

The Two Counties Trading Company

Financial statements

For the Year Ended 31 August 2019

The Two Counties Trading Company
(A company limited by guarantee)

Company Information

Directors	Richard Stones Ruth Wheelhouse Christopher Hallam Karen Potts Laura Peachey
Registered number	08816199
Registered office	Sutton Road Kirkby-In-Ashfield Nottingham Nottinghamshire NG17 8HP
Independent auditor	Dains LLP Charlotte House Stanier Way The Wyvern Business Park Derby DE21 6BF
Bankers	Barclays Bank Plc Level 4 Chapel Quarter Maid Marian Way Nottingham NG1 6HQ
Solicitors	Brown Jacobson LLP The Arc NG2 Business Park Enterprise Way Nottingham NG2 1EN

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The Two Counties Trading Company**(A company limited by guarantee)****Registered number:08816199****Balance Sheet****As at 31 August 2019**

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	4	56,519	46,460
Current assets			
Debtors: amounts falling due within one year	5	157,185	104,802
Cash at bank and in hand	6	152,909	116,336
		310,094	221,138
Creditors: amounts falling due within one year	7	(366,613)	(267,598)
Net current liabilities		(56,519)	(46,460)
Total assets less current liabilities		-	-
Net assets		-	-
Capital and reserves		-	-

The 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 - small entities.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 December 2019.

Karen Potts

Director

The notes on pages 2 to 8 form part of these financial statements.

1. General information

The Two Counties Trading Company is a private company limited by guarantee and incorporated in England and Wales under the Companies Act. The address of the registered office is Sutton Road, Kirkby-in-Ashfield, Nottingham, Nottinghamshire, NG17 8HP. The nature of the Company's operations and its principal activities is the provision of nursery services and letting's, along with sports centre sales from The Two Counties Trust.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Two Counties Trust as at 31 August 2019 and these financial statements may be obtained from Sutton Road, Kirkby-in-Ashfield, Nottingham, Nottinghamshire, NG17 8HP.

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 Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

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 Company 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 Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings 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 Company in independently administered funds.

2. Accounting policies (continued)

2.6 Taxation

Tax is recognised in the Statement of income and retained earnings, 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.7 Tangible fixed assets

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

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

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:

Building improvements	-	10%	straight line
Fixtures and fittings	-	20%	straight line
Computer equipment	-	20%	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 Statement of income and retained earnings.

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

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

2.10 Creditors

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

2.11 Financial instruments

The Company 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.

3. Employees

The average monthly number of employees, excluding directors, during the year was 36 (2018 -35).

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Notes to the Financial Statements
For the Year Ended 31 August 2019

4. Tangible fixed assets

	Building Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2018	57,104	1,670	-	58,774
Additions	4,285	11,985	1,235	17,505
At 31 August 2019	61,389	13,655	1,235	76,279
Depreciation				
At 1 September 2018	12,091	223	-	12,314
Charge for the year on owned assets	5,710	1,510	226	7,446
At 31 August 2019	17,801	1,733	226	19,760
Net book value				
At 31 August 2019	43,588	11,922	1,009	56,519
At 31 August 2018	45,013	1,447	-	46,460

5. Debtors

	2019 £	2018 £
Trade debtors	36,152	28,537
Amounts owed by group undertakings	81,829	48,141
Other debtors	13,494	9,831
Prepayments and accrued income	25,710	18,293
	157,185	104,802

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Notes to the Financial Statements
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6. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	152,909	116,336
	<u>152,909</u>	<u>116,336</u>

7. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	17,763	8,927
Amounts owed to group undertakings	317,353	247,083
Other taxation and social security	6,294	5,056
Other creditors	7,403	3,194
Accruals and deferred income	17,800	3,338
	<u>366,613</u>	<u>267,598</u>

8. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £53,346 (2018 -£36,280). Contributions totalling £7,206 (2018 -£3,170) were payable to the fund at the balance sheet date and are included in creditors.

10. Controlling party

The immediate and ultimate parent company is The Two Counties Trust, a company registered in England and Wales. The Two Counties Trust is the ultimate parent company of the largest group for which financial statements are prepared. Copies of the group financial statements are available from The Two Counties Trust's registered office, which is Sutton Road, Kirkby-in-Ashfield, Nottingham, Nottinghamshire, NG17 8HP.

11. Auditor's information

The auditor's report on the financial statements for the year ended 31 August 2019 was unqualified.

The audit report was signed on 9 December 2019 by Lisa Richards FCCA (Senior statutory auditor) on behalf of Dains LLP.

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