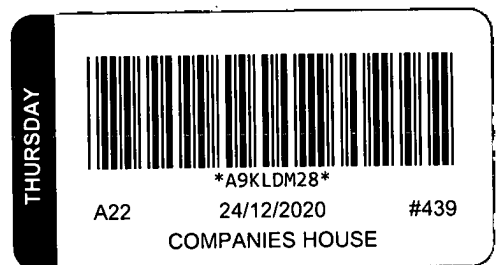


Company Registration No. 02567667 (England and Wales)

TC FACILITIES MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



TC FACILITIES MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr A W Reed Mr C S Macfarlane Mr S J Cripps Mr T G Cripps	(Appointed 10 December 2019)
Company number	02567667	
Registered office	Sapphire House 74-76 Walton Street Walton On The Hill Tadworth Surrey KT20 7RU	
Auditor	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey TW20 9HY	

TC FACILITIES MANAGEMENT LIMITED

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TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Principal activities

The principal activity of the group is the provision of cleaning and security related services to a range of different clients across different industry sectors. The company also acts a holding company for the group with two subsidiary undertakings, TC Security Services Ltd ('TCSS') and TC Cleaning Services ('TCCS').

The group's objective is to work in long term partnerships and deliver best in class cleaning and security services to major blue chip clients.

Fair review of the business

The directors consider the results for the year and the state of the group's affairs at the year end, as shown in the accounts, to be satisfactory.

The financial statements show group profit/(loss) after tax of £570,713 (2019: (£416,464)) for the year. Dividends were declared and paid in the year of £460,453 (2019: £495,564).

Financial Key Performance Indicators

	2020	2019
Turnover (£)	73,960,589	80,982,574
Turnover Growth (%)	-8.67%	8.43%
Gross Profit (£)	8,552,622	7,364,765
Gross Profit (%)	11.56%	9.09%
Profit/(Loss) before Tax (£)	649,552	(416,464)
Profit/(Loss) before Tax (%)	0.88%	-0.51%
Profit/(Loss) after Tax (£)	570,713	(353,617)
Profit/(Loss) after Tax (%)	0.77%	-0.44%
Shareholder Funds	3,878,640	3,768,380
Current Ratio	1.08:1.00	1.06:1.00
Average Number of Employees	4,187	4,104

Turnover at £74.0m reduced by £7.0m due to the loss of a major retail client, partially offset by the commencement of a new contract with a major distribution client.

Gross profit and profit before tax both grew year on year reflecting the strategic shift from retail customers (2020: 66.8% vs 2019: 77.3%) into distribution (2020: 20.7% vs 2019: 11.7%) and security (2020: 12.5% vs 2019: 10.9%) and the ongoing cost efficiency programme of ensuring best value and minimum wastage.

The retail market in which the group operates remains challenging and competitive however as part of the group's growth strategy we have become experts in delivering world class cleaning and security services into the distribution market sector, where we have seen and continue to see significant growth opportunities. The security market sector also provides growth opportunities for us in the man-guarding sector of this market.

Health and safety remains the number one priority of the business and significant progress has been made in the financial year in three specific areas:

- Identifying incidents,
- Reporting incidents, and
- Recording incidents.

This progress resulted in only one serious RIDDOR (broken hip) occurring in the financial year.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Great progress has also been made with regards to looking after our colleagues with the introduction of a wage advance system which allows colleagues to draw down on wages earned ahead of their normal scheduled payment date.

The group made a significant investment in its business development department in the year, recruiting a new head of department to build on the existing foundations and drive the growth of the business forward. The benefits of this investment will be evidenced in future years through the development of an innovative and consistent process to tender and bid modelling.

The prospects for the future are uncertain due to the COVID-19 pandemic however the board is confident the business is strategically well placed due to its diverse portfolio to navigate its way through the adverse market conditions this has generated.

COVID-19

The Directors, Management and Colleagues have reacted very professionally to the COVID-19 pandemic. We moved at pace to do everything possible to protect and look after our colleagues, transferring all our colleagues to work from home, providing them with mobile telephones, laptops, docking stations, screens and easy to access remote connectivity. We also implemented a structured daily timetable of remote meetings utilising both visual and telephone conferencing facilities. This pandemic has demonstrated what a great team we have and how well we all work together.

To date we have experienced less disruption than we expected which has allowed us to continue to deliver a world class service to our customers. We have had mixed experiences with our clients due to the diverse nature of our portfolio, resulting in a number of contractual increases and decreases netting themselves out overall.

Invoicing, cashflow and debt collection continue to be tightly controlled to protect the business.

Principal risks and uncertainties

The group recognises that effective risk management is fundamental to delivering a safe and successful service. The group's systems for risk management seek to identify opportunities and anticipate risks in order to improve business performance.

The principal risks to the business are:

- Price pressure from clients
- Competition from large multi service businesses
- Employment costs
- Service level agreement challenges
- Exit from the European Union

Price pressure from clients

Clients continually seek value through increased service levels for a lower price and therefore as a business we continually challenge ourselves to reduce cost through innovation, efficiency and enhanced management. The business manages this by continually reviewing new technology, products, ways of working and machinery, working closely with our supply chain and through the continuing investment and development of our people.

Competition from large multi service businesses

The group specialises and focuses on its primary skills of cleaning (including specialist services) and security, managing the ongoing risk larger competitors being able to offer cheaper prices through size and scale. The directors believe that the relative size of the business enables us to remain personal and close to our clients allowing us to deliver a better more responsive all round service. Furthermore, the directors and management continually review with clients the company's ability to competitively deliver complementary services to the world class TCFM standard.

Employment costs

Changes in employment legislation are a constant risk, however, it is not uncommon for clients to finance the impact of these additional costs. We work very closely with all our clients in reviewing the impact of wage increases and continually look at ways of offsetting these on-costs through productivity savings.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Service level agreement challenges

All of our services are delivered under contract and incorporate a form of service level agreement. The business continually monitors all service level agreements through state of the art software, providing real time reporting which clients have access to.

Exit from the European Union

The directors are monitoring developments with regard to the exit from the European Union. Of particular concern is the employment status of European citizens in the UK, who comprise a proportion of the group's workforce. The group are confident this is fully under control as they continue to follow government guidance and ensure all documentation is in place for its effected colleagues ahead of the deadline at the end of 2020.

Financial Instruments

The group's principal financial instruments comprise:

- Bank balances
- Finance lease agreements
- Trade debtors
- Trade creditors

The main purpose of these instruments is to raise and maintain sufficient funds for the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instruments concerned is shown below.

Bank balances

In respect of bank balances, the liquidity risk is managed by preparing and maintaining daily rolling twelve month cash flow forecast to ensure that positive balances are maintained.

Finance lease agreements

In respect of finance leases, the group is lessee in respect of a number of finance leased assets. The group manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors

Trade debtors are managed in respect of credit and cash flow risk by regular review of customers credit ratings, publicly available business information, continual communication and the regular monitoring of amounts outstanding and the age of debt. The majority of the customers are 'blue chip' businesses and therefore the directors believe this reduces the cash flow risk in this area.

Trade creditors

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

Colleague involvement

The group's policy is to consult and discuss with colleagues, through unions, staff councils and at meetings, matters likely to affect colleagues' interests. Information of matters of concern to colleagues is given through information bulletins and reports which seek to achieve a common awareness on the part of all colleagues of the financial and economic factors affecting the group's performance.

Disabled persons

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 so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Future developments

The group continues to develop the strength of the TC brand and looks to grow the business in all sectors of the market. The directors also continue to review new opportunities to grow the business through acquisition.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement by the directors relating to their statutory duties under s172(1) Companies Act 2006

The Board of Directors considers, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole (having regard to the stakeholders and the matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 March 2020.

The board has developed a rolling three year business model, called the 'TCFM Plan on a Page', which is based around achieving our long-term goal of being regarded as the leading privately owned cleaning and security facilities management business in the UK, recognised for excellence in how we look after our colleagues in a world class leading Health & Safety environment, delivering a premium service everyday to our portfolio of clients.

The key objectives are measured using performance steering wheels and are split into the following categories:

- Customer
 - To have a robust spine of national clients to provide synergy.
 - Be regarded as a trusted, best value cleaning and security business by national and regional clients
- People
 - To be the 'FM employer of choice' through superior attraction, recruitment, training, development, pay and retention.
 - Minimum target of 95% of colleagues saying they are proud to work for us.
 - Colleague turnover of less than 30%.
- Process
 - To build and operate to a single standard set of processes with a robust infrastructure.
 - A lean overhead model set as an agreed % of turnover.
 - Technology driven business delivery focused on our people goals.
- CSR
 - We enhance the CSR reputation of all our clients.
 - We improve the lives of our teams, their families and society at large.
- Growth
 - Agreed, profitable clients delivering over £100m of turnover.
 - No client is individually greater than 35% of sales.
- Innovation
 - Innovation embedded in our culture through autonomy, research, training and trust where our colleagues are recognised for their contribution.

The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards of business conduct and good governance expected of a business of our nature and size. In doing so, we believe we will achieve our long-term business strategy and also further develop our reputation in our sector.

The Board also seeks to behave in a responsible manner towards our shareholders and to treat them fairly and equally, in order that they too can benefit from the company achieving its long-term business strategy.

Streamlined Energy and Carbon Reporting (SECR)

UK Greenhouse gas emissions and energy use data for the period 1 April 2019 to 31 March 2020:

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

	2019/20
<u>Energy consumption used to calculate emissions (kWh)</u>	
Energy consumption break down (kWh)	
- Gas	71,075
- Electricity	107,939
- Transport Fuel	4,990,965
<u>Scope 1 - emissions in metric tonnes CO2e</u>	
- Gas consumption	13.07
- Owned transport - Vans	516.59
- Owned transport - Cars	869.29
Total Scope 1.	<u>1,398.95</u>
<u>Scope 2 - emissions in metric tonnes CO2e</u>	
- Purchased electricity	27.59
Total Scope 2	<u>27.59</u>
<u>Scope 3 - emissions in metric tonnes CO2e</u>	
- Business travel in employee owned vehicle	158.57
Total Scope 3	<u>158.57</u>
Total gross emissions in metric tonnes CO2e	1,585.11
Intensity ratio tonnes CO2e per employee	0.38

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2019 UK Government's Conversion Factors for Company Reporting.

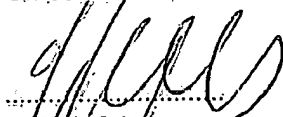
Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per employee.

Measures taken to improve energy efficiency

All cars are self-generating hybrid vehicles and increased video conferencing technology for staff meetings, to reduce the need for travel between sites.

On behalf of the board



M. T. G. Cripps

Director

16.12.20

TC FACILITIES MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Directors

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

Mr A W Reed	
Mr D J Jacobs	(Resigned 10 December 2019)
Mr C S Macfarlane	(Appointed 10 December 2019)
Mr S J Cripps	
Mr T G Cripps	

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £460,453. The directors do not recommend payment of a further dividend.

Auditor

On 7 September 2020 Wilkins Kennedy Audit Services, who were appointed as auditors during the year, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and 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 then 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

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

TC FACILITIES MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

On behalf of the board



.....
Mr T Gripps
Director

Date: 16/12/2020

TC FACILITIES MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TC FACILITIES MANAGEMENT LIMITED

Opinion

We have audited the financial statements of TC Facilities Management Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2020 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

TC FACILITIES MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TC FACILITIES MANAGEMENT LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

In preparing the financial statements, the directors are responsible for assessing the 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'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.

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

TC FACILITIES MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TC FACILITIES MANAGEMENT LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Paul Creasey (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

17 December 2020
.....

Gladstone House
77-79 High Street
Egham
Surrey
TW20 9HY

TC FACILITIES MANAGEMENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	as restated £
Turnover	3	73,960,589	80,982,574
Cost of sales		(65,407,967)	(73,617,809)
Gross profit		<u>8,552,622</u>	<u>7,364,765</u>
Administrative expenses		(7,697,742)	(7,540,551)
Operating profit/(loss)	4	854,880	(175,786)
Interest receivable and similar income	8	939	1,639
Interest payable and similar expenses	9	(206,267)	(242,317)
Profit/(loss) before taxation		<u>649,552</u>	<u>(416,464)</u>
Tax on profit/(loss)	10	(78,839)	62,847
Profit/(loss) for the financial year		<u><u>570,713</u></u>	<u><u>(353,617)</u></u>

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

TC FACILITIES MANAGEMENT LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020		2019 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13		3,787,723		4,883,274
Current assets					
Stocks	16	121,912		-	
Debtors	17	15,257,715		16,321,594	
Cash at bank and in hand		1,289,624		1,034,317	
			16,669,251		17,355,911
Creditors: amounts falling due within one year	18	(15,468,659)		(16,410,764)	
Net current assets			1,200,592		945,147
Total assets less current liabilities			4,988,315		5,828,421
Creditors: amounts falling due after more than one year	19		(1,109,675)		(2,060,041)
Net assets			3,878,640		3,768,380
Capital and reserves					
Called up share capital	23		110		110
Profit and loss reserves			3,878,530		3,768,270
Total equity			3,878,640		3,768,380

The financial statements were approved by the board of directors and authorised for issue on16/12/2020
and are signed on its behalf by:

.....
Mr T G Cripps
Director

TC FACILITIES MANAGEMENT LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,786,569		4,882,967
Investments	14		505,918		505,918
			<u>4,292,487</u>		<u>5,388,885</u>
Current assets					
Stocks	16	121,912		-	
Debtors	17	13,972,287		15,397,301	
Cash at bank and in hand		780,929		506,414	
		<u>14,875,128</u>		<u>15,903,715</u>	
Creditors: amounts falling due within one year	18	(14,457,324)		(15,737,814)	
Net current assets			<u>417,804</u>		<u>165,901</u>
Total assets less current liabilities			<u>4,710,291</u>		<u>5,554,786</u>
Creditors: amounts falling due after more than one year	19		(1,109,675)		(2,060,041)
Net assets			<u><u>3,600,616</u></u>		<u><u>3,494,745</u></u>
Capital and reserves					
Called up share capital	23		110		110
Profit and loss reserves			3,600,506		3,494,635
Total equity			<u><u>3,600,616</u></u>		<u><u>3,494,745</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £566,325 (2019 - £185,567 loss).

The financial statements were approved by the board of directors and authorised for issue on16/12/2020..... and are signed on its behalf by:

.....
Mr T G Cripps
Director

Company Registration No. 02567667

TC FACILITIES MANAGEMENT LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 31 March 2019:				
Balance at 1 April 2018		110	4,617,451	4,617,561
Year ended 31 March 2019:				
Loss and total comprehensive income for the year		-	(353,617)	(353,617)
Dividends	11	-	(495,564)	(495,564)
Balance at 31 March 2019		110	3,768,270	3,768,380
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	570,713	570,713
Dividends	11	-	(460,453)	(460,453)
Balance at 31 March 2020		110	3,878,530	3,878,640

TC FACILITIES MANAGEMENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 31 March 2019:				
Balance at 1 April 2018		110	4,175,767	4,175,877
Year ended 31 March 2019:				
Loss and total comprehensive income for the year		-	(185,568)	(185,568)
Dividends	11	-	(495,564)	(495,564)
Balance at 31 March 2019		110	3,494,635	3,494,745
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	566,324	566,324
Dividends	11	-	(460,453)	(460,453)
Balance at 31 March 2020		110	3,600,506	3,600,616

TC FACILITIES MANAGEMENT LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30		3,926,538		1,580,519
Interest paid			(206,267)		(242,317)
Income taxes refunded/(paid)			101,259		(180,725)
Net cash inflow from operating activities			<u>3,821,530</u>		<u>1,157,477</u>
Investing activities					
Purchase of tangible fixed assets		(817,903)		(586,115)	
Proceeds on disposal of tangible fixed assets		661,065		158,339	
Interest received		939		1,639	
Net cash used in investing activities			<u>(155,899)</u>		<u>(426,137)</u>
Financing activities					
Payment of finance leases obligations		(1,544,068)		(839,840)	
Dividends paid to equity shareholders		(460,453)		(495,564)	
Net cash used in financing activities			<u>(2,004,521)</u>		<u>(1,335,404)</u>
Net increase/(decrease) in cash and cash equivalents			1,661,110		(604,064)
Cash and cash equivalents at beginning of year			(3,830,095)		(3,226,031)
Cash and cash equivalents at end of year			<u><u>(2,168,985)</u></u>		<u><u>(3,830,095)</u></u>
Relating to:					
Cash at bank and in hand			1,289,624		1,034,317
Bank overdrafts included in creditors payable within one year			<u>(3,458,609)</u>		<u>(4,864,412)</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

TC Facilities Management Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Sapphire House, 74-76 Walton Street, Walton On The Hill, Tadworth, Surrey, United Kingdom, KT20 7RU.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

1.3 Going concern

To date the group has experienced less disruption than we expected which has allowed the group to continue to deliver a world class service to our customers. We have had mixed experiences with our clients due to the diverse nature of our portfolio, resulting in a number of contractual increases and decreases netting themselves out overall. Invoicing, cashflow and debt collection continue to be tightly controlled to protect the business.

The directors believe that the group will have adequate resources to meet its liabilities as they fall due and so operate as a going concern for at least twelve months following the date of approval of these financial statements. The directors consider it appropriate to continue to apply the going concern basis for preparing the financial statements.

1.4 Turnover

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

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short-term leasehold property	10% straight line
Plant and machinery	10% - 100% straight line
Motor vehicles	20% - 40% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

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

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Stocks

The stock is valued on a first in first out basis at the lower of cost and net realisable value to the group.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

1.10 Financial instruments

Basic financial assets

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Basic financial liabilities

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.14 Retirement benefits

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

1.17 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.18 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

1.19 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 shareholders at an annual general meeting.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Cleaning and security services	73,960,589	80,982,574

All turnover arose within the United Kingdom.

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange differences	245	(48)
Depreciation of owned tangible fixed assets	787,225	1,052,453
Depreciation of tangible fixed assets held under finance leases	965,816	857,955
Loss on disposal of tangible fixed assets	90,592	28,140
Amortisation of intangible assets	-	61,409
Operating lease charges	207,452	207,146

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	52,500	59,489
Audit of the financial statements of the company's subsidiaries	8,750	7,500
	61,250	66,989

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Auditor's remuneration (Continued)

For other services

Taxation compliance services	3,750	3,500
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6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Operations	4,031	3,942	3,831	3,745
Administration	156	162	156	158
Total	4,187	4,104	3,987	3,903

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	61,544,671	66,110,913	56,810,541	61,866,666
Social security costs	3,490,343	3,194,092	3,012,332	2,788,321
Pension costs	750,945	507,888	662,929	456,363
Total	65,785,959	69,812,893	60,485,802	65,111,350

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	1,223,345	1,201,307

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2020 £	2019 £
Remuneration for qualifying services	377,162	381,001

During the year key management personnel, including the directors, received total compensation of £1,784,230 (2019: £1,559,601).

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8	Interest receivable and similar income	2020	2019
		£	£
	Interest income		
	Other interest receivable	939	1,639
		<u> </u>	<u> </u>
9	Interest payable and similar expenses	2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	22	-
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	206,245	242,317
		<u> </u>	<u> </u>
	Total finance costs	206,267	242,317
		<u> </u>	<u> </u>
10	Taxation	2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	33,483	-
	Adjustments in respect of prior periods	-	(37,331)
		<u> </u>	<u> </u>
	Total current tax	33,483	(37,331)
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	45,356	(25,516)
		<u> </u>	<u> </u>
	Total tax charge/(credit)	78,839	(62,847)
		<u> </u>	<u> </u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit/(loss) before taxation	649,552	(416,464)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	123,415	(79,128)
Tax effect of expenses that are not deductible in determining taxable profit	6,055	34,859
Adjustments in respect of prior years	-	3,106
Capital allowances in excess of depreciation	(34,605)	(21,684)
Pensions provision	(12,565)	-
Losses brought forward	(3,461)	-
Taxation charge/(credit)	78,839	(62,847)

There were no factors that may affect future tax charges.

11 Dividends

	2020 £	2019 £
Final paid	460,453	495,564

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2019 and 31 March 2020	921,130
Amortisation and impairment	
At 1 April 2019 and 31 March 2020	921,130
Carrying amount	
At 31 March 2020	-
At 31 March 2019	-

The company had no intangible fixed assets at 31 March 2020 or 31 March 2019.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Tangible fixed assets

Group	Short-term leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2019	384,020	7,413,608	2,618,312	10,415,940
Additions	-	1,125,726	286,255	1,411,981
Disposals	-	(1,875,213)	(460,827)	(2,336,040)
At 31 March 2020	384,020	6,664,121	2,443,740	9,491,881
Depreciation and impairment				
At 1 April 2019	333,848	3,820,787	1,378,031	5,532,666
Depreciation charged in the year	11,043	1,217,549	524,449	1,753,041
Eliminated in respect of disposals	-	(1,128,827)	(452,722)	(1,581,549)
At 31 March 2020	344,891	3,909,509	1,449,758	5,704,158
Carrying amount				
At 31 March 2020	39,129	2,754,612	993,982	3,787,723
At 31 March 2019	50,172	3,592,821	1,240,281	4,883,274
Company				
	Short-term leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2019	384,020	7,400,440	2,618,312	10,402,772
Additions	-	1,124,494	286,255	1,410,749
Disposals	-	(1,875,213)	(460,827)	(2,336,040)
At 31 March 2020	384,020	6,649,721	2,443,740	9,477,481
Depreciation and impairment				
At 1 April 2019	333,848	3,807,926	1,378,031	5,519,805
Depreciation charged in the year	11,043	1,217,164	524,449	1,752,656
Eliminated in respect of disposals	-	(1,128,827)	(452,722)	(1,581,549)
At 31 March 2020	344,891	3,896,263	1,449,758	5,690,912
Carrying amount				
At 31 March 2020	39,129	2,753,458	993,982	3,786,569
At 31 March 2019	50,172	3,592,514	1,240,281	4,882,967

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2020 £	2019 £	Company 2020 £	2019 £
Plant and machinery	1,340,524	2,309,165	1,340,524	2,309,165
Motor vehicles	722,731	879,184	722,731	879,184
	<u>2,063,255</u>	<u>3,188,349</u>	<u>2,063,255</u>	<u>3,188,349</u>

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	-	-	505,918	505,918
		<u>-</u>	<u>-</u>	<u>505,918</u>	<u>505,918</u>

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 April 2019 and 31 March 2020	505,918
Carrying amount	
At 31 March 2020	<u>505,918</u>
At 31 March 2019	<u>505,918</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
TC Cleaning Services Limited	United Kingdom	Dormant	Ordinary	100.00
TC Security Services Limited	United Kingdom	Security services	Ordinary	100.00

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Stocks		Group 2020 £	2019 £	Company 2020 £	2019 £
Raw materials and consumables		121,912	-	121,912	-
		<u>121,912</u>	<u>-</u>	<u>121,912</u>	<u>-</u>
17 Debtors					
		Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:					
Trade debtors		13,052,483	13,149,702	11,915,898	12,507,327
Corporation tax recoverable		72,330	173,589	72,330	173,589
Other debtors		25,149	17,494	22,809	15,404
Prepayments and accrued income		1,794,975	2,622,675	1,648,472	2,342,847
		<u>14,944,937</u>	<u>15,963,460</u>	<u>13,659,509</u>	<u>15,039,167</u>
Amounts falling due after more than one year:					
Deferred tax asset (note 21)		312,778	358,134	312,778	358,134
		<u>312,778</u>	<u>358,134</u>	<u>312,778</u>	<u>358,134</u>
Total debtors		<u>15,257,715</u>	<u>16,321,594</u>	<u>13,972,287</u>	<u>15,397,301</u>
18 Creditors: amounts falling due within one year					
		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Bank loans and overdrafts		3,458,609	4,864,412	3,458,609	4,864,412
Obligations under finance leases	20	1,248,942	999,666	1,248,942	999,666
Trade creditors		1,720,644	2,397,293	1,666,830	2,377,210
Amounts owed to group undertakings		-	-	235,344	260,281
Corporation tax payable		33,483	-	-	-
Other taxation and social security		3,740,898	2,769,082	3,161,906	2,294,285
Other creditors		2,520,304	3,711,355	2,155,759	3,373,724
Accruals and deferred income		2,745,779	1,668,956	2,529,934	1,568,236
		<u>15,468,659</u>	<u>16,410,764</u>	<u>14,457,324</u>	<u>15,737,814</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

18 Creditors: amounts falling due within one year (Continued)

The company and its trading subsidiary have sales ledger financing agreements in place on a recourse basis that are secured by way of a charge over the trade debtors of the company. The company has retained the risks and rewards of its trade debtors. At the balance sheet date, the secured liability was £3,458,609 (2019: £4,864,412) in both the company and the group.

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

19 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Obligations under finance leases	20	1,109,675	2,060,041	1,109,675	2,060,041

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

20 Finance lease obligations

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	1,248,942	999,666	1,248,942	999,666
In two to five years	1,109,675	2,060,041	1,109,675	2,060,041
	<u>2,358,617</u>	<u>3,059,707</u>	<u>2,358,617</u>	<u>3,059,707</u>

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	<u>312,778</u>	<u>358,134</u>

Company	Assets 2020 £	Assets 2019 £
Accelerated capital allowances	<u>312,778</u>	<u>358,134</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

21	Deferred taxation	(Continued)	
		Group 2020 £	Company 2020 £
	Movements in the year:		
	Asset at 1 April 2019	(358,134)	(358,134)
	Charge to profit or loss	45,356	45,356
	Asset at 31 March 2020	<u>(312,778)</u>	<u>(312,778)</u>

22	Retirement benefit schemes	2020	2019
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	<u>750,945</u>	<u>507,888</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £175,158 (2019: £154,000) were payable to the fund at the balance sheet date.

23	Share capital	Group and company	
		2020 £	2019 £
	Ordinary share capital		
	Issued and fully paid		
	100 Ordinary shares of £1 each	100	100
	5 A Ordinary shares of £1 each	5	5
	5 B Ordinary shares of £1 each	5	5
		<u>110</u>	<u>110</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

24 Operating lease commitments

Lessee

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

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	166,500	166,500	160,000	160,000
Between two and five years	646,500	653,000	640,000	640,000
In over five years	960,000	1,120,000	960,000	1,120,000
	<u>1,773,000</u>	<u>1,939,500</u>	<u>1,760,000</u>	<u>1,920,000</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Acquisition of tangible fixed assets	<u>234,050</u>	<u>-</u>	<u>234,050</u>	<u>-</u>

26 Events after the reporting date

The directors have assessed the operational and financial impact on the group of COVID-19 in the Strategic Report and note 1.2 to the financial statements.

27 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption in FRS 102, paragraph 33.1A 'Related party disclosures' whereby it has not disclosed transactions with any wholly owned subsidiary undertakings.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

28 Directors' transactions

Group

During the year the following transactions were undertaken with Mr T G Cripps and Mr S J Cripps, directors of the Company, and Mrs L A Allouche, a daughter of a director of the company:

	2020	2019
	£	£
Rent received		
Mr T G Cripps	-	167,500
Mr S G Cripps	-	7,500
Dividend		
Mr T G Cripps	267,500	375,007
Mr S G Cripps	107,500	275,074
Mrs L A Allouche	59,452	52,964
Salary		
Mrs L A Allouche	224,000	184,800

At the year end date included in creditors were balances of:

	2020	2019
	£	£
Mr T G Cripps	145,074	132,027
Mr S G Cripps	15,095	98,738
Mrs L A Allouche	4,836	4,579

29 Controlling party

The ultimate controlling party is Mr T G Cripps in both the current and previous financial year by virtue of his shareholding in the company,

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

30 Cash generated from group operations

	2020 £	2019 £
Profit/(loss) for the year after tax	570,713	(353,617)
Adjustments for:		
Taxation charged/(credited)	78,839	(62,847)
Finance costs	206,267	242,317
Investment income	(939)	(1,639)
Loss on disposal of tangible fixed assets	93,426	26,759
Amortisation and impairment of intangible assets	-	61,409
Depreciation and impairment of tangible fixed assets	1,753,041	1,910,408
Movements in working capital:		
Increase in stocks	(121,912)	-
Decrease in debtors	917,265	1,638,180
Increase/(decrease) in creditors	429,838	(1,880,451)
Cash generated from operations	<u><u>3,926,538</u></u>	<u><u>1,580,519</u></u>

31 Analysis of changes in net debt - group

	1 April 2019 £	Cash flows £	New finance leases £	Other non- leases cash changes £	31 March 2020 £
Cash at bank and in hand	1,034,317	255,307	-	-	1,289,624
Bank overdrafts	(4,864,412)	1,405,803	-	-	(3,458,609)
	<u>(3,830,095)</u>	<u>1,661,110</u>	<u>-</u>	<u>-</u>	<u>(2,168,985)</u>
Obligations under finance leases	(3,059,707)	1,544,068	(594,078)	(248,900)	(2,358,617)
	<u>(6,889,802)</u>	<u>3,205,178</u>	<u>(594,078)</u>	<u>(248,900)</u>	<u>(4,527,602)</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

32 Prior period adjustment

Changes to the balance sheet - group

	As previously reported	Adjustment	As restated at 31 Mar 2019
	£	£	£
Current assets			
Debtors due within one year	16,424,238	(102,644)	16,321,594
Creditors due within one year			
Other creditors	(7,863,902)	86,298	(7,777,604)
Net assets	<u>3,784,726</u>	<u>(16,346)</u>	<u>3,768,380</u>
Capital and reserves			
Profit and loss	<u>3,784,616</u>	<u>(16,346)</u>	<u>3,768,270</u>

Changes to the profit and loss account - group

	As previously reported	Adjustment	As restated
Period ended 31 March 2019	£	£	£
Turnover	81,070,834	(88,260)	80,982,574
Cost of sales	(73,689,723)	71,914	(73,617,809)
Loss after taxation	<u>(337,271)</u>	<u>(16,346)</u>	<u>(353,617)</u>

Changes to the balance sheet - company

	As previously reported	Adjustment	As restated at 31 Mar 2019
	£	£	£
Current assets			
Debtors due within one year	15,499,945	(102,644)	15,397,301
Creditors due within one year			
Other creditors	(7,665,749)	86,298	(7,579,451)
Net assets	<u>3,511,091</u>	<u>(16,346)</u>	<u>3,494,745</u>
Capital and reserves			
Profit and loss	<u>3,510,981</u>	<u>(16,346)</u>	<u>3,494,635</u>

Changes to the profit and loss account - company

	As previously reported	Adjustment	As restated
Period ended 31 March 2019	£	£	£
Turnover	76,140,557	(88,260)	76,052,297
Cost of sales	(69,338,556)	71,914	(69,266,642)
Loss after taxation	<u>(169,222)</u>	<u>(16,346)</u>	<u>(185,568)</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

32 Prior period adjustment

(Continued)

Reconciliation of changes in equity - company

	1 April 2018 £	31 March 2019 £
Adjustments to prior year		
Write off 2018 accrued income	-	(88,260)
Intercompany adjustment	-	71,914
Total adjustments	-	(16,346)
Equity as previously reported	4,175,877	3,511,091
Equity as adjusted	<u>4,175,877</u>	<u>3,494,745</u>

Reconciliation of changes in loss for the previous financial period

	2019 £
Adjustments to prior year	
Write off 2018 accrued income	(88,260)
Intercompany adjustment	71,914
Total adjustments	(16,346)
Loss as previously reported	(169,222)
Loss as adjusted	<u>(185,568)</u>

Notes to reconciliation

2018 accrued income

This adjustment relates to accrued income from 2018 which should have been written off in 2019.

2019 intercompany adjustment

An adjustment was recognised in relation to an intercompany sales invoice. However this should have been recognised in the 2020 accounts instead, therefore it has been reversed in the 2019 accounts.