

Company Registration No. 02775128 (England and Wales)

GEORGE COX & SONS LIMITED

**ANNUAL REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 SEPTEMBER 2021

GEORGE COX & SONS LIMITED

COMPANY INFORMATION

Directors	Mr C F Cox Mr J P Walsh Mr M J Holroyd Mr M A Edwards
Company number	02775128
Registered office	Hall Lane Works Farnworth Bolton
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton
Bankers	Svenska Handelsbanken AB 6 The Courtyard Calvin Street Bolton

GEORGE COX & SONS LIMITED

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GEORGE COX & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present the strategic report for the year ended 30 September 2021.

Fair review of the business

The directors consider turnover and gross profit to be key performance indicators.

	2021	2020
	£	£

Turnover	12,639,818	9,562,454
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Gross profit	1,603,547	665,745
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2021 saw the company record a 32% increase in turnover and a 141% increase in gross profit. Gross Profit Margins almost doubled, increasing from 6.9% to 12.6%. The strong performance was a result of the company's long-term Framework contracts returning to pre-pandemic levels of expenditure and the decision to move away from less profitable sectors of work. The company was more selective in the type and nature of contracts it undertook.

Cash balances remained very good throughout the year. We didn't take on any Business Interruption loans, and do not carry any long-term debt relating to the Covid pandemic.

Supply chain issues have had some minor impact on sites, but effective procurement management has mitigated most of the issues.

A solid forward order book has allowed further investment within the company both in terms of recruitment, development and training of its staff and upgrades to its premises. It has opened its own in-house training facility including a dedicated Skills Manager to better train and develop its own apprentices and workforce.

The company consulted with its workforce and have agreed a Hybrid working approach where applicable to provide both a safer office working environment and to meet the needs of its staff.

The company has established its Social Value Matrix system for recording its community contribution resulting from long term frameworks. The 1st years audit recorded it achieving 103% of promised Social Value Outcomes.

The Company has set up a Decarbonising working party with its key client, to develop a cohesive and effective strategy.

Principal risks and uncertainties

The company regularly updates and reviews its working practices in relation to the continuing Covid-19 situation, consulting with industry bodies, its workforce and supply chain. A full Business Impact Assessment resulting from the outbreak was updated and shared with staff and clients.

Continuing escalating material prices can be offset in many instances with the inclusion of a variable price mechanism in many of our long-term frameworks.

All members of staff are consulted for their views and options on risk analysis. The Directors regularly review these risks to prevent any negative impact on trading.

On behalf of the board

Mr C F Cox
Director

10 December 2021

GEORGE COX & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of highway contractors.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £475,216. The directors do not recommend payment of a final dividend.

Directors

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

Mr C F Cox
Mr J P Walsh
Mr M J Holroyd
Mr M A Edwards

Future developments

Economic uncertainties continue to disrupt both our industry and our sector. We expect turnover and profitability to be around similar levels to 2021.

Auditor

The auditors, Barlow Andrews LLP, are deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board

Mr C F Cox
Director

10 December 2021

GEORGE COX & SONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

GEORGE COX & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF GEORGE COX & SONS LIMITED

Opinion

We have audited the financial statements of George Cox & Sons Limited (the 'company') for the year ended 30 September 2021 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 our 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.

GEORGE COX & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF GEORGE COX & 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of 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:

GEORGE COX & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF GEORGE COX & SONS LIMITED

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

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

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

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

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

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GEORGE COX & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF GEORGE COX & SONS LIMITED

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.

**Alison Cornes (Senior Statutory Auditor)
For and on behalf of Barlow Andrews LLP**

10 December 2021

**Chartered Accountants
Statutory Auditor**

Carlisle House
78 Chorley New Road
Bolton

GEORGE COX & SONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	12,639,818	9,562,454
Cost of sales		(11,036,271)	(8,896,709)
Gross profit		1,603,547	665,745
Administrative expenses		(1,027,945)	(843,825)
Other operating income		55,946	308,808
Operating profit	4	631,548	130,728
Interest receivable and similar income	8	-	392
Interest payable and similar expenses	9	(5,645)	(7,796)
Profit before taxation		625,903	123,324
Tax on profit	10	(116,925)	(19,115)
Profit for the financial year		508,978	104,209

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

There is no other comprehensive income for the year. The total comprehensive income is the profit for the financial year shown above.

GEORGE COX & SONS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Current assets					
Stocks	12	153,563		163,003	
Debtors	13	3,369,678		3,268,138	
Cash at bank and in hand		742,364		774,963	
		<u>4,265,605</u>		<u>4,206,104</u>	
Creditors: amounts falling due within one year	14	<u>(3,285,879)</u>		<u>(3,209,189)</u>	
Net current assets			979,726		996,915
Creditors: amounts falling due after more than one year	15		(115,667)		(165,000)
Provisions for liabilities					
Provisions	17	<u>38,381</u>	<u>(38,381)</u>	<u>39,999</u>	<u>(39,999)</u>
Net assets			<u>825,678</u>		<u>791,916</u>
Capital and reserves					
Called up share capital	19		72,851		72,851
Share premium account	20		115,165		115,165
Profit and loss reserves			<u>637,662</u>		<u>603,900</u>
Total equity			<u>825,678</u>		<u>791,916</u>

The financial statements were approved by the board of directors and authorised for issue on 10 December 2021 and are signed on its behalf by:

Mr C F Cox
Director

Company Registration No. 02775128

GEORGE COX & SONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 October 2019		72,851	115,165	549,691	737,707
Year ended 30 September 2020:					
Profit and total comprehensive income for the year		-	-	104,209	104,209
Dividends	11	-	-	(50,000)	(50,000)
Balance at 30 September 2020		72,851	115,165	603,900	791,916
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	508,978	508,978
Dividends	11	-	-	(475,216)	(475,216)
Balance at 30 September 2021		72,851	115,165	637,662	825,678

GEORGE COX & SONS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25	516,721		629,279	
Interest paid		(5,645)		(7,796)	
Income taxes paid		(19,126)		(7,038)	
Net cash inflow from operating activities		<u>491,950</u>		<u>614,445</u>	
Investing activities					
Interest received		-		392	
Net cash (used in)/generated from investing activities			-		392
Financing activities					
Repayment of borrowings		(49,333)		(6,667)	
Dividends paid		(475,216)		(50,000)	
Net cash used in financing activities		<u>(524,549)</u>		<u>(56,667)</u>	
Net (decrease)/increase in cash and cash equivalents			(32,599)		558,170
Cash and cash equivalents at beginning of year		774,963		216,793	
Cash and cash equivalents at end of year		<u><u>742,364</u></u>		<u><u>774,963</u></u>	

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

George Cox & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hall Lane Works, Farnworth, Bolton.

1.1 Accounting convention

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

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

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

1.2 Going concern

At the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This expectation is based upon a strong forward order book, along with forecasts for sales and cash, reinforcing the position of the directors in continuing to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Profit is recognised on long term contracts if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account, turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of the contract value which is estimated to have been completed.

1.4 Stocks

Stock is valued at the lower of cost and net realisable value.

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.

1.5 Construction contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.7 Financial instruments

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

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

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

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.

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.

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 company 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 company after deducting all of its liabilities.

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans, 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.

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 company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company 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 company.

1.9 Taxation

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

Current tax

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

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

When the company receives claims from third parties or employees, it makes a provision for the estimated uninsured element of each claim.

1.11 Employee benefits

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

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

1.12 Retirement benefits

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

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 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.

2 Judgements and key sources of estimation uncertainty

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 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 key source of estimation and uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Personal injury claims

A provision is made for the excess payable over insurance proceeds on any personal injury claim made against the company. The directors use their judgement based on their insurer's as to whether a claim against the company will be successful. Due to the nature of the claims, it can be many years before the provision crystallises.

3 Turnover and other revenue

The total turnover of the company has been derived from its principal activity wholly undertaken in the United Kingdom. An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Highway contractor	12,639,818	9,562,454
	<u> </u>	<u> </u>
	2021 £	2020 £
Other significant revenue		
Interest income	-	392
Grants received	16,193	249,309
	<u> </u>	<u> </u>

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(16,193)	(249,309)
Operating lease charges	87,388	100,912
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,970	11,000
	<u> </u>	<u> </u>

6 Employees

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

	2021 Number	2020 Number
Management	10	9
Administration	14	11
Site operatives	43	54
	<u> </u>	<u> </u>
Total	67	74
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,168,423	2,029,262
Social security costs	216,339	178,969
Pension costs	60,659	55,390
	<u> </u>	<u> </u>
	2,445,421	2,263,621
	<u> </u>	<u> </u>

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	82,475	74,734
Company pension contributions to defined contribution schemes	1,317	1,303
	<u> </u>	<u> </u>
	83,792	76,037
	<u> </u>	<u> </u>

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

7 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	-	392
	<u> </u>	<u> </u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	-	392
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2021 £	2020 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	5,645	7,796
	<u> </u>	<u> </u>

10 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	116,925	19,126
Adjustments in respect of prior periods	-	(11)
	<u> </u>	<u> </u>
Total current tax	116,925	19,115
	<u> </u>	<u> </u>

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:

	2021 £	2020 £
Profit before taxation	625,903	123,324
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	118,922	23,432
Tax effect of expenses that are not deductible in determining taxable profit	-	(538)
Adjustments in respect of prior years	-	(11)
Group relief	(1,997)	(3,768)
	<u> </u>	<u> </u>
Taxation charge for the year	116,925	19,115
	<u> </u>	<u> </u>

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Dividends

	2021 £	2020 £
Interim paid	475,216	50,000

12 Stocks

	2021 £	2020 £
Raw materials and consumables	153,563	163,003

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,527,885	1,652,925
Gross amounts owed by contract customers	874,659	847,352
Amounts owed by group undertakings	211,836	-
Other debtors	678,272	678,788
Prepayments and accrued income	77,026	89,073
	3,369,678	3,268,138

14 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other borrowings	16	10,000	10,000
Payments received on account		80,925	221,071
Trade creditors		2,202,165	2,317,037
Amounts owed to group undertakings		-	8,311
Corporation tax		116,925	19,126
Other taxation and social security		426,067	289,550
Other creditors		6,760	2,946
Accruals and deferred income		443,037	341,148
		3,285,879	3,209,189

15 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Other borrowings	16	115,667	165,000

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

16 Loans and overdrafts

	2021 £	2020 £
Other borrowings	125,667	175,000
Payable within one year	10,000	10,000
Payable after one year	115,667	165,000

Other borrowings are secured by a personal guarantee from Mr C Cox, director. Interest is being charged on the loan at a rate of 4%. The loan is to be repaid in full by 31 December 2023.

17 Provisions for liabilities

	2021 £	2020 £
Personal injury and damage claims	38,381	39,999

Movements on provisions:

	Personal injury and damage claims £
At 1 October 2020	39,999
Additional provisions in the year	24,531
Reversal of provision	(16,429)
Utilisation of provision	(9,720)
At 30 September 2021	38,381

When the company receives claims from third parties or employees it makes a provision for the estimated uninsured element of each claim.

18 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	60,659	55,390

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

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	72,851	72,851	72,851	72,851

The holders of ordinary shares are entitled to receive dividends and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

20 Share premium account

The share premium account includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

21 Financial commitments, guarantees and contingent liabilities

The company has in issue an unlimited cross guarantee in favour of Handelsbanken in respect of amounts owed by George Cox Limited. At the year end the potential liability amounted to £nil (2020: £nil).

22 Operating lease commitments

Lessee

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

	2021 £	2020 £
Within one year	78,500	82,903
Between two and five years	314,000	160,000
In over five years	53,208	89,971
	445,708	332,874

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	253,699	218,550

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

23 Related party transactions

(Continued)

Transactions with related parties

During the year the company entered into the following transactions with related parties:

Companies associated via the directors

During the year George Cox & Sons Limited incurred expenses of £353,867 (2020: £639,052) and made sales of £82,600 (2020: £30,559) to a company associated through the directors. At the year end £98,465 (2020: £217,814) was due from the connected company.

In 2018, a company controlled by Mr C Cox, director, lent George Cox & Sons Limited £200,000. Interest is being charged on the loan at a rate of 4%. The balance due at the year end was £125,667 (2020: £175,000).

The loan is supported by a personal guarantee from Mr C Cox.

24 Ultimate controlling party

The ultimate parent company is George Cox Limited, a company registered in England and Wales. The registered office is Hall Lane Works, Farnworth, Bolton.

The company is included in the consolidated financial statements of George Cox Limited. These consolidated financial statements are available from its registered office, Hall Lane Works, Bolton.

25 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	508,978	104,209
Adjustments for:		
Taxation charged	116,925	19,115
Finance costs	5,645	7,796
Investment income	-	(392)
Decrease in provisions	(1,618)	(6,553)
Movements in working capital:		
Decrease in stocks	9,440	81,113
Increase in debtors	(101,540)	(782,538)
(Decrease)/increase in creditors	(21,109)	1,206,529
Cash generated from operations	516,721	629,279

GEORGE COX & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

26 Analysis of changes in net funds

	1 October 2020	Cash flows	30 September 2021
	£	£	£
Cash at bank and in hand	774,963	(32,599)	742,364
Borrowings excluding overdrafts	(175,000)	49,333	(125,667)
	<u>599,963</u>	<u>16,734</u>	<u>616,697</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.