

Financial Statements
for the Year Ended 31 December 2019
for
TFC Supplies Limited

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for the Year Ended 31 December 2019**

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TFC Supplies Limited
Company Information
for the Year Ended 31 December 2019

| | |
|---------------------------|---|
| DIRECTOR: | G J T Heath |
| REGISTERED OFFICE: | The Creamery Wrenbury Industrial Estate 2 Station Road Wrenbury Cheshire CW5 8EX |
| REGISTERED NUMBER: | 10008302 (England and Wales) |
| AUDITORS: | Mitten Clarke Audit Limited Statutory Auditors The Glades Festival Way Stoke on Trent Staffordshire ST1 5SQ |

Statement of Financial Position
31 December 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|----------------|-----------------|
| CURRENT ASSETS | | | |
| Stocks | | 19,834 | 377,990 |
| Debtors | 5 | 84,066 | 178,544 |
| Cash at bank and in hand | | 51,206 | 12,806 |
| | | <u>155,106</u> | <u>569,340</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 6 | 109,816 | 591,500 |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>45,290</u> | <u>(22,160)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 45,290 | (22,160) |
| PROVISIONS FOR LIABILITIES | | 34,035 | - |
| NET ASSETS/(LIABILITIES) | | <u>11,255</u> | <u>(22,160)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 100 | 100 |
| Retained earnings | | 11,155 | (22,260) |
| | | <u>11,255</u> | <u>(22,160)</u> |

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the director and authorised for issue on 21 September 2020 and were signed by:

G J T Heath - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

TFC Supplies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements cover the company as an individual entity, have been prepared under the historical cost convention and are presented in Pounds Sterling (£) being the functional currency.

As noted in the Report of the Director, the company has ceased trading during the period and so is not considered to be a going concern. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company's stock to net realisable value. Provision has also been made for any period end trade debtor balances that are not expected to be received after the balance sheet date. The financial statements do not include any provision for the future costs of terminating the business of the company except to the extent that such costs were committed at the balance sheet date.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent company and other wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies and key sources of estimation uncertainty

Information about the significant judgements and estimates required in the provision of the financial statements is provided below.

Bad debt provisions:

Management review the trade debtors on a regular basis and provide for any potential bad debts when they are unsure of recoverability. Uncertainties in these estimates relate to the actual recoverability of these trade debts.

Stock provisions:

Management review the stock held by the company on a regular basis and write off or write down any stock items that are considered to be obsolete or impaired. Uncertainties in these estimates relate to the actual net realisable value of this impaired or obsolete stock.

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, after discounts and rebates, excluding value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction;
- and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of Financial Position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

Taxation for the year comprises current and deferred tax if applicable. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Restructuring provision

The company has recognised a restructuring provision in the financial statements. Amounts included in the provision relate to restructuring costs that the company was obliged to pay at the Statement of Financial Position date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

3. ACCOUNTING POLICIES - continued**Capital contributions from owners**

Capital contributions are recognised in the period in which the capital contribution is approved by shareholders. These amounts are recognised in the statement of changes in equity.

4. EMPLOYEES

The average number of employees during the year was 10 (2018 - 21) .

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|------------------------------------|---------------|----------------|
| | £ | £ |
| Trade debtors | 72,503 | 141,413 |
| Amounts owed by group undertakings | 7,094 | - |
| Other debtors | 4,469 | 37,131 |
| | <u>84,066</u> | <u>178,544</u> |

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 4,032 | 49,024 |
| Amounts owed to group undertakings | 80,563 | 522,971 |
| Taxation and social security | 21,456 | 6,744 |
| Other creditors | 3,765 | 12,761 |
| | <u>109,816</u> | <u>591,500</u> |

7. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Emphasis of matter

We draw attention to Note 3 to the financial statements, 'Basis of preparing the financial statements', which explains that the company ceased trading during the period and therefore it is not considered to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 3. Our opinion is not modified in this respect of this matter.

Nicola Johnson FCA (Senior Statutory Auditor)
for and on behalf of Mitten Clarke Audit Limited

8. OTHER FINANCIAL COMMITMENTS

At the balance sheet date, the company had charges over its assets, in the form of two debentures, as security for the borrowings of fellow group undertakings. At 31 December 2019 these borrowings amounted to £1,689,105 (2018 - £2,904,469). As at the date of approval of these financial statements, the directors do not anticipate that the charges will be called upon.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

9. POST BALANCE SHEET EVENTS

In March 2020 the UK was impacted by the outbreak of the Coronavirus. In order to manage the spread of the virus the Government has imposed significant restrictions on the movement of people and the ability of businesses to continue to trade. This event occurred after the company's reporting period and so is considered to be a non-adjusting event.

Due to the company ceasing to trade on 19 December 2019, the company has not been affected by the outbreak of the Coronavirus.

10. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is G J T Heath.

11. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Graham Heath Group Limited, which is the ultimate parent company. The ultimate parent company prepares consolidated financial statements as at 31 December 2019 and these financial statements may be obtained from The Creamery, Wrenbury Industrial Estate, 2 Station Road, Wrenbury, Cheshire, CW5 8EX.

12. CAPITAL CONTRIBUTION

During the period the parent company, Graham Heath Group Limited, has waived a liability due to it of £440,000 (2018 - £500,000). The extinguishment of the liability has been recognised as a capital contribution in the statement of changes in equity.

13. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £4,043 (2018 - £4,690). Contributions totalling £nil (2018 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

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