

Registered number: 02749235

T Crossling & Co Limited

Annual report

31 December 2022



T Crossling & Co Limited

Company information

Directors	R R Errington C P H Errington K C Clifford
Company secretary	K C Clifford
Registered number	02749235
Registered office	PO Box 5 Coast Road Newcastle upon Tyne NE6 5TP
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank Plc 1st Floor 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Sintons The Cube Barrack Road Newcastle upon Tyne NE4 6DB

T Crossling & Co Limited

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T Crossling & Co Limited

Group strategic report Year ended 31 December 2022

Introduction

The directors present their strategic report for the year ended 31 December 2022. The principal activity of the group continues to be that of plumbers, pipeline and tool merchants.

Business review and future developments

The group reported a profit before tax in 2022 of £5,342,000 (2021: £3,962,000).

The directors are pleased with the results for the year with turnover increasing despite continued supply constraints that restricted the sales of key products such as boilers.

The table below illustrates the key numbers behind the improvement in profitability compared to 2021. Given the inflationary background whilst the increase in sales are modest there has been a significant increase in gross profit facilitated by margin focus, strategic purchasing and an improved product mix. The group continues to develop customer service, applies strict debtor management and manages tight cost control across all overheads. Payroll costs have risen due to rehiring following the easing of Covid 19 restrictions and higher annual pay awards being driven by increases in the national minimum wage.

In October 2022 the Trustees of the T Crossling & Co Limited 1972 Staff Pension and Assurance Scheme (the "scheme") and Crossling Limited secured an insurance contract with Legal & General Assurance Society ("LGAS"). Under this buy-in from 1st November 2022, all scheme members' future benefit entitlements are funded by the policy and paid by LGAS. Over the next two years a buyout is expected to be completed where individual policies will be written for all scheme members following which the scheme will be wound up.

The group finances continue to remain in a healthy position with the balance sheet showing net assets at 31 December 2022 of nearly £35.0 million (2021: £31.0 million). Strong working capital ratios allow the group to maintain excellent payment terms with suppliers and to maximise the use of its resources.

Since the year end turnover has continued to increase and the group has traded strongly. It is encouraging that the supply chain problems experienced over the last 2 years have begun to abate and there has also been a slowdown in the number and size of supplier increases leading to a more stable pricing environment. The group has also signed an agreement for a new ERP system commonly used by merchants in our sector and once implemented will provide improved management information and operational efficiencies.

Key performance indicators

The group monitors certain financial key performance indicators to measure movements and evaluate trends in revenue and profits. These are detailed below:

	2022 £000	2021 £000
Sales	49,250	47,716
Gross profit	14,337	12,921
No of employees	201	191
Payroll costs	6,400	5,781
Other expenses	3,204	3,351
Sales per employee	245.0	249.8
Gross profit percentage	29.1%	27.1%
Gross profit per employee	71.3	67.6
Payroll costs per employee	31.8	30.3
Other expenses per employee	15.9	17.6

T Crossling & Co Limited

Group strategic report (continued) Year ended 31 December 2022

Directors' statement of compliance with duty to promote the success of the group

The board of directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole, having regards to the stakeholders and members as set out in s172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year ended 31st December 2022 and, in doing so, to have regard (amongst other matters) to:

Business Relationships

We have developed and maintained strategic relationships with our suppliers both individually and as a member of buying groups to ensure we can offer customers the product they need at competitive prices. Our strategic supplier partnerships are key to ensuring mutual success and we deal with suppliers fairly by paying to terms and responsibly with regular senior management meetings and reviews.

Providing excellent customer service is a core group mission and we invest heavily in stock, warehousing and logistics to ensure high levels of customer satisfaction are achieved.

Our People

The health, safety and wellbeing of our employees is one of the major considerations in the way we operate and we have training, policies and processes and support packages to assist our employees in this regard. Information on business performance and prospects is regularly distributed across our branch network through financial data and regular sales and team meetings are held.

Community and Environment

We take our environmental and social responsibilities seriously and, as such, have policies and procedures in place to minimise the negative impact of our operations on the environment. We aim to limit our carbon footprint in a number of ways. LED lighting has been installed in all offices and warehouses, the number of large commercial vehicles has been reduced, diesel cars are being replaced by hybrid vehicles and EV charging points are being installed across all of our branches.

Most of the waste we produce is cardboard and this is collected and processed by a partner who is ISO 9001 and ISO 14001 accredited. Our partner recycles 100% of this waste. General waste produced by the business is collected and processed by a combination of providers across the branches from which we operate. The waste collected is processed by each provider to ensure as much of the waste is recycled as possible. Wood pallets are all recycled to become laminated kitchen tops.

Shareholders

As a board of directors our intention is to behave responsibly and have an open and honest relationship with our shareholders, so they may benefit from the success of the group. The likely consequences of any decision in the long term for shareholders is always seriously considered.

Corporate Social Responsibility

The group maintains high standards of business conduct and is committed to its corporate social responsibility covering the key areas of community, environment and the workplace. The group sponsors and makes charitable donations to a wide range of local clubs and societies and has provided a wellbeing service for all employees so they and their families can receive free advice on health, financial and legal matters.

T Crossling & Co Limited

Group strategic report (continued) **Year ended 31 December 2022**

Principal risks and uncertainties

The main risks associated with the group's financial assets and liabilities are set out below.

Credit risk

The profile of the group debtors is well spread. The group monitors the accounts of its customers closely including setting and monitoring credit limits. Old debts are chased promptly. The directors believe that although the group is exposed to credit risk they have adequate measures in place to minimise the risk to the group.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generated by its operations in the most effective manner. It is group policy to invoice amounts due as soon as possible, all amounts owed by debtors are collected promptly and all major capital expenditure must be approved by the directors.

Interest rate risk

A level of surplus cash is invested in term deposits at fixed rates. Interest on any overdraft is charged at a variable rate. Therefore financial assets, liabilities, interest charges, interest receivable and cash flows can be affected by movements in interest rates. This risk is reduced by the fact that the amount of interest received exceeds the amount of interest charged and therefore there is minimal risk to the group.

Price risk

The group is exposed to commodity price risk as a result of its operations. However given the size of the group's operations, the cost of managing this exposure exceeds the potential benefits.

This report was approved by the board on 13 July 2023 and signed on its behalf by:


K C Clifford
Director

T Crossling & Co Limited

Directors' report Year ended 31 December 2022

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

Results and dividends

The profit for the year, after taxation, amounted to £4,318,000 (2021: £3,206,000).

Dividends paid during the year are detailed in note 23 to the financial statements. The directors do not recommend a final dividend in respect of the year.

Directors

The directors who served during the year and changes since the year end were as follows:

R R Errington
C P H Errington
S M Errington (resigned 6 July 2022)
K C Clifford

Environmental matters

The group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The group has complied with all applicable legislation and regulations.

The group's energy use and associated carbon emissions during the year were as follows:

- The annual quantity of emissions, in tonnes of carbon dioxide, resulting from activities involving the combustion of gas or the consumption of fuel for the purposes of transport was 582.9 tonnes (2021: 654.8 tonnes);
- The annual quantity of emissions, in tonnes of carbon dioxide, resulting from the purchase of electricity by the group for its own use, including for the purposes of transport was 124.3 tonnes (2021: 143.3 tonnes);
- The annual amount of energy consumed from activities for which the group is responsible involving the combustion of gas, the consumption of fuel for the purposes of transport and the annual quantity of energy consumed resulting from the purchase of electricity was 2,809,042 kWh (2021: 3,115,190 kWh).

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines and the 2022 UK Government Conversion Factors for Company Reporting.

Engagement with employees

The group's policy is to discuss and consult with employees on matters likely to affect employees' interests.

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

T Crossling & Co Limited

Directors' report (continued) Year ended 31 December 2022

Engagement with suppliers, customers and others

The group considers the development and maintenance of strong relationships with its suppliers to be key to the success of the business. As a consequence, directors and other members of the management team meet regularly with suppliers during the course of the year, in order to obtain their feedback and establish a cohesive approach to delivering a valuable service to customers.

The delivery of consistently high customer service is one of the fundamental principles on which the business is built. The directors consider this to be a differentiating factor when compared with competitors and staff will interact with customers, either in branches, during meetings, or through other means of regular communication.

Disabled employees

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed to ensure suitable opportunities exist for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Matters covered in the strategic report

Information on future developments and financial risk management objectives and policies, which would otherwise be disclosed in the directors' report, is instead disclosed in the strategic report, as permitted by s414(11) of the Companies Act 2006.

Disclosure of information to auditor

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

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

Auditor

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

This report was approved by the board on 13 July 2023 and signed on its behalf by:



K C Clifford
Director

T Crossling & Co Limited

Directors' responsibilities statement Year ended 31 December 2022

The directors are responsible for preparing the group strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 then apply them consistently;
- make judgments 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 or the group 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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Independent auditor's report to the members of T Crossling & Co Limited

Opinion

We have audited the financial statements of T Crossling & Co Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022, which comprise the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated statement of cash flows, the consolidated analysis of net funds, the consolidated and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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



Independent auditor's report to the members of T Crossling & Co Limited (continued)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the group 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 group strategic report and the 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 the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement set out on page 6, 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 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.



Independent auditor's report to the members of T Crossling & Co Limited (continued)

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:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the group's legal correspondence and we discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We have communicated identified laws and regulations within our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we have assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines and litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of company legislation, recognising the nature of the group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



Independent auditor's report to the members of T Crossling & Co Limited (continued)

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 Redhead (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

13 July 2023

T Crossling & Co Limited

Consolidated statement of comprehensive income Year ended 31 December 2022

	Note	2022 £000	2021 £000
Profit and loss account			
Turnover	5	49,250	47,716
Cost of sales		(34,913)	(34,795)
Gross profit		14,337	12,921
Distribution costs		(4,566)	(4,275)
Administrative expenses		(5,038)	(4,857)
Other operating income	6	104	158
Gain on revaluation of investment property	15	350	-
Operating profit	7	5,187	3,947
Interest receivable and similar income	11	155	15
Profit before taxation		5,342	3,962
Tax on profit	12	(1,024)	(756)
Profit for the financial year		4,318	3,206

There was no other comprehensive income for 2022 (2021: £nil).

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Consolidated balance sheet At 31 December 2022

		2022 £000	As restated (Note 18) 2021 £000
Fixed assets	Note		
Tangible assets	13	3,053	3,195
Investment property	15	1,030	680
		<u>4,083</u>	<u>3,875</u>
Current assets			
Stocks	16	8,365	7,985
Debtors	17	9,366	9,166
Current asset investments	18	14,013	9,127
Cash at bank and in hand		4,206	5,654
		<u>35,950</u>	<u>31,932</u>
Creditors: amounts falling due within one year	19	(5,095)	(5,031)
Net current assets		<u>30,855</u>	<u>26,901</u>
Net assets excluding pension asset		<u>34,938</u>	<u>30,776</u>
Pension asset	25	-	-
Net assets		<u><u>34,938</u></u>	<u><u>30,776</u></u>
Capital and reserves			
Called up share capital	21	39	39
Capital redemption reserve	22	11	11
Other reserves	22	68	68
Investment property reserve	22	427	-
Profit and loss account	22	34,393	30,658
Total equity		<u><u>34,938</u></u>	<u><u>30,776</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 July 2023.



C P H Errington
Director

The notes on pages 18 to 36 form part of these financial statements.

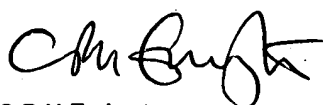
T Crossling & Co Limited

Company balance sheet At 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Investments	14	3,585	3,585
		<u>3,585</u>	<u>3,585</u>
Current assets			
Debtors	17	7,682	6,833
Current asset investments	18	1,000	-
Cash at bank and in hand		1	-
Net current assets		<u>8,683</u>	<u>6,833</u>
Creditors: amounts falling due within one year	19	(1)	-
Net current assets		<u>8,682</u>	<u>6,833</u>
Net assets		<u>12,267</u>	<u>10,418</u>
Capital and reserves			
Called up share capital	21	39	39
Capital redemption reserve	22	11	11
Profit and loss account	22	12,217	10,368
Total equity		<u>12,267</u>	<u>10,418</u>

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in the financial statements. The profit after tax and total comprehensive income of the parent company for the year was £2,005,000 (2021: £2,000,000).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 July 2023.



C P H Errington
Director

Company registered number: 02749235

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Consolidated statement of changes in equity Year ended 31 December 2022

	Called up share capital £000	Capital redemption reserve £000	Other reserves £000	Investment property reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	39	11	68	-	27,608	27,726
Profit for the year and total comprehensive income	-	-	-	-	3,206	3,206
Dividends	-	-	-	-	(156)	(156)
At 1 January 2022	39	11	68	-	30,658	30,776
Profit for the year and total comprehensive income	-	-	-	-	4,318	4,318
Dividends	-	-	-	-	(156)	(156)
Transfer between reserves (Note 15)	-	-	-	427	(427)	-
At 31 December 2022	39	11	68	427	34,393	34,938

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Company statement of changes in equity Year ended 31 December 2022

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2021	39	11	8,524	8,574
Profit for the year and total comprehensive income	-	-	2,000	2,000
Dividends	-	-	(156)	(156)
At 1 January 2022	39	11	10,368	10,418
Profit for the year and total comprehensive income	-	-	2,005	2,005
Dividends	-	-	(156)	(156)
At 31 December 2022	39	11	12,217	12,267

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Consolidated statement of cash flows Year ended 31 December 2022

	2022 £000	As restated (Note 18) 2021 £000
Cash flows from operating activities		
Profit for the financial year	4,318	3,206
Adjustments for:		
Depreciation of tangible assets	561	562
Profit on disposal of tangible assets	(86)	(33)
Interest receivable	(155)	(15)
Taxation charge	1,024	756
Increase in stocks	(380)	(292)
Increase in debtors	(246)	(594)
Decrease in creditors	(47)	(943)
Gain on revaluation of investment property recognised in profit and loss account	(350)	-
Corporation tax paid	(867)	(599)
Net cash generated from operating activities	3,772	2,048
Cash flows from investing activities		
Purchase of tangible fixed assets	(435)	(235)
Sale of tangible fixed assets	102	33
Increase in short term deposits	(4,886)	(533)
Interest received	155	15
Net cash used in investing activities	(5,064)	(720)
Cash flows from financing activities		
Dividends paid	(156)	(156)
Net cash used in financing activities	(156)	(156)
Net (decrease)/increase in cash and cash equivalents	(1,448)	1,172
Cash and cash equivalents at beginning of year	5,654	4,482
Cash and cash equivalents at the end of year	4,206	5,654
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,206	5,654
	4,206	5,654

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Consolidated analysis of net funds Year ended 31 December 2022

	As restated At 1 January 2022 £000	Cash flows £000	At 31 December 2022 £000
Cash at bank and in hand	5,654	(1,448)	4,206
	<u>5,654</u>	<u>(1,448)</u>	<u>4,206</u>

The notes on pages 18 to 36 form part of these financial statements.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

1. General information

T Crossling & Co Limited ('the company') and its subsidiaries (together 'the group') are merchants to the plumbing, pipeline and tool trades.

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of this report.

2. Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

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 periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention, other than the measurement of investment properties at fair value. They are presented in pounds sterling, which is the functional currency of the group, and rounded to £000.

Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity in respect of its separate (non-group) financial statements and has taken advantage of the exemptions relating to presentation of a cash flow statement and remuneration of key management personnel. The equivalent disclosures, on a consolidated basis, are included in the consolidated financial statements.

3.2 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings as if they formed a single entity. Intercompany transactions and balances are therefore eliminated in full.

3.3 Going concern

The company and its group meet their day to day working capital requirements through their cash resources and operating cashflows. At 31 December 2022 the group had substantial net current assets including significant cash balances.

The directors have prepared financial forecasts which indicate that the group will continue to be able to meet its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements.

The directors therefore believe the company and its group have adequate financial resources to continue in operational existence for the foreseeable future. Accordingly they continue to prepare the financial statements on a going concern basis.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

3. Accounting policies (continued)

3.4 Revenue recognition

Turnover

Turnover comprises revenue recognised in respect of goods supplied during the year, net of returns, discounts and rebates allowed by the group and Value Added Tax. The group recognises revenue on despatch / collection of the goods.

Rental income

Rental income (within other operating income) is recognised on a straight line basis over the period of the lease.

Interest income

Interest receivable is recognised on an accruals basis.

Government grants

Government grants are recognised within other operating income on the accruals basis. Grants are recognised in the profit and loss account over the period in which the related costs are recognised.

3.5 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.6 Taxation

The taxation expense for the year comprises current tax and deferred tax, and is recognised in the profit and loss account.

Current tax is the amount of tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

3. Accounting policies (continued)

3.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price, plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, from the point they are ready for use, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Freehold property	-	50 years straight line
Long leasehold property	-	50 years straight line
Plant and machinery	-	3 to 10 years straight line
Motor vehicles	-	4 years straight line

3.8 Investment property

Investment properties are measured at fair value of each reporting date. Any changes in fair value are recognised in the profit and loss account, and then transferred to the investment property reserve. Investment properties are not depreciated.

3.9 Fixed asset investments

In the company balance sheet, investments in subsidiary undertakings are stated at cost less accumulated impairment losses.

3.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined using the FIFO (first-in first-out) method, and reflects the invoice price adjusted for retrospective rebates and allowances.

Provision is made for obsolete or slow-moving items as necessary.

3.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Fixed term cash deposits with a maturity at inception of more than three months are shown as current asset investments.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

3. Accounting policies (continued)

3.12 Financial instruments

The company and group only enter into financial instruments transactions that result in the recognition of basic debt financial assets and liabilities, for example trade, intercompany and other debtors and creditors, cash and bank balances, cash on deposit and loans to related parties, including fellow group companies.

Debt instruments which on inception are due within one year are measured initially and subsequently at the transaction price. Debt instruments which on inception are due after more than one year are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

At the end of each reporting period, debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

3.13 Pensions

Defined benefit pension plan

The company operates a defined benefit plan for certain employees. The scheme was closed to new members on 1 October 2000, and accrual of benefits for existing members ceased on 31 October 2011.

The amount recognised in the balance sheet in respect of the defined benefit plan is the net of the present value of the defined benefit obligation at the reporting date and the fair value of the plan assets at the reporting date. Any surplus is recognised only to the extent that a reduction in future contributions or the availability of a refund of the surplus has been established.

The defined benefit obligation is calculated using the projected unit credit method. The group engages annually with independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

Following the acquisition of a buy-in insurance policy, the value of which is equal to those liabilities covered by the buy-in policy, the balance of the plan's assets comprise investment in diversified growth funds and buy-out aware funds with the fair value of both being the quoted price on the reporting date. There is also a large holding of cash.

Defined contribution pension plan

The group also operates a defined contribution plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of both the defined benefit and defined contribution plan are held separately from the group in independently administered funds.

3.14 Operating leases

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

4. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including best expectations of future events.

Significant judgments in applying the entity's accounting policies

No significant judgments were required, other than those involving estimates, which are set out below.

Key sources of estimation uncertainty

Defined benefit pension scheme

The group has an obligation to pay defined benefit pension benefits to certain employees and past employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, pension increases, asset valuations and the discount rate on corporate bonds. Management estimate these factors in determining the net pension obligation (or asset) in the balance sheet. The assumptions reflect historical experience and current trends. Management have sought advice from an independent, qualified actuary to establish a reasonable range for the various assumptions, and the actuary has performed all the ensuing calculations.

The scheme is currently in surplus (calculated assuming a continuing basis) however no asset has been recognised in the balance sheet, as the directors consider there is insufficient certainty over the amount of surplus that will ultimately be realised by the company. See note 25 for disclosures relating to the defined benefit pension scheme.

Useful lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and the residual values of the assets, which are re-assessed annually and amended when necessary to reflect current estimates. There have been no changes in the estimation bases during the current reporting period.

Stock provisioning

Some of the group's stock lines are subject to changing customer preferences, and/or product advances. As a result it is necessary to consider the need for a provision against the cost of stocks. When calculating the stock provision, management consider the nature and condition of the stock, as well as applying assumptions around anticipated future saleability.

Impairment of debtors

The group estimates the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile and historical experience.

Valuation of investment property

As stated in note 3.8, investment properties are carried at fair value. Changes in fair value are recognised through the profit and loss account with cumulative gains and losses transferred to a separate revaluation reserve, which is stated net of any related deferred tax at the prevailing tax rates.

Valuation of the group's investment properties is inherently subjective due to, amongst other factors, the individual nature of each property, its location, and the expected future rental revenues of that particular property. As a result, the valuations the group places on its investment properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the market.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

5. Turnover

The whole of the turnover is attributable to the sales of goods within the United Kingdom.

6. Other operating income

	2022 £000	2021 £000
Government grants receivable	-	62
Rents receivable	104	96
	<u>104</u>	<u>158</u>

7. Operating profit

The operating profit is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets	561	562
Profit on disposal of fixed assets	(86)	(33)
Impairment of stock (net of reversals)	208	213
Operating lease rentals	262	237
	<u>262</u>	<u>237</u>

Stock impairments / reversals are included in cost of sales.

8. Auditor's remuneration

	2022 £000	2021 £000
Audit fees - audit of these financial statements	2	2
Audit fees - audit of the financial statements of subsidiaries	30	28
Taxation compliance services	5	5
	<u>5</u>	<u>5</u>

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	5,482	5,018	-	-
Social security costs	503	430	-	-
Cost of defined contribution pension scheme	415	333	-	-
	<u>6,400</u>	<u>5,781</u>	<u>-</u>	<u>-</u>

The average monthly number of employees in the group, including the directors, during the year was as follows:

	2022 No.	2021 No.
Distribution	180	170
Administrative	21	21
	<u>201</u>	<u>191</u>

The company has no employees other than the directors, who did not receive any remuneration from the company (2021: £nil).

10. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	321	316
Company contributions to defined contribution pension schemes	58	49
	<u>379</u>	<u>365</u>

During the year retirement benefits were accruing to 3 directors (2021: 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £151,000 (2021: £143,000).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £49,000 (2021: £36,000).

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

11. Interest receivable

	2022 £000	2021 £000
Bank interest receivable	155	15

12. Taxation

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	979	817
Adjustments in respect of previous periods	(1)	1
Total current tax	978	818
Deferred tax		
Origination and reversal of timing differences	35	(40)
Effect of changes in tax rates	11	(22)
Total deferred tax	46	(62)
Taxation on profit	1,024	756

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%). The differences are explained below:

	2022 £000	2021 £000
Profit on ordinary activities before tax	<u>5,342</u>	<u>3,962</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2021 - 19.0%)	1,015	753
Effects of:		
Expenses not deductible for tax purposes	31	25
Income not taxable	(13)	-
Benefit of super-deduction expenditure	(18)	(1)
Adjustments to tax charge in respect of prior periods	(1)	1
Tax rate changes	10	(22)
Total tax charge for the year	<u>1,024</u>	<u>756</u>

Factors that may affect future tax charges

The rate of corporation tax in the UK throughout the period was 19% and accordingly the group's profits for this accounting period were taxed at a rate of 19% (2021: 19%).

In the Spring Budget 2021, the government announced that the main rate of UK corporation tax would increase to 25% from 1 April 2023 and this was enacted as part of the Finance Act 2021 on 24 May 2021, therefore the closing deferred taxation position of the group has been calculated based on a rate of 25% (2021: 25%), as this was the tax rate substantively enacted at the year end.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

13. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2022	4,256	890	2,562	1,961	9,669
Additions	-	-	123	312	435
Disposals	-	-	(48)	(377)	(425)
At 31 December 2022	<u>4,256</u>	<u>890</u>	<u>2,637</u>	<u>1,896</u>	<u>9,679</u>
Depreciation					
At 1 January 2022	2,199	292	2,419	1,564	6,474
Charge for the year	99	18	120	324	561
Disposals	-	-	(46)	(363)	(409)
At 31 December 2022	<u>2,298</u>	<u>310</u>	<u>2,493</u>	<u>1,525</u>	<u>6,626</u>
Net book value					
At 31 December 2022	<u>1,958</u>	<u>580</u>	<u>144</u>	<u>371</u>	<u>3,053</u>
At 31 December 2021	<u>2,057</u>	<u>598</u>	<u>143</u>	<u>397</u>	<u>3,195</u>

Freehold property includes land of £603,000 (2021: £603,000) which is not depreciated.

14. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 January 2022 and 31 December 2022	<u>3,585</u>

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

14. Fixed asset investments (continued)

Subsidiary undertakings

The company owns 100% of the ordinary share capital of the following companies:

Name	Nature of business
Crossling Limited	Plumbers, pipeline and tool merchants
Crossling Properties Limited	Property management
Northern Tools and Accessories Limited	Dormant
Potter Cowan Pipe Fittings Limited	Dormant
Crossling CBM Limited	Dormant
Stokplas Limited	Dormant

The company's investments in Crossling Limited and Crossling Properties Limited are direct ownership, all other investments are indirect ownership.

All of the companies have their registered office c/o Crossling Limited, Coast Road, Newcastle upon Tyne, NE6 5TP, other than Potter Cowan Pipe Fitters Limited, whose registered office is Unit 1 Block 2, Dumfries Enterprise Park, Tinwald Road, Heathhall, Dumfries, DG1 2SJ.

15. Investment property

Group

	Freehold investment property £000
Valuation	
At 1 January 2022	680
Surplus on revaluation	350
At 31 December 2022	1,030

The 2022 valuations were made by Knight Frank LLP, independent chartered surveyors, on a fair market value for existing use basis.

The cumulative gains and losses on the investment properties, totalling £497,000, have been transferred to a separate investment property reserve, which is stated net of any related deferred tax.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

16. Stocks

	Group 2022 £000	Group 2021 £000
Finished goods and goods for resale	8,365	7,985

Stocks are stated after provisions for impairment of £2,698,000 (2021: £2,482,000).

17. Debtors

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade debtors	8,574	8,438	-	-
Amounts owed by group undertakings	-	-	7,677	6,833
Other debtors	7	21	-	-
Prepayments and accrued income	740	616	5	-
Deferred taxation	45	91	-	-
	9,366	9,166	7,682	6,833

Trade debtors are stated after provisions for impairment of £484,000 (2020: £768,000).

18. Current asset investments

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Term deposits	14,013	9,127	1,000	-

The group comparatives have been restated to reclassify term deposits of £9,127,000 which were previously classified as cash at bank and in hand to current asset investments, which the directors consider provides a more accurate presentation based on the terms and durations of the deposits. This reclassification has no impact on the group's result, net current assets or net assets as previously reported.

Investment in term deposits have an original maturity of 12 months (2021: 12 months). At the balance sheet date the average interest rate was 2.91% (2021: 0.05%).

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

19. Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade creditors	3,173	3,210	-	-
Corporation tax	639	528	1	-
Other taxation and social security	625	732	-	-
Other creditors	1	66	-	-
Accruals and deferred income	657	495	-	-
	<u>5,095</u>	<u>5,031</u>	<u>1</u>	<u>-</u>

20. Deferred taxation

Group

	2022 £000	2021 £000
At beginning of year	91	29
(Charged)/credited to profit and loss account	(46)	62
At end of year (included within debtors)	<u>45</u>	<u>91</u>

The deferred tax asset is made up as follows:

	Group 2022 £000	Group 2021 £000
Fixed asset timing differences	(21)	62
Short term timing differences	66	29
	<u>45</u>	<u>91</u>

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

21. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
39,034 (2021: 39,034) Ordinary shares of £1.00 each	39	39

There is a single class of ordinary shares which carry no fixed right to income. There are no restrictions on the distribution of dividends or the repayment of capital.

22. Reserves

Capital redemption reserve

The capital redemption reserve arose on the parent company purchase of own shares in earlier years and is not distributable.

Investment property reserve

The investment property reserve is a reserve arising on the the transfer of fair value gains/losses on investment property and is stated net of any related deferred tax balances.

Other reserves

Other reserves is a merger reserve arising on a group reconstruction.

Profit and loss account

The profit and loss account represents the cumulative profits and losses, net of cumulative dividends paid and other adjustments.

23. Dividends

	2022 £000	2021 £000
Dividends paid on equity capital	156	156

24. Capital commitments

At 31 December 2022 the group had capital commitments as follows:

	Group 2022 £000	Group 2021 £000
Contracted for but not provided in these financial statements	236	211

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

25. Post employment benefits

(a) Defined contribution scheme

The group operates a defined contribution pension scheme whose assets are held in a separate trustee administered fund. The pension cost for the year in respect of this scheme was £415,000 (2021: £333,000). The amount outstanding at the year end, included within creditors, is £44,000 (2021: £nil).

(b) Defined benefit scheme

The group also operates a funded pension scheme, the T Crossling & Co Limited Staff Pension and Assurance Scheme ("the plan"). This provides benefits based on final pensionable earnings. The assets of the plan are held in separate trustee administered funds.

Under the scheme, the members are entitled to retirement benefits varying on a percentage of final pensionable salary on reaching retirement age of 65. No other post-retirement benefits are provided. The plan is closed to new members.

The employer expects to make no further contributions to the plan which was closed to future accrual on 31 October 2011 with all active members at this date becoming deferred members.

In October 2022 the Trustees of the T Crossling & Co Limited 1972 Staff Pension and Assurance Scheme (the "scheme") and Crossling Limited secured an insurance contract with Legal & General Assurance Society ("LGAS"). Under this buy-in from 1st November 2022, all scheme members' future benefit entitlements are funded by the policy and paid by LGAS. Over the next two years a buyout is expected to be completed where individual policies will be written for all scheme members following which the scheme will be wound up.

The value of the buy-in policy asset at the year-end date has been calculated as £11,843,000, as set out within the composition of plan assets disclosure below, and is equal to the value of the liabilities for those benefits covered by the buy-in policy before making any allowance for the impact of GMP equalisation as this value is not yet known, but which the directors do not expect to be significant based on estimates provided.

The amount recognised in the balance sheet are as follows:

	2022 £000	2021 £000
Fair value of plan assets	15,805	29,116
Present value of funded obligations	(12,002)	(18,483)
Limit on recognition of surplus	(3,803)	(10,633)
At the end of the year	-	-

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

25. Post employment benefits (continued)

Composition of plan assets:

	2022 £000	2021 £000
Equities	2,814	21,715
Bonds	-	7,340
Cash	1,148	61
Insured assets	11,843	-
Total plan assets	15,805	29,116

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Expected return on scheme assets	510	326
Interest on obligation	(321)	(234)
Administrative costs (including PPF levy)	(221)	(92)
Total	(32)	-

Movements in the present value of the defined benefit obligation were as follows:

	2022 £000	2021 £000
Opening defined benefit obligation	18,483	19,902
Interest cost	321	234
Actuarial losses	201	-
Changes in assumptions	(5,695)	(886)
Benefits paid	(1,308)	(767)
Closing defined benefit obligation	12,002	18,483

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

25. Post employment benefits (continued)

Changes in the fair value of scheme assets were as follows:

	2022 £000	2021 £000
Opening fair value of scheme assets	29,116	29,048
Interest on assets	510	326
Administration costs	(221)	(92)
Gain on assets less interest	(12,292)	601
Benefits paid	(1,308)	(767)
	<u>15,805</u>	<u>29,116</u>

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income was £nil (2021: £nil).

The group expects to contribute £nil to its defined benefit scheme in 2023.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Discount rate	4.8	1.8
Inflation (retail prices index)	3.2	3.5
Inflation (consumer prices index)	2.9	3.2
Pension increase	2.8	3.0
Life expectancy:		
- for a male aged 65 now	20.9	20.9
- at 65 for a male aged 45 now	22.2	22.2
- for a female aged 65 now	23.4	23.3
- at 65 for a female member aged 45 now	24.8	24.8

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

25. Post employment benefits (continued)

Amounts for the current and previous four periods are as follows:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Defined benefit obligation	(12,002)	(18,483)	(19,902)	(17,019)	(17,148)
Scheme assets	15,805	29,116	29,048	25,251	22,444
Surplus (not recognised)	3,803	10,633	9,146	8,232	5,296

26. Commitments under operating leases

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

	Group 2022 £000	Group 2021 £000
Not later than 1 year	245	216
Later than 1 year and not later than 5 years	393	322
	638	538

The company had no commitments under non-cancellable operating leases.

T Crossling & Co Limited

Notes to the financial statements Year ended 31 December 2022

27. Related party transactions

Group

The group operates a pension scheme for its employees: the T Crossling & Co Limited 1972 Staff Pension and Assurance Scheme. At the balance sheet date £185,000 (2021: £19,000) is owed to the group by the scheme in relation to expenses paid by the group on behalf of the scheme.

Debtor due from Regional Engineers Distributors Group

Prepayments and accrued income includes £1,000 (2021: £1,000) owed by the Regional Engineers Distributors Group Limited, a company in which C P H Errington is a director to which the group made charges of £7,000 (2021: £10,000) during the year.

Creditor due to Brocks Properties

Other debtors includes £2,000 (2021: £66,000 creditor) owed from Brocks Properties. Brocks Properties is a partnership owned and controlled by persons connected to R R Errington and C P H Errington, who themselves have a minority interest.

Company

Dividends paid to the directors in the year were £156,000 (2021: £156,000).

Other than the payment of dividends disclosed above, the company's other related party transactions were with its wholly owned subsidiaries and therefore have not been disclosed.

28. Parent undertaking preparing consolidated financial statements

There is no ultimate controlling party.