Company Registration No. 01433484 (England and Wales)

TELFORD FARM MACHINERY LIMITED

CONSOLIDATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
COMPANY INFORMATION

Directors	T G Littleford Steketee Beheer BV
Company number	01433484
Registered office	Stableford House Bridgnorth Shropshire WV15 5LS
Auditor	Baldwins Audit Services Unit N Ivanhoe Business Park Ivanhoe Park Way Ashby de la Zouch Leicestershire LE65 2AB
Business address	Stableford House Bridgnorth Shropshire WV15 5LS

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
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TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Fair review of the business
As chairman I am once again pleased to report that the company saw further growth in annual turnover during 2018 to £13,237,488, together with many major improvements being made to the business which meant it was a very busy and productive year.

As a consequence of a restructuring trading losses were as anticipated, as the managements objective whilst increasing sales was moreover to prepare the business for any future economic changes, such as a fall in consumer spending, operating in a tougher market with increased competition, and pressure on margins but still ensuring TFM remain as a leading supplier of farming and countryside products, whilst also maintaining a business prepared for future store opening opportunities.

I can also report a continued increase in like for like sales of 13.7 %, this was particularly pleasing despite a three month road closure severely restricting access to our main store, following an unusually prolonged hot dry summer affecting sales of many seasonal products across our range.
2018 should as stated be recorded as a year of significant restructure for the future, which included the closure of our warehouse at Telford in favour of a new distribution system allowing the location of future stores to be extended without the increase in transport costs from a single distribution base.

Midway through the year as planned another new store was opened in 2018, at Bromsgrove in Worcestershire which was achieved with the acquisition of a former CWF store and I am pleased to confirm TFM seems to have been well accepted and sales to date have exceeded target.
The company also launched its on line business enabling us to further compete in the changing retail environment.

Finally at the latter end of the year the company located offices at Stanmore on the outskirts of Bridgnorth to provide a centrally located administration and head office base from which to control and develop the business.

I am pleased that the senior staff responsible for what I consider is future proofing of the business have accepted positions as directors, a decision which was unanimously accepted and approved by the shareholders in December.

At the time of writing I am very encouraged to report that the results for the first six months of 2019 show not only a continuation of growth (Turnover £7.4m , 10.3% like for like sales increase) but also a welcome return to profitability (EBITDA £248k to 30th June).

I look forward to reporting on a strong financial performance for 2019 in the next set of Financial Statements.

Principal risks and uncertainties
The company has increased borrowings this year and is potentially exposed to interest rate risks. Foreign purchases are minimal and are paid in sterling, negating any currency risk.

The company performs credit checks on new customers, sets and monitors credit limits and monitors aged debtor listings closely thus reducing the credit risk. The business does not maintain credit insurance on its customers and this is considered to be appropriate given the size and nature of the risks involved.

The company prioritises Health and Safety matters and sees the development of the new car park as an opportunity to address safety issues that have emerged as turnover and footfall have increased.

Key performance indicators
Detailed management accounts are reviewed on a monthly basis. The management accounts provide comprehensive explanations of differences to budget and to prior year and prior month results. They illustrate the monthly footfall, average spend per customer and average spend per square foot by branch and across the group. Key ratios such as debtor days, creditor days, stock days and working capital ratios are also reviewed in each set of management accounts. The directors are satisfied with the performance of the company against each of these KPIs.

On behalf of the board

....
T G Littleford
Director
5/9/19..........

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activities
The principal activity of the company and group continued to be that of of the retailing of farm equipment and ancillary goods.

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

T G Littleford
Steketee Beheer BV

Results and dividends
The results for the year are set out on page 8.

Auditor
Baldwins Audit Services were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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

....
T G Littleford
Director
Date: 5/9/19

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TELFORD FARM MACHINERY LIMITED

Opinion

We have audited the financial statements of Telford Farm Machinery Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group profit and loss account, 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, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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.

Miss Lisa Emery (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services
Accountants
Statutory Auditor

5/9/19

Unit N
Ivanhoe Business Park
Ivanhoe Park Way
Ashby de la Zouch
Leicestershire
LE65 2AB

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	13,237,488	11,804,870
Cost of sales		(9,858,982)	(8,925,928)
Gross profit		3,378,506	2,878,942
Administrative expenses		(3,625,018)	(3,085,698)
Operating loss	4	(246,512)	(206,756)
Interest payable and similar expenses	7	(1,012)	(2,237)
Loss before taxation		(247,524)	(208,993)
Tax on loss	8	-	14,862
Loss for the financial year	22	(247,524)	(194,131)

Loss for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018	2017
	£	£
Loss for the year	(247,524)	(194,131)
Other comprehensive income	-	-
Total comprehensive income for the year	(247,524)	(194,131)

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

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
GROUP BALANCE SHEET
AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	9		453,092		495,634
Current assets					
Stocks	13	2,026,122		1,812,871	
Debtors	14	661,124		606,542	
Cash at bank and in hand		650,496		627,833	
		3,337,742		3,047,246	
Creditors: amounts falling due within one year	15	(2,586,370)		(2,078,691)	
Net current assets			751,372		968,555
Total assets less current liabilities			1,204,464		1,464,189
Creditors: amounts falling due after more than one year	16		(5,181)		(17,382)
Provisions for liabilities	19		14,862		14,862
Net assets			1,214,145		1,461,669
Capital and reserves					
Called up share capital	21		70		70
Profit and loss reserves	22		1,214,075		1,461,599
Total equity			1,214,145		1,461,669

The financial statements were approved by the board of directors and authorised for issue on 5/9/19 and are signed on its behalf by:

....
T G Littleford
Director

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**9**		25,669		29,283
Investments	**10**		4		4
			25,673		29,287
Current assets					
Debtors	**14**	589,760		289,760	
Cash at bank and in hand		32,687		330,811	
		622,447		620,571	
Net current assets			622,447		620,571
Total assets less current liabilities			648,120		649,858
Capital and reserves					
Called up share capital	**21**		70		70
Profit and loss reserves	**22**		648,050		649,788
Total equity			648,120		649,858

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,738 (2017 - £3,235 loss).

The financial statements were approved by the board of directors and authorised for issue on 5/9/19 and are signed on its behalf by:

....
T G Littleford
Director

Company Registration No. 01433484

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	70	1,655,730	1,655,800
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(194,131)	(194,131)
Balance at 31 December 2017	70	1,461,599	1,461,669
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(247,524)	(247,524)
Balance at 31 December 2018	70	1,214,075	1,214,145

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	70	653,023	653,093
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(3,235)	(3,235)
Balance at 31 December 2017	70	649,788	649,858
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(1,738)	(1,738)
Balance at 31 December 2018	70	648,050	648,120

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	23		(68,978)		111,747
Interest paid			(1,012)		(2,237)
Income taxes paid			-		(100)
Net cash (outflow)/inflow from operating activities			(69,990)		109,410
Investing activities					
Purchase of tangible fixed assets		(40,393)		(196,690)	
Proceeds on disposal of tangible fixed assets		-		5,970	
Proceeds from other investments and loans		-		543	
Net cash used in investing activities			(40,393)		(190,177)
Financing activities					
Payment of finance leases obligations		(15,587)		21,489	
Net cash (used in)/generated from financing activities			(15,587)		21,489
Net decrease in cash and cash equivalents			(125,970)		(59,278)
Cash and cash equivalents at beginning of year			627,833		687,111
Cash and cash equivalents at end of year			501,863		627,833
Relating to:					
Cash at bank and in hand			650,496		627,833
Bank overdrafts included in creditors payable within one year			(148,633)		-

TELFORD FARM MACHINERY LIMITED
CONSOLIDATION
COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**24**		(300,124)		(63)
Investing activities					
Interest received		2,000		2,000	
Net cash generated from investing activities			2,000		2,000
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(298,124)		1,937
Cash and cash equivalents at beginning of year			330,811		328,874
Cash and cash equivalents at end of year			32,687		330,811

1 Accounting policies

Company information

Telford Farm Machinery Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Stableford House, Bridgnorth, Shropshire, WV15 5LS.

The group consists of Telford Farm Machinery Limited and all of its subsidiaries.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £1,738 (2017 - £3,235 loss).

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies **(Continued)**

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 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:

Land and buildings freehold	4% straight line
Land and buildings leasehold	2% straight line
Plant, machinery & computers	10% straight line
Fixtures & fittings	10% straight line
Office equipment	33% straight line
Motor vehicles	25% 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.

1.6 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.10 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.

1.11 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.

1.12 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.14 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 the profit and loss account 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 income 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 lease asset are consumed.

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.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2018	2017
	£	£
Turnover analysed by class of business		
Turnover	13,237,488	11,804,870

	2018	2017
	£	£
Turnover analysed by geographical market		
United Kingdom	13,237,488	11,804,870

4 Operating loss

	2018	2017
	£	£
Operating loss for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	73,266	78,237
Depreciation of tangible fixed assets held under finance leases	5,040	4,043
Loss/(profit) on disposal of tangible fixed assets	4,629	(4,092)
Cost of stocks recognised as an expense	9,858,982	8,925,928
Operating lease charges	391,272	331,855

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	8,400	9,025

6 Employees

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

	2018 Number	2017 Number
Average	111	62

Their aggregate remuneration comprised:

	2018	2017
	£	£
Wages and salaries	1,930,784	1,719,118
Social security costs	151,265	130,942
Pension costs	18,135	8,854
	2,100,184	1,858,914

7 Interest payable and similar expenses

	2018	2017
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	1,012	2,237

8 Taxation

	2018	2017
	£	£
Deferred tax		
Origination and reversal of timing differences	-	(14,862)

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

	2018	2017
	£	£
	(247,524)	(208,993)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(47,030)	(39,709)
Tax effect of expenses that are not deductible in determining taxable profit	15,177	1,098
Unutilised tax losses carried forward	25,425	47,265
Group relief	23	-
Depreciation add back	14,878	15,634
Capital allowances	(8,474)	(23,142)
Chargeable disposals	-	(14,862)
Other tax adjustments	1	(1,146)
Tax expense for the year	-	(14,862)

The group has tax losses to carry forward of £466,066 (2017: £341,800)

9 Tangible fixed assets

Group	Land and buildings freehold	Land and buildings leasehold	Plant, machinery & computers	Fixtures & fittings	Office equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2018	155,120	118,522	263,342	764,469	397,404	20,444	1,719,301
Additions	-	-	-	36,096	4,297	-	40,393
Disposals	-	-	-	(6,610)	-	-	(6,610)
At 31 December 2018	155,120	118,522	263,342	793,955	401,701	20,444	1,753,084
Depreciation and impairment							
At 1 January 2018	125,837	11,831	201,644	497,258	373,157	13,940	1,223,667
Depreciation charged in the year	3,614	3,011	10,982	42,370	15,727	2,602	78,306
Eliminated in respect of disposals	-	-	-	(1,981)	-	-	(1,981)
At 31 December 2018	129,451	14,842	212,626	537,647	388,884	16,542	1,299,992
Carrying amount							
At 31 December 2018	25,669	103,680	50,716	256,308	12,817	3,902	453,092
At 31 December 2017	29,283	106,691	61,698	267,211	24,247	6,504	495,634

Company	**Land and buildings freehold**
	£
Cost	
At 1 January 2018 and 31 December 2018	155,120
Depreciation and impairment	
At 1 January 2018	125,837
Depreciation charged in the year	3,614
At 31 December 2018	129,451
Carrying amount	
At 31 December 2018	25,669
At 31 December 2017	29,283

Plant, machinery & computers	24,342	25,966	-	-
Fixtures & fittings	15,737	17,664	-	-
	40,079	43,630	-	-

10 Fixed asset investments

		Group		Company	
		2018	**2017**	**2018**	**2017**
	Notes	**£**	**£**	**£**	**£**
Investments in subsidiaries	11	-	-	4	4

Movements in fixed asset investments

Company	**Shares in group undertakings**
	£
Cost or valuation	
At 1 January 2018 and 31 December 2018	4
Carrying amount	
At 31 December 2018	4
At 31 December 2017	4

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
TFM Farm and Country Superstore Ltd	England and Wales	Retailing of farm equipment and ancillary goods	Ordinary	100.00	
TFM Machinery Limited	England and Wales	Dormant	Ordinary	100.00	

12 Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	556,025	526,257	589,760	289,760
Carrying amount of financial liabilities				
Measured at amortised cost	2,513,019	2,002,404	-	-

13 Stocks

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Finished goods and goods for resale	2,026,122	1,812,871	-	-

14 Debtors

Amounts falling due within one year:	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	556,025	526,257	-	-
Amounts owed by group undertakings	-	-	589,760	289,760
Prepayments and accrued income	105,099	80,285	-	-
	661,124	606,542	589,760	289,760

15 Creditors: amounts falling due within one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	17	148,633	-	-	-
Obligations under finance leases	18	11,018	14,404	-	-
Trade creditors		2,203,135	1,862,021	-	-
Other taxation and social security		78,532	93,669	-	-
Other creditors		9,874	7,123	-	-
Accruals and deferred income		135,178	101,474	-	-
		2,586,370	2,078,691	-	-

16 Creditors: amounts falling due after more than one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Obligations under finance leases	18	5,181	17,382	-	-

17 Loans and overdrafts

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank overdrafts	148,633	-	-	-
Payable within one year	148,633	-	-	-

18 Finance lease obligations

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	16,199	14,404	-	-
In two to five years	-	17,382	-	-
	16,199	31,786	-	-

18 Finance lease obligations **(Continued)**

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018	Liabilities 2017
Group	**£**	**£**
Tax losses	(14,862)	(14,862)

There were no deferred tax movements in the year.

20 Retirement benefit schemes

	2018	2017
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	18,135	8,854

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.

21 Share capital

	Group and company	
	2018	**2017**
Ordinary share capital	**£**	**£**
Issued and fully paid		
70 Ordinary of £1 each	70	70

22 Profit and loss reserves

22 Profit and loss reserves (Continued)

	Group 2018 £	2017 £	Company 2018 £	2017 £
As restated	1,461,599	1,655,730	649,788	653,023
Loss for the year	(247,524)	(194,131)	(1,738)	(3,235)
At the end of the year	1,214,075	1,461,599	648,050	649,788

23 Cash generated from group operations

	2018 £	2017 £
Loss for the year after tax	(247,524)	(194,131)
Adjustments for:		
Taxation charged/(credited)	-	(14,862)
Finance costs	1,012	2,237
Loss/(gain) on disposal of tangible fixed assets	4,629	(4,092)
Depreciation and impairment of tangible fixed assets	78,306	82,279
Movements in working capital:		
(Increase)/decrease in stocks	(213,251)	167,462
(Increase) in debtors	(54,582)	(111,709)
Increase in creditors	362,432	184,563
Cash (absorbed by)/generated from operations	(68,978)	111,747

24 Cash generated from operations - company

	2018 £	2017 £
Loss for the year after tax	(1,738)	(3,235)
Adjustments for:		
Investment income	(2,000)	(2,000)
Depreciation and impairment of tangible fixed assets	3,614	5,172
Movements in working capital:		
(Increase) in debtors	(300,000)	-
Cash absorbed by operations	(300,124)	(63)

25 Auditors ethical standards

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

In common with many other businesses of our size and nature we use our auditors to provide tax advice and to represent us, as necessary, at tax tribunals.