Parent company accounts
for 01471697 - Joseph
Parr Limited - page 32
note 15

JOSEPH PARR GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Company Registration No. 00119432 (England and Wales)

JOSEPH PARR GROUP LIMITED

COMPANY INFORMATION

Director	Mrs C J Jones
Secretary	Mr P Welch
Company number	00119432
Registered office	Parr Building Centre Dunnings Bridge Road Bootle L30 6UU
Auditor	DSG Castle Chambers 43 Castle Street Liverpool L2 9TL

JOSEPH PARR GROUP LIMITED

CONTENTS

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents the strategic report for the year ended 31 December 2020.

Principal activity
The principal activity of the group in the year under review continued to be that of builders' merchants.

Joseph Parr Group Limited operates a number of builders' merchants throughout the UK via its subsidiary undertakings.

Fair review of the business
The results for the group show a pre-tax profit of £4,229,047 (2019: £2,815,784) for the year and turnover of £69,417,449 (2019: £72,557,090). The decrease in turnover was a direct result of the Covid-19 pandemic.

Financial position
At the Balance Sheet date, group shareholders' funds had increased by £2.7m since the previous year end, representing an increase of 10.6% during the current period.

The directors consider the state of the group's affairs to be satisfactory given the current economic climate and increased competition from organisations within the sector.

Principal risks and uncertainties
The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the economy in general and the building trade in particular.

We have set out below a number of risk factors that we believe could cause our actual future results to differ materially from expected results. However, other factors could adversely affect the results and so the factors set out below should not be considered to be a complete set of all potential risks and uncertainties.

Business conditions and the general economy
The profitability of the group could be adversely affected by a worsening of general economic conditions in the United Kingdom. Factors such as unemployment, interest rates and inflation could significantly affect the sector. Whilst a short term worsening in the economic conditions in the United Kingdom should not significantly adversely impact profitability, a sustained downturn over a number of years would be likely to lead to reduced profit in this area.

Liquidity risk
The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk
The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

Credit risk
Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Regulatory compliance risk
The group is subject to regulatory compliance risk which can arise from a failure to comply fully with the laws, regulations or codes applicable, for example health and safety, licensing and fire regulations. Non-compliance can lead to fines, enforced suspension from sale of certain products or public reprimand..

Competition
Customer demands are changing and competitive pressure is a continuing risk for the group. Given the potential economic volatility in our markets, we are continuously monitoring trading trends and ways in which to improve the management of our working capital.

Coronavirus risk
Management has considered the potential operational challenges posed by Covid-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistic arrangements as well as the impact this might have on going concern. Management does not foresee any operational pressures to be caused by the Covid-19 situation or any material impact on the group or company.

Development and performance
Turnover in the year decreased by circa £3.2m (4.4%) to £69.4m compared to £72.6m in 2019. The decrease in turnover in the year is due to the impact of Covid-19 and the UK national lockdowns which occurred during the year.

Despite the decrease in turnover, gross margin increased from £19.4m in 2019 to £20.7m in 2020 and was generated at a higher year on year percentage of 29.6% compared to the equivalent 2019 ratio of 26.7%.

2020 operating profit of £4.3m represents a circa £1.6m increase on the 2019 result. This increase is mainly due to Covid-19 support from the UK government of £1.3m.

Key performance indicators

Measure	**2020**	**2019**
Turnover	£69.4m	£72.6m
Gross profit	£20.7m	£19.4m
Operating profit	£4.3m	£2.7m

Future Developments
The external commercial environment is expected to remain competitive in 2021. However, the directors are confident that the current level of performance will be maintained in the future. They continue to actively seek organic driven growth opportunities.

Promoting the success of the company
The Board of Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors.

Details of the Group's key stakeholders and how we engage with them are set out below.

Shareholders
Maximising the long-term value for our shareholders is very important.

Colleagues
Our people are crucial to our success as a group and, with that in mind, we have continued to engage closely with them and invest in appropriate training and development. We ensure that all appropriate policies and procedures are in place to promote employee wellbeing and that employees have access to support where needed, be that via health schemes or confidential whistleblowing lines.

Customers
We strive to ensure that our customers receive class-leading service across their networks, built on our long-standing and deeply embedded relationships. We use our knowledge of their networks to ensure that our service proposition and programme management best serves their needs and that our detailed customer account plans are aligned with their requirements.

Suppliers
We engage closely with our suppliers to ensure that our relationships are mutually beneficial and long lasting. We onboard suppliers in a controlled manner to ensure they have appropriate insurances, risk assessments and qualifications that will allow them to be best placed to help us deliver our customers' requirements across their networks.

Communities
We aim to work closely with the communities in which we operate and have ensured that where possible we support charitable work carried out by our employees. We also ensure that all staff are aware of the Modern Slavery Act 2015 policy and statement.

Government and regulators
A key area of focus for the business is ensuring compliance with all applicable laws and regulations.

The board is kept fully abreast of any legal and regulatory developments as and when they arise.

By order of the board

Mr P Welch
Secretary

9 November 2021

JOSEPH PARR GROUP LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents her annual report and financial statements for the year ended 31 December 2020.

Results and dividends
The results for the year are set out on page 10.

No ordinary dividends were paid. The director does not recommend payment of a further 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 A Lomas	(Deceased 13 February 2021)
Mrs C J Jones	

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Post reporting date events
There have been no post balance sheet events impacting the group or company.

Auditor
The auditor, DSG, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report
Whilst the overall group has consumed more than 40,000 kWh of energy in this reporting period, none of the individual subsidiaries are large as defined by the Companies Act. In preparing this group Director's Report, we have taken advantage of the option to exclude any energy and carbon information relating to those subsidiaries.

As the parent entity has no trading activity, there is no energy and carbon information to be reported in respect of the parent entity.

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 auditor of the company 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 auditor of the company is aware of that information.

Strategic report
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

By order of the board

Mr P Welch
Secretary

9 November 2021

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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), including Financial Reporting Standard 102 - 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards, including FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JOSEPH PARR GROUP LIMITED

Opinion
We have audited the financial statements of Joseph Parr Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 FRS 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 group's and the parent company's affairs as at 31 December 2020 and of the group's 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 group's and parent 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF JOSEPH PARR GROUP LIMITED

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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 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 parent company's ability to continue as a going concem, 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.

Capability of the audit in 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.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity. The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.

- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations, health and safety legislation, trades description act and employment legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; reviewing post year end payments for evidence of claims pay outs and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Iain White BSc FCA (Senior Statutory Auditor)
For and on behalf of DSG

9 November 2021

Chartered Accountants
Statutory Auditor

Castle Chambers
43 Castle Street
Liverpool
L2 9TL

JOSEPH PARR GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	69,417,449	72,557,090
Cost of sales		(48,746,912)	(53,151,494)
Gross profit		20,670,537	19,405,596
Distribution costs		(8,748,044)	(8,404,883)
Administrative expenses		(9,010,388)	(8,372,286)
Other operating income		1,364,631	33,001
Operating profit	4	4,276,736	2,661,428
Interest receivable and similar income	8	54,966	89,393
Interest payable and similar expenses	9	(69,104)	(66,246)
Gains/(losses) on financial instruments	10	(33,551)	131,209
Profit before taxation		4,229,047	2,815,784
Tax on profit	11	(789,462)	(584,622)
Profit for the financial year		3,439,585	2,231,162
Profit for the financial year is attributable to:			
- Owners of the parent company		3,428,999	2,217,452
- Non-controlling interests		10,586	13,710
		3,439,585	2,231,162

JOSEPH PARR GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Profit for the year	3,439,585	2,231,162
Other comprehensive income		
Actuarial loss on defined benefit pension schemes	(844,000)	(201,000)
Tax relating to other comprehensive income	160,300	34,000
Other comprehensive income for the year	(683,700)	(167,000)
Total comprehensive income for the year	2,755,885	2,064,162
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	2,745,299	2,050,452
- Non-controlling interests	10,586	13,710
	2,755,885	2,064,162

JOSEPH PARR GROUP LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**12**		197,262		219,181
Tangible assets	**13**		13,373,716		11,934,988
Investments	**14**		1,171,987		1,170,291
			14,742,965		13,324,460
Current assets					
Stocks	**17**	5,846,498		5,279,941	
Debtors	**18**	12,456,549		12,091,498	
Cash at bank and in hand		8,027,274		4,369,809	
		26,330,321		21,741,248	
Creditors: amounts falling due within one year	**19**	(8,812,815)		(7,061,122)	
Net current assets			17,517,506		14,680,126
Total assets less current liabilities			32,260,471		28,004,586
Net assets excluding pension liability			32,260,471		28,004,586
Defined benefit pension liability	**21**		(4,158,000)		(2,610,000)
Net assets			28,102,471		25,394,586
Capital and reserves					
Called up share capital	**22**		21,939		21,939
Share premium account			749,211		749,211
Profit and loss reserves			27,479,833		24,734,534
Equity attributable to owners of the parent company			28,250,983		25,505,684
Non-controlling interests			(148,512)		(111,098)
			28,102,471		25,394,586

The financial statements were approved by the board of directors and authorised for issue on 9 November 2021 and are signed on its behalf by:

Mrs C J Jones
Director

JOSEPH PARR GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	12		181,021		201,135
Tangible assets	13		11,598,181		10,209,510
Investments	14		1,659,190		1,647,494
			13,438,392		12,058,139
Current assets					
Debtors	18	3,504,699		3,592,791	
Cash at bank and in hand		5,633,551		4,271,658	
		9,138,250		7,864,449	
Creditors: amounts falling due within one year	19	(7,392,838)		(5,978,146)	
Net current assets			1,745,412		1,886,303
Total assets less current liabilities			15,183,804		13,944,442
Net assets excluding pension liability			15,183,804		13,944,442
Defined benefit pension liability	21		(4,158,000)		(2,610,000)
Net assets			11,025,804		11,334,442
Capital and reserves					
Called up share capital	22		21,939		21,939
Share premium account			749,211		749,211
Profit and loss reserves			10,254,654		10,563,292
Total equity			11,025,804		11,334,442

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit after tax for the year was £375,062 (2019 - £595,641 profit after tax).

The financial statements were approved by the board of directors and authorised for issue on 9 November 2021 and are signed on its behalf by:

Mrs C J Jones
Director

Company Registration No. 00119432

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£
Balance at 1 January 2019	21,939	749,211	22,684,082	23,455,232	(70,808)	23,384,424
Year ended 31 December 2019:						
Profit for the year	-	-	2,217,452	2,217,452	13,710	2,231,162
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	(201,000)	(201,000)	-	(201,000)
Tax relating to other comprehensive income	-	-	34 000	34,000	-	34,000
Total comprehensive income for the year	-	-	2,050,452	2,050,452	13,710	2,064,162
Dividends	-	-	-	-	(54,000)	(54,000)
Balance at 31 December 2019	21,939	749,211	24,734,534	25,505,684	(111,098)	25,394,586
Year ended 31 December 2020:						
Profit for the year	-	-	3,428,999	3,428,999	10,586	3,439,585
Other comprehensive income:						
Actuarial gains on defined benefit plans	-	-	(844,000)	(844,000)	-	(844,000)
Tax relating to other comprehensive income	-	-	160,300	160,300	-	160,300
Total comprehensive income for the year	-	-	2,745,299	2,745,299	10,586	2,755,885
Dividends	-	-	-	-	(48,000)	(48,000)
Balance at 31 December 2020	21,939	749,211	27,479,833	28,250,983	(148,512)	28,102,471

JOSEPH PARR GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2019	21,939	749,211	10,134,651	10,905,801
Year ended 31 December 2019:				
Profit for the year	-	-	595,641	595,641
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(201,000)	(201,000)
Tax relating to other comprehensive income	-	-	34,000	34,000
Total comprehensive income for the year	-	-	428,641	428,641
Balance at 31 December 2019	21,939	749,211	10,563,292	11,334,442
Year ended 31 December 2020:				
Profit for the year	-	-	375,062	375,062
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(844,000)	(844,000)
Tax relating to other comprehensive income	-	-	160,300	160,300
Total comprehensive income for the year	-	-	(308,638)	(308,638)
Balance at 31 December 2020	21,939	749,211	10,254,654	11,025,804

JOSEPH PARR GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**28**		6,394,197		3,969,158
Interest paid			(4,104)		(246)
Income taxes paid			(499,734)		(776,090)
Net cash Inflow from operating activities			5,890,359		3,192,822
Investing activities					
Purchase of intangible assets		-		(162,046)	
Purchase of tangible fixed assets		(2,296,484)		(2,712,823)	
Proceeds on disposal of tangible fixed assets		91,871		1,087,421	
Proceeds on disposal of investments		(35,247)		-	
Loans made		-		(21,556)	
Interest received		54,966		89,393	
Net cash used in investing activities			(2,184,894)		(1,719,611)
Financing activities					
Dividends paid to non-controlling interests		(48,000)		(54,000)	
Net cash used in financing activities			(48,000)		(54,000)
Net increase in cash and cash equivalents			3,657,465		1,419,211
Cash and cash equivalents at beginning of year			4,369,809		2,950,598
Cash and cash equivalents at end of year			8,027,274		4,369,809

1 Accounting policies

Company information
Joseph Parr Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Parr Building Centre, Dunnings Bridge Road, Bootle, L30 6UU. The principal activities of the group are disclosed in the Directors' Report.

The group consists of Joseph Parr Group Limited and all of its subsidiaries.

The principal activity of the company and group is disclosed in the Strategic Report.

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 £1.

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

The 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 for parent company information presented within the consolidated financial statements:

- 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Joseph Parr Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the impact of potential operational and financial challenges posed by Covid-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistics arrangements. The directors have concluded that any operational and financial pressures caused directly by the Covid-19 situation are unlikely to have a material impact on the group.

Based on the above, the directors consider it appropriate to prepare these financial statements on a going concern basis.

1.5 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.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover in respect of direct sales is recognised on the day of delivery to the customer.

Rental income is recognised when receivable.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Software	10 years straight line

1.7 Tangible fixed assets

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

1 Accounting policies **(Continued)**

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:

Land & buildings	2% straight line
Plant and equipment	15% to 25% straight line
Fixtures, fittings & equipment	15% to 25% straight line
Motor vehicles	25% to 33.33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, using the first in first out method. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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 if, and only if, there is 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.

1.15 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 received.

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

1.16 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

The company operates a defined benefit scheme, which requires contributions to be made to a separately administered fund. Contributions to this fund are charged to the profit and loss account so as to spread the cost of pensions over the employees' service lives on the basis of a constant percentage of earnings. Variations in pension cost, which are identified as a result of actuarial valuations, are amortised over the average expected remaining working lives of employees in proportion to their expected payroll cost. The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full on the face of the balance sheet net of any related deferred tax asset or liability. The movement in the scheme surplus or deficit is split between operating charges, financing items and, in the group statement of total recognised gains and losses, the actuarial gains or losses.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1 Accounting policies **(Continued)**

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 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 group'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.

Recoverability of receivables
Management reviews the carrying amount of trade receivables on a regular basis to identify items where recoverability may be in doubt. The timing and quantum of any impairment of receivables is a matter of management judgement.

Defined benefit pension scheme
The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net present obligation in the balance sheet. The assumptions reflect historical experience and current trends.

Determining and reassessing residual values and useful economic lives of tangible and intangible assets
The group depreciates tangible assets, and amortises intangible assets, over their estimated useful lives. In determining appropriate useful lives of assets, the directors have considered historic performance as well as future expectations for factors such as expected usage of the asset, physical wear and tear, technical and commercial obsolescence and legal limitations of the usage of the asset, such as lease terms. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied to determine the residual values for tangible assets. When determining the residual values, the directors have assessed the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. At each reporting date, the directors have also assessed whether there have been any indicators, such as a change in how the asset is used, significant unexpected wear and tear and changes in market prices, which suggest previous estimates may differ from current expectations. Where this is the case, the residual value and/or useful life is amended and accounted for on a prospective basis.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	69,417,449	72,557,090

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	69,417,449	72,557,090

	2020	2019
	£	£
Other significant revenue		
Interest income	54,966	89,393
Grants received	1,349,572	-

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,349,572)	-
Depreciation of owned tangible fixed assets	765,885	681,357
(Profit)/loss on disposal of tangible fixed assets	-	27,923
Amortisation of intangible assets	21,919	-
Operating lease charges	402,505	415,223

Included within government grants is £1,349,572 (2019: £nil) in respect of various Coronavirus grant income received during the year.

5 Auditor's remuneration

	2020	2019
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	23,000	23,000
Audit of the financial statements of the company's subsidiaries	18,500	18,300
	41,500	41,300
For other services		
All other non-audit services	34,425	41,000

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Selling and distribution	219	218	-	-
Administration	57	56	9	8
Total	276	274	9	8

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	9,663,511	9,008,162	1,095,474	775,660
Social security costs	1,041,330	948,487	147,411	97,711
Pension costs	972,614	621,732	684,041	320,909
	11,677,455	10,578,381	1,926,926	1,194,280

7 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	366,869	264,267

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

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

	2020 £	2019 £
Remuneration for qualifying services	327,632	224,150
Accrued pension at the end of the year	14,502	14,270

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018: 1).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	54,966	88,303
Other interest income	-	1,090
Total income	54,966	89,393

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	54,966	88,303

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	4,104	246
Other finance costs:		
Net interest on the net defined benefit liability	65,000	66,000
Total finance costs	69,104	66,246

10 Gains/(losses) on financial instruments

	2020 £	2019 £
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(42,622)	131,209
Other gains/(losses)		
Gain on disposal of financial assets held at fair value through profit or loss	9,071	-
	(33,551)	131,209

11 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	924,460	548,500
Adjustments in respect of prior periods	-	10,031
Total current tax	924,460	558,531

11 Taxation (Continued)

	2020	2019
	£	£
Deferred tax		
Origination and reversal of timing differences	(134,998)	26,091
Total tax charge	789,462	584,622

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:

	2020	2019
	£	£
Profit before taxation	4,229,047	2,815,784
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	803,519	534,999
Tax effect of expenses that are not deductible in determining taxable profit	152,754	121,071
Tax effect of income not taxable in determining taxable profit	(2,492)	(2,743)
Gains not taxable	-	(24,930)
Permanent capital allowances in excess of depreciation	(169,537)	(53,789)
Depreciation on assets not qualifying for tax allowances	5,218	-
Under/(over) provided in prior years	-	10,014
Taxation charge	789,462	584,622

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2020	2019
	£	£
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(160,300)	(34,000)

12 Intangible fixed assets

Group	Software
	£
Cost	
At 1 January 2020 and 31 December 2020	219,181
Amortisation and impairment	
At 1 January 2020	-
Amortisation charged for the year	21,919
At 31 December 2020	21,919
Carrying amount	
At 31 December 2020	197,262
At 31 December 2019	219,181

Company	Software
	£
Cost	
At 1 January 2020 and 31 December 2020	201,135
Amortisation and impairment	
At 1 January 2020	-
Amortisation charged for the year	20,114
At 31 December 2020	20,114
Carrying amount	
At 31 December 2020	181,021
At 31 December 2019	201,135

13 Tangible fixed assets

Group	Land & buildings	Plant and equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	11,934,022	3,057,234	132,167	2,321,366	17,444,789
Additions	1,548,726	381,960	14,861	350,937	2,296,484
Disposals	-	(500)	-	(460,566)	(461,066)
At 31 December 2020	13,482,748	3,438,694	147,028	2,211,737	19,280,207
Depreciation and impairment					
At 1 January 2020	1,855,744	2,313,165	125,015	1,215,877	5,509,801
Depreciation charged in the year	150,992	238,588	7,484	368,821	765,885
Eliminated in respect of disposals	-	-	-	(369,195)	(369,195)
At 31 December 2020	2,006,736	2,551,753	132,499	1,215,503	5,906,491
Carrying amount					
At 31 December 2020	11,476,012	886,941	14,529	996,234	13,373,716
At 31 December 2019	10,078,278	744,069	7,152	1,105,489	11,934,988

Company	Land & buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2020	11,934,022	132,167	215,386	12,281,575
Additions	1,548,726	14,861	21,480	1,585,067
Disposals	-	-	(65,302)	(65,302)
Transfers	-	-	52,130	52,130
At 31 December 2020	13,482,748	147,028	223,694	13,853,470
Depreciation and impairment				
At 1 January 2020	1,855,744	125,015	91,306	2,072,065
Depreciation charged in the year	150,992	7,484	28,565	187,041
Eliminated in respect of disposals	-	-	(27,845)	(27,845)
Transfers	-	-	24,028	24,028
At 31 December 2020	2,006,736	132,499	116,054	2,255,289
Carrying amount				
At 31 December 2020	11,476,012	14,529	107,640	11,598,181
At 31 December 2019	10,078,278	7,152	124,080	10,209,510

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	487,203	477,203
Listed investments		1,171,771	1,170,075	1,171,771	1,170,075
Unlisted investments		216	216	216	216
		1,171,987	1,170,291	1,659,190	1,647,494
Listed investments included above:					
Listed investments carrying amount		1,171,771	1,170,075	1,171,771	1,170,075

Fixed asset investments revalued
The listed investments are held at market value: all other investments are held at cost.

Movements in fixed asset investments

Group	**Investments** £
Cost or valuation	
At 1 January 2020	1,170,291
Additions	77,021
Valuation changes	(42,622)
Disposals	(32,703)
At 31 December 2020	1,171,987
Carrying amount	
At 31 December 2020	1,171,987
At 31 December 2019	1,170,291

14 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	**Shares in subsidiaries**	**Other investments**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 January 2020	477,203	1,170,291	1,647,494
Additions	10,000	77,021	87,021
Valuation changes	-	(42,622)	(42,622)
Disposals	-	(32,703)	(32,703)
At 31 December 2020	487,203	1,171,987	1,659,190
Carrying amount			
At 31 December 2020	487,203	1,171,987	1,659,190
At 31 December 2019	477,203	1,170,291	1,647,494

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Arlington Property Company Limited	C/O Duncan Sheard Glass Castle Chambers, 43 Castle Street, Liverpool, United Kingdom, L2 9TL	Dormant company	Ordinary	100.00
Joseph Parr (Alco) Limited	Parr Building Centre, Dunnings Bridge Road, Liverpool, L30 6UU	Builders Merchant	Ordinary	99.90
Joseph Parr (Middlesbrough) Limited	Parr Building Centre, Dunnings Bridge Road, Liverpool, L30 6UU	Builders Merchant	Ordinary	99.90
Joseph Parr (Tyne & Wear) Limited	Parr Building Centre, Dunnings Bridge Road, Liverpool, L30 6UU	Dormant company	Ordinary	100.00
Joseph Parr Limited	Parr Building Centre, Dunnings Bridge Road, Liverpool, L30 6UU	Builders Merchant	Ordinary	99.40
Parr Rochdale Limited	Parr Building Centre, 3 Dunnings Bridge Road, Liverpool, L30 6UU	Builders Merchant	Ordinary	99.90
The Builders Supply Company Limited	5 Ashley Drive, Bothwell, Glasgow, Scotland, G71 8BS	Builders Merchant	Ordinary	100.00
W.& H.S.Emery Company Limited	Parr Building Centre, 3 Dunnings Bridge Road, Liverpool, L30 6UU	Builders Merchant	Ordinary	99.34
Joseph Parr (Northants) Limited	Parr Building Centre, 3 Dunnings Bridge Road, Liverpool, L30 6UU	Dormant	Ordinary	100.00

15 Subsidiaries **(Continued)**

All of the subsidiaries are included in the consolidated accounts.

The following trading subsidiaries have not been audited in accordance with Section 479A of the Companies Act.

Company	Company number
Joseph Parr (Alco) Limited	00332493
Joseph Parr (Middlesbrough) Limited	00969846
Joseph Parr Limited	01471697
Parr Rochdale Limited	00449369
The Builders Supply Company Limited	SCO15129
W.& H.S.Emery Company Limited	00194760

16 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	10,367,201	9,734,868	n/a	n/a
Equity instruments measured at cost less impairment	1,171,987	1,170,291	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	7,511,087	6,148,331	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

The listed investment are measured at open market value.

17 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Finished goods and goods for resale	5,846,498	5,279,941	-	-

18 Debtors

	Group 2020	2019	Company 2020	2019
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	9,449,896	9,025,952	-	-
Corporation tax recoverable	-	-	200,747	271,246
Amounts owed by group undertakings	-	-	1,542,304	1,821,595
Other debtors	917,305	708,916	986,676	916,361
Prepayments and accrued income	1,516,871	2,079,451	7,843	186,992
	11,884,072	11,814,319	2,737,570	3,196,194
Amounts falling due after more than one year:				
Deferred tax asset (note 20)	572,477	277,179	767,129	396,597
Total debtors	12,456,549	12,091,498	3,504,699	3,592,791

Trade debtors disclosed above are measured at amortised cost.

An impairment loss of £436,103 (2019: £698,018) was recognised against trade debtors.

Amounts owed by group undertakings are interest free, have no fixed date of repayment and are repayable upon demand.

19 Creditors: amounts falling due within one year

	Group 2020	2019	Company 2020	2019
	£	**£**	**£**	**£**
Trade creditors	5,903,095	5,170,744	-	-
Amounts owed to group undertakings	-	-	6,144,456	5,201,697
Corporation tax payable	486,030	61,304	-	-
Other taxation and social security	815,698	851,487	276,544	266,496
Other creditors	357,500	450,568	357,500	450,000
Accruals and deferred income	1,250,492	527,019	614,338	59,953
	8,812,815	7,061,122	7,392,838	5,978,146

Amounts owed to group undertakings are interest free, have no fixed date of repayment and are repayable upon demand.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Assets 2020 £	Assets 2019 £
ACAs	(225,622)	(141,724)
Retirement benefit obligations	790,000	444,000
Investments	8,099	(25,097)
	572,477	277,179

Company	Assets 2020 £	Assets 2019 £
ACAs	(30,970)	(22,306)
Retirement benefit obligations	790,000	444,000
Investments	8,099	(25,097)
	767,129	396,597

Movements in the year:	Group 2020 £	Company 2020 £
Asset at 1 January 2020	(277,179)	(396,597)
Credit to profit or loss	(134,998)	(210,232)
Credit to other comprehensive income	(160,300)	(160,300)
Asset at 31 December 2020	(572,477)	(767,129)

21 Retirement benefit schemes

Defined contribution schemes	2020 £	2019 £
Charge to profit or loss in respect of defined contribution schemes	288,573	300,823

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Retirement benefit schemes **(Continued)**

Defined benefit scheme - group and company

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits based on their length of service up to a maximum of 67% of their final salary on attainment of a retirement age of 65. No other post retirement benefits are provided.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 25 January 2021 by T Laws (Fellow of the Institute of Actuaries) relating to 31 December 2019, The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

	2020	**2019**
Key assumptions	**%**	**%**
Discount rate	1.55	2.20
Expected rate of increase of pensions in payment	3.10	3.15
Expected rate of salary increases	3.00	3.00
Inflation assumption RPI	3.15	3.20
Inflation assumption CPI	2.45	2.50
Revaluation of deferred pensions CPI	2.45	2.50

Mortality assumptions	**2020**	**2019**
Assumed life expectations on retirement at age 65:	**Years**	**Years**
Retiring today		
- Males	87.0	86.9
- Females	89.4	89.2
Retiring in 20 years		
- Males	88.7	88.6
- Females	91.1	90.9

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

Group and company	**2020**	**2019**
	£	**£**
Present value of defined benefit obligations	10,087,000	7,670,000
Fair value of plan assets	(5,929,000)	(5,060,000)
Deficit in scheme	4,158,000	2,610,000
Total liability recognised	4,158,000	2,610,000

21 Retirement benefit schemes (Continued)

Group and company *Amounts recognised in the profit and loss account*	**2020** **£**	**2019** **£**
Current service cost	406,000	400,000
Net interest on net defined benefit liability/(asset)	65,000	66,000
Other costs and income	331,000	-
Total costs	*802,000*	*466,000*

Group and company *Amounts taken to other comprehensive income*	**2020** **£**	**2019** **£**
Actual return on scheme assets	(1,041,000)	(827,000)
Less: calculated interest element	109,000	128,000
Return on scheme assets excluding interest income	(932,000)	(699,000)
Actuarial changes related to obligations	1,776,000	900,000
Total costs	844,000	201,000

Group and company *Movements in the present value of defined benefit obligations*	**2020** **£**
Liabilities at 1 January 2020	7,670,000
Current service cost	406,000
Benefits paid	(273,000)
Contributions from scheme members	3,000
Actuarial gains and losses	1,776,000
Interest cost	174,000
Other	331,000
At 31 December 2020	10,087,000

The defined benefit obligations arise from plans which are wholly or partly funded.

21 Retirement benefit schemes (Continued)

Group and company *Movements in the fair value of plan assets*	**2020** **£**
Fair value of assets at 1 January 2020	5,060,000
Interest income	109,000
Return on plan assets (excluding amounts included in net interest)	932,000
Benefits paid	(273,000)
Contributions by the employer	98,000
Contributions by scheme members	3,000
At 31 December 2020	5,929,000

Group and company *Fair value of plan assets at the reporting period end*	**2020** **£**	**2019** **£**
Equity instruments	1,912,000	2,090,000
Debt instruments	1,130,000	1,381,000
Property	563,000	562,000
Annuities	2,098,000	961,000
Cash	226,000	66,000
	5,929,000	5,060,000

22 Share capital

Group and company **Ordinary share capital**	**2020** **Number**	**2019** **Number**	**2020** **£**	**2019** **£**
Issued and fully paid				
Ordinary shares of £1 each	16,150	16,150	16,150	16,150
'A' Ordinary shares of £1 each	5,789	5,789	5,789	5,789
	21,939	21,939	21,939	21,939

There is no priority on the payment of dividends between the Ordinary shares and the 'A' Ordinary shares.

On a return of assets, priority is given to the holders of the 'A' Ordinary shares to the sum of £1 per share followed by payment to the holders of the Ordinary shares to the sum of £1 per share. After repayment of the share capital, the Ordinary shares and the 'A' Ordinary shares rank pari passu in proportion to the amounts paid up, or credited as paid up, on the shares held by them respectively.

The Ordinary shares and 'A' Ordinary shares of the company each confer upon the holder the right to exercise one vote when a poll is demanded.

23 Financial commitments, guarantees and contingent liabilities

Each company in the group has given a joint and several guarantee and a fixed and floating charge to the group bankers. At the balance sheet date the maximum liability for the company amounted to £nil (2019: £nil).

24 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	1,298,110	1,091,408	-	-
Between two and five years	1,726,554	2,112,395	-	-
In over five years	37,001	43,379	-	-
	3,061,665	3,247,182	-	-

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of intangible assets	188,936	188,936	188,936	188,936

26 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	1,455,455	1,300,081

26 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2020 Balance £	2019 Balance £
Group		
Entities over which the group has control, joint control or significant influence	852,204	639,997
Company		
Entities over which the company has control, joint control or significant influence	1,542,304	1,821,595

27 Controlling party

At the year end the ultimate controlling party was Mr RA Lomas.

28 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	3,439,585	2,231,162
Adjustments for:		
Taxation charged	789,462	584,622
Finance costs	69,104	66,246
Investment income	(54,966)	(89,393)
(Gain)/loss on disposal of tangible fixed assets	-	27,923
Amortisation and impairment of intangible assets	21,919	-
Depreciation and impairment of tangible fixed assets	765,885	681,357
Other gains and losses	33,551	(131,209)
Pension scheme non-cash movement	639,000	277,000
Movements in working capital:		
(Increase)/decrease in stocks	(566,557)	56,630
Decrease in debtors	62,609	787,913
Increase/(decrease) in creditors	1,194,605	(523,093)
Cash generated from operations	6,394,197	3,969,158

29 Analysis of changes in net funds - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	4,369,809	3,657,465	8,027,274