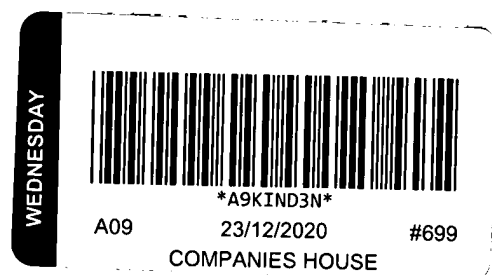


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Trago Mills (Merthyr) Limited

**Annual Report and Financial Statements
Period from 31 December 2018 to 29 December 2019**

Registration number: 10896932



Trago Mills (Merthyr) Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 22

Trago Mills (Merthyr) Limited

Company Information

Directors	C B Robertson
	B A Pinhay
	G P Lord
	T Robertson
	E Robertson
	K Ackland
Registered office	Trago Mills Trading Estate Twowatersfoot Liskeard Cornwall PL14 6HY
Auditors	PKF Francis Clark Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF

Trago Mills (Merthyr) Limited

Strategic Report for the Period from 31 December 2018 to 29 December 2019

The directors present their strategic report for the period from 31 December 2018 to 29 December 2019.

Principal activity

The principal activity of the company is an operator of an out of town shopping centre. Other activities include a catering operation and leisure facilities.

Fair review of the business

The year 2019 has been another challenging year for the company and has resulted in an increase in sales of 19% over the previous year, 2019 being the first full year of trading. The margin achieved in 2019 has increased slightly by 0.7% which has resulted in a 21% increase in Gross Profit. The directors are still confident that significant improvements in retail sales results can be achieved in the future, although the impact of the Covid 19 pandemic will have a significant impact on the 2020 performance. The overheads have been closely controlled and show an 11% increase, again comparing the full year to just over 8 months in the previous year. The operating loss has been reduced by 20% but is still proving disappointing due to the low level of retail sales achieved. The directors are continuing to implement a strategy to return the business to profit with primary focus on reducing staffing costs by around 23% over a two year period whilst increasing staffing during busy trading periods and reducing trading hours. Increases in technology will also contribute to increased productivity in coming years. The directors believe these improvements will turn the company's results back into profit.

The total investment in the operation has amounted to approximately £60m and support from the rest of the Trago group will be required ensure the future viability of the business. As a result of the disappointing trading performance since the store opened in April 2018, the directors carried out a review of the carrying value of the company's freehold property, and an impairment loss of £37.7m has been recognised within these financial statements.

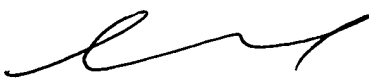
Principal risks and uncertainties

The World Health Organisation declared Covid 19 as a pandemic in March 2020. As a bricks and mortar retailer, this has had a very significant impact on trading in 2020 with the store having to either close or operate on a restricted basis at different times during the year. At the time of approving these financial statements, the restrictions continue and are likely to be in place for many months to come. The company is able to take advantage of the government furlough scheme to reduce its most significant cost whilst the stores are closed, which limits the financial impact.

Being a labour intensive business the company recognises the need to control its labour costs whilst maintaining an acceptable level of customer service. The directors monitor staff costs on a regular basis and take prompt appropriate action where necessary.

The directors continue to review the group's strategy in light of these challenging conditions.

Approved by the Board on 21 December 2020 and signed on its behalf by:



G P Lord
Director

Trago Mills (Merthyr) Limited

Directors' Report for the Period from 31 December 2018 to 29 December 2019

The directors present their report and the financial statements for the period from 31 December 2018 to 29 December 2019.

Directors of the company

The directors who held office during the period were as follows:

C B Robertson

B A Pinhay

G P Lord

The following directors were appointed after the period end:

T Robertson (appointed 11 August 2020)

E Robertson (appointed 11 August 2020)

K Ackland (appointed 14 September 2020)

Results and dividends

The loss for the year, after taxation, amounted to £39,265,640. The directors have not recommended a dividend.

Employment of disabled persons

It is the company's policy to give full consideration to suitable applications for the employment by disabled persons.

Disabled employees are eligible to participate in all suitable career development opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue their employment or be trained for other positions in the company.


Employee involvement

The company is committed to involve all employees in the performance and development of the company. Employees are encouraged to discuss with management matters of interest to the employee and subjects affecting day to day operations of the company.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 21 December 2020 and signed on its behalf by:



G P Lord
Director

Trago Mills (Merthyr) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Trago Mills (Merthyr) Limited

Independent Auditor's Report to the Members of Trago Mills (Merthyr) Limited

Opinion

We have audited the financial statements of Trago Mills (Merthyr) Limited (the 'company') for the period from 31 December 2018 to 29 December 2019, which comprise the Profit and Loss Account, Balance Sheet, 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 29 December 2019 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Trago Mills (Merthyr) Limited

Independent Auditor's Report to the Members of Trago Mills (Merthyr) Limited

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and the Directors' Report.

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

- adequate accounting records have not been kept, 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

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Trago Mills (Merthyr) Limited

Independent Auditor's Report to the Members of Trago Mills (Merthyr) Limited

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.

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.



.....
Christopher Hicks BA FCA DChA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

21 December 2020

Trago Mills (Merthyr) Limited

Profit and Loss Account

Period from 31 December 2018 to 29 December 2019

	Note	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Turnover	3	18,667,829	15,716,996
Cost of sales		<u>(12,756,747)</u>	<u>(10,843,845)</u>
Gross profit		5,911,082	4,873,151
Distribution costs		(6,553,794)	(5,611,747)
Administrative expenses		(38,895,190)	(1,321,754)
Other operating income	4	<u>252,262</u>	<u>180,326</u>
Operating loss	5	<u>(39,285,640)</u>	<u>(1,880,024)</u>
Loss before tax		(39,285,640)	(1,880,024)
Taxation	7	<u>20,000</u>	<u>29,930</u>
Loss for the financial period		<u><u>(39,265,640)</u></u>	<u><u>(1,850,094)</u></u>

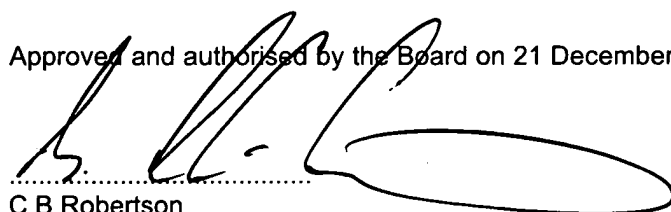
Trago Mills (Merthyr) Limited

Balance Sheet

29 December 2019

	Note	29 December 2019 £	30 December 2018 £
Fixed assets			
Tangible assets	8	21,087,006	59,880,635
Current assets			
Stocks	9	6,188,271	6,520,902
Debtors	10	540,414	321,533
Cash at bank and in hand		431,063	652,788
		<u>7,159,748</u>	<u>7,495,223</u>
Creditors: Amounts falling due within one year	11	<u>(11,677,650)</u>	<u>(11,521,114)</u>
Net current liabilities		<u>(4,517,902)</u>	<u>(4,025,891)</u>
Total assets less current liabilities		16,569,104	55,854,744
Creditors: Amounts falling due after more than one year	11	(55,868,996)	(55,868,996)
Provisions for liabilities	13	-	(20,000)
Net liabilities		<u>(39,299,892)</u>	<u>(34,252)</u>
Capital and reserves			
Called up share capital		100	100
Capital contribution	14	1,815,742	1,815,742
Profit and loss account	14	<u>(41,115,734)</u>	<u>(1,850,094)</u>
Total equity		<u>(39,299,892)</u>	<u>(34,252)</u>

Approved and authorised by the Board on 21 December 2020 and signed on its behalf by:



C B Robertson
Director

Company Registration Number: 10896932

Trago Mills (Merthyr) Limited

Statement of Changes in Equity

Period from 31 December 2018 to 29 December 2019

	Share capital £	Capital contribution for discounted loan £	Profit and loss account £	Total £
At 31 December 2018	100	1,815,742	(1,850,094)	(34,252)
Loss for the period	-	-	(39,265,640)	(39,265,640)
Total comprehensive income	-	-	(39,265,640)	(39,265,640)
At 29 December 2019	100	1,815,742	(41,115,734)	(39,299,892)

	Share capital £	Capital contribution for discounted loan £	Profit and loss account £	Total £
At 1 January 2018	100	-	-	100
Loss for the period	-	-	(1,850,094)	(1,850,094)
Capital contribution received in year	-	1,815,742	-	1,815,742
Total comprehensive income	-	1,815,742	(1,850,094)	(34,352)
At 30 December 2018	100	1,815,742	(1,850,094)	(34,252)

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Trago Mills Trading Estate

Twowatersfoot

Liskeard

Cornwall

PL14 6HY

The principal place of business is:

Swansea Road

Merthyr Tydfil

Wales

CF48 1HT

These financial statements were authorised for issue by the Board on 21 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in relation to the presentation of a cash flow statement.

The company has taken advantage of the exemption in FRS102 from disclosing transactions with group companies.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The presentational currency is the same as the functional currency.

Disclosure of long or short period

The company's policy is to align its financial year end with its trading week. Therefore comparative amounts presented in the financial statements (including in the notes) are not entirely comparable.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

2 Accounting policies (continued)

Going concern

The group, of which the company is a subsidiary, made an operating loss before impairment charges and investment property revaluation gains of £3.1m in the year to 29 December 2019. Trading in 2020 has been severely impacted by the impact of the Covid 19 pandemic declared in March 2020, which resulted in all stores being required to either close or operate under restricted trading conditions at different times during the year. A restructuring was undertaken during 2020 which resulted in a number of redundancies. At the date of approval of these financial statements the impact on trading continues and is likely to do so into 2021.

The company had an outstanding bank loan of £2.3m at 29 December 2019, and as a result of the pandemic a capital repayment holiday was granted, although repayments recommenced in October 2020. The directors continue to work with the bank and have no reason to believe that the loan will not now continue to be repaid by quarterly instalments.

The company also has an intra group loan of £56m which is repayable after a notice period of 13 months having been given. At the date of approval of these financial statements, no such notice has been received.

The directors have prepared trading forecasts and cashflows for the following 12 months following the approval of these financial statements through to the end of 2021, taking what they believe to be reasonable assumptions on the level of trading, acknowledging the inherent uncertainties caused by the impact of the pandemic. Based on these projections, the company will have sufficient funding to finance its operations throughout this period. In the event that trading falls below expectations, the directors believe that there is sufficient headroom of at least 20% on revenue, and that other cost cutting measures could be taken to ensure that cashflow is maintained. Accordingly the financial statements have been prepared on a going concern basis.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

2 Accounting policies (continued)

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The key judgements that the directors have made in the process of applying the company's accounting policies is that its key management personnel comprise the directors.

Key sources of estimation uncertainty

Provision is made against slow moving or obsolete stock to reduce the carrying value to its estimated net realisable amount. The provision is calculated based on the average number of weeks stockholding by department, the balance at the year end was £Nil (2018 - £Nil).

Revenue recognition

Turnover represents goods sold to customers, net of returns and value added tax. Turnover is recognised on delivery of goods to the customer.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Tangible assets

Tangible assets, except for freehold land and buildings, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Freehold land and buildings are carried in the balance sheet at their revalued amount at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land	Nil
Freehold buildings	Write off valuation over useful economic life
Fixtures and fittings	10%-40% reducing balance & 10%-40% straight line
Motor vehicles	20% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is calculated at retail value less the appropriate average cost margin. Net realisable value is based on estimated selling prices less further costs expected to be incurred in disposal of the stock.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

2 Accounting policies (continued)

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Amounts owed by and to group undertakings; and
- Bank loans

All financial instruments are classified as basic.

Recognition and measurement

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans and long term intra group debt, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Borrowings from within the group which are repayable after more than one year are initially measured at the present value of the consideration payable. The discount rate applied reflects the market rate for a similar debt instrument.

Bank loans are initially measured at transaction price, including transactions costs, and are subsequently carried at amortised cost using the effective interest method.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Sale of goods in the UK	<u>18,667,829</u>	<u>15,716,996</u>

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Rental income	245,663	176,242
Miscellaneous other operating income	6,599	4,084
	<u>252,262</u>	<u>180,326</u>

5 Operating loss

Arrived at after charging/(crediting)

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Depreciation expense	919,328	531,171
Loss on disposal of property, plant and equipment	5,850	-
Auditor's remuneration - audit fees	9,000	15,000
Auditor's remuneration - tax compliance	8,500	5,000

Included within Administration Expenses is an impairment loss of £37,775,357 in respect of the company's freehold property, following a revaluation exercise.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Wages and salaries	3,743,296	3,569,339
Social security costs	227,733	213,400
Pension costs	56,962	28,460
	<u>4,027,991</u>	<u>3,811,199</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	31 December 2018 to 29 December 2019 No.	1 January 2018 to 30 December 2018 No.
Administration and support	5	2
Sales	254	284
	<u>259</u>	<u>286</u>

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

7 Taxation

Tax charged/(credited) in the profit and loss account

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Current taxation		
Group relief receivable	-	(49,930)
Deferred taxation		
Arising from origination and reversal of timing differences	(20,000)	20,000
Tax receipt in the income statement	(20,000)	(29,930)

The tax on profit before tax for the period is higher than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	31 December 2018 to 29 December 2019 £	1 January 2018 to 30 December 2018 £
Loss before tax	(39,285,640)	(1,880,024)
Corporation tax at standard rate	(7,464,272)	(357,205)
Expenses not deductible for tax purposes	3,911	630
Deferred tax expense relating to changes in tax rates or laws	20,322	-
Unrecognised deferred tax	152,738	246,797
Tax increase from effect of capital allowances and depreciation	7,267,301	79,848
Total tax credit	(20,000)	(29,930)
Deferred tax		
2018		Liability £
Excess of taxation allowances over depreciation on fixed assets		20,000

There are £3,983,000 of unused tax losses (2018 - £2,227,000) for which no deferred tax asset is recognised in the Balance Sheet.

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

8 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation				
At 31 December 2018	57,718,574	2,650,626	42,606	60,411,806
Revaluation	(38,617,903)	-	-	(38,617,903)
Additions	(100,671)	17,808	1,769	(81,094)
Disposals	-	(21,000)	-	(21,000)
At 29 December 2019	<u>19,000,000</u>	<u>2,647,434</u>	<u>44,375</u>	<u>21,691,809</u>
Depreciation				
At 31 December 2018	267,000	257,781	6,390	531,171
Charge for the period	575,546	336,184	7,598	919,328
Revaluation	(842,546)	-	-	(842,546)
Eliminated on disposal	-	(3,150)	-	(3,150)
At 29 December 2019	<u>-</u>	<u>590,815</u>	<u>13,988</u>	<u>604,803</u>
Carrying amount				
At 29 December 2019	<u>19,000,000</u>	<u>2,056,619</u>	<u>30,387</u>	<u>21,087,006</u>
At 30 December 2018	<u>57,451,574</u>	<u>2,392,845</u>	<u>36,216</u>	<u>59,880,635</u>

The carrying value of freehold property at depreciated historic cost is £56,775,357 (2018: £57,451,574). The accumulated depreciation on the historical cost is £842,546 (2018: £267,000).

The company's freehold property was revalued as at 29 December 2019 to an estimate of Fair Value, using market open value. The valuation was undertaken by an independent chartered surveyor.

9 Stocks

	29 December 2019 £	30 December 2018 £
Goods for resale	<u>6,188,271</u>	<u>6,520,902</u>

The cost of stocks recognised as an expense in the period amounted to £12,649,616 (2018 - £10,765,571).

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

10 Debtors

	29 December 2019 £	30 December 2018 £
Trade debtors	27,460	48,369
Amounts due from group undertakings	74,082	95,320
Amounts due from participating interests	-	265
Other debtors	17,959	23,429
Prepayments	420,913	154,150
	<u>540,414</u>	<u>321,533</u>

11 Creditors

	29 December 2019 £	30 December 2018 £
Due within one year		
Loans and borrowings	2,333,335	3,666,667
Payments on account	35,676	14,860
Trade creditors	1,278,746	1,196,999
Amounts due to group undertakings	7,251,025	5,273,591
Social security and other taxes	435,837	321,606
Accrued expenses	343,031	1,047,391
	<u>11,677,650</u>	<u>11,521,114</u>
Due after one year		
Amounts due to group undertakings	<u>55,868,996</u>	<u>55,868,996</u>

12 Loans and borrowings

Bank borrowings

The bank loan is denominated in Sterling and annual interest is charged at 1.7% over the bank base rate. The loan is repayable in quarterly instalments over three years. The carrying amount at the period end is £2,333,335 (2018 - £3,666,667).

The loan is secured by a fixed and floating charge over the assets of the company.

Intra group loan

The company received an interest free loan from a fellow subsidiary, which is repayable after a notice period of at least 13 months has been given. The company has given a second charge over its freehold property as security for the loan. The amortised cost of the loan due at the period end is £55,868,996 (2018: £55,868,996).

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

13 Deferred tax and other provisions

	Deferred tax £	Total £
At 31 December 2018	20,000	20,000
Provisions used	<u>(20,000)</u>	<u>(20,000)</u>
At 29 December 2019	<u>-</u>	<u>-</u>

14 Reserves

Profit and loss account

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

15 Share capital

Allotted, called up and fully paid shares

	29 December 2019		30 December 2018	
	No.	£	No.	£
Ordinary of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Trago Mills (Merthyr) Limited

Notes to the Financial Statements

Period from 31 December 2018 to 29 December 2019

16 Related party transactions

Summary of transactions with other related parties

During the year, the company traded with a company under common control.

Details of the transactions are:

Sale of goods: £12,703 (2018: £Nil))

Purchase of goods: £24,606 (2018: £31,881)

Debtor at the year end: £Nil (2018: £265)

Creditor at the year end: £Nil (2018: £Nil)

17 Parent and ultimate parent undertaking

The company's immediate and ultimate parent company is Charles Robertson (Holdings) Limited, incorporated in England and Wales. Charles Robertson (Holdings) Limited is the parent undertaking of the smallest and largest group for which group financial statements are drawn up.

The consolidated financial statements of this company are available upon request from the Company Secretary, Trago Mills Trading Estate, Twowatersfoot, Liskeard, Cornwall, PL14 6HY.

The ultimate controlling party is C B Robertson.