
PayPartners Limited

Directors' report and financial statements

For the Year Ended 31 March 2022

PayPartners Limited

Company Information

Directors	N C Smith MBE (resigned 31 March 2022) N Betton (appointed 31 March 2022) S Moreton (appointed 31 March 2022)
Company secretary	N A Betton
Registered number	05056710
Registered office	Lancastrian Office Centre Talbot Road Stretford Manchester M32 0FP
Independent auditors	Hurst Accountants Limited Chartered Accountants and Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport SK1 1TD

PayPartners Limited

Contents

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 6
Statement of income and retained earnings	7
Balance sheet	8
Notes to the financial statements	9 - 14

PayPartners Limited

**Directors' Report
For the Year Ended 31 March 2022**

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

Directors' responsibilities statement

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

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

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

Directors

The directors who served during the year were:

N C Smith MBE (resigned 31 March 2022)
N Betton (appointed 31 March 2022)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

PayPartners Limited

Directors' Report (continued)
For the Year Ended 31 March 2022

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

N A Betton
Secretary

Date: 2 September 2022

PayPartners Limited

Independent auditors' report to the members of PayPartners Limited

Opinion

We have audited the financial statements of PayPartners Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 Auditors' 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.

PayPartners Limited

Independent auditors' report to the members of PayPartners Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

PayPartners Limited

Independent auditors' report to the members of PayPartners Limited (continued)

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

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
- The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including application of the Coronavirus Job Retention Scheme, Employment Agencies Act 1973, Agency Workers Regulations 2010, Working Time Regulations 1998, Conduct of Employment Agencies and Regulations 2003, General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.

PayPartners Limited

Independent auditors' report to the members of PayPartners Limited (continued)

- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
 - Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and 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 further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, 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 by, for example, forgery or intentional misrepresentations, or through collusion.

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 Auditors' 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 Auditors' 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.

Mike Jackson (Senior statutory auditor)
for and on behalf of
Hurst Accountants Limited
Chartered Accountants and Statutory Auditors
Lancashire Gate
21 Tiviot Dale
Stockport
SK1 1TD

9 September 2022

PayPartners Limited

Statement of Income and Retained Earnings
For the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover		<u>343,059</u>	<u>333,132</u>
Gross profit		343,059	333,132
Administrative expenses		(323,629)	(327,212)
Other operating income		-	5,000
Operating profit		19,430	10,920
Interest receivable and similar income		<u>7,100</u>	<u>8,450</u>
Profit before tax		26,530	19,370
Tax on profit		(4,415)	(3,902)
Profit after tax		<u>22,115</u>	<u>15,468</u>
Retained earnings at the beginning of the year		<u>930,171</u>	<u>914,703</u>
		930,171	914,703
Profit for the year		<u>22,115</u>	<u>15,468</u>
Retained earnings at the end of the year		<u>952,286</u>	<u>930,171</u>

The notes on pages 9 to 14 form part of these financial statements.

PayPartners Limited
Registered number: 05056710

Balance Sheet
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	<u>12,992</u>	<u>4,975</u>
		12,992	4,975
Current assets			
Debtors: amounts falling due within one year	5	985,719	519,290
Cash at bank and in hand	6	<u>3,811,550</u>	<u>3,812,566</u>
		4,797,269	4,331,856
Creditors: amounts falling due within one year	7	<u>(3,856,015)</u>	<u>(3,406,264)</u>
Net current assets		<u>941,254</u>	<u>925,592</u>
Total assets less current liabilities		<u>954,246</u>	<u>930,567</u>
Provisions for liabilities			
Deferred tax		(1,959)	(395)
		<u>(1,959)</u>	<u>(395)</u>
Net assets		<u><u>952,287</u></u>	<u><u>930,172</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>952,286</u>	<u>930,171</u>
		<u><u>952,287</u></u>	<u><u>930,172</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

N Betton

Access forbidden

www.datalog.co.uk

Director

Date: 2 September 2022

Apache

The notes on pages 9 to 14 form part of these financial statements.

PayPartners Limited

Notes to the Financial Statements
For the Year Ended 31 March 2022

1. General information

PayPartners Limited is a private company limited by members capital incorporated in England and Wales. The address of the registered office and principal place of business is Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP. The nature of the company's operation and principal activity is payroll and human resource services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

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

2.4 Government grants

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

PayPartners Limited

Notes to the Financial Statements
For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

PayPartners Limited

Notes to the Financial Statements
For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	straight line
Computer equipment	-	20%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Debtors

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

2.10 Cash and cash equivalents

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

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2021 - 7).

PayPartners Limited

Notes to the Financial Statements
For the Year Ended 31 March 2022

4. Tangible fixed assets

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2021	500	33,195	33,695
Additions	-	10,982	10,982
Disposals	-	(18,880)	(18,880)
At 31 March 2022	<u>500</u>	<u>25,297</u>	<u>25,797</u>
Depreciation			
At 1 April 2021	398	28,322	28,720
Charge for the year on owned assets	102	2,863	2,965
Disposals	-	(18,880)	(18,880)
At 31 March 2022	<u>500</u>	<u>12,305</u>	<u>12,805</u>
Net book value			
At 31 March 2022	<u>-</u>	<u>12,992</u>	<u>12,992</u>
At 31 March 2021	<u>102</u>	<u>4,873</u>	<u>4,975</u>

PayPartners Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2022**

5. Debtors

	2022	2021
	£	£
Trade debtors	427,007	205,238
Amounts owed by group undertakings	550,343	300,336
Other debtors	385	-
Prepayments and accrued income	7,984	13,716
	<u>985,719</u>	<u>519,290</u>

6. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	<u>3,811,550</u>	<u>3,812,566</u>

Included above is an amount of £3,407,537 (2021: £3,167,555) in relation to the Managed Account package provided by the company to service users. This represents funds received from local councils for the company to manage the draw down of funds and make payments for care and support as directed. There is a corresponding amount shown within creditors as due back to the councils if not utilised by the service users.

7. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	5,752	2,788
Amounts owed to group undertakings	11,211	13,319
Other taxation and social security	25,163	21,144
Other creditors	2,075	1,894
Accruals and deferred income	3,811,814	3,367,119
	<u>3,856,015</u>	<u>3,406,264</u>

8. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an

www.datalog.co.uk

independently administered fund. Contributions totalling £1,393 (2021: £1,321) were payable to the fund at the balance sheet date and are included in creditors.

Apache

PayPartners Limited

Notes to the Financial Statements
For the Year Ended 31 March 2022

9. Commitments under operating leases

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

	2022	2021
	£	£
Not later than 1 year	3,573	4,764
Later than 1 year and not later than 5 years	-	3,573
	<u>3,573</u>	<u>8,337</u>

10. Controlling party

The company is a wholly owned subsidiary undertaking of Kinetic Plc, a company incorporated in England and Wales. The registered address of Kinetic Plc is Lancastrian Office Centre, Talbot Road, Stretford, Manchester, M32 0FP.

The largest group in which the results of the company are consolidated is that headed by Kinetic plc. The consolidated accounts of this group are available to the public and may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ. No other group accounts include the results of the company.

www.datalog.co.uk

Apache

403

Access forbidden!