

Company Registration No. 02567667 (England and Wales)

TC FACILITIES MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



TC FACILITIES MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	Mr A W Reed Mr C S Macfarlane Mr S J Cripps Mr T G Cripps
Company number	02567667
Registered office	Sapphire House 74-76 Walton Street Walton On The Hill Tadworth Surrey United Kingdom KT20 7RU
Auditor	Azets Audit Services Gladstone House 77-79 High Street Egham Surrey United Kingdom TW20 9HY
Solicitors	Brodies LLP 15 Atholl Crescent Edinburgh United Kingdom EH3 8HA

TC FACILITIES MANAGEMENT LIMITED

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TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

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 after tax of £265,000 (2020: £570,713) for the year. Dividends were declared and paid in the year of £453,747 (2020: £460,453).

Turnover at £83.6m increased by £9.6m due predominantly to the annualisation of a prior year new contract with a major distribution client.

Gross profit and profit before tax reduced year-on-year directly reflecting the impact of the COVID-19 pandemic on the retail and hospitality sectors and the additional costs incurred in properly looking after our colleagues, including but not limited to including home office set-up costs to salary top-up payments.

Whilst a significant number of our client base were adversely affected, we did see growth in a number of our distribution and logistics clients. This growth did not cover all the contract reductions experienced but narrowed the gap. Due to a number of clients stopping trading at very short notice for extended periods we worked with them and offered as much support as possible in terms of contract suspensions, extended payment terms and payment holidays. The market also experienced an immediate and sudden halt to new business growth, which also had an adverse impact on the targets we'd set with our Business Development team.

The 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 and logistics market sector, where we have seen and continue to see significant growth opportunities. Our Specialist Cleaning division has also broadened its service offering range through training and further resourcing our in-house teams, whilst our security market sector also provides growth opportunities for us in the man-guarding sector of this market. Despite the stalling caused by the pandemic we are definitely seeing positives from the maturing of our business development pipeline.

The prospects for 2022 continue to be impacted by the COVID-19 pandemic however the board is confident the business is strategically well placed due to its diverse portfolio to continue to navigate its way through these adverse market conditions and deliver against all opportunities presented to us.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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
- Impact of exit from the European Union
- COVID-19 Pandemic

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 of 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.

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.

Impact of exit from the European Union

The group has experienced the same challenges as the wider UK business market with a significantly more competitive labour market following the exit from the European Union at the end of 2020. The directors have always recognised the importance of the group's workforce and already put many additional colleague remuneration, recognition and welfare benefits in place to ensure our colleagues felt rewarded and valued. As such the group are confident this is fully under control.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

COVID-19 Pandemic

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 and it is this strength which has allowed us to continue to deliver a world class service to our customers.

To date we have experienced less disruption than many, but we have been affected. 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 to position where we are overall circa £200k Net Profit behind where we hoped to be.

Invoicing, cashflow and debt collection continue to be tightly controlled to protect the business. Overall no going concern issues.

Development and performance

Financial Instruments

The group's principal financial instruments comprise:

- Bank balances
- Sales invoice factoring
- 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 twenty four month cashflow forecast to ensure that positive balances are maintained.

Sales invoice factoring

The group factors its sales invoices with its primary bankers, Barclays. This facility is monitored daily with other regular touchpoints, monthly reporting, bi-annual informal reviews and a formal annual audit of the facility with the specialist team within Barclays.

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.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Key performance indicators

	2021	2020
Turnover (£)	83,553,613	73,960,589
Turnover Growth (%)	12.97%	-8.67%
Gross Profit (£)	5,978,195	8,552,622
Gross Profit (%)	7.15%	11.56%
Profit/(Loss) before Tax (£)	325,315	649,552
Profit/(Loss) before Tax (%)	0.39%	0.88%
Profit/(Loss) after Tax (£)	265,000	570,713
Profit/(Loss) after Tax (%)	0.32%	0.77%
Shareholders Funds	3,689,893	3,878,640
Current Ratio	1.08:1.00	1.08:1.00
Average Number of Employees	4,054	4,187

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. In October 2021 the Board took the bold step not to renew the contract with a major individual client due to the significantly adverse terms on offer. This has allowed the Board to accelerate their target of rebalancing the contract portfolio.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Other information and explanations

Health and safety continues to remain the number one priority of the business and we have retained our high standards, which the Board of Directors are very proud of, in our three key target areas of:

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

In the current financial year we introduced specialist health and safety recording software to complement the investment already made in the reporting software.

This progress has resulted in only fifteen RIDDORs occurring in the financial year, which is testament to the transparency and accuracy we now have with our reporting.

Great progress also continues to be made with regards to looking after our colleagues. Following the introduction of a wage advance system, which allows colleagues to draw down on wages earned ahead of their normal scheduled payment date, we have used this data to recognise patterns and offer other levels of support where they appear appropriate. We are also an accredited Living Wage Foundation Employer and are very proud to have achieved this certification.

The group continues to make significant investments in its business development department, recruiting new business development managers within our Specialist Cleaning and Security divisions to drive the growth of the business forward. The benefits of this investment are already being evidenced as the market pulls out of the pandemic. We are well positioned to deliver our world class service levels to the opportunities presented to us.

Investment commitments have been made in 2021 to deliver a new business wide IT cloud-based platform to synchronise all existing systems onto one platform. This will move IT, Finance, Payroll, Procurement, Business Development, HR and Operations all onto the same system, which will be hugely beneficial.

The only financial support taken during the pandemic was the use of the Government Furlough Payment scheme which we topped up to make sure our colleagues affected did not suffer any financial hardship.

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 2021.

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.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

- Customer
 - Increasing offer of appropriate bundled services
 - We have the agility to scale up and down as demand dictates
 - Our portfolio is balanced to minimise risk
 - Customer relationships go beyond original contract scope
- People
 - We offer our colleagues unapparelled stability and wellbeing
 - 'FM employer of choice' through superior attraction, recruitment, training, development, pay and retention
- Operating Model
 - The most efficient ways of working with colleagues who are empowered to act.
 - We have 1 single, cloud based, back office system.
 - TCFM in a box is universally deployed
- Sustainability
- Data
 - We have achieved Ecovadis gold status
 - We choose to partner with customers who believe in joint sustainability goals, and help them to exceed these goals.
 - We improve the lives of our teams, their families and society at large
- Growth
 - Agreed, profitable customers delivering >£100m of turnover.
 - We win business that provides long term partnerships with opportunities for scale and depth.
- Data
 - All contracts act on real time information to optimise performance
 - We use data to deepen trust with our customers.

This plan and our objectives link closely with our Mission Statement:

"We are a multi-service FM business with a spine of national customers and profitable local operations. Our services are sustainable, data led and driven by a clear understanding of our customer needs. Our people are dedicated, proud, develop and stay."

The key decisions we have taken during the financial year to promote the success of the business and have included:

- To become an accredited living wage foundation employer.
 - Critical to ensuring our "People" and "Sustainability" objectives are met by delivering a standard of terms and conditions to the majority of our colleagues that is ahead of the industry averages. It also demonstrates to our customers how much we value and respect our people.
- To make sure we made no redundancies during the COVID-19 pandemic.
 - We wanted to create a environment of calmness and stability during the pandemic, to ensure consistency for our customers and our colleagues and ensure we minimised disruption for the business as a whole.
- Continued investment in Technology to improve efficiency, facilitate our colleagues' ways of working and generate time savings.
 - Investments made included new Health & Safety recording and reporting software, new expense recording software, new purchase ordering software and the commencement of an entire new back-office business software platform.
 - The purposes of these were all to reduce time spent on non-customer facing tasks to increase customer facing time to strengthen relationships and be a greater visible supporting presence, especially during the pandemic months.
- Offer key support to our customers during the pandemic:
 - This included the short-term suspension of services, the relaxing of contractual terms and payment extensions, holidays and deferrals. The credibility this built within our customer base, through the support provided, was significant and has already secured us contract extensions in three key customers in 2021.

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

All of the above have been received with the sincerity they were intended and have strengthened the loyalty we have from our colleagues and the relationships we have with our customers, ultimately securing the contract base and protecting shareholder value within the business.

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 highest 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 2020 to 31 March 2021:

	2021/20	2019/20	Improvement
<u>Energy consumption used to calculate emissions (kWh)</u>	3,315,863	5,169,978	35.9%
- Natural Gas for Heating	54,887	71,075	22.8%
- Electricity	74,102	107,939	31.4%
- Transport Fuel	3,186,874	4,990,965	36.2%
<u>Scope 1 - emissions in metric tonnes CO2e</u>			
- Fuel Combustion: Natural Gas	<u>10.10</u>	<u>13.07</u>	<u>22.8%</u>
Total Scope 1	10.10	13.07	22.8%
<u>Scope 2 - emissions in metric tonnes CO2e</u>			
-Purchased electricity	<u>18.80</u>	<u>27.59</u>	<u>32.0%</u>
Total Scope 2	18.80	27.59	32.0%
<u>Scope 3 - emissions in metric tonnes CO2e</u>			
- Fuel Combustion: Transport	<u>789.90</u>	<u>1,544.45</u>	<u>48.9%</u>
Total Scope 3	789.90	1,544.45	48.9%
Total gross emissions in metric tonnes CO2e	<u>818.90</u>	<u>1,585.11</u>	<u>48.4%</u>
Intensity ratio tonnes CO2e per employee	0.19	0.38	50.5%

TC FACILITIES MANAGEMENT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 has been used for staff meetings, to reduce the need for travel between sites.

On behalf of the board



.....
Mr T G Cripps
Director

Date: 21st December 2021

TC FACILITIES MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

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.

Results and dividends

The results for the year are set out on page 14.

Ordinary dividends were paid amounting to £453,747. The directors do not recommend payment of a further dividend.

Directors

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

Mr A W Reed
Mr C S Macfarlane
Mr S J Cripps
Mr T G Cripps

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

TC FACILITIES MANAGEMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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.

On behalf of the board



.....
Mr T G Cripps
Director

Date: 21st December 2021

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 2021 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 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 2021 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

TC FACILITIES MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TC FACILITIES MANAGEMENT LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

Date: 21 December 2021

Chartered Accountants
Statutory Auditor

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

TC FACILITIES MANAGEMENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	83,553,613	73,960,589
Cost of sales		(77,575,418)	(65,407,967)
Gross profit		5,978,195	8,552,622
Administrative expenses		(7,488,528)	(7,697,742)
Other operating income	3	2,014,598	-
Operating profit	4	504,265	854,880
Interest receivable and similar income	8	-	939
Interest payable and similar expenses	9	(178,950)	(206,267)
Profit before taxation		325,315	649,552
Tax on profit	10	(60,315)	(78,839)
Profit for the financial year		265,000	570,713

Profit 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 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,919,993		3,787,723
Current assets					
Stocks	16	169,564		121,912	
Debtors	17	21,746,475		15,257,715	
Cash at bank and in hand		912,093		1,289,624	
		<u>22,828,132</u>		<u>16,669,251</u>	
Creditors: amounts falling due within one year	18	<u>(21,080,826)</u>		<u>(15,468,659)</u>	
Net current assets			1,747,306		1,200,592
Total assets less current liabilities			<u>4,667,299</u>		<u>4,988,315</u>
Creditors: amounts falling due after more than one year	19		<u>(977,406)</u>		<u>(1,109,675)</u>
Net assets			<u>3,689,893</u>		<u>3,878,640</u>
Capital and reserves					
Called up share capital	23		110		110
Profit and loss reserves			3,689,783		3,878,530
Total equity			<u>3,689,893</u>		<u>3,878,640</u>

The financial statements were approved by the board of directors and authorised for issue on 21st December 2021.....
and are signed on its behalf by:



Mr T G Cripps
Director

TC FACILITIES MANAGEMENT LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,919,523		3,786,569
Investments	14		505,918		505,918
			<u>3,425,441</u>		<u>4,292,487</u>
Current assets					
Stocks	16	169,564		121,912	
Debtors	17	20,145,103		13,972,287	
Cash at bank and in hand		508,308		780,929	
		<u>20,822,975</u>		<u>14,875,128</u>	
Creditors: amounts falling due within one year	18	(19,739,971)		(14,457,324)	
Net current assets			<u>1,083,004</u>		<u>417,804</u>
Total assets less current liabilities			<u>4,508,445</u>		<u>4,710,291</u>
Creditors: amounts falling due after more than one year	19		(977,406)		(1,109,675)
Net assets			<u>3,531,039</u>		<u>3,600,616</u>
Capital and reserves					
Called up share capital	23		110		110
Profit and loss reserves			3,530,929		3,600,506
Total equity			<u>3,531,039</u>		<u>3,600,616</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 £384,170 (2020 - £566,325).

The financial statements were approved by the board of directors and authorised for issue on 21st December 2021, 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 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 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
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	265,000	265,000
Dividends	11	-	(453,747)	(453,747)
Balance at 31 March 2021		110	3,689,783	3,689,893

TC FACILITIES MANAGEMENT LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 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
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	384,170	384,170
Dividends	11	-	(453,747)	(453,747)
Balance at 31 March 2021		110	3,530,929	3,531,039

TC FACILITIES MANAGEMENT LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29	(4,503,925)		3,926,538	
Interest paid		(178,950)		(206,267)	
Income taxes refunded		39,691		101,259	
Net cash (outflow)/inflow from operating activities		(4,643,184)		3,821,530	
Investing activities					
Purchase of tangible fixed assets		(1,142,119)		(817,903)	
Proceeds on disposal of tangible fixed assets		718,916		661,065	
Interest received		-		939	
Net cash used in investing activities		(423,203)		(155,899)	
Financing activities					
Payment of finance leases obligations		(673,064)		(1,544,068)	
Dividends paid to equity shareholders		(453,747)		(460,453)	
Net cash used in financing activities		(1,126,811)		(2,004,521)	
Net (decrease)/increase in cash and cash equivalents		(6,193,198)		1,661,110	
Cash and cash equivalents at beginning of year		(2,168,985)		(3,830,095)	
Cash and cash equivalents at end of year		(8,362,183)		(2,168,985)	
Relating to:					
Cash at bank and in hand		912,093		1,289,624	
Bank overdrafts included in creditors payable within one year		(9,274,276)		(3,458,609)	

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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

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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided 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.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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 Borrowing costs

All borrowing costs are recognised in the Group Statement of Comprehensive Income in the year in which they are incurred.

1.9 Stocks

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

1.10 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 Group 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.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.11 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.

1.12 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.

1.13 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.

1.14 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.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.15 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 Group 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.

1.16 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.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.19 Interest income

Interest income is recognised in the Group Statement of Comprehensive Income using the effective interest method.

1.20 Finance costs

Finance costs are charged to the Group 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.

1.21 Dividends

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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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

	2021	2020
	£	£
Turnover analysed by class of business		
Cleaning and security services	83,553,613	73,960,589
	<u> </u>	<u> </u>
	2021	2020
	£	£
Other significant revenue		
Grants received – Covid-19 Job Retention Scheme	2,014,598	-
	<u> </u>	<u> </u>

All turnover arose within the United Kingdom.

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	10	245
Government grants	(2,014,598)	-
Depreciation of owned tangible fixed assets	770,662	787,225
Depreciation of tangible fixed assets held under finance leases	806,935	965,816
(Profit)/loss on disposal of tangible fixed assets	(286,664)	90,592
Operating lease charges	190,336	207,452
	<u> </u>	<u> </u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	54,500	52,500
Audit of the financial statements of the company's subsidiaries	9,000	8,750
	<u>63,500</u>	<u>61,250</u>
For other services		
Taxation compliance services	<u>3,850</u>	<u>3,750</u>

6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Operations	3,891	4,031	3,675	3,831
Administration	163	156	159	156
Total	<u>4,054</u>	<u>4,187</u>	<u>3,834</u>	<u>3,987</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	66,647,758	61,544,671	61,327,279	56,810,541
Social security costs	4,370,096	3,490,343	3,830,959	3,012,332
Pension costs	943,522	750,945	839,463	662,929
	<u>71,961,376</u>	<u>65,785,959</u>	<u>65,997,701</u>	<u>60,485,802</u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	1,309,972	1,223,345
Company pension contributions to defined contribution schemes	2,626	-
	<u>1,312,598</u>	<u>1,223,345</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 0).

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

	2021	2020
	£	£
Remuneration for qualifying services	471,577	377,162

During the year key management personnel, including the directors, received total compensation of £2,140,342 (2020: £1,784,230).

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	939

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	939
--	---	-----

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,115	22
Other finance costs:		
Interest on finance leases and hire purchase contracts	177,835	206,245
Total finance costs	178,950	206,267

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	16,550	33,483
Deferred tax		
Origination and reversal of timing differences	43,765	45,356
Total tax charge	60,315	78,839

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	325,315	649,552
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	61,810	123,415
Tax effect of expenses that are not deductible in determining taxable profit	1,211	6,055
Permanent capital allowances in excess of depreciation	(2,706)	(34,605)
Pensions provision	-	(12,565)
Losses brought forward	-	(3,461)
Taxation charge	60,315	78,839

The corporation tax rate is to increase to 25% from 1 April 2023, this will increase the tax payable and deferred tax in future years.

11 Dividends

	2021 £	2020 £
Recognised as distributions to equity holders:		
Final paid	453,747	460,453

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	921,130
Amortisation and impairment	
At 1 April 2020 and 31 March 2021	921,130
Carrying amount	
At 31 March 2021	-
At 31 March 2020	-

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Tangible fixed assets

Group	Short-term leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	384,020	6,664,121	2,443,740	9,491,881
Additions	-	767,108	375,011	1,142,119
Disposals	-	(957,643)	(972,164)	(1,929,807)
At 31 March 2021	384,020	6,473,586	1,846,587	8,704,193
Depreciation and impairment				
At 1 April 2020	344,891	3,909,509	1,449,758	5,704,158
Depreciation charged in the year	11,032	1,064,091	502,474	1,577,597
Eliminated in respect of disposals	-	(606,899)	(890,656)	(1,497,555)
At 31 March 2021	355,923	4,366,701	1,061,576	5,784,200
Carrying amount				
At 31 March 2021	28,097	2,106,885	785,011	2,919,993
At 31 March 2020	39,129	2,754,612	993,982	3,787,723
Company				
	Short-term leasehold property	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2020	384,020	6,649,721	2,443,740	9,477,481
Additions	-	767,108	375,011	1,142,119
Disposals	-	(957,643)	(972,164)	(1,929,807)
At 31 March 2021	384,020	6,459,186	1,846,587	8,689,793
Depreciation and impairment				
At 1 April 2020	344,891	3,896,263	1,449,758	5,690,912
Depreciation charged in the year	11,032	1,063,407	502,474	1,576,913
Eliminated in respect of disposals	-	(606,899)	(890,656)	(1,497,555)
At 31 March 2021	355,923	4,352,771	1,061,576	5,770,270
Carrying amount				
At 31 March 2021	28,097	2,106,415	785,011	2,919,523
At 31 March 2020	39,129	2,753,458	993,982	3,786,569

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 2021 £	2020 £	Company 2021 £	2020 £
Plant and machinery	915,667	1,340,524	915,667	1,340,524
Motor vehicles	567,708	722,731	567,708	722,731
	<u>1,483,375</u>	<u>2,063,255</u>	<u>1,483,375</u>	<u>2,063,255</u>

14 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
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 subsidiaries £
Cost or valuation	
At 1 April 2020 and 31 March 2021	505,918
Carrying amount	
At 31 March 2021	<u>505,918</u>
At 31 March 2020	<u>505,918</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
TC Cleaning Services Limited	Sapphire House, 74-76 Walton Street, Surrey	Dormant	Ordinary	100.00
TC Security Services Limited	Sapphire House, 74-76 Walton Street, Surrey	Security services	Ordinary	100.00

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

16 Stocks		Group 2021 £	2020 £	Company 2021 £	2020 £
Raw materials and consumables		169,564	121,912	169,564	121,912
		<u>169,564</u>	<u>121,912</u>	<u>169,564</u>	<u>121,912</u>
17 Debtors		Group 2021 £	2020 £	Company 2021 £	2020 £
Amounts falling due within one year:					
Trade debtors		20,145,641	13,052,483	18,571,021	11,915,898
Corporation tax recoverable		18,670	72,330	18,670	72,330
Other debtors		95,522	25,149	93,865	22,809
Prepayments and accrued income		1,217,629	1,794,975	1,192,534	1,648,472
		<u>21,477,462</u>	<u>14,944,937</u>	<u>19,876,090</u>	<u>13,659,509</u>
Amounts falling due after more than one year:					
Deferred tax asset (note 21)		269,013	312,778	269,013	312,778
		<u>269,013</u>	<u>312,778</u>	<u>269,013</u>	<u>312,778</u>
Total debtors		<u>21,746,475</u>	<u>15,257,715</u>	<u>20,145,103</u>	<u>13,972,287</u>
18 Creditors: amounts falling due within one year		Group 2021 £	2020 £	Company 2021 £	2020 £
	Notes				
Bank loans and overdrafts		9,274,276	3,458,609	8,828,188	3,458,609
Obligations under finance leases	20	708,147	1,248,942	708,147	1,248,942
Trade creditors		798,455	1,720,644	715,887	1,666,830
Amounts owed to group undertakings		-	-	364,397	235,344
Corporation tax payable		36,064	33,483	18,670	-
Other taxation and social security		5,233,972	3,740,898	4,522,963	3,161,906
Other creditors		2,888,080	2,520,304	2,463,190	2,155,759
Accruals and deferred income		2,141,832	2,745,779	2,118,529	2,529,934
		<u>21,080,826</u>	<u>15,468,659</u>	<u>19,739,971</u>	<u>14,457,324</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 £9,274,276 (2020: £3,458,609) in the group and £8,828,188 (2020: £3,458,609) in the company.

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

		Group 2021	2020	Company 2021	2020
	Notes	£	£	£	£
Obligations under finance leases	20	977,406	1,109,675	977,406	1,109,675
		<u>977,406</u>	<u>1,109,675</u>	<u>977,406</u>	<u>1,109,675</u>

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

20 Finance lease obligations

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	708,147	1,248,942	708,147	1,248,942
In two to five years	977,406	1,109,675	977,406	1,109,675
	<u>1,685,553</u>	<u>2,358,617</u>	<u>1,685,553</u>	<u>2,358,617</u>

21 Deferred taxation

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

	Assets 2021	Assets 2020
	£	£
Group		
Accelerated capital allowances	244,975	312,778
Other timing differences	24,038	-
	<u>269,013</u>	<u>312,778</u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

21 Deferred taxation		(Continued)	
Company	Assets 2021 £	Assets 2020 £	
Accelerated capital allowances	244,975	312,778	
Other timing differences	24,038	-	
	<u>269,013</u>	<u>312,778</u>	
	<u><u>269,013</u></u>	<u><u>312,778</u></u>	
	Group 2021 £	Company 2021 £	
Movements in the year:			
Asset at 1 April 2020	(312,778)	(312,778)	
Charge to profit or loss	43,765	43,765	
	<u>(269,013)</u>	<u>(269,013)</u>	
Asset at 31 March 2021	<u><u>(269,013)</u></u>	<u><u>(269,013)</u></u>	

22 Retirement benefit schemes		2021	2020
Defined contribution schemes		£	£
Charge to profit or loss in respect of defined contribution schemes		943,522	750,945
		<u>943,522</u>	<u>750,945</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 £330,816 (2020: £175,158) were payable to the fund at the balance sheet date.

23 Share capital		2021	2020	2021	2020
Ordinary share capital Issued and fully paid	Number	Number	£	£	£
Ordinary shares of £1 each	100	100	100	100	100
A Ordinary shares of £1 each	5	5	5	5	5
B Ordinary shares of £1 each	5	5	5	5	5
	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>
	<u><u>110</u></u>	<u><u>110</u></u>	<u><u>110</u></u>	<u><u>110</u></u>	<u><u>110</u></u>

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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	Company	2020
	2021		2021	
	£	£	£	£
Within one year	183,400	166,500	176,900	160,000
Between two and five years	673,096	646,500	673,096	640,000
In over five years	800,000	960,000	800,000	960,000
	<u>1,656,496</u>	<u>1,773,000</u>	<u>1,649,996</u>	<u>1,760,000</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group	2020	Company	2020
	2021		2021	
	£	£	£	£
Acquisition of tangible fixed assets	<u>48,069</u>	<u>234,050</u>	<u>48,069</u>	<u>234,050</u>

26 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

27 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:

	2021	2020
	£	£
Dividend		
Mr T G Cripps	159,205	107,500
Mr S G Cripps	292,696	293,500
Mrs L A Allouche	1,846	59,453
Salary		
Mrs L A Allouche	313,609	289,485

At the year end date included in creditors/(debtors) were balances of:

	2021	2020
	£	£
Mr T G Cripps	63,780	8,785
Mr S G Cripps	161,489	63,459
Mrs L A Allouche	(57,445)	2,043

28 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,

29 Cash (absorbed by)/generated from group operations

	2021	2020
	£	£
Profit for the year after tax	265,000	570,713
Adjustments for:		
Taxation charged	60,315	78,839
Finance costs	178,950	206,267
Investment income	-	(939)
(Gain)/loss on disposal of tangible fixed assets	(286,664)	93,426
Depreciation and impairment of tangible fixed assets	1,577,597	1,753,041
Movements in working capital:		
Increase in stocks	(47,652)	(121,912)
(Increase)/decrease in debtors	(6,586,185)	917,265
Increase in creditors	334,714	429,838
Cash (absorbed by)/generated from operations	(4,503,925)	3,926,538

TC FACILITIES MANAGEMENT LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

30 Analysis of changes in net debt - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	1,289,624	(377,531)	912,093
Bank overdrafts	(3,458,609)	(5,815,667)	(9,274,276)
	<u>(2,168,985)</u>	<u>(6,193,198)</u>	<u>(8,362,183)</u>
Obligations under finance leases	(2,358,617)	673,064	(1,685,553)
	<u>(4,527,602)</u>	<u>(5,520,134)</u>	<u>(10,047,736)</u>