Registered number
01696152

J.G. Paxton and Sons Limited

Report and Financial Statements

31 December 2021

PAXTONS
Serving farmers since 1853

J.G. Paxton and Sons Limited
Report and accounts
Contents

PAXTONS
Sowing flowers since 1838

J.G. Paxton and Sons Limited
Company Information

Directors
William John Paxton
Christine Patricia Paxton
Peter Joseph Tallentire
William Robert Paxton

Secretary
John William Paxton

Auditors
Counting North
Salvus House
Aykley Heads
Durham City
Durham
DH1 5TS

Bankers
Barclays Bank plc
6 Market Place
Durham City
Durham City
DH1 3NB

Registered office
Abbey Road
Pity Me
Durham City
Durham
DH1 5DQ

Registered number
01696152

J.G. Paxton and Sons Limited
Strategic Report

The directors present their report and financial statements for the year ended 31 December 2021.

Principal activities
The company's principal activity during the year continued to be the sale and servicing of agricultural machinery.

Review of the business
2021 saw improved financial results despite the continued impact of the COVID-19 pandemic on the worldwide economy.

The company's key financial performance indicators for the year were:

	2021	2020	Movement
	£	£	£
Turnover	31,863,438	25,671,909	6,191,529
Operating profit	910,486	477,807	432,679
Profit/(loss) after taxation	595,652	273,372	322,280
Shareholders funds	5,752,422	5,156,770	595,652

Given the straightforward nature of the business, the company's directors are of the opinion that any further analysis of the KPI's is not necessary for an understanding of the development, performance and position of the business.

Principal risks and uncertainties
The company's directors consider that the business and the company's strategy are subject to a number of risks. The key risks which have been identifed include:

The impact of Brexit and the difficulties this has placed on the importation and pricing of machinery and how this and future trade deals will impact on the UK agricultural sector.

How the single farm payment scheme, which is a large proportion of income for many farmers, will continue to work so that investment in machinery can be undertaken by the company's customers.

The UK agricultural sector can be significantly impacted by the weather which in turn impacts on businesses supporting that sector.

The company's directors are confident that the business will continue to adapt to changing business circumstances.

Financial instrument risk
Price risk, credit risk, liquidity risk and cash flow risk
The business' principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

J.G. Paxton and Sons Limited
Strategic Report

Price risk, credit risk, liquidity risk and cash flow risk (continued)
Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments
The directors are always considering ways in which the business can be expanded either through acquisition or by organic growth. The directors are currently in the process of purchasing another similar business and expanding into another geographical area.

This report was approved by the board on 25 May 2022 and signed by its order.

W. J. Paxton

William John Paxton
Secretary

J.G. Paxton and Sons Limited
Registered number: 01696152
Directors' Report

The directors present their report and financial statements for the year ended 31 December 2021.

Financial instrument risk
The details of the financial instrument risks are provided in the Strategic Report.

Dividends
The directors do not propose that a dividend be distributed.

Directors
The following persons served as directors during the year:

William John Paxton
Christine Patricia Paxton
Peter Joseph Tallentire
William Robert Paxton

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor
Counting North were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

J.G. Paxton and Sons Limited
Registered number: 01696152
Directors' Report

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 May 2022 and signed by its order.

W. J. Paxton

William John Paxton
Secretary

J.G. Paxton and Sons Limited
Independent auditor's report
to the members of J.G. Paxton and Sons Limited

Opinion

We have audited the financial statements of J.G. Paxton and Sons Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the 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 the 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 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

J.G. Paxton and Sons Limited
Independent auditor's report
to the members of J.G. Paxton and Sons Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor'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.

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

- the nature of the industry and sector, control environment and business performance.
- management's own assessment of the risks that irregularities may occur either as result of fraud or error.
- results of our enquiries of management about their own identification and assessment of the risks of irregularities.
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud.

In common with all audits under ISA's (UK), we are also required to perform speccific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that:

- have a direct effect on the determination of material amounts and disclosures in the financial statements.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

As a result of performing the above procedures, we identified the key matters related to the potential risk of fraud. 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 provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- enquiring of management concerning actual and potential litigation and claims.
- performing substantive procedures to verify the validity of transactions included in the financial statements.
- performing anaytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether 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.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at 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.

Gerald Henderson FCA FCCA
(Senior Statutory Auditor)
for and on behalf of
Counting North
Statutory Auditor
25 May 2022

Salvus House
Aykley Heads
Durham City
Durham
DH1 5TS

COUNTING
NORTH

J.G. Paxton and Sons Limited
Income Statement
for the year ended 31 December 2021

	Notes	2021	As restated 2020
		£	£
Turnover	3	31,863,438	25,671,909
Cost of sales		(28,810,487)	(23,277,388)
Gross profit		3,052,951	2,394,521
Administrative expenses		(2,169,044)	(2,045,733)
Other operating income		26,579	129,019
Operating profit	4	910,486	477,807
Profit/(loss) on sale of fixed assets		4,013	(27)
Interest receivable		-	386
Interest payable	7	(143,127)	(142,705)
Profit on ordinary activities before taxation		771,372	335,461
Tax on profit on ordinary activities	8	(175,720)	(62,089)
Profit for the financial year		595,652	273,372

J.G. Paxton and Sons Limited
Statement of Financial Position
as at 31 December 2021

	Notes		2021		As restated 2020
			£		£
Fixed assets					
Tangible assets	10		3,570,664		3,656,959
Current assets					
Stocks	11	7,436,258		6,246,164	
Debtors	12	2,909,290		3,168,364	
Cash at bank and in hand		1,350		1,550	
		10,346,898		9,416,078	
Creditors: amounts falling due within one year	13	(7,573,979)		(7,253,039)	
Net current assets			2,772,919		2,163,039
Total assets less current liabilities			6,343,583		5,819,998
Creditors: amounts falling due after more than one year	14		(481,253)		(585,560)
Provisions for liabilities					
Deferred taxation	17		(109,908)		(77,668)
Net assets			5,752,422		5,156,770
Capital and reserves					
Called up share capital	18		100,000		100,000
Share premium	19		5,316		5,316
Profit and loss account	20		5,647,106		5,051,454
Total equity			5,752,422		5,156,770

The financial statements were approved by the board of directors on 25 May 2022 and were signed on its behalf by:

W. J. Paxton

Christine Paxton

William John Paxton
Director

Christine Patricia Paxton
Director

PJ Tallentire

W. Paxton

Peter Joseph Tallentire
Director

William Robert Paxton
Director

J.G. Paxton and Sons Limited
Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 January 2020	100,000	5,316	4,778,082	4,883,398
Profit for the financial year			273,372	273,372
At 31 December 2020	100,000	5,316	5,051,454	5,156,770
At 1 January 2021	100,000	5,316	5,051,454	5,156,770
Profit for the financial year			595,652	595,652
At 31 December 2021	100,000	5,316	5,647,106	5,752,422

J.G. Paxton and Sons Limited
Statement of Cash Flows
for the year ended 31 December 2021

	Notes	2021	2020
		£	£
Operating activities			
Profit for the financial year		595,652	273,372
Adjustments for:			
(Profit)/loss on sale of fixed assets		(4,013)	27
Interest receivable		-	(386)
Interest payable		143,127	142,705
Tax on profit on ordinary activities		175,720	62,089
Depreciation		227,581	222,546
Amortisation of goodwill		-	59,561
(Increase)/decrease in stocks		(1,190,094)	772,869
Decrease/(increase) in debtors		259,074	(703,582)
Increase/(decrease) in creditors		265,694	(64,220)
		472,741	764,981
Interest received		-	386
Interest paid		(140,230)	(139,062)
Interest element of finance lease payments		(2,897)	(3,643)
Corporation tax paid		(90,402)	-
Cash generated by operating activities		239,212	622,662
Investing activities			
Payments to acquire tangible fixed assets		(151,124)	(204,070)
Proceeds from sale of tangible fixed assets		13,851	42,221
Cash used in investing activities		(137,273)	(161,849)
Financing activities			
Repayment of loans		(79,034)	(74,441)
Capital element of finance lease payments		(20,678)	(72,152)
Cash used in financing activities		(99,712)	(146,593)
Net cash generated			
Cash generated by operating activities		239,212	622,662
Cash used in investing activities		(137,273)	(161,849)
Cash used in financing activities		(99,712)	(146,593)
Net cash generated		2,227	314,220
Cash and cash equivalents at 1 January		(702,069)	(1,016,289)
Cash and cash equivalents at 31 December		(699,842)	(702,069)
Cash and cash equivalents comprise:			
Cash at bank		1,350	1,550
Bank overdrafts	13	(701,192)	(703,619)
		(699,842)	(702,069)

1 Summary of significant accounting policies

Statutory information
J.G. Paxton and Sons Limited is a private company limited by shares incorporated in England, registation number 01696152. The registered office is Abbey Road, Pity Me, Durham City, Durham, DH1 5DQ.

Statement of compliance
The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006.

Basis of preparation
The financial statements are prepared on a going concern basis under the historical cost convention.

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

The principal accounting policies are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Prior year adjustment
Following a review of the accounting treatment of interdepartmental sales in respect of pre delivery inspections carried out by the workshop a prior year adjustment was required to reclassify £634,881 of internal sales from the workshop. Correspondingly sales have been reduced by £634,881 and cost of sales have also been reduced by £634,881.

Going concern
In assessing going concern the directors have considered the impact of COVID-19, together with the ongoing situation in the Ukraine on the UK and world economies and how this impacts on the company and its operations.

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existance for the foreseeable future, which is at least, but not limited to, twelve months from the date the financial statements are approved.

On this basis they continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Government grants
Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Government grants are recognised based on the performance model. Under the performance model grants are recognised as income where no specified performance-related conditions are imposed on the recipient. Grants that do impose specified future performance-related conditions on a recipient are recognised as income only when the performance-related conditions are met.

Intangible fixed assets
Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses. the economic life of the goodwill is considered to be 10 years.

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

Freehold land and buildings	over 50 years
Leasehold land and buildings	the shorter of the lease term or 50 years
Plant and machinery	10% to 25% on reducing balance basis
Fixtures, fittings, tools and equipment	10% to 25% on reducing balance basis
Motor vehicles	25% on reducing balance basis

Inventories
Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the value of the original impairment loss, and recognised as a credit in the profit and loss account.

Debtors
Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors
Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are 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 relevent. 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Carrying value of property, plant and equipment
The carrying value of property, plant and equipment as at 31 December 2021 was £3,570,664 (2020: £3,656,959). Additions in the year totalled £151,124 (2020: £204,070) and the depreciation charge was £227,581 (2020: £222,546). Estimated useful economic lives of property, plant and equipment are based on management's judgements and experience. When management idientifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted. Due to the significance of capital investment, variations between actual and estimated useful lives could impact operating results both positively and negatively. Asset values are reviewed annually and historically changes to remaining estimates of useful lives have not been material.

Carrying value of stock
The carrying value of stocks at at 31 December 2021 was £7,436,258 (2020: £6,246,164). In determining the value of stock management consider the age and estimated realisable value of the stock. When management identifies that the estimated realisable value of a particular stock line is materially lower than the book value of the stock then the value of the stock is reduced accordingly.

3 Analysis of turnover

	2021 £	2020 £
Sale of goods	30,235,085	23,669,330
Services rendered	1,628,353	2,002,579
	31,863,438	25,671,909
By geographical market:		
UK	31,590,395	25,502,191
Europe	272,550	169,718
Rest of world	493	-
	31,863,438	25,671,909

PAXTONS

4 Operating profit

	2021	2020
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	187,234	182,199
Depreciation of assets held under finance leases and hire purchase contracts	40,347	40,347
Amortisation of goodwill	-	59,561
Operating lease rentals - land and buildings	52,000	52,000
Auditors' remuneration for audit services	13,000	13,000
Key management personnel compensation (including directors' emoluments)	332,115	253,519

5 Directors' emoluments

	2021	2020
	£	£
Emoluments	264,479	186,007
Company contributions to defined contribution pension plans	67,636	67,512
	332,115	253,519

Number of directors to whom retirement benefits accrued:	2021	2020
	Number	Number
Defined contribution plans	4	3

6 Staff costs

	2021	2020
	£	£
Wages and salaries	2,319,934	2,163,469
Social security costs	233,010	218,787
Other pension costs	166,883	165,507
	2,719,827	2,547,763

Average number of employees during the year	Number	Number
Office and management	7	7
Sales, fitters and wagon driver	49	47
Stores	12	12
	68	66

7 Interest payable

	2021	2020
	£	£
Bank loans and overdrafts	34,723	44,062
Stocking loans	105,507	95,000
Finance charges payable under finance leases and hire purchase contracts	2,897	3,643
	143,127	142,705

8 Taxation

	2021	2020
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	157,008	90,403
Adjustments in respect of previous periods	(13,528)	-
	143,480	90,403
Deferred tax:		
Origination and reversal of timing differences	32,240	(28,314)
Tax on profit on ordinary activities	175,720	62,089

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2021	2020
	£	£
Profit on ordinary activities before tax	771,372	335,461
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	146,561	63,738
Effects of:		
Expenses not deductible for tax purposes	(5,842)	(4,442)
Income not taxable in determining taxable profit	-	(533)
Depreciation for period in excess of capital allowances	16,289	35,139
Utilisation of tax losses	-	(3,499)
Adjustments to tax charge in respect of previous periods	(13,528)	-
Current tax charge for period	143,480	90,403
Deferred tax	32,240	(28,314)
Total tax charge for period	175,720	62,089

9 Intangible fixed assets

Goodwill:

	£
Cost	
At 1 January 2021	86,495
At 31 December 2021	86,495
Amortisation	
At 1 January 2021	86,495
At 31 December 2021	86,495
Carrying amount	
At 31 December 2021	-

Following an assessment by management of the useful economic life of the goodwill, which arose on a business acquisition in 2012, the balance of the goodwill value was fully amortised in 2020.

10 Tangible fixed assets

	Land and buildings *At cost* £	Plant and machinery (including motor vehicles) *At cost* £	Fixtures, fittings, tools and equipment *At cost* £	Total £
Cost or valuation				
At 1 January 2021	3,541,889	1,407,637	334,315	5,283,841
Additions	14,088	120,548	16,488	151,124
Disposals	-	(81,029)	(34,157)	(115,186)
At 31 December 2021	3,555,977	1,447,156	316,646	5,319,779
Depreciation				
At 1 January 2021	580,248	806,282	240,352	1,626,882
Charge for the year	39,676	164,853	23,052	227,581
On disposals	-	(75,845)	(29,503)	(105,348)
At 31 December 2021	619,924	895,290	233,901	1,749,115
Carrying amount				
At 31 December 2021	2,936,053	551,866	82,745	3,570,664
At 31 December 2020	2,961,641	601,355	93,963	3,656,959

10 Tangible fixed assets (continued)

The individual components of land and buildings are:

	Freehold land and buildings *At cost* £	Long leasehold land and buildings *At cost* £	Short leasehold land and buildings *At cost* £	Total £
Cost or valuation				
At 1 January 2021	2,844,431	697,458	-	3,541,889
Additions	13,028	1,060	-	14,088
At 31 December 2021	2,857,459	698,518	-	3,555,977
Depreciation				
At 1 January 2021	408,970	171,278	-	580,248
Charge for the year	29,380	10,296	-	39,676
At 31 December 2021	438,350	181,574	-	619,924
Carrying amount				
At 31 December 2021	2,419,109	516,944	-	2,936,053
At 31 December 2020	2,435,461	526,180	-	2,961,641

	2021 £	2020 £
Carrying value of plant and machinery included above held under finance leases and hire purchase contracts	90,782	121,043

11 Stocks

	2021 £	2020 £
Finished goods and goods for resale	7,436,258	6,246,164

12 Debtors

	2021 £	2020 £
Trade debtors	2,015,124	1,823,447
Other debtors	-	93,655
Prepayments and accrued income	894,166	1,251,262
	2,909,290	3,168,364

PAXTONS

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	701,192	703,619
Bank loans	79,035	74,440
Obligations under finance lease and hire purchase contracts	20,679	20,679
Trade creditors	6,118,328	6,030,795
Corporation tax	143,481	90,403
Other taxes and social security costs	184,992	52,304
Other creditors	182,128	196,805
Accruals and deferred income	144,144	83,994
	7,573,979	7,253,039

14 Creditors: amounts falling due after one year

	2021	2020
	£	£
Bank loans	403,708	487,337
Obligations under finance lease and hire purchase contracts	77,545	98,223
	481,253	585,560

15 Loans

	2021	2020
	£	£
Loans not wholly repayable within five years:		
Bank loan	482,743	561,777
Analysis of maturity of debt:		
Within one year or on demand	79,035	74,440
Between one and two years	79,035	77,080
Between two and five years	237,105	177,548
After five years	87,568	232,709
	482,743	561,777

The bank overdraft and the bank loan is secured by way of a charge over the company's freehold and leasehold land and buildings, a standard debenture charge and a personal guarantee from the directors William John Paxton and Christine Patricia Paxton.

The bank overdraft is utilised to meet day to day working capital requirements and is repayable on demand. The bank loan is subject to interest at 3.5% over base rate and is due to expire in May 2027.

16 Obligations under finance leases and hire purchase contracts

	2021 £	2020 £
Amounts payable:		
Within one year	20,679	20,679
Within two to five years	77,545	98,223
	98,224	118,902

Finance lease and hire purchase creditors are secured on the assets to which they relate.

17 Deferred taxation

	2021 £	2020 £
Accelerated capital allowances	109,908	77,668

	2021 £	2020 £
At 1 January	77,668	105,982
Charged/(credited) to the profit and loss account	32,240	(28,314)
At 31 December	109,908	77,668

18 Share capital

	Nominal value	2021 Number	2021 £	2020 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	100,000	100,000	100,000

19 Share premium

	2021 £	2020 £
At 1 January	5,316	5,316
At 31 December	5,316	5,316

20 Profit and loss account

	2021 £	2020 £
At 1 January	5,051,454	4,778,082
Profit for the financial year	595,652	273,372
At 31 December	5,647,106	5,051,454

PAXTONS

21 Defined contribution pension plan

	2021	2020
	£	£

The company operates a defined contribution pension scheme for all qualifying empoyees and contributions are expensed in the period to which they relate.

	2021	2020
Contributions charged to the profit and loss account	166,883	165,507
Countributions outstanding at the year end	8,646	3,422

22 Government grants

	2021	2020
	£	£

The company benefited from a number of grants during the year as follows:

	2021	2020
Covid-19 business support and job retention scheme grants	4,515	88,377
Capital grants	-	36,601
Other grants	-	2,800

23 Related party transactions

	2021	2020
	£	£

During the year the company had transactions with the following related parties.

	2021	2020
Transactions with key management personnel		
Amounts owed to directors	44,535	45,375
Personal guarantees given by directors on behalf of company	200,000	200,000
Entities with significant influence		
Expenses charged by related parties	40,000	40,000

24 Controlling party

In the opinion of the directors the ultimate controlling party is the director William John Paxton.