tax effect of expenses that are not deductible in determining taxable profit	6,522	22,365
Adjustments in respect of prior years	(210,464)	3,061
Effect of change in corporation tax rate	7,251	-
Group relief	(572)	-
Permanent capital allowances in excess of depreciation	-	(295)
Other temporary timing differences	(1,319)	-
Effect of tax rate change on current year deferred tax	(1,181)	-
	<u> </u>	<u> </u>
Taxation charge for the year	6,083	159,900
	<u> </u>	<u> </u>

Corporation tax adjustments in respect of prior periods relate to R&D tax credits for 2020 and 2021.

10 Dividends

	2022	2021
	£	£
Interim paid	-	347,235
	<u> </u>	<u> </u>

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

11 Tangible fixed assets

	Freehold land	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2021	285,250	397,875	277,693	73,118	1,033,936
Additions	-	-	17,584	-	17,584
At 30 June 2022	285,250	397,875	295,277	73,118	1,051,520
Depreciation and impairment					
At 1 July 2021	-	326,800	209,418	48,833	585,051
Depreciation charged in the year	-	9,105	22,648	17,142	48,895
At 30 June 2022	-	335,905	232,066	65,975	633,946
Carrying amount					
At 30 June 2022	285,250	61,970	63,211	7,143	417,574
At 30 June 2021	285,250	71,075	68,275	24,285	448,885

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	7,143	24,285

12 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	13	340,419	340,419

13 Subsidiaries

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
S. Jones & Sons (Electrical Contractors) Limited	Summers House, Pascal Close, St Mellons, Cardiff, CF3 0LW	Ordinary	75.00
Paramount Office Interiors Employee Ownership Trustee Limited	Summers House Pascal Close, St. Mellons, Cardiff, Wales, CF3 0LW	Ordinary	100.00

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

13 Subsidiaries

(Continued)

Subsequent to the year end the company disposed of its 75% shareholding in subsidiary company S. Jones & Sons (Electrical Contractors) Limited, see note 23.

14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	2,757,368	4,739,074
Gross amounts owed by contract customers	2,805,759	580,574
Amounts owed by group undertakings	1,463,832	1,463,819
Other debtors	1,008,292	1,051,393
Prepayments and accrued income	140,841	164,033
	<u>8,176,092</u>	<u>7,998,893</u>

Included within other debtors is £1,000,000 (2021: £1,000,000) due from Paramount Office Interiors Employee Ownership Trust, the ultimate controlling party.

15 Creditors: amounts falling due within one year

	2022	2021
	£	£
	Notes	
Bank loans	17	450,000
Obligations under finance leases	18	35,895
Trade creditors		2,276,552
Amounts owed to group undertakings		716,933
Corporation tax		102,562
Other taxation and social security		744,063
Other creditors		633,309
Accruals and deferred income		252,368
		<u>5,211,682</u>
		<u>6,472,146</u>

Obligations under finance leases are secured on the assets to which they relate.

Refer to note 17 for further details regarding bank loans.

16 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
	Notes	
Bank loans and overdrafts	17	1,387,500
Obligations under finance leases	18	-
		<u>1,387,500</u>
		<u>1,873,395</u>

PARAMOUNT OFFICE INTERIORS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**

16 Creditors: amounts falling due after more than one year (Continued)

Obligations under finance leases are secured on the assets to which they relate.

Refer to note 17 for further details regarding bank loans.

Included within bank loans is £nil (2021: £37,500) which is repayable in instalments after more than 5 years from the balance sheet date.

17 Loans and overdrafts

	2022	2021
	£	£
Bank loans	1,837,500	2,250,000
	<u> </u>	<u> </u>
Payable within one year	450,000	412,500
Payable after one year	1,387,500	1,837,500
	<u> </u>	<u> </u>

Bank loans at 30 June 2022 include £1,837,500 (2021: £2,250,000) relating to money received in relation to a Coronavirus Business Interruption Loan ("CBIL"). This balance is secured over a debenture held by National Westminster Bank Plc.

Interest is charged on the CBIL at an effective rate of 0% for the first 12 months and a fixed rate of 3.96% p.a. over Base Rate thereafter. The loan is repayable in monthly instalments from August 2021 and is repayable in full by 01 July 2026. Included within bank loans is £nil (2021: £37,500) which is repayable in instalments after more than 5 years from the balance sheet date.

18 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	35,895	7,335
In two to five years	-	35,895
	<u> </u>	<u> </u>
	35,895	43,230
	<u> </u>	<u> </u>

Finance lease payments represent rentals payable by the company for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 48 months. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	23,971	22,960
	<u>23,971</u>	<u>22,960</u>
Movements in the year:		2022 £
Liability at 1 July 2021		22,960
Charge to profit or loss		1,011
		<u>23,971</u>
Liability at 30 June 2022		<u>23,971</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to reverse over the useful life of the assets.

20 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	128,928	74,997
	<u>128,928</u>	<u>74,997</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	24,600	24,600	24,600	24,600
Ordinary A of £1 each	2,750	2,750	2,750	2,750
	<u>27,350</u>	<u>27,350</u>	<u>27,350</u>	<u>27,350</u>

Ordinary Shares are entitled to one vote in any circumstances.

Ordinary A Shares have full voting rights, full rights in the distribution of dividends, full rights in the distribution of capital and are non-redeemable..

PARAMOUNT OFFICE INTERIORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	194,079	171,927
Between two and five years	608,991	582,240
In over five years	66,310	198,930
	<u>869,380</u>	<u>953,097</u>

23 Events after the reporting date

On 15 July 2022 the company disposed of its 75% shareholding in subsidiary company S. Jones & Sons (Electrical Contractors) Limited for total consideration (including deferred consideration) of £440,625.

24 Related party transactions

At the year end the company was owed £1,463,832 (2021: £1,463,819) by its parent company Velar Projects Ltd. This amount is included within debtors due within one year.

During the year, the company purchased goods and services in the normal course of business from its subsidiary company S. Jones & Sons (Electrical Contractors) Limited for £1,108,839 (2021: £754,898). At the year end the amount due to S. Jones & Sons (Electrical Contractors) Limited was £716,933 (2021: £726,334). This amount is included within creditors due within one year.

During the prior year the Paramount Office Interiors Employee Ownership Trust (the "EOT") acquired 51% of the shares in the company's parent undertaking, Velar Projects Ltd for £2,040,000 including deferred consideration of £1,040,000. The company made a loan of £1,000,000 to the EOT to facilitate the acquisition which is for the benefit of all of the company's employees. Included within other debtors is £1,000,000 (2021: £1,000,000) due from the EOT. The EOT, Paramount Office Interiors Employee Ownership Trust, is now the ultimate controlling party.

25 Ultimate controlling party

Velar Projects Ltd is the ultimate parent company by virtue of its 100% shareholding. Its registered office is Summers House, Pascal Close, St Mellons, Cardiff, CF3 0LW.

The ultimate controlling party is Paramount Office Interiors Employee Ownership Trust which owns 51% of Velar Projects Ltd. The Trust is for the benefit of all of the company's employees giving them a stake in the business and incentivising them to promote the continued success of the company.

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