

Registered number: 01001165

THETFORD LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



THETFORD LIMITED

COMPANY INFORMATION

Directors	B Anderson S P Cordeille J H Fitzsimons (resigned 13 December 2021) P J A Struijs
Company secretary	Edwin Coe Secretaries Limited (Resigned 13 December 2021)
Registered number	1001165
Registered office	Unit 6 Brookfields Way Manvers Rotherham SOUTH YORKSHIRE S63 5DL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield SOUTH YORKSHIRE S1 2GT
Bankers	Lloyds TSB Bank plc 1 Legg Street Chelmsford ESSEX CM1 1JT

THETFORD LIMITED

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THETFORD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report and the financial statements for the year ended 31 December 2021.

The principal activity of the company during the year was the manufacture of cookware and related products for the leisure industry in camping, caravanning and holiday homes and the selling and after-sales support of portable and cassette toilets, fridges and toilets fluids which are manufactured in the Netherlands and Asia.

Business review and key performance indicators

2021 proved to be a year of contradictions for the company. The continuing Covid epidemic contributed to unprecedented market demand for the company's products. The only way the company could satisfy this demand was by extensively outsourcing supply of parts normally made internally at an additional cost exceeding £1m. At the same time inflationary pressures pushed up the cost of raw materials, particularly steel, substantially and Brexit changes increased cross-border transactional costs.

The net outcome of the above was that supply and customer service was maintained and sales increased by 66.0% with the turnover for the year amounting to £40,136,231 (2020: £24,183,572). However, gross margin decreased compared to 2021 by 0.6% (5.2% in 2021 from 5.8% in 2020), distribution costs increased by 65% and the company reported a loss from operations of £1,198,410 compared to the prior year loss of £526,045.

The company invested a further £297k in plant and machinery in the year and placed orders for additional machinery for delivery in early 2022.

Cash generation was stable during the year but weakened over the final quarter.

Over the last quarter of the year the company made plans and took steps to bring production of outsourced parts back in-house and to increase sales prices early in 2022 to offset the increased and still rising cost of materials and secure profitability and cash flow.

During the year, the UK company continued to integrate further with the Thetford Group, sharing greater knowledge, resources and facilities in all areas of its operations resulting in standardization, improvement in technology, service and product quality and efficiency gains.

The company will continue to strive towards investment in core markets, Research Development, and to ensure its position as a product leader. Efforts will also be made to increase its market share in new geographical areas and aftermarkets as well as achieve greater efficiencies and process improvements.

The company is well placed to take advantage of the current upturns in the market place, develop new products and take on any new challenges that may emerge in the course of the next few months and years to come.

Principal risks and uncertainties

Competitive pressure is a continuing risk for the company. The company manages this risk by providing added value services to its customers, having fast response times not only in supplying high quality products but in handling all customer queries, and by maintaining strong customer relationships.

The company trades in foreign currencies so is exposed to movements in exchange rates. The company does not rely on external finance and is therefore not exposed to movements in external interest rates.

THETFORD LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Treasury

The company's treasury operates procedures designed to minimise or eliminate financial risk. The company's principal financial instruments comprise borrowings, cash, intercompany loans and various items, such as trade debtors and trade creditors that arise directly from its operations. The company does not use forward foreign currency contracts to manage the currency rate risks arising from the company's operations. The company does not use interest rate swaps to manage the interest rate risks arising from the company's operations.

Going Concern

The financial statements have been prepared on a going concern basis. Each year management produces a detailed business plan for the following year which considers the customer and product sales mix, the territory mix, cost inflations and reductions, detailed overhead costs and planned capital expenditure. Rolling forecasts are then produced on a quarterly basis.

Whilst the main focus of the Board is on the product line result, the performance of the individual legal entities is also considered. Financial projections for Thetford Limited have been produced covering the period to 31st December 2023, the sales projections being taken from the initial business plan sales draft for 2022. These projections show the company trading profitably throughout 2022 and 2023.

Sales in 2021 were at record levels and are expected to increase further in 2022. Despite these record sales in 2021 the company reported losses due to rising material and distribution costs, allied with additional costs of outsourcing. Selling price increases already pushed through in late 2021 and planned for Q2 2022 are expected to return the company to profit, along with other measures to reduce outsourcing, reduce cost and improve efficiency.

Rising material prices continue to be of concern but the expectation is that any detrimental effect on profitability will be addressed as necessary by further sales price increases.

Whilst the Covid epidemic is not over, especially from a worldwide perspective, the company has so far managed to maintain supply chains and production and has benefited from a highly positive Covid impact on demand for the company's products. In the event of further Covid disruption the company's initial response is likely to be the same as previously; keep supplying if possible, furlough staff and take government support if available, suspend capital spending and minimise all other spending. The directors believe these measures should be sufficient to enable the company to continue as a going concern. These financial statements do not include any adjustment therefore that would arise if the going concern basis of preparation was not considered appropriate.

The Company has also received from its parent company, Trailblazer IV Inc, confirmation of financial support as is necessary to enable the company to meet its obligations as they all fall due. As a result, the directors do not believe that there is a material uncertainty that may cast doubt on the company's ability to trade as a going concern.

This report was approved by the board on 9 August 2022 and signed on its behalf.

P Struijs

P J A Struijs
Director

THETFORD LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1,113,883 (2020: loss £578,990).

The directors do not recommend the payment of any dividend for this financial year or the previous financial year.

Directors

The directors who served during the year were:

B Anderson
S P Cordeille
J H Fitzsimons (resigned 13 December 2021)
P J A Struijs

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, the Directors' 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, including FRS 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 and profit or loss of the company 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;
- 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 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. They 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 the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THETFORD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 9 August 2022 and signed on its behalf.

P Struijs

P J A Struijs
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THETFORD LIMITED

Opinion

We have audited the financial statements of Thetford Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Statement of Changes in Equity 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 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 company's affairs as at 31 December 2021 and of its 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THETFORD LIMITED (CONTINUED)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Directors' 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 the 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THETFORD LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 for the financial statements

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 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 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THETFORD LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated our enquiries through our review of board minutes.
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting frameworks (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, data protection, environmental, and bribery and corruption practices.
- We assessed the susceptibility of the entity's Financial Statements to material misstatement, including how fraud might occur by inquiring of management where they considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings.
- Audit procedures performed by the engagement team included:
 - Evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Identifying and testing related party transactions;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - Knowledge of the industry in which the client operates
 - Understanding of the legal and regulatory requirements specific to the entity



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THETFORD LIMITED (CONTINUED)

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - The applicable statutory provisions
 - The entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

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.

Grant Thornton UK LLP

Peter Edwards
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Sheffield

9 August 2022

THETFORD LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	40,136,231	24,183,572
Cost of sales		(38,062,293)	(22,780,791)
Gross profit		2,073,938	1,402,781
Distribution costs		(1,173,124)	(712,697)
Administrative expenses		(2,009,149)	(1,948,893)
Other income	5	-	698,367
Other operating charges		(90,075)	12,972
Operating loss	6	(1,198,410)	(547,470)
Interest payable and expenses	10	(3,573)	(23,598)
Loss before tax		(1,201,983)	(571,068)
Tax on loss	11	88,100	(7,922)
Loss after tax		(1,113,883)	(578,990)
Retained earnings at the beginning of the year		1,575,523	2,154,513
Loss for the year		(1,113,883)	(578,990)
Retained earnings at the end of the year		461,640	1,575,523

The notes on pages 13 to 29 form part of these financial statements.

THETFORD LIMITED
REGISTERED NUMBER: 01001165

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	1,666,158	2,142,210
Tangible assets	13	3,003,807	3,374,286
		<u>4,669,965</u>	<u>5,516,496</u>
Current assets			
Stocks	14	2,642,296	2,553,876
Debtors: amounts falling due within one year	15	6,041,419	3,555,334
Cash at bank and in hand	16	1,301,325	634,749
		<u>9,985,040</u>	<u>6,743,959</u>
Creditors: amounts falling due within one year	17	(8,371,945)	(4,633,061)
Net current assets		<u>1,613,095</u>	<u>2,110,898</u>
Total assets less current liabilities		<u>6,283,060</u>	<u>7,627,394</u>
Creditors: amounts falling due after more than one year	18	-	(66,077)
Provisions for liabilities			
Deferred tax	19	(226,952)	(315,522)
Accruals and deferred income	20	(494,368)	(570,172)
Net assets		<u><u>5,561,740</u></u>	<u><u>6,675,623</u></u>
Capital and reserves			
Called up share capital	23	200	200
Share premium account	22	5,099,900	5,099,900
Profit and loss account	22	461,640	1,575,523
		<u><u>5,561,740</u></u>	<u><u>6,675,623</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 August 2022.

P Struijs

P J A Struijs
 Director

The notes on pages 13 to 29 form part of these financial statements.

THETFORD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	200	5,099,900	1,575,523	6,675,623
Comprehensive income for the year				
Loss for the year	-	-	(1,113,883)	(1,113,883)
Total comprehensive income for the year	-	-	(1,113,883)	(1,113,883)
At 31 December 2021	200	5,099,900	461,640	5,561,740

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	200	5,099,900	2,154,513	7,254,613
Comprehensive income for the year				
Loss for the year	-	-	(578,990)	(578,990)
Total comprehensive income for the year	-	-	(578,990)	(578,990)
At 31 December 2020	200	5,099,900	1,575,523	6,675,623

The notes on pages 13 to 29 form part of these financial statements.

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Thetford Limited (the 'company') was incorporated in the UK for the primary purpose of the manufacture of cookware and related products for the leisure industry in camping, caravanning, holiday homes and the selling and after-sales support of portable and cassette toilets, fridges and toilet fluids which are manufactured in the Netherlands and Asia. The registered office of the company is Unit 6 Brookfields Way, Manvers, Rotherham, South Yorkshire, S63 5DL.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Trailblazer IV Inc as at 31 December 2021 and these financial statements may be obtained from 1 Greenwich Office Park, Building 1S, 2nd Floor, Greenwich, CT, 06831.

2.3 True and fair override

The acquisition of trade and net assets of Spinflo Limited in 2009 was accounted for using certain merger accounting principles in order to meet the overriding requirement under sections 404 – 405 of the Companies Act 2006 for financial statements to present a true and fair view. The directors consider that the alternative approach of acquisition accounting, with the restatement of separable assets and liabilities to fair values and the creation of goodwill would not give a true and fair view. Assets and liabilities acquired are stated at book value.

The group reorganisation resulted in the transfer of business and goodwill from one company to another. The consideration was equal to the value of the net separable assets, and therefore the directors deemed it necessary to reallocate part of the investment's carrying value to goodwill. The difference reflected the goodwill in Thetford's entity accounts as a reclassification of the original cost of investment.

THETFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 True and fair override (continued)

The directors limited any transfer from its cost of investment to goodwill to the amount of goodwill that would have arisen had the hive-up taken place immediately post-acquisition, less the amortisation that would have been charged on that goodwill amount. An impairment in the investment balance was recorded as a result of goodwill amortisation and/or post acquisition losses. Positive purchased goodwill is capitalised in the Statement of Financial Position at cost and amortised over its estimated useful life of 15.5 years on a straight line basis.

2.4 Going concern

The financial statements have been prepared on a going concern basis. Each year management produces a detailed business plan for the following year which considers the customer and product sales mix, the territory mix, cost inflations and reductions, detailed overhead costs and planned capital expenditure. Rolling forecasts are then produced on a quarterly basis.

Whilst the main focus of the Board is on the product line result, the performance of the individual legal entities is also considered. Financial projections for Thetford Ltd have been produced covering the period to 31st December 2023, the sales projections being taken from the initial business plan sales draft for 2022. These projections show the company trading profitably throughout 2022 and 2023.

Sales in 2021 were at record levels and are expected to increase further in 2022. Despite these record sales in 2021 the company reported losses due to rising material and distribution costs, allied with additional costs of outsourcing. Selling price increases already pushed through in late 2021 and planned for Q2 2022 are expected to return the company to profit, along with other measures to reduce outsourcing, reduce cost and improve efficiency.

Rising material prices continue to be of concern but the expectation is that any detrimental effect on profitability will be addressed as necessary by further sales price increases.

Whilst the Covid epidemic is not over, especially from a worldwide perspective, the company has so far managed to maintain supply chains and production and has benefited from a highly positive Covid impact on demand for the company's products. In the event of further Covid disruption the company's initial response is likely to be the same as previously; keep supplying if possible, furlough staff and take government support if available, suspend capital spending and minimise all other spending. The directors believe these measures should be sufficient to enable the company to continue as a going concern. These financial statements do not include any adjustment therefore that would arise if the going concern basis of preparation was not considered appropriate.

The Company has also received from its parent company, Trailblazer IV Inc, confirmation of financial support as is necessary to enable the company to meet its obligations as they all fall due. As a result, the directors do not believe that there is a material uncertainty that may cast doubt on the company's ability to trade as a going concern.

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

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

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

2.6 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 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 Statement of Income and Retained Earnings over its useful economic life.

The estimated useful lives range as follows:

Goodwill	-	15.5 years
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THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**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.

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Leasehold improvements	- In equal installments over the life of the lease
Plant & machinery	- Straight line over 5 - 21 years
Motor vehicles	- Straight line over 4 years
Fixtures & fittings	- Straight line over 8 - 21 years
Assets under construction	- Not depreciated until asset is in use

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.

2.8 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 period of the lease.

2.9 Development costs

Research and development expenditure is written off in the year in which it is incurred.

2.10 Stocks

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

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

THETFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Income and Retained Earnings.

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 company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

THETFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

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 Government grants

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

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

2.16 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

THETFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.19 Current and deferred taxation

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

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

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

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

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

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Estimates and judgements are continually evaluated and are based on historical experience and factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile and the historic experience of the debtor. See debtors note for the net carrying amount of debtors and the associated movement in impairment provision.

Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on future investments, economic utilisation and the physical condition of the assets. See the tangible fixed asset note for the carrying amount of assets held and note 2.7 for the useful economic lives for each asset classification.

Impairment of goodwill

The company considers whether goodwill is impaired. Where an indication of impairment is identified the estimation of the recoverable value of the cash generating unit is undertaken.

Impairment of stocks

The company makes an estimate of the recoverable value of stocks. When calculating the stock provision, management considers the nature and condition of the inventory as well as applying assumptions around anticipated saleability and age of product lines. See the stocks note for the net carrying amount of stocks and the related movement in impairment provision.

Warranty Provision

The company has in place warranty agreements on various product lines. A provision for the costs of these warranties is estimated based on historic experience of the cost and volume of products replaced by the terms of the warranty agreement.

4. Turnover

The whole of the turnover is attributable to goods and services provided in the normal course of business.

The directors feel it would be prejudicial to the company to disclose turnover by geographical area.

5. Other income

	2021 £	2020 £
Furlough government grant	-	698,367

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Research & development charged as an expense	38,227	26,976
Exchange differences	94,173	50,015
Operating lease rentals	660,563	616,346
Depreciation of tangible fixed assets	646,196	654,467
Amortisation of intangible fixed assets	476,052	476,052
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	32,528	29,931
	<u> </u>	<u> </u>

8. Employees

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

	2021 £	2020 £
Wages and salaries	5,577,499	4,565,266
Social security costs	486,762	374,657
Cost of defined contribution scheme	129,655	111,989
	<u> </u>	<u> </u>
	<u>6,193,916</u>	<u>5,051,912</u>

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

	2021 No.	2020 No.
Administrative staff	46	48
Production	181	141
	<u> </u>	<u> </u>
	<u>227</u>	<u>189</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>142,017</u>	<u>50,904</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Loans from group undertakings	<u>3,573</u>	<u>23,598</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on losses for the year	1,045	32,886
Adjustments in respect of previous periods	470	(13,435)
Total current tax	<u>1,515</u>	<u>19,451</u>
Deferred tax		
Origination and reversal of timing differences	(143,614)	(49,582)
Adjustments in respect of previous periods	(469)	(589)
Effects of changes in tax rates	54,468	38,642
Total deferred tax	<u>(89,615)</u>	<u>(11,529)</u>
Taxation on (loss)/profit on ordinary activities	<u>(88,100)</u>	<u>7,922</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(1,201,983)</u>	<u>(571,068)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(228,377)	(108,503)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	94,216	96,440
Effect of change in tax rates	54,468	-
Other differences	7,154	38,642
Adjustment to tax changes in respect of prior periods	3	(18,657)
Non-taxable income	<u>(15,564)</u>	<u>-</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	7,378,780
At 31 December 2021	7,378,780
Amortisation	
At 1 January 2021	5,236,570
Charge for the year on owned assets	476,052
At 31 December 2021	5,712,622
Net book value	
At 31 December 2021	1,666,158
<i>At 31 December 2020</i>	2,142,210

Amortisation of Goodwill is included in administrative expenses.

THETFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

13. Tangible fixed assets

	Leasehold improvements £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2021	410,394	9,262,141	11,000	893,662	11,040	10,588,237
Additions	12,174	251,509	-	33,711	-	297,394
Disposals	-	(47,141)	(11,000)	(663)	(11,040)	(69,844)
At 31 December 2021	422,568	9,466,509	-	926,710	-	10,815,787
Depreciation						
At 1 January 2021	211,866	6,357,113	7,734	637,238	-	7,213,951
Charge for the year	30,195	532,115	733	83,153	-	646,196
Disposals	-	(39,107)	(8,467)	(593)	-	(48,167)
At 31 December 2021	242,061	6,850,121	-	719,798	-	7,811,980
Net book value						
At 31 December 2021	180,507	2,616,388	-	206,912	-	3,003,807
At 31 December 2020	198,528	2,905,028	3,266	256,424	11,040	3,374,286

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Stocks

	2021 £	2020 £
Raw materials and consumables	2,359,308	2,336,103
Work in progress (goods to be sold)	45,420	25,165
Finished goods and goods for resale	237,568	192,608
	<u>2,642,296</u>	<u>2,553,876</u>

Stock is stated after provisions for impairment of £241,605 (2020: £258,152).

An impairment loss of £59,296 (2020: £206,978) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

15. Debtors

	2021 £	2020 £
Trade debtors	3,495,544	2,813,372
Amounts owed by group undertakings	2,313,019	547,760
Other debtors	-	51,540
Prepayments and accrued income	232,856	142,662
	<u>6,041,419</u>	<u>3,555,334</u>

An impairment loss of £Nil (2020: £40,000) was recognised against trade debtors.

At the year end there was a provision against trade debtors of £40,000 (2020: £40,000).

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>1,301,325</u>	<u>634,749</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,171,704	1,959,621
Amounts owed to group undertakings	3,240,760	776,213
Corporation tax	998	-
Other taxation and social security	657,076	619,336
Accruals and deferred income	1,301,407	1,277,891
	<u>8,371,945</u>	<u>4,633,061</u>

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

	2021 £	2020 £
Amounts owed to group undertakings	-	66,077
	<u>-</u>	<u>66,077</u>

19. Deferred taxation

	2021 £
At beginning of year	(315,522)
Charged to profit or loss	89,146
Other	(1,045)
Adjustment in respect of prior years	469
At end of year	<u>(226,952)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(354,616)	(328,234)
Other timing differences	17,794	12,712
Losses	109,870	-
	<u>(226,952)</u>	<u>(315,522)</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Accruals and deferred income

	2021 £	2020 £
Developer's incentive	<u>494,368</u>	<u>570,172</u>

21. Financial instruments

	2021 £	2020 £
Financial assets		
Trade debtors	3,495,544	2,813,372
Amounts owed by group undertakings	2,313,019	547,760
Cash at bank and in hand	1,301,325	634,749
	<u>7,109,888</u>	<u>3,995,881</u>
Financial liabilities		
Trade creditors	(3,171,704)	(1,959,621)
Amounts owed to group undertakings	(3,240,760)	(842,290)
Accruals and deferred income (within creditors)	(1,301,407)	(1,277,891)
	<u>(7,713,871)</u>	<u>(4,079,802)</u>

22. Reserves**Share premium account**

Includes all receipts for share capital in excess of the share's nominal value.

Profit & loss account

Includes all current and prior period retained profits and losses.

23. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
200 (2020: 200) Ordinary shares of £1 each	<u>200</u>	<u>200</u>

THETFORD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. Share capital (continued)

There is a single class of ordinary share. There are no restrictions on dividends and the repayment of capital.

24. Pension commitments

The company offers a defined contribution 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 £129,655 (2020: £111,999). Contributions totalling £31,175 (2020: £24,155) were payable to the fund at the reporting date and are included in accruals and deferred income.

25. Commitments under operating leases

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	607,398	565,837
Later than 1 year and not later than 5 years	2,206,451	2,298,942
Later than 5 years	1,190,220	1,716,441
	<u>4,004,069</u>	<u>4,581,220</u>

26. Related party transactions

Thetford Limited has taken advantage of the exemption in FRS 102 (section 33) 'Related party disclosure' not to disclose transactions with other members of the group.

The remuneration of key management personnel in the year was £556,891 (2020: £523,004).

27. Controlling party

The ultimate parent company, controlling party and largest group in which the results of Thetford Limited are consolidated is Monomoy Capital Partners IV L.P., incorporated in the United States of America at 1 Greenwich Office Park, Building 1S, 2nd Floor, Greenwich, CT, 06831. This has changed in the year due to a group reconstruction.

The smallest group in which the results of Thetford Limited are consolidated is that headed by Trailblazer IV Inc, incorporated in the United States of America. The consolidated financial statements are available from Trailblazer IV Inc, 1 Greenwich Office Park, Building 1S, 2nd Floor, Greenwich, CT, 06831. This has changed in the year due to a group reconstruction.

The ultimate parent company bankers have a fixed and floating charge over all the assets of the company.