

**COMPANY REGISTRATION NUMBER: 01339137**

For Approval and Return To  
David Allen

**FRANK JOHNSTON (TRACTORS) LIMITED**

**ANNUAL REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**David Allen**

Chartered Accountants & Statutory Auditor

Dalmar House

Barras Lane Estate

Dalston

Carlisle

CA5 7NY

## **FRANK JOHNSTON (TRACTORS) LIMITED**

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## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **COMPANY INFORMATION**

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**Directors**

Mr H Johnston

Miss L Johnston

**Company secretary**

Miss L Johnston

**Registered office**

4 Montgomery Way  
Rosehill Industrial Estate  
Carlisle  
CA1 2RW

**Auditors**

David Allen  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**Bankers**

HSBC Bank plc  
29 English Street  
Carlisle  
CA3 8JW

Barclays Bank plc  
Montgomery Way  
Rosehill Industrial Estate  
Carlisle  
CA1 2RT

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their strategic report for the year ended 31 December 2022.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company is to manage the assets of the group. The principal activity of the group is tractor and machinery sales.

#### **FAIR REVIEW OF THE BUSINESS**

Frank Johnston (Tractors) Limited receives management charges, hire of equipment income and rent receivable, in its role in management of the group assets. Total income for the company was £224,677 (2021 - £233,668), and operating profit 88% (2021 - 59%). Return on capital employed was 6% (2021 - 5%).

The group has been adjusting to operating a new tractor dealership, with sales now increasing as staff and customers adjust to this. The gross profit margin has increased to 8% (2021: 7%). Overheads have increased and operating profit margin has also increased to 3% (2021: 2%).

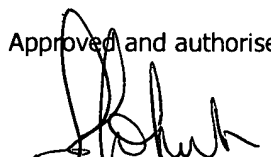
The company's key financial and other performance indicators during the year were as follows:

	Unit	2022	2021
Turnover	£	17,017,803	16,908,522
Gross profit	£	1,299,243	1,114,297
Gross profit percentage	%	8	7
Operating profit percentage	%	3	2
Creditor days		12	26
Debtor days		13	12

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors are satisfied with the company's level of activities, profits generated and the level of business experienced. The company's end of year position is strong. It has a sound financial base with a more than adequate cash flow to support operations in the coming year.

Approved and authorised by the Board on 8 August 2023 and signed on its behalf by:

  
.....  
Miss L Johnston  
Company secretary and director

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **DIRECTORS OF THE GROUP**

The directors who held office during the year were as follows:

Mr H Johnston

Miss L Johnston - Company secretary and director

#### **DIVIDENDS**

Particulars of recommended dividends are detailed in note 22 to the financial statements.

#### **FINANCIAL INSTRUMENTS**

##### **Objectives and policies**

The company uses basic financial instruments, including bank overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks associated with these are cash flow, liquidity and interest risk. The company seeks to ensure sufficient liquidity is available to meet foreseeable needs and uses banking facilities to achieve short term flexibility.

#### **FUTURE DEVELOPMENTS**

The directors plan to continue with the company's present operations and strategies.

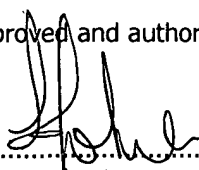
#### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **REAPPOINTMENT OF AUDITORS**

David Allen is re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Approved and authorised by the Board on 8 August 2023 and signed on its behalf by:

  
.....  
Miss L Johnston  
Company secretary and director

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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The directors acknowledge their responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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; and
- 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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED**

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#### **OPINION**

We have audited the financial statements of Frank Johnston (Tractors) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the Consolidated statement of income and retained earnings, Consolidated balance sheet, Balance sheet, Consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2022 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 group 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)**

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#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### **OPINION ON OTHER MATTER 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and 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 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 DIRECTORS**

As explained more fully in the Statement of directors' responsibilities [set out on page 4], 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.



## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)**

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*In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.*

#### **AUDITOR 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:

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

We are not responsible for detecting fraud and preventing non-compliance and cannot be expected to detect all fraud and non-compliance with all laws and regulations. The primary responsibility for the prevention and detection of irregularities including fraud rests with both the management and the directors. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**FRANK JOHNSTON (TRACTORS) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)**

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**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.



.....  
DAVID ALLEN (Senior Statutory Auditor)

For and on behalf of  
David Allen  
Chartered Accountants & Statutory Auditor

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

8 August 2023

**FRANK JOHNSTON (TRACTORS) LIMITED****CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR  
ENDED 31 DECEMBER 2022**

		<b>31 December 2022 £</b>	<b>(As restated) 14 months ended 31 December 2021 £</b>
Turnover	3	17,017,803	16,908,522
Cost of sales		<u>(15,718,560)</u>	<u>(15,794,225)</u>
Gross profit		1,299,243	1,114,297
Administrative expenses		(829,740)	(795,366)
Other operating income	4	<u>63,800</u>	<u>27,595</u>
Operating profit	5	<u>533,303</u>	<u>346,526</u>
Other interest receivable and similar income		1,805	17,860
Interest payable and similar charges		<u>(43,716)</u>	<u>(9,126)</u>
		<u>(41,911)</u>	<u>8,734</u>
Profit before tax		491,392	355,260
Taxation	9	<u>(114,440)</u>	<u>(33,739)</u>
Profit for the financial year		376,952	321,521
Retained earnings brought forward		4,185,671	3,957,483
Dividends paid		<u>(80,000)</u>	<u>(93,333)</u>
Retained earnings carried forward		<u><u>4,482,623</u></u>	<u><u>4,185,671</u></u>

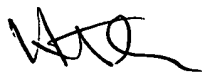
The notes on pages 13 to 33 form an integral part of these financial statements.

# FRANK JOHNSTON (TRACTORS) LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2022

			(As restated)
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	48,875	60,375
Tangible assets	11	842,498	820,743
Investment property	12	<u>323,804</u>	<u>323,804</u>
		<u>1,215,177</u>	<u>1,204,922</u>
<b>Current assets</b>			
Stocks	14	7,698,827	7,438,775
Debtors	15	835,181	801,005
Cash at bank and in hand		<u>161,368</u>	<u>68,589</u>
		8,695,376	8,308,369
<b>Creditors:</b> Amounts falling due within one year	17	<u>(5,285,671)</u>	<u>(5,233,654)</u>
<b>Net current assets</b>		<u>3,409,705</u>	<u>3,074,715</u>
<b>Total assets less current liabilities</b>		4,624,882	4,279,637
<b>Provisions for liabilities</b>	18	<u>(137,159)</u>	<u>(88,866)</u>
<b>Net assets</b>		<u>4,487,723</u>	<u>4,190,771</u>
<b>Capital and reserves</b>			
Called up share capital	20	5,100	5,100
Retained earnings	21	<u>4,482,623</u>	<u>4,185,671</u>
Equity attributable to owners of the company		<u>4,487,723</u>	<u>4,190,771</u>
Shareholders' funds		<u>4,487,723</u>	<u>4,190,771</u>

Approved and authorised by the Board on 8 August 2023 and signed on its behalf by:



.....  
Mr H Johnston  
Director

Company registration number: 01339137

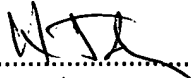
The notes on pages 13 to 33 form an integral part of these financial statements.

**FRANK JOHNSTON (TRACTORS) LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	10	48,875	60,375
Tangible assets	11	300,144	274,511
Investment property	12	323,804	323,804
Investments	13	<u>1,501,120</u>	<u>1,501,120</u>
		<u>2,173,943</u>	<u>2,159,810</u>
<b>Current assets</b>			
Stocks	14	185,144	186,324
Debtors	15	<u>900,659</u>	<u>892,722</u>
		1,085,803	1,079,046
<b>Creditors:</b> Amounts falling due within one year	17	<u>(204,783)</u>	<u>(265,713)</u>
<b>Net current assets</b>		<u>881,020</u>	<u>813,333</u>
<b>Total assets less current liabilities</b>		3,054,963	2,973,143
<b>Provisions for liabilities</b>	18	<u>(4,923)</u>	<u>-</u>
<b>Net assets</b>		<u>3,050,040</u>	<u>2,973,143</u>
<b>Capital and reserves</b>			
Called up share capital	20	5,100	5,100
Retained earnings		<u>3,044,940</u>	<u>2,968,043</u>
Shareholders' funds		<u>3,050,040</u>	<u>2,973,143</u>

The company made a profit after tax for the financial year of £156,897 (2021 - profit of £180,089).

Approved and authorised by the Board on 8 August 2023 and signed on its behalf by:

  
.....  
Mr H Johnston  
Director

Company registration number: 01339137

**The notes on pages 13 to 33 form an integral part of these financial statements.**

**FRANK JOHNSTON (TRACTORS) LIMITED****CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022**

			<b>(As restated)</b>	
	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>	
<b>Cash flows from operating activities</b>				
Profit for the year		376,952	321,521	
Adjustments to cash flows from non-cash items				
Depreciation and amortisation	5	118,340	103,936	
Profit on disposal of tangible assets		(69,239)	(81,036)	
Finance income		(1,805)	(17,860)	
Finance costs		43,716	9,126	
Corporation tax expense	9	114,440	33,739	
		<u>582,404</u>	<u>369,426</u>	
Working capital adjustments				
Increase in stocks	14	(260,052)	(3,912,148)	
(Increase)/decrease in trade debtors	15	(34,176)	289,203	
(Decrease)/increase in trade creditors	17	<u>(586,731)</u>	<u>2,821,012</u>	
Cash generated from operations		(298,555)	(432,507)	
Corporation taxes paid	9	<u>(39,587)</u>	<u>(63,272)</u>	
Net cash flow from operating activities		<u>(338,142)</u>	<u>(495,779)</u>	
<b>Cash flows from investing activities</b>				
Interest received		1,805	17,860	
Acquisitions of tangible assets		(316,784)	(773,236)	
Proceeds from sale of tangible assets		<u>257,427</u>	<u>670,766</u>	
Net cash flows from investing activities		<u>(57,552)</u>	<u>(84,610)</u>	
<b>Cash flows from financing activities</b>				
Interest paid		(43,716)	(9,130)	
Proceeds from bank borrowing draw downs		-	(49,999)	
Dividends paid		<u>(80,000)</u>	<u>(93,333)</u>	
Net cash flows from financing activities		<u>(123,716)</u>	<u>(152,462)</u>	
Net decrease in cash and cash equivalents		(519,410)	(732,851)	
Cash and cash equivalents at 1 January	16	<u>(1,052,519)</u>	<u>(319,668)</u>	
Cash and cash equivalents at 31 December	16	<u><u>(1,571,929)</u></u>	<u><u>(1,052,519)</u></u>	

The notes on pages 13 to 33 form an integral part of these financial statements.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **1 GENERAL INFORMATION**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

4 Montgomery Way  
Rosehill Industrial Estate  
Carlisle  
CA1 2RW

These financial statements were authorised for issue by the Board on 8 August 2023.

#### **2 ACCOUNTING POLICIES**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

##### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2022.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **2 ACCOUNTING POLICIES (continued)**

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

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual statement of income and retained earnings.

#### **Going concern**

The financial statements have been prepared on a going concern basis.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/Value Added Tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.



## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **2 ACCOUNTING POLICIES (continued)**

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting period date, with any gains or losses being taken to the statement of income.

##### **Taxation**

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

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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.

##### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	15% or 12% straight line
Fixtures and fittings	12% straight line
Motor vehicles	12% straight line

No depreciation has been provided for on the freehold property as they are kept in a sound state of repair and in the opinion of the directors the residual value is so high and the useful economic life so long that the depreciation charge would be immaterial. This is not in accordance with FRS 102. The departure from the provisions of FRS 102 is required in order to give a true and fair view.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **2 ACCOUNTING POLICIES (continued)**

##### **Investment property**

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in the statement of income.

##### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

##### **Asset class**

Goodwill

##### **Amortisation method and rate**

10% straight line

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **2 ACCOUNTING POLICIES (continued)**

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## FRANK JOHNSTON (TRACTORS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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#### 2 ACCOUNTING POLICIES (continued)

##### Financial instruments

###### *Classification*

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

###### *Recognition and measurement*

Basic financial instruments are initially recognised at the transaction price.

###### *Impairment*

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### 3 TURNOVER

The analysis of the group's turnover for the year from continuing operations is as follows:

	Year ended 31 December 2022 £	1 November 2020 to 31 December 2021 £
Sale of goods	16,442,043	16,486,652
Rendering of services	530,501	337,239
Commissions received	32,713	73,704
Other revenue	12,546	10,927
	<u>17,017,803</u>	<u>16,908,522</u>

#### 4 OTHER OPERATING INCOME

The analysis of the group's other operating income for the year is as follows:

	Year ended 31 December 2022 £	1 November 2020 to 31 December 2021 £
Rent receivable and other income	63,800	27,595

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)**

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**5 OPERATING PROFIT**

Arrived at after charging/(crediting)

	<b>Year ended 31 December 2022 £</b>	<b>1 November 2020 to 31 December 2021 £</b>
Depreciation	106,840	92,436
Amortisation	11,500	11,500
Impairment reversal	(87)	-
Profit on disposal of property, plant and equipment	<u>(69,239)</u>	<u>(81,036)</u>

## FRANK JOHNSTON (TRACTORS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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#### 6 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>Year ended 31 December 2022</b>	<b>1 November 2020 to 31 December 2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	936,393	998,130
Social security costs	78,625	78,017
Pension costs, defined contribution scheme	(16,436)	56,326
Other employee expense	8,242	5,517
	<u>1,006,824</u>	<u>1,137,990</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Administration and support	7	7
Sales	8	8
Other departments	17	18
	<u>32</u>	<u>33</u>

#### 7 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	<b>Year ended 31 December 2022</b>	<b>1 November 2020 to 31 December 2021</b>
	<b>£</b>	<b>£</b>
Remuneration	19,216	18,466
Company contributions to defined contribution pension plans	(35,000)	35,000
	<u>(15,784)</u>	<u>53,466</u>

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)**

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**8 AUDITOR'S REMUNERATION**

	<b>Year ended 31 December 2022 £</b>	<b>1 November 2020 to 31 December 2021 £</b>
Audit of these financial statements	<u>11,001</u>	<u>10,000</u>
<b>Other fees to auditors</b>		
All other non-audit services	<u>7,252</u>	<u>7,292</u>

**9 TAXATION**

Tax charged/(credited) in the consolidated profit and loss account

	<b>Year ended 31 December 2022 £</b>	<b>1 November 2020 to 31 December 2021 £</b>
<b>Current taxation</b>		
UK corporation tax	66,147	39,991
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>48,293</u>	<u>(6,252)</u>
Tax expense in the income statement	<u>114,440</u>	<u>33,739</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)****9 TAXATION (continued)**

	<b>Year ended 31 December 2022 £</b>	<b>1 November 2020 to 31 December 2021 £</b>
Profit before tax	<u>491,392</u>	<u>355,260</u>
Corporation tax at standard rate	93,364	67,499
Tax decrease from effect of capital allowances and depreciation	(36,203)	(27,508)
Tax increase/(decrease) from other short-term timing differences	48,293	(6,252)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>8,986</u>	<u>-</u>
Total tax charge	<u>114,440</u>	<u>33,739</u>
<b>Deferred tax</b>		
<b>Group</b>		
Deferred tax assets and liabilities		
<b>2022</b>		<b>Liability £</b>
Accelerated capital allowances		<u>137,159</u>
		<u>137,159</u>
<b>2021</b>		<b>Liability £</b>
Accelerated capital allowances		<u>88,866</u>
		<u>88,866</u>
<b>Company</b>		
Deferred tax assets and liabilities		
<b>2022</b>		<b>Liability £</b>
Accelerated capital allowances		<u>4,923</u>
		<u>4,923</u>
<b>2021</b>		<b>Liability £</b>
		<u>-</u>



**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)****10 INTANGIBLE ASSETS****Group**

	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 January 2022	<u>115,000</u>	<u>115,000</u>
At 31 December 2022	<u>115,000</u>	<u>115,000</u>
<b>Amortisation</b>		
At 1 January 2022	54,625	54,625
Amortisation charge	<u>11,500</u>	<u>11,500</u>
At 31 December 2022	<u>66,125</u>	<u>66,125</u>
<b>Carrying amount</b>		
At 31 December 2022	<u>48,875</u>	<u>48,875</u>
At 31 December 2021	<u>60,375</u>	<u>60,375</u>

**Company**

	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost or valuation</b>		
At 1 January 2022	<u>115,000</u>	<u>115,000</u>
At 31 December 2022	<u>115,000</u>	<u>115,000</u>
<b>Amortisation</b>		
At 1 January 2022	54,625	54,625
Amortisation charge	<u>11,500</u>	<u>11,500</u>
At 31 December 2022	<u>66,125</u>	<u>66,125</u>
<b>Carrying amount</b>		
At 31 December 2022	<u>48,875</u>	<u>48,875</u>
At 31 December 2021	<u>60,375</u>	<u>60,375</u>

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**11 TANGIBLE ASSETS**

<b>Group</b>	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2022	263,584	225,762	734,586	140,679	1,364,611
Additions	36,560	24,955	255,269	-	316,784
Disposals	-	-	(219,103)	-	(219,103)
At 31 December 2022	<u>300,144</u>	<u>250,717</u>	<u>770,752</u>	<u>140,679</u>	<u>1,462,292</u>
<b>Depreciation</b>					
At 1 January 2022	-	145,661	327,043	71,165	543,869
Charge for the year	-	19,190	73,890	13,760	106,840
Eliminated on disposal	-	-	(30,915)	-	(30,915)
At 31 December 2022	<u>-</u>	<u>164,851</u>	<u>370,018</u>	<u>84,925</u>	<u>619,794</u>
<b>Carrying amount</b>					
At 31 December 2022	<u>300,144</u>	<u>85,866</u>	<u>400,734</u>	<u>55,754</u>	<u>842,498</u>
At 31 December 2021	<u>263,584</u>	<u>80,101</u>	<u>407,543</u>	<u>69,515</u>	<u>820,743</u>

**FRANK JOHNSTON (TRACTORS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

**11 TANGIBLE ASSETS (continued)**

**Company**

	<b>Freehold property £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 January 2022	263,584	108,930	287,791	40,466	700,771
Additions	36,560	-	-	-	36,560
Disposals	-	-	(19,475)	-	(19,475)
At 31 December 2022	<u>300,144</u>	<u>108,930</u>	<u>268,316</u>	<u>40,466</u>	<u>717,856</u>
<b>Depreciation</b>					
At 1 January 2022	-	108,930	278,248	39,082	426,260
Charge for the year	-	-	974	1,384	2,358
Eliminated on disposal	-	-	(10,906)	-	(10,906)
At 31 December 2022	<u>-</u>	<u>108,930</u>	<u>268,316</u>	<u>40,466</u>	<u>417,712</u>
<b>Carrying amount</b>					
At 31 December 2022	<u>300,144</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,144</u>
At 31 December 2021	<u>263,584</u>	<u>-</u>	<u>9,543</u>	<u>1,384</u>	<u>274,511</u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)****12 INVESTMENT PROPERTIES****Group**

	<b>2022</b>
	<b>£</b>
At 1 November 2020 and 31 December 2021	<u>323,804</u>

**Company**

	<b>2022</b>
	<b>£</b>
At 1 November 2020 and 31 December 2021	<u>323,804</u>

On the 31 December 2022 the carrying amount of the investment property was £323,804 (2021 - £323,804). The directors consider this to be the fair value of the property.

**13 INVESTMENTS****Group**

The group has no investments.

**Company**

	<b>31 December</b>	<b>31 October</b>
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Investments in subsidiaries	<u>1,501,120</u>	<u>1,501,120</u>

**Subsidiaries**

**£**

**Cost or valuation**

At 1 November 2020 and 31 December 2022	<u>1,501,120</u>
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**Provision****Carrying amount**

At 31 December 2022	<u>1,501,120</u>
At 31 December 2021	<u>1,501,120</u>

## FRANK JOHNSTON (TRACTORS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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#### 13 INVESTMENTS (continued)

##### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Johnston Tractors Limited	4 Montgomery Way Rosehill Industrial Estate Carlisle CA1 2RW England and Wales	Ordinary	100%	100%
Johnston Excavators Limited	4 Montgomery Way Rosehill Industrial Estate Carlisle CA1 2RW England and Wales	Ordinary	60%	60%

The principal activity of Johnston Tractors Limited is tractor and machinery sales.

The principal activity of Johnston Excavators Limited is agricultural retail (company currently dormant)

The profit for the financial period of Johnston Tractors Limited was £220,055 (2021 - £141,434) and the aggregate amount of capital and reserves at the end of the period was £1,437,683 (2021 - £1,217,628).

#### 14 STOCKS

	Group (As restated)		Company	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Wholegoods and parts stock	<u>7,698,827</u>	<u>7,438,775</u>	<u>185,144</u>	<u>186,324</u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)****15 DEBTORS**

		Group		Company	
		31 December 2022 £	31 December 2021 £	31 December 2022 £	31 December 2021 £
<b>Current</b>	<b>Note</b>				
Trade debtors		647,326	582,095	-	-
Amounts owed by related parties	23	-	4,447	894,335	887,008
Other debtors		49,070	114,862	1,046	436
Prepayments		138,785	99,601	5,278	5,278
		<u>835,181</u>	<u>801,005</u>	<u>900,659</u>	<u>892,722</u>

**16 CASH AND CASH EQUIVALENTS**

		Group		Company	
		2022 £	2021 £	2022 £	2021 £
Cash on hand		210	220	-	-
Cash at bank		<u>161,158</u>	<u>68,369</u>	<u>-</u>	<u>-</u>
		161,368	68,589	-	-
Bank overdrafts		<u>(1,733,297)</u>	<u>(1,121,108)</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents in statement of cash flows		<u>(1,571,929)</u>	<u>(1,052,519)</u>	<u>-</u>	<u>-</u>

**FRANK JOHNSTON (TRACTORS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022  
(CONTINUED)****17 CREDITORS**

		Group		Company	
		(As restated)			
	Note	31 December 2022 £	31 December 2021 £	31 December 2022 £	31 December 2021 £
<b>Due within one year</b>					
Loans and borrowings		1,733,297	1,121,108	-	-
Trade creditors		975,765	3,772,328	7,399	8,094
Amounts due to related parties	23	91,737	76,257	91,657	76,257
Other payables		67,753	64,961	67,753	64,961
Accruals		2,350,567	159,008	1,980	76,409
Corporation tax liability	9	66,552	39,992	35,994	39,992
		<u>5,285,671</u>	<u>5,233,654</u>	<u>204,783</u>	<u>265,713</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

Bank loans and overdrafts £1,733,297 (2021: £1,121,108)

The above bank loans and overdrafts are secured by a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 25 August 2016.

Any bank loans and overdrafts are secured by a fixed charge over book and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets dated 1 June 1993.

A composite company limited multilateral guarantee dated 8 September 2016 has been given by Frank Johnston (Tractors) Limited and Johnston Tractors Limited.

The company has provided a guarantee dated 22 October 2018 in favour of AGCO Limited for £114,000.

## FRANK JOHNSTON (TRACTORS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

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#### 18 DEFERRED TAX AND OTHER PROVISIONS

##### Group

	Deferred tax £	Total £
At 1 January 2022	88,866	88,866
Additional provisions	<u>48,293</u>	<u>48,293</u>
At 31 December 2022	<u>137,159</u>	<u>137,159</u>

##### Company

	Deferred tax £	Total £
Additional provisions	<u>4,923</u>	<u>4,923</u>
At 31 December 2022	<u>4,923</u>	<u>4,923</u>

#### 19 PENSION AND OTHER SCHEMES

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £(16,436) (2021 - £56,326).

#### 20 SHARE CAPITAL

##### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Ordinary B shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>



## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **20 SHARE CAPITAL (continued)**

##### **Rights, preferences and restrictions**

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up); they do not confer any rights of redemption.

Ordinary B Shares have the following rights, preferences and restrictions:

The ordinary B shares have attached to them non-voting rights, no rights to participate in a surplus on a winding up, rights to a dividend declared on the ordinary B shares, rights to a repayment of paid up capital only in the event of a winding up of the company.

#### **21 RESERVES**

##### **Group**

Profit and loss account

This reserve records retained earnings and accumulated profits.

#### **22 DIVIDENDS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interim dividend of £16.00 (2021 - £18.67) per ordinary share	<u>80,000</u>	<u>93,333</u>

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **23 RELATED PARTY TRANSACTIONS**

##### **Company**

Mr Johnston is also a director of Agrigroup Limited and owns all of the issued share capital. Sales, including rent received, to Agrigroup Limited during the year amounted to £44,477 (2022: £52,689). At 31 December 2022 trade debtors include £Nil (2021: £4,448) due from Agrigroup Limited.

The company also occupies property owned by the company pension scheme, Johnston Tractors Pension Scheme, of which Mr H and Miss L Johnston are trustees. During the year rent of £9,630 (2021: £11,325) was paid by the company. At the year end there were no amounts outstanding.

The company occupies property owned by the directors and during the year rent of £28,609 (2021: £32,613) was paid by the company. At the year end there were no amounts outstanding.

During the year, dividends of £80,000 (2021: £93,333) were paid to the directors.

The directors are considered to be the key management personnel and details of their remuneration in the year can be found detailed in note 7.

During the year the company charged expenses and management charges totalling £141,400 to Johnston Tractors Limited (2021: £206,073).

At the year end the company was owed £894,455 (2021: £887,008) from Johnston Tractors Limited and £120 (2021: £Nil) to Johnston Excavators Limited.

## **FRANK JOHNSTON (TRACTORS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)**

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#### **23 RELATED PARTY TRANSACTIONS (continued)**

##### **Group**

Mr Johnston is also a director of Agrigroup Limited and owns all of the issued share capital. Sales to Agrigroup Limited during the year amounted to £104,401 (2021: £113,806). At 31 December 2022 trade debtors include £Nil (2021: £4,448) due from Agrigroup Limited.

Purchases from Agrigroup Limited during the year amounted to £26,784 (2021: £141,551). At the year end Agrigroup owed the group £6,250 (2021: £1,647 owed by the group).

The group also occupies property owned by the company pension scheme, Johnston Tractors Pension Scheme, of which Mr H and Miss L Johnston are trustees. During the year rent of £9,630 (2021: £11,325) was paid by the group. At the year end there were no amounts outstanding.

The group occupies property owned by the directors and during the year rent of £28,609 (2021: £32,613) was paid by the group. At the year end there were no amounts outstanding.

During the year, dividends of £80,000 (2021: £93,333) were paid to the directors.

#### **24 PRIOR YEAR ADJUSTMENT**

An adjustment has been made for the recognition of stock and the corresponding liability. The amount in the year ended 31 December 2021 was £2,567,304.