

**TUNNEL TECH NORTH LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2020**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	4	5,897,847	6,120,001
<b>CURRENT ASSETS</b>			
Stocks	5	353,563	331,462
Debtors: amounts falling due within one year	6	8,375,029	6,166,536
Cash at bank and in hand	7	338,415	271,744
		<u>9,067,007</u>	<u>6,769,742</u>
Creditors: amounts falling due within one year	8	(4,289,526)	(3,610,713)
<b>NET CURRENT ASSETS</b>		<u>4,777,481</u>	<u>3,159,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>10,675,328</u>	<u>9,279,030</u>
Creditors: amounts falling due after more than one year	9	(17,321)	(34,581)
<b>PROVISIONS FOR LIABILITIES</b>			
Deferred tax	11	(392,198)	(292,663)
<b>NET ASSETS</b>		<u><u>10,265,809</u></u>	<u><u>8,951,786</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	351,000	351,000
Profit and loss account	13	9,914,809	8,600,786
		<u><u>10,265,809</u></u>	<u><u>8,951,786</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**P D Wilson**  
Director

Date: 26 March 2021

The notes on pages 3 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2019	351,000	8,600,786	8,951,786
Profit for the year	-	1,314,023	1,314,023
<b>AT 30 JUNE 2020</b>	<b>351,000</b>	<b>9,914,809</b>	<b>10,265,809</b>

The notes on pages 3 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	351,000	6,234,498	6,585,498
Profit for the period	-	2,848,288	2,848,288
Dividends: Equity capital	-	(482,000)	(482,000)
<b>AT 30 JUNE 2019</b>	<b>351,000</b>	<b>8,600,786</b>	<b>8,951,786</b>

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**1. GENERAL INFORMATION**

Tunnel Tech North Limited is a limited liability company incorporated in England and Wales. The registered office is The Old Airfield, Winchester Street, Leckford, Stockbridge, Hampshire, SO20 6JF.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

**2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bromcraft Limited as at 30 June 2020 and these financial statements may be obtained from Companies House.

**2.3 GOING CONCERN**

Other members of the wider group have agreed to provide ongoing financial support as necessary. Amounts owed to other group companies will only be repaid if payment is not detrimental to the company's ability to meet its other liabilities as and when they fall due.

On this basis, and having considered the current situation on COVID-19 as noted in the directors' report, the directors have concluded it is appropriate that the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**2. ACCOUNTING POLICIES (continued)**

**2.4 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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:

**Sale of goods**

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

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

**2.5 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-
	5 - 15% Straight Line
Plant and machinery	-
	5 - 50% Straight Line
Motor vehicles	-
	5 - 50% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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**2. ACCOUNTING POLICIES (continued)**

**2.7 STOCKS**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.8 DEBTORS**

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.

**2.9 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.10 CREDITORS**

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

**2.11 CURRENT AND DEFERRED TAXATION**

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2. ACCOUNTING POLICIES (continued)**

**2.12 OPERATING LEASES: THE COMPANY AS LESSEE**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**2.13 GOVERNMENT GRANTS**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.14 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.15 LEASED ASSETS: THE COMPANY AS LESSEE**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.16 DIVIDENDS**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

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3. EMPLOYEES

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

	18 months to 30 June 2020 No.	30 June 2019 No.
	<u>34</u>	<u>32</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>				
At 1 July 2019	3,012,072	15,572,842	218,125	18,803,039
Additions	430,269	39,857	282,780	752,906
At 30 June 2020	<u>3,442,341</u>	<u>15,612,699</u>	<u>500,905</u>	<u>19,555,945</u>
<b>DEPRECIATION</b>				
At 1 July 2019	2,267,848	10,352,848	62,342	12,683,038
Charge for the year on owned assets	187,066	723,014	64,980	975,060
At 30 June 2020	<u>2,454,914</u>	<u>11,075,862</u>	<u>127,322</u>	<u>13,658,098</u>
<b>NET BOOK VALUE</b>				
At 30 June 2020	<u>987,427</u>	<u>4,536,837</u>	<u>373,583</u>	<u>5,897,847</u>
At 30 June 2019	<u>744,224</u>	<u>5,219,994</u>	<u>155,783</u>	<u>6,120,001</u>

Included within freehold property is £60,000 (2019: £60,000) of land which is not being depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	<u>288,632</u>	<u>61,500</u>

5. STOCKS

	2020 £	2019 £
Stock	133,216	89,640
Work in progress	220,347	241,822
	<u>353,563</u>	<u>331,462</u>

Stock recognised as an expense and included in 'cost of sales' amounted to £2,432,151 (2019 £3,442,748).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**6. DEBTORS**

	2020 £	2019 £
Trade debtors	440,280	456,389
Amounts owed by group undertakings	7,768,906	5,448,346
Other debtors	111,290	159,101
Prepayments and accrued income	54,553	102,700
	<u>8,375,029</u>	<u>6,166,536</u>

The amounts owed by group undertakings are unsecured, repayable on demand and interest free.

**7. CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash at bank and in hand	<u>338,415</u>	<u>271,744</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	630,197	526,707
Amounts owed to group undertakings	2,390,426	2,466,178
Corporation tax	343,813	-
Other taxation and social security	26,877	24,808
Obligations under finance lease and hire purchase contracts	255,376	17,260
Other creditors	14,044	12,771
Accruals and deferred income	628,793	562,989
	<u>4,289,526</u>	<u>3,610,713</u>

The amounts owed to group undertakings are unsecured, repayable on demand and interest free.

The obligations under finance leases and HP contracts are secured against the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2020</b>	2019
	<b>£</b>	£
Net obligations under finance leases and hire purchase contracts	<u><b>17,321</b></u>	<u>34,581</u>

The obligations under finance leases and HP contracts are secured against the assets to which they relate.

**10. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	<b>2020</b>	2019
	<b>£</b>	£
Within one year	<b>255,376</b>	17,260
Between 1-5 years	<b>17,321</b>	34,581
	<u><b>272,697</b></u>	<u>51,841</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**11. DEFERRED TAXATION**

	2020 £	2019 £
At beginning of year	(292,663)	(306,847)
Charged to profit or loss	(99,535)	14,184
<b>AT END OF YEAR</b>	<b><u>(392,198)</u></b>	<b><u>(292,663)</u></b>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(389,277)	(292,674)
Other short term timing differences	(2,921)	11
	<b><u>(392,198)</u></b>	<b><u>(292,663)</u></b>

**12. SHARE CAPITAL**

	2020 £	2019 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
351,000 (2019: 351,000) Ordinary shares of £1.00 each	<b><u>351,000</u></b>	<b><u>351,000</u></b>

**13. RESERVES****Profit and loss account**

The profit and loss account includes all current and prior period retained profit and losses.

**14. PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The pension charge for the period represents contributions payable by the company to the scheme and amounted to £29,221 (2019: £42,453)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

**15. COMMITMENTS UNDER OPERATING LEASES**

At 30 June 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	8,459	61,695
Later than 1 year and not later than 5 years	26,788	-
	<u>35,247</u>	<u>61,695</u>

**16. RELATED PARTY TRANSACTIONS**

	2020 £	2019 £
Sales to companies within the same corporate group	6,103,025	7,686,497
Purchases from companies within the same corporate group	266,585	410,531
Amounts owed from companies within the same corporate group	6,690,914	5,448,346
Amounts due to companies within the same corporate group	311,964	2,466,178
Purchases from companies under common directorship	1,407,847	1,705,513
Sales to companies under common directorship	4,306	-
Amounts owed from companies under common directorship	1,836	-
Amounts due to companies under common directorship	<u>682,356</u>	<u>-</u>

**17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company's immediate parent undertaking is Bromcraft Limited, a company incorporated in England and Wales. The company's ultimate parent company is Elst, a company incorporated in the Republic of Ireland.

The directors are of the opinion that the company is ultimately controlled by R C Wilson, by virtue of shareholding and influence in the company's ultimate parent undertaking.

**18. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the period ended 30 June 2020 was unqualified.

The audit report was signed on 30 March 2021 by Simon Morrison FCA (Senior Statutory Auditor) on behalf of Bishop Fleming Bath Limited.



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