



TM (Eastleigh) Limited

Annual report and financial statements

Registered number: 02926627

31 December 2021

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Company Information

Directors

J Fallowfield-Smith
D J Gray

Registered number

02926627

Registered office

Level 5
9 Hatton Street
London
United Kingdom
NW8 8PL

Bankers

Lloyds TSB Bank plc
25 Gresham Street
London
EC2V 7HN

Bank Leumi
20 Stratford Place
London
W1C 1BG

Directors' Report

The Directors present their Annual Report and the unaudited financial statements for the year ended 31 December 2021. In March 2021 the trade and assets of TM (Eastleigh) were sold at net book value to Fairfax Meadow Europe Ltd.

Directors

The Directors who served throughout the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

J Fallowfield-Smith (appointed 14 June 2021)
D J Gray
J N Oldcorn (resigned 14 June 2021)
P J Tomlinson (resigned 4 June 2021)

Results and dividends

Detailed results for the year are set out in the Income Statement on page 4. The loss for the financial year amounted to £120,000 (2020: loss of £436,000). The Company has net assets, as set out in the Statement of Financial Position, of £672,000 (2020: £792,000). No dividends were declared during the year (2020: £nil).

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law).

Under company law, 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 of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Report (continued)

Small company exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Post balance sheet events

Significant events affecting the Group that have arisen between 31 December 2021 and the date of this report and that require disclosure are described in note 22.

On behalf of the board

A handwritten signature in black ink, appearing to read 'J Fallowfield-Smith', written in a cursive style.

J Fallowfield-Smith
Director
25 July 2022

Level 5
9 Hatton Street
London
NW8 8PL

Income Statement

For the year ended December 2021

	Note	2021 £'000	2020 £'000
Turnover	2	3,507	11,679
Cost of sales		(3,288)	(10,901)
Gross profit		219	778
Distribution costs		(81)	(490)
Administrative expenses		(239)	(896)
Other operating income		-	106
Loss before interest and taxation	3	(101)	(502)
Interest payable and similar expenses	6	(30)	(43)
Loss before taxation		(131)	(545)
Tax on loss	7	11	109
Loss for the financial year		(120)	(436)

Statement of Financial Position

as at 31 December 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Property, plant and equipment	8	-	365
Current assets			
Inventories	9	-	3,982
Debtors	10	28	1,708
Cash at bank and in hand		650	3
		678	5,693
Creditors: amounts falling due within one year	11	(6)	(4,036)
Net current assets		672	1,657
Total assets less current liabilities		672	2,022
Creditors: amounts falling due after more than one year	12	-	(709)
Provisions for liabilities	16	-	(521)
Net assets		672	792
Capital and reserves			
Called up share capital	18	3,757	3,757
Accumulated losses		(3,085)	(2,965)
Total shareholders' funds		672	792

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A.

For the year ended 31 December 2021, the Company was entitled to audit exemption under section 479a of the Companies Act 2006.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements on pages 4 to 16 were approved by the board of directors on 25 July 2022 and were signed on its behalf by:


J Fallowfield-Smith
Director

Statement of Changes in Equity

for the year ended 31 December 2021

	Note	Called up share capital £'000	Accumulated losses £'000	Total shareholders' funds £'000
Balance at 1 January 2020		3,757	(2,529)	1,228
Loss for the financial year		-	(436)	(436)
Balance at 31 December 2020		3,757	(2,965)	792
Loss for the financial year		-	(120)	(120)
Balance at 31 December 2021		3,757	(3,085)	672

Notes to the financial statements

for the year ended 31 December 2021

1. Accounting policies

General information

TM (Eastleigh) Limited's (the "Company") principal activity was meat processing and during March 2021 became a non-trading company.

The Company is a private company limited by its shares and is incorporated in England, United Kingdom, registration number 02926627. The address of its registered office is Level 5, 9 Hatton Street, London NW8 8PL.

With effect from 26 October 2021, the name of the Company was changed from Tendercut Meats Limited to TM (Eastleigh) Limited.

Statement of compliance

The financial statements of TM (Eastleigh) Limited have been prepared in compliance with the provisions of FRS 102 Section 1A, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Basis of preparation

The financial statements are presented in Sterling and rounded to the nearest thousand, unless stated otherwise. They are prepared on a going concern basis under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss.

Summary of significant accounting policies



Accounting policies are disclosed within each of the applicable notes to the financial statements and are designated by this box. They have been applied consistently in dealing with items which are considered material in relation to the financial statements throughout the year and preceding year.

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate ruling at the date of the transaction or at forward contract rates where appropriate. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the Statement of Financial Position date or forward contract rates where appropriate. Other gains and losses arising from foreign currency transactions are included in the Income Statement.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not believe there to be any significant estimates or assumptions that would have a material impact within the next financial year.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

2. Turnover



Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefit will flow to the Company and the amount of revenue can be measured reliably. Turnover represents the value of goods and services supplied, net of value added tax and trade discounts.

Notes to the financial statements (continued)

for the year ended 31 December 2021

2. Turnover (continued)

Turnover is attributable to one continuing activity, namely that of meat processing. The analysis of turnover by geographical destination is as follows:

	2021 £'000	2020 £'000
United Kingdom	3,507	11,637
Continental Europe	-	42
	3,507	11,679

3. Loss before interest and taxation

Loss before interest and tax is stated after charging:

	2021 £'000	2020 £'000
Auditors' remuneration - audit services	-	14
Depreciation of property, plant and equipment (note 8)	161	129
Operating lease rentals		
- land and buildings	41	166

4. Directors' remuneration

	2021 £'000	2020 £'000
Emoluments	-	7
Company contributions to money purchase pension schemes	-	1
	-	8

The number of directors who:

	2021 Number	2020 Number
Are accruing benefits under money purchase schemes	-	-

The Directors did not receive any emoluments during the current year from the Company but did receive remuneration through another group company. This remuneration was not recharged to the Company as the portion of time spent on the Company is not significant.

5. Employment



The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

Further details on pension arrangements are detailed in note 17.

Notes to the financial statements (continued)

for the year ended 31 December 2021

5. Employment (continued)

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2021 Number	2020 Number
Administration	2	7
Selling and distribution	1	1
Production and manufacturing	7	31
	10	39

Their aggregate remuneration comprised:

	2021 £'000	2020 £'000
Wages and salaries	325	1,215
Social security costs	16	107
Other pension costs (note 17)	67	273
	408	1,595

6. Interest payable and similar expenses



Interest is recognised using the effective interest rate method. Interest payable is recognised over the period of the principal outstanding.

	2021 £'000	2020 £'000
Interest payable on overdrafts and bank loans	(30)	(42)
Finance lease interest	-	(1)
	(30)	(43)

7. Tax on loss



Current tax, including UK Corporation Tax and overseas tax, is included at amounts expected to be paid (or recovered) using the tax rates and laws that have been substantively enacted by the Statement of Financial Position date. Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events have occurred at the Statement of Financial Position date that result in an obligation to pay more tax or a right to pay less tax in the future. Deferred tax assets are recognised only to the extent that they are considered recoverable in the future. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been substantively enacted by the reporting date.

Notes to the financial statements (continued)

for the year ended 31 December 2021

7. Tax on loss (continued)

The tax credit represents:

	2021 £'000	2020 £'000
Current tax		
UK Corporation Tax credit on losses for the year	2	(90)
Adjustment in respect of prior years	-	(12)
Total current tax	2	(102)
Deferred tax		
Origination and reversal of timing differences	(13)	(7)
Total deferred tax (note 15)	(13)	(7)
Total tax credit in profit and loss	(11)	(109)

Reconciliation of effective tax rate

The tax assessed for the year is higher than (2020: lower than) the standard rate of Corporation Tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £'000	2020 £'000
Loss before tax	(131)	(545)
Loss before tax multiplied by the standard rate of Corporation Tax in the UK at 19.00% (2020: 19.00%)	(25)	(104)
Effects of:		
Expenses not deductible for tax purposes	-	7
Accelerated capital allowances and other timing differences	14	-
Adjustment in respect of prior years	-	(12)
Tax credit for the year	(11)	(109)

Factors that may affect future tax charges

In the 2021 Budget, the UK Government announced that from 1 April 2023 the UK Corporation Tax rate would increase to 25%. This new law was substantively enacted on 24 May 2021.

8. Property, plant and equipment



Property, plant and equipment are carried at cost less provision for impairment and depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The charge for depreciation is calculated to write down the cost or valuation less estimated residual value of all property, plant and equipment other than freehold land by equal annual instalments over their expected useful lives as follows:

Short-term Leasehold improvements	-	over 5 years
Plant and machinery	-	over 1 to 5 years

Notes to the financial statements (continued)

for the year ended 31 December 2021

8. Property, plant and equipment (continued)

	Short-term leasehold improvements £'000	Plant and machinery £'000	Total £'000
Cost			
At beginning of year	1,000	1,027	2,027
Additions	-	136	136
Group transfers	(1,000)	(1,163)	(2,163)
At end of year	-	-	-
Accumulated depreciation			
At beginning of year	787	875	1,662
Charge for the year	15	146	161
Depreciation of group transfers	(802)	(1,021)	(1,823)
At end of year	-	-	-
Net book value			
At 31 December 2021	-	-	-
At 31 December 2020	213	152	365

9. Inventories



Inventories are stated at the lower of cost and estimated selling price less costs to sell. Cost includes an appropriate proportion of overheads incurred in the normal course of business in bringing the product to its present location and condition. Provision is made for obsolete, slow-moving or defective items where appropriate.

At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the Income Statement. When a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the Income Statement.

	2021 £'000	2020 £'000
Raw materials and consumables	-	3,326
Finished goods and goods for resale	-	656
	-	3,982

There are no provisions for impairment of inventory (2020: £nil).

Notes to the financial statements (continued)

for the year ended 31 December 2021

10. Debtors



Trade and other receivables are initially recognised at transaction price. If the arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts discounted at the market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of the reporting year trade and other receivables are assessed for objective evidence of impairment. If the 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 the profit or loss.

	2021 £'000	2020 £'000
Due within one year:		
Trade debtors	-	1,446
Amounts owed by group undertakings	-	71
Other debtors	-	35
Corporation tax recoverable	-	34
Deferred tax asset (note 15)	28	15
Prepayments and accrued income	-	107
	28	1,708

Amounts owed by group undertakings in 2020 were unsecured with no interest charged and were repayable on demand.

There are no provisions for impairment of receivables (2020: nil).

11. Creditors: amounts falling due within one year



Trade and other creditors that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

	2021 £'000	2020 £'000
Bank loans and overdrafts (note 13)	-	2,992
Trade creditors	4	628
Amounts owed to group undertakings	-	10
Obligations under finance leases and hire purchase contracts (notes 13 & 14)	-	14
Other creditors	-	12
Corporation tax payable	2	-
Taxation and social security	-	32
Accruals and deferred income	-	348
	6	4,036

Amounts owed by group undertakings in 2020 were unsecured with no interest charged and were repayable on demand.

Notes to the financial statements (continued)

for the year ended 31 December 2021

12. Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Bank loans (note 13)	-	669
Obligations under finance leases and hire purchases (notes 13 & 14)	-	40
	-	709

13. Borrowings



Borrowings are initially stated at the fair value of the consideration received. Finance costs are charged to the Income Statement over the term of the borrowings so as to represent a constant proportion of the balance of capital repayments outstanding. Accrued finance costs attributable to borrowings where the maturity at the date of issue is less than twelve months are included in accrued charges within current liabilities. For all other borrowings, accrued finance charges and issue costs are added to the carrying value of those borrowings.

	2021 £'000	2020 £'000
In the first year or on demand:		
Bank loans and overdraft	-	2,992
Finance leases and hire purchase contracts	-	14
In more than one year but not more than five years:		
Bank loans	-	669
Finance leases and hire purchase contracts	-	40
	-	3,715

The Company no longer maintains a confidential invoice discounting facility (2020: £2,000,000). This is a Group facility which is then allocated to specific companies within the Group. The availability of this facility is dependent upon the level of trade debtors. The amount outstanding at 31 December 2021 was £nil (2020: £669,000). Interest was payable at base rate with a margin of 2.00%.

14. Financial commitments



Property, plant and equipment acquired under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the assets have passed to the Company, are capitalised in the Statement of Financial Position and depreciated over the shorter of their useful lives and the lease terms. The present value of future rentals is shown as a liability. The interest element of the rental obligations is charged to the Income Statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. All other leases are regarded as operating leases and the payments made under them are charged to the Income Statement on a straight-line basis over the lease term. Incentives received to enter into an operating lease are credited to the Income Statement, to reduce the lease expense, on a straight line basis over the period of the lease.

Notes to the financial statements (continued)

for the year ended 31 December 2021

14. Financial commitments (continued)

a) Operating lease commitments

	Land and buildings 2021 £'000	Land and buildings 2020 £'000
Within one year	-	165
Between one and five years	-	481
	-	646

b) Finance leases commitments

Finance leases are payable as follows:

	2021 £'000	2020 £'000
Within one year	-	16
Between one and five years	-	44
	-	60
Less future finance charges	-	(6)
	-	54

15. Deferred tax

The analysis of deferred tax balances for the Company is as follows:

Deferred tax asset

	2021 £'000	2020 £'000
Decelerated capital allowances	28	15
Deferred tax asset	28	15
		£'000
Deferred tax asset at 1 January		15
Deferred tax credit in Income Statement (note 7)		13
Deferred tax asset at 31 December		28

Deferred tax assets have been recognised in these financial statements using future Corporation Tax rates substantively enacted at year end.

The unrecognised deferred tax asset at the year-end was £66,000 (2020: £50,000) which has arisen as a result of trading losses which have not been recognised on the basis that their future economic benefit is uncertain. In accordance with FRS 102 these assets will be recognised when it is regarded as more likely than not that they will be recovered.

Notes to the financial statements (continued)

for the year ended 31 December 2021

16. Provisions for liabilities



Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. In particular:

Provision is not made for future operating losses

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingencies

Contingent liabilities, arising as a result of past events, are not recognised when it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are only disclosed in the financial statements when an inflow of economic benefits is probable.

	Dilapidations £'000
At 1 January 2021	521
Released on disposal of trade and assets	(521)
At 31 December 2021	-

Provision was made for the requirement to repair dilapidations under the terms of a certain property lease.

17. Pension scheme



Defined benefit schemes

The Company participates in a group defined benefit pension scheme operated by Argent Foods Limited. The Company is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis, and therefore, as required by FRS 102, accounts for this scheme as if it were a defined contribution scheme. As a result, the amount charged to the Income Statement represents the contributions payable to the scheme in respect of the accounting year.

The Company participates in a defined contribution plan. Defined contribution pension costs charged to the Income Statement represent contributions payable in respect of the accounting year.

The Company participates in both defined benefit and defined contribution personal pension schemes. Further disclosure of the group defined benefit pension scheme is shown within the consolidated financial statements of the intermediate holding company, Argent Foods Limited. The total pension cost charge for the year amounted to £67,000 (2020: £273,000). The amount paid by TM (Eastleigh) Limited in respect of the group's defined benefit scheme was £56,000 (2020: £241,000) and in respect of defined contribution schemes was £11,000 (2020: £32,000). There were no outstanding contributions at year end (2020: £nil).

Notes to the financial statements (continued)

for the year ended 31 December 2021

18. Called up share capital



Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Allotted and fully paid

	2021 £'000	2020 £'000
3,756,726 (2020: 3,756,726) Ordinary shares of £1 each	3,757	3,757
	3,757	3,757

19. Assets pledged, commitments and contingencies

The Company is a participant in a group arrangement under which all assets and surplus cash balances are held as collateral for bank facilities advanced to group members. The facilities are secured under a debenture dated 22 September 2017 over all assets of the Company.

20. Related party transactions

Group transactions

The Company is a wholly owned subsidiary of Argent Foods Limited and is exempt under the terms of FRS 102 from disclosing related party transactions with entities which are wholly owned subsidiaries of the Argent Foods Limited group.

21. Ultimate and immediate parent undertaking

The Company is ultimately owned and controlled by D J Gray.

The Company is a wholly owned subsidiary of Argent Holdings Limited, with registered office at Level 5, 9 Hatton Street, London NW8 8PL.

The largest group into which the results of the Company are consolidated is Fletcher Bay Group Limited. Copies of those consolidated financial statements may be obtained from the registered office at Level 5, 9 Hatton Street, London NW8 8PL.

The smallest group into which the results of the Company are consolidated is Argent Foods Limited. Copies of those consolidated financial statements may be obtained from the registered office at Level 5, 9 Hatton Street, London NW8 8PL.

22. Post balance sheet events

On 6 July 2022, the Argent Foods Limited Group agreed to amend and extend its UK senior facilities to December 2023 with an option to extend the facilities by a further year at this point.

Facility	Amount	Margin	Interest
Invoice discounting	£45,000,000	1.75%	Margin plus SONIA
Revolving credit	£10,000,000	2.25%	Margin plus SONIA