

Registered number: 02567667

**TC FACILITIES MANAGEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

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**TC FACILITIES MANAGEMENT LIMITED**

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**COMPANY INFORMATION**

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**Directors**

T G Cripps  
S J Cripps  
A W Reed  
D J Jacobs

**Registered number**

02567667

**Registered office**

Sapphire House  
74-76 Walton Street  
Tadworth  
Surrey  
KT20 7RU

**Independent auditors**

Simmons Gainsford LLP  
Chartered Accountants & Statutory Auditors  
7-10 Chandos Street  
London  
W1G 9DQ

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**TC FACILITIES MANAGEMENT LIMITED**

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## TC FACILITIES MANAGEMENT LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

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#### BUSINESS REVIEW

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 Group has continued to invest in the infrastructure of the business so as to support continued growth. Needless to say the management of the business remained focussed on reducing overheads where possible.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the business are:

- Price pressure from customers
- Competition from large multi service businesses
- Employment costs
- Non-performance / delivery

##### Price pressure from customers

Customers are continually looking for better delivery for less money and therefore as a business we are continually challenged to reduce cost through innovation, efficiency and enhanced management. The business manages this by continually reviewing new products and machinery, working closely with our supply chain and employing good quality managers and people.

##### Competition from large multi service businesses

The group specialises and focuses on its primary skill of cleaning, security and catering. The company constantly faces the risk of the larger businesses being able to offer cheaper prices through size and scale.

The Directors believe that the relative size of the business enables the company to remain personal and close to its customers and therefore deliver a better, more responsive, all round service. Furthermore, the Directors constantly review the company's business plan to see what complimentary services could be delivered by the company without impacting on the overall delivery and performance to the customer.

##### Employment costs

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

##### Failure to deliver - Service Level Agreements

The majority of our services are provided under contract incorporating a form of service level agreement. The business continually monitors all service level agreements and management reports are routinely distributed

##### 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 significant proportion of the Company's workforce.

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## TC FACILITIES MANAGEMENT LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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#### FINANCIAL KEY PERFORMANCE INDICATOR

	2018	2017	2016	2015
	£	£	£	£
Turnover	88,440,579	82,559,885	72,457,841	73,345,617
Gross profit	8,471,992	9,452,041	9,034,182	9,904,923
GPM	9.58%	11.45%	12.47%	13.50%
Profit before tax	773,384	744,876	1,224,601	951,894
Profit before tax	0.87%	0.90%	1.69%	1.30%
Turnover growth	7.12%	13.94%	-1.21%	4.24%

There has been a steady increase in turnover due to the strategic focus on increasing the group's customer base and services with significant contract awards during the last year.

#### FUTURE DEVELOPMENTS

The group continues to develop the TC brand and looks to grow the business in all sectors of the market. The Directors continue to review new opportunities to grow the business within the Support Service sector.

#### 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 groups 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 cash flow forecasts to ensure that positive balances are maintained.

##### Finance lease

In respect of finance lease the company is lessee in respect of a number of finance leased assets. The company 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 rating, continual communication with customers and regular monitoring of amount outstanding and age of debt. The majority of the customers are 'blue chip' quoted businesses and therefore the Directors believe that 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.

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## TC FACILITIES MANAGEMENT LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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#### RESULTS AND DIVIDENDS

The consolidated profit and loss account for the year is set out on page 8. Interim ordinary dividends were paid amounting to £703,045 (2017: £543,077). The Directors do not recommend payment of a final dividend.

#### EMPLOYEE INVOLVEMENT

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

#### 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.

This report was approved by the board on *5th December 2018* and signed on its behalf.

**T G Cripps**  
Director



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## TC FACILITIES MANAGEMENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the year ended 31 March 2018.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 will continue in business.

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

#### Results and dividends

The profit for the year, after taxation, amounted to £546,381 (2017 - £481,465).

#### Directors

The directors who served during the year were:

T G Cripps  
S J Cripps  
A W Reed (appointed on 29 February 2018)  
P Kennedy (resigned on 3 April 2018)  
R Chappell (resigned on 28 February 2018)

D J Jacobs was appointed director on 6 April 2018.

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TC FACILITIES MANAGEMENT LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018

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**Disclosure of information to auditors**

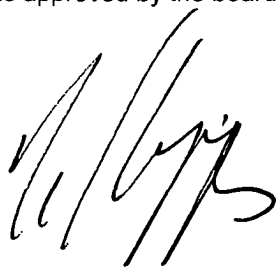
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Auditors**

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5<sup>th</sup> December 2018 and signed on its behalf.



**T G Cripps**  
Director



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## TC FACILITIES MANAGEMENT LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TC FACILITIES MANAGEMENT LIMITED

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#### 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 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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 Auditors' 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

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## TC FACILITIES MANAGEMENT LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TC FACILITIES MANAGEMENT LIMITED (CONTINUED)

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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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 4, 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.

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TC FACILITIES MANAGEMENT LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TC FACILITIES MANAGEMENT  
LIMITED (CONTINUED)

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**Auditors' 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**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 Auditors' 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.

*Summery Gainsford LLP*

Abdultaiyab Pisavadi BSc FCA (Senior statutory auditor)

for and on behalf of

**Simmons Gainsford LLP**

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

Date: *5 December 2018*

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**TC FACILITIES MANAGEMENT LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

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	Note	2018 £	2017 £
Turnover	4	88,440,579	82,559,885
Cost of sales		(79,968,587)	(73,107,844)
<b>Gross profit</b>		<u>8,471,992</u>	<u>9,452,041</u>
Administrative expenses		(7,498,479)	(8,529,022)
<b>Operating profit</b>	5	973,513	923,019
Interest payable and expenses	9	(200,129)	(178,143)
<b>Profit before taxation</b>		<u>773,384</u>	<u>744,876</u>
Tax on profit	10	(227,003)	(263,411)
<b>Profit for the financial year</b>		<u><u>546,381</u></u>	<u><u>481,465</u></u>
 <b>Total comprehensive income for the year</b>		 <u><u>546,381</u></u>	 <u><u>481,465</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		546,381	481,465
		<u><u>546,381</u></u>	<u><u>481,465</u></u>
 <b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		546,381	481,465
		<u><u>546,381</u></u>	<u><u>481,465</u></u>

The notes on pages 15 to 33 form part of these financial statements.

**TC FACILITIES MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 02567667**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	12	61,409	245,635
Tangible assets	13	5,485,656	6,274,387
		<u>5,547,065</u>	<u>6,520,022</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	17,771,802	19,034,644
Cash at bank and in hand	16	1,504,013	896,484
		<u>19,275,815</u>	<u>19,931,128</u>
Creditors: amounts falling due within one year	17	(18,061,447)	(19,678,016)
<b>Net current assets</b>		<u>1,214,368</u>	<u>253,112</u>
<b>Total assets less current liabilities</b>		<u>6,761,433</u>	<u>6,773,134</u>
Creditors: amounts falling due after more than one year	18	(2,143,872)	(1,998,909)
<b>Net assets</b>		<u><u>4,617,561</u></u>	<u><u>4,774,225</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	110	110
Profit and loss account	23	4,617,451	4,774,115
<b>Equity attributable to owners of the parent Company</b>		<u><u>4,617,561</u></u>	<u><u>4,774,225</u></u>

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

*5<sup>th</sup> December 2018*

**T G Cripps**  
Director



The notes on pages 15 to 33 form part of these financial statements.

**TC FACILITIES MANAGEMENT LIMITED**  
**REGISTERED NUMBER: 02567667**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2018**

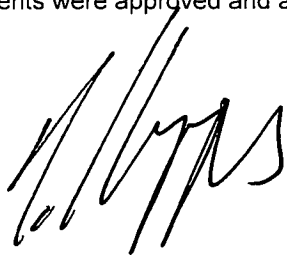
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	13	5,482,417	6,264,627
Investments	14	505,918	505,918
		<u>5,988,335</u>	<u>6,770,545</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	17,068,756	18,290,949
Cash at bank and in hand	16	587,000	198,234
		<u>17,655,756</u>	<u>18,489,183</u>
Creditors: amounts falling due within one year	17	(17,324,342)	(18,929,190)
<b>Net current assets/(liabilities)</b>		<u>331,414</u>	<u>(440,007)</u>
<b>Total assets less current liabilities</b>		<u>6,319,749</u>	<u>6,330,538</u>
Creditors: amounts falling due after more than one year	18	(2,143,872)	(1,998,909)
<b>Net assets</b>		<u><u>4,175,877</u></u>	<u><u>4,331,629</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	110	110
Profit and loss account carried forward		4,175,767	4,331,519
		<u><u>4,175,877</u></u>	<u><u>4,331,629</u></u>

The company has taken advantage of the exemption allowed under section 408 of the companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was £547,293 (2017: £549,105).

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

*5th December 2018*

**T G Cripps**  
Director



The notes on pages 15 to 33 form part of these financial statements.

**TC FACILITIES MANAGEMENT LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 April 2016</b>	110	4,835,727	4,835,837	4,835,837
<b>Comprehensive income for the year</b>				
Profit for the year	-	481,465	481,465	481,465
<b>Other comprehensive income for the year</b>	-	-	-	-
Dividends: Equity capital	-	(543,077)	(543,077)	(543,077)
<b>Total transactions with owners</b>	-	(543,077)	(543,077)	(543,077)
<b>At 1 April 2017</b>	110	4,774,115	4,774,225	4,774,225
<b>Comprehensive income for the year</b>				
Profit for the year	-	546,381	546,381	546,381
<b>Total comprehensive income for the year</b>	-	546,381	546,381	546,381
Dividends: Equity capital	-	(703,045)	(703,045)	(703,045)
<b>Total transactions with owners</b>	-	(703,045)	(703,045)	(703,045)
<b>At 31 March 2018</b>	110	4,617,451	4,617,561	4,617,561

The notes on pages 15 to 33 form part of these financial statements.

**TC FACILITIES MANAGEMENT LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2016</b>	110	4,325,491	4,325,601
<b>Comprehensive income for the year</b>			
Profit for the year	-	549,105	549,105
	-	549,105	549,105
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(543,077)	(543,077)
<b>Total transactions with owners</b>	-	(543,077)	(543,077)
<b>At 1 April 2017</b>	110	4,331,519	4,331,629
<b>Comprehensive income for the year</b>			
Profit for the year	-	547,293	547,293
	-	547,293	547,293
<b>Total comprehensive income for the year</b>			
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(703,045)	(703,045)
<b>Total transactions with owners</b>	-	(703,045)	(703,045)
<b>At 31 March 2018</b>	110	4,175,767	4,175,877

The notes on pages 15 to 33 form part of these financial statements.



**TC FACILITIES MANAGEMENT LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	546,381	481,465
<b>Adjustments for:</b>		
Amortisation of intangible assets	184,226	184,226
Depreciation of tangible assets	2,124,937	2,188,644
(Profit)/ loss on disposal of tangible assets	(133,709)	197,139
Interest paid	200,129	178,143
Taxation charge	227,003	263,411
Decrease/(increase) in debtors	1,262,157	(12,197,764)
Increase in creditors	458,712	2,403,158
Corporation tax (paid)	(219,080)	(412,303)
<b>Net cash generated from operating activities</b>	<u>4,650,756</u>	<u>(6,713,881)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,630,894)	(1,915,215)
Sale of tangible fixed assets	2,246,587	385,007
<b>Net cash from investing activities</b>	<u>615,693</u>	<u>(1,530,208)</u>
<b>Cash flows from financing activities</b>		
Repayment of/new finance leases	(2,146,350)	(922,479)
Dividends paid	(703,045)	(543,077)
Interest paid	(233)	(12)
HP interest paid	(199,896)	(178,131)
<b>Net cash used in financing activities</b>	<u>(3,049,524)</u>	<u>(1,643,699)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>2,216,925</u>	<u>(9,887,788)</u>
Cash and cash equivalents at beginning of year	(5,442,956)	4,444,832
<b>Cash and cash equivalents at the end of year</b>	<u><u>(3,226,031)</u></u>	<u><u>(5,442,956)</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,504,013	896,484
Bank overdrafts	(4,730,044)	(6,339,440)
	<u><u>(3,226,031)</u></u>	<u><u>(5,442,956)</u></u>

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## TC FACILITIES MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. General information

TC Facilities Management Limited is a limited company incorporated in England and Wales. The address of the registered office is Sapphire House, 74-76 Walton Street, Walton on the Hill, Tadworth, Surrey, KT20 7RU.

#### 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 Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The profit after tax of the the parent company for the year was £547,293 (2017: £549,105).

The following principal accounting policies have been applied:

##### 2.2 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.

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## TC FACILITIES MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

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 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.

##### 2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.5 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.

##### 2.6 Borrowing costs

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

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## TC FACILITIES MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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## 2. Accounting policies (continued)

### 2.7 Pensions

#### Defined contribution pension plan

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.

### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 balance sheet date.

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## TC FACILITIES MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.9 Intangible assets

###### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

##### 2.10 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.

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:

Short-term leasehold property	- 10% Straight line
Plant and machinery	- 16.67%-50% Straight line
Motor vehicles	- 25% Straight line
Fixtures and fittings	- 16.67%-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 the Consolidated statement of comprehensive income.

##### 2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.12 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.

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## TC FACILITIES MANAGEMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 2.13 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.

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.

##### 2.14 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.

##### 2.15 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.15 Financial instruments (continued)**

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

**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.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the company'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 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:

Apart from those involving estimates there have been no significant judgements in the financial statements.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Cleaning and security services	88,440,579	82,559,885

All turnover arose within the United Kingdom.

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**5. Operating profit**

The operating profit is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Other operating lease rentals	624,973	619,552
	<u>624,973</u>	<u>619,552</u>

**6. Auditors' remuneration**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	69,992	86,931
	<u>69,992</u>	<u>86,931</u>

**7. Employees**

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	72,926,246	68,089,547	68,643,788	63,749,505
Social security costs	3,345,634	3,098,607	2,948,133	2,724,207
Cost of defined contribution scheme	336,283	362,825	335,578	361,518
	<u>76,608,163</u>	<u>71,550,979</u>	<u>71,927,499</u>	<u>66,835,230</u>

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Production	4,161	4,958	3,953	4,789
Administration	82	87	78	82
	<u>4,243</u>	<u>5,045</u>	<u>4,031</u>	<u>4,871</u>



**TC FACILITIES MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**8. Directors' remuneration**

	2018 £	2017 £
Directors' emoluments	1,015,214	848,487
	<u>1,015,214</u>	<u>848,487</u>

The highest paid director received remuneration of £315,739 (2017 - £262,465).

During the year, key management personnel, including the directors, received total compensation of £1,576,848 (2017: £1,559,749).

**9. Interest payable and similar expenses**

	2018 £	2017 £
Bank interest payable	233	12
Finance leases and hire purchase contracts	199,896	178,131
	<u>200,129</u>	<u>178,143</u>

**10. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	233,608	307,390
<b>Total current tax</b>	<u>233,608</u>	<u>307,390</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,605)	(43,979)
<b>Total deferred tax</b>	<u>(6,605)</u>	<u>(43,979)</u>
<b>Taxation on profit on ordinary activities</b>	<u>227,003</u>	<u>263,411</u>

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TC FACILITIES MANAGEMENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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10. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	773,384	744,876
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	146,943	148,975
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17,739	33,878
Capital allowances for year	(344,554)	(391,504)
Depreciation add back	438,741	508,394
Other differences leading to an increase (decrease) in the tax charge	(25,261)	7,647
Deferred tax movement	(6,605)	(43,979)
<b>Total tax charge for the year</b>	<b>227,003</b>	<b>263,411</b>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

11. Dividends

	2018 £	2017 £
Dividend paid on equity capital	703,045	543,077

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TC FACILITIES MANAGEMENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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12. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 1 April 2017	946,130
At 31 March 2018	<u>946,130</u>
<b>Amortisation</b>	
At 1 April 2017	700,495
Charge for the year	184,226
At 31 March 2018	<u>884,721</u>
<b>Net book value</b>	
At 31 March 2018	<u>61,409</u>
At 31 March 2017	<u>245,635</u>

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TC FACILITIES MANAGEMENT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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12. Intangible assets (continued)

Company

	Goodwill £
<b>Cost</b>	
At 1 April 2017	25,000
At 31 March 2018	<u>25,000</u>
<b>Amortisation</b>	
At 1 April 2017	25,000
At 31 March 2018	<u>25,000</u>
<b>Net book value</b>	
At 31 March 2018	<u>-</u>
At 31 March 2017	<u>-</u>

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**13. Tangible fixed assets**

**Group**

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	384,020	11,144,252	2,504,671	14,032,943
Additions	-	2,950,194	498,889	3,449,083
Disposals	-	(6,953,293)	(710,184)	(7,663,477)
At 31 March 2018	<u>384,020</u>	<u>7,141,153</u>	<u>2,293,376</u>	<u>9,818,549</u>
<b>Depreciation</b>				
At 1 April 2017	263,918	5,990,391	1,504,246	7,758,555
Charge for the year on owned assets	38,386	1,674,658	411,893	2,124,937
Disposals	-	(4,878,394)	(672,205)	(5,550,599)
At 31 March 2018	<u>302,304</u>	<u>2,786,655</u>	<u>1,243,934</u>	<u>4,332,893</u>
<b>Net book value</b>				
At 31 March 2018	<u><u>81,716</u></u>	<u><u>4,354,498</u></u>	<u><u>1,049,442</u></u>	<u><u>5,485,656</u></u>
At 31 March 2017	<u><u>120,102</u></u>	<u><u>5,153,861</u></u>	<u><u>1,000,425</u></u>	<u><u>6,274,388</u></u>

**Finance leases**

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

Plant and machinery £3,476,996 (2017: £3,417,657).

**TC FACILITIES MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. Tangible fixed assets (continued)**

**Company**

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	384,020	11,190,898	2,504,671	14,079,589
Additions	-	2,949,929	498,889	3,448,818
Disposals	-	(6,953,293)	(710,184)	(7,663,477)
At 31 March 2018	384,020	7,187,534	2,293,376	9,864,930
<b>Depreciation</b>				
At 1 April 2017	263,918	6,046,798	1,504,246	7,814,962
Charge for the year on owned assets	38,386	1,667,871	411,893	2,118,150
Disposals	-	(4,878,394)	(672,205)	(5,550,599)
At 31 March 2018	302,304	2,836,275	1,243,934	4,382,513
<b>Net book value</b>				
At 31 March 2018	81,716	4,351,259	1,049,442	5,482,417
At 31 March 2017	120,102	5,144,100	1,000,425	6,264,627

**Finance leases**

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

Plant and machinery £3,476,996 (2017: £3,417,657).

**TC FACILITIES MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**14. Fixed asset investments**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
TC Cleaning Services Limited	Ordinary	100 %	Dormant
TC Security Services Limited	Ordinary	100 %	Security services

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2017	505,918
At 31 March 2018	505,918
<b>Net book value</b>	
At 31 March 2018	505,918
At 31 March 2017	505,918

**15. Debtors**

	<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>Company 2018 £</b>	<b>Company 2017 £</b>
Trade debtors	14,826,643	15,946,610	14,150,557	15,268,043
Other debtors	52,500	17,321	49,235	16,932
Prepayments and accrued income	2,560,041	2,744,700	2,536,346	2,679,961
Deferred taxation	332,618	326,013	332,618	326,013
	<u>17,771,802</u>	<u>19,034,644</u>	<u>17,068,756</u>	<u>18,290,949</u>

**TC FACILITIES MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. Cash and cash equivalents**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	1,504,013	896,484	587,000	198,234
Less: bank overdrafts	(4,730,044)	(6,339,440)	(4,730,044)	(6,339,440)
	<u>(3,226,031)</u>	<u>(5,442,956)</u>	<u>(4,143,044)</u>	<u>(6,141,206)</u>

**17. Creditors: Amounts falling due within one year**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank overdrafts	4,730,044	6,339,440	4,730,044	6,339,440
Trade creditors	3,807,676	2,143,170	3,596,332	2,089,043
Amounts owed to group undertakings	-	-	465,449	283,264
Corporation tax	44,467	29,939	-	-
Other taxation and social security	2,622,973	4,250,529	2,128,503	3,757,062
Obligations under finance lease and hire purchase contracts	848,665	1,321,789	848,665	1,321,789
Other creditors	3,324,234	3,385,649	2,994,448	3,059,630
Accruals and deferred income	2,683,388	2,207,500	2,560,901	2,078,962
	<u>18,061,447</u>	<u>19,678,016</u>	<u>17,324,342</u>	<u>18,929,190</u>

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 £4,730,044 (2017: £6,338,781) 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.

**18. Creditors: Amounts falling due after more than one year**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Net obligations under finance leases and hire purchase contracts	<u>2,143,872</u>	<u>1,998,909</u>	<u>2,143,872</u>	<u>1,998,909</u>

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



**TC FACILITIES MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Within one year	848,665	1,321,789	848,665	1,321,789
Between 2-5 years	2,143,872	1,998,909	2,143,872	1,998,909
	<u>2,992,537</u>	<u>3,320,698</u>	<u>2,992,537</u>	<u>3,320,698</u>

**20. Financial instruments**

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>14,879,143</u>	<u>15,963,931</u>	<u>14,705,710</u>	<u>15,786,462</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<u>7,131,910</u>	<u>5,528,819</u>	<u>7,056,229</u>	<u>5,431,937</u>

Financial assets that are debt instruments measured at amortised cost comprise investment in subsidiary undertakings, trade and other short term debtors.

Financial liabilities measured at amortised cost comprise of trade and other creditors.

**21. Deferred taxation**

**Group**

	2018 £	2017 £
At beginning of year	326,013	282,034
Charged to profit or loss	6,605	43,979
<b>At end of year</b>	<u>332,618</u>	<u>326,013</u>

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**21. Deferred taxation (continued)**

**Company**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At beginning of year	326,013	282,034
Charged to profit or loss	6,605	43,979
<b>At end of year</b>	<b>332,618</b>	<b>326,013</b>
	<b>Group</b>	<b>Group</b>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	332,618	326,013
	<b>332,618</b>	<b>326,013</b>

**22. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
100 (2017 - 100) Ordinary shares of £1.00 each	100	100
5 (2017 - 5) 'A' Ordinary shares of £1.00 each	5	5
5 (2017 - 5) 'B' Ordinary shares of £1.00 each	5	5
	<b>110</b>	<b>110</b>

**23. Reserves**

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**24. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £335,578 (2017: £361,518). Contributions totalling £79,993 (2017: 107,627) were payable to the fund at the balance sheet date.

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**25. Commitments under operating leases**

At 31 March 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Not later than 1 year	166,500	166,500	160,000	160,000
Later than 1 year and not later than 5 years	659,500	666,000	640,000	640,000
Later than 5 years	1,280,000	1,440,000	1,280,000	1,440,000
	<u>2,106,000</u>	<u>2,272,500</u>	<u>2,080,000</u>	<u>2,240,000</u>

**26. Related party transactions**

**Group**

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

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:

	2018 £	2017 £
<b>Rent Received</b>		
Mr T G Cripps	167,500	167,500
Mr S G Cripps	7,500	7,500
<b>Dividend</b>		
Mr T G Cripps	375,007	306,814
Mr S G Cripps	275,074	203,562
Mrs L A Allouche	52,964	32,701
<b>Salary</b>		
Mrs L A Allouche	<u>184,800</u>	<u>52,295</u>

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**TC FACILITIES MANAGEMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Mr T G Cripps	132,027	159,746
Mr S G Cripps	98,738	25,172
Mrs L A Allouche	4,579	55,114

**Company**

Included in creditors at the balance sheet date is an amount of £465,449 (2017: £283,264) owed to TC Security Services Limited, a wholly owned subsidiary.

**27. 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.