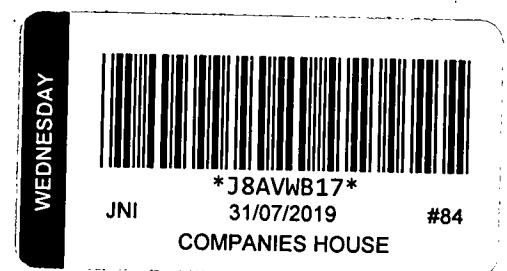


Company Registration No. NI061045 (Northern Ireland)

MOYADD HOLDINGS LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018



MOYADD HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr Hugh Fitzpatrick Mrs Mary Fitzpatrick Mr Shane Fitzpatrick Mr Stephen Fitzpatrick Mr Ciaran Fitzpatrick Mr Raymond Fitzpatrick
Secretary	Mrs Mary Fitzpatrick
Company number	NI061045
Registered office	215 Moyadd Road Kilkeel Co. Down Northern Ireland BT34 4HL
Auditor	PKF-FPM Accountants Limited Dromalane Mill The Quays Newry Co. Down Northern Ireland BT35 8QS
Business address	215 Moyadd Road Kilkeel Co. Down Northern Ireland BT34 4HL
Bankers	Danske Bank Portadown Finance Centre 45-48 High Street Portadown Co. Armagh Northern Ireland BT62 1LB

MOYADD HOLDINGS LIMITED

COMPANY INFORMATION

Danske Bank
42 Greencastle Street
Kilkeel
Co. Down
Northern Ireland
BT34 4BH

Solicitors

McCartan Turkington Breen
Chancery House
88 Victoria Street
Belfast
Co. Antrim
Northern Ireland
BT1 3GN

MOYADD HOLDINGS LIMITED

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MOYADD HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present the strategic report for the year ended 31 October 2018.

Fair review of the business

The principal activities of the group continued to be the manufacture of precision tools and light engineered steel products and farming.

During the year ended 31 October 2018, group turnover increased by £1,582k from £6,820k achieved during the year ended 31 October 2017 to £8,402k achieved during the year ended 31 October 2018. The increase in turnover is mainly as a result of increased production for an existing customer.

The group gross profit margin was 34% for the year ended 31 October 2018, compared to 31% which was achieved during the year ended 31 October 2017, an increase of 3%.

Overall the group net profit margin increased by 4% from 14% achieved during the year ended 31 October 2017 to 18% achieved during the year ended 31 October 2018.

Principal risks and uncertainties

The group uses financial instruments throughout its business. The core risks associated with the group's financial instruments (i.e. its interest-bearing loans, cash, short-dated liquid investments and finance leases, on the operational level trade receivables and payables) are currency risk, interest rate risk, credit risk and liquidity risk. The board reviews and agrees policies for the prudent management of these risks as follows:

Currency risk - The group's activities in the Republic of Ireland are conducted primarily in Euros and the group's activities in Northern Ireland are conducted in Sterling. Variances affecting operational activities in this regard are reflected in administrative expenses in the profit and loss account in the years in which they arise.

Finance and Interest rate risk - The group's objective in relation to interest rate management is to minimise the impact of interest rate volatility on interest costs in order to protect recorded profitability.

Liquidity and cash flow risk - The group's objective is to maintain a balance between the continuity of funding and flexibility through the use of borrowings with a range of maturities. The group's policy is to ensure that sufficient resources are available either from cash balances, cash flows and near cash liquid investments to ensure all obligations can be met when they fall due. To achieve this the group ensures that its liquid investments are in highly rated counterparties; when relevant it limits the maturity of cash balances and borrows the majority of its debt needs under term financing.

Credit risk - The group has no significant concentrations of credit risk as any potential risk is covered by credit insurance. Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being awarded and are continually being monitored.

Key performance indicators

Management believe that the performance of the group will continue to grow during the year ended 31 October 2019, both in terms of turnover and profitability.

MOYADD HOLDINGS LIMITED

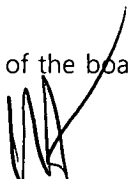
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

Research and development

Management of the group are committed to the growth of the company. To ensure the long-term success of the group it is currently involved in research and development.

On behalf of the board



Mr Hugh Fitzpatrick

Director

14 March 2019

MOYADD HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Principal activities

The principal activities of the group continued to be the manufacture of precision tools and light engineered steel products and farming.

Directors

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

Mr Hugh Fitzpatrick
Mrs Mary Fitzpatrick
Mr Shane Fitzpatrick
Mr Stephen Fitzpatrick
Mr Ciaran Fitzpatrick
Mr Raymond Fitzpatrick

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £294,000. The directors do not recommend payment of a further dividend.

Auditor

The auditors, PKF-FPM Accountants Limited, (Chartered Accountants) have indicated their willingness to continue in office in accordance with the provisions of Section 485 of the Companies Act 2006.

MOYADD HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

Statement of directors' responsibilities

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

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

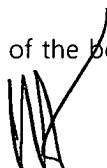
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mr Hugh Fitzpatrick

Director

14 March 2019

MOYADD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOYADD HOLDINGS LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2018 and of the group's profit 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.

MOYADD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOYADD HOLDINGS LIMITED

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

MOYADD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOYADD HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

MOYADD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOYADD HOLDINGS LIMITED

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

MOYADD HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF MOYADD HOLDINGS LIMITED**

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.



Paddy Harty (Senior Statutory Auditor)
for and on behalf of PKF-FPM Accountants Limited

Chartered Accountants
Statutory Auditor

Dromalane Mill
The Quays
Newry
Co. Down
Northern Ireland
BT35 8QS

14 March 2019

MOYADD HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	8,401,852	6,820,104
Cost of sales		(5,549,219)	(4,701,805)
Gross profit		2,852,633	2,118,299
Administrative expenses		(1,225,490)	(1,107,246)
Other operating income		5,536	6,170
Operating profit	4	1,632,679	1,017,223
Interest receivable and similar income	8	175	31
Interest payable and similar expenses	9	(76,599)	(63,062)
Profit before taxation		1,556,255	954,192
Tax on profit	10	(208,839)	(99,406)
Profit for the financial year		1,347,416	854,786

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

MOYADD HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2018

	2018	2017
	£	£
Profit for the year	1,347,416	854,786
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,347,416</u>	<u>854,786</u>

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

MOYADD HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	12	4,291,222	3,536,441
Investment properties	13	102,189	-
		<u>4,393,411</u>	<u>3,536,441</u>
Current assets			
Stocks	17	462,343	401,125
Debtors	18	2,355,530	1,920,188
Cash at bank and in hand		755,001	739,070
		<u>3,572,874</u>	<u>3,060,383</u>
Creditors: amounts falling due within one year	19	<u>(2,410,456)</u>	<u>(2,438,329)</u>
Net current assets		<u>1,162,418</u>	<u>622,054</u>
Total assets less current liabilities		<u>5,555,829</u>	<u>4,158,495</u>
Creditors: amounts falling due after more than one year	20	(1,260,164)	(1,069,690)
Provisions for liabilities	23	<u>(595,538)</u>	<u>(442,094)</u>
Net assets		<u><u>3,700,127</u></u>	<u><u>2,646,711</u></u>
Capital and reserves			
Called up share capital	27	20,004	20,004
Profit and loss reserves		<u>3,680,123</u>	<u>2,626,707</u>
Total equity		<u><u>3,700,127</u></u>	<u><u>2,646,711</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14 March 2019 and are signed on its behalf by:



Mr Hugh Fitzpatrick
Director

MOYADD HOLDINGS LIMITED

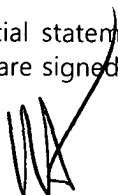
COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Investments	14		20,106		20,104
Current assets					
Debtors	18	411,000		411,000	
Cash at bank and in hand		990		992	
		<u>411,990</u>		<u>411,992</u>	
Creditors: amounts falling due within one year	19	<u>(1,092)</u>		<u>(1,092)</u>	
Net current assets			410,898		410,900
Total assets less current liabilities			<u>431,004</u>		<u>431,004</u>
Capital and reserves					
Called up share capital	27	20,004		20,004	
Profit and loss reserves		411,000		411,000	
Total equity		<u>431,004</u>		<u>431,004</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £294,000 (2017 - £716,000 profit).

The financial statements were approved by the board of directors and authorised for issue on 14 March 2019 and are signed on its behalf by:



Mr Hugh Fitzpatrick
Director

Company Registration No. NI061045

MOYADD HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016		20,004	2,076,921	2,096,925
Year ended 31 October 2017:				
Profit and total comprehensive income for the year		-	854,786	854,786
Dividends	11	-	(305,000)	(305,000)
Balance at 31 October 2017		20,004	2,626,707	2,646,711
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	1,347,416	1,347,416
Dividends	11	-	(294,000)	(294,000)
Balance at 31 October 2018		20,004	3,680,123	3,700,127

MOYADD HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 November 2016		20,004	-	20,004
Year ended 31 October 2017:				
Profit and total comprehensive income for the year		-	716,000	716,000
Dividends	11	-	(305,000)	(305,000)
Balance at 31 October 2017		20,004	411,000	431,004
Year ended 31 October 2018:				
Profit and total comprehensive income for the year		-	294,000	294,000
Dividends	11	-	(294,000)	(294,000)
Balance at 31 October 2018		20,004	411,000	431,004

MOYADD HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	33	1,656,261		1,471,636	
Interest paid		(76,599)		(63,062)	
Income taxes paid		(105,659)		(119,781)	
Net cash inflow from operating activities		<u>1,474,003</u>		<u>1,288,793</u>	
Investing activities					
Purchase of tangible fixed assets		(1,521,205)		(2,057,437)	
Proceeds on disposal of tangible fixed assets		109,609		26,337	
Purchase of investment property		(102,189)		-	
Interest received		175		31	
Net cash used in investing activities		<u>(1,513,610)</u>		<u>(2,031,069)</u>	
Financing activities					
Repayment of bank loans		(66,205)		279,499	
Payment of finance leases obligations		283,591		534,684	
Dividends paid to equity shareholders		(294,000)		(305,000)	
Net cash (used in)/generated from financing activities		<u>(76,614)</u>		<u>509,183</u>	
Net decrease in cash and cash equivalents		<u>(116,221)</u>		<u>(233,093)</u>	
Cash and cash equivalents at beginning of year		463,091		696,184	
Cash and cash equivalents at end of year		<u>346,870</u>		<u>463,091</u>	
Relating to:					
Cash at bank and in hand		755,001		739,070	
Bank overdrafts included in creditors payable within one year		(408,131)		(275,979)	

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Moyadd Holdings Limited ("the company") is a private limited company domiciled and incorporated in Northern Ireland. The registered office is 215 Moyadd Road, Kilkeel, Newry, Co. Down, BT34 4HL.

The group consists of Moyadd Holdings Limited and all of its subsidiaries.

The subsidiary companies included in the financial statements are as follows:

1. Moyfab Engineering Limited, whose principle activity is the manufacture of light-engineered steel products, is registered in Northern Ireland and is 100% owned by Moyadd Holdings Limited;
2. Moyfab Tool Company Limited, whose principle activity is the manufacture of precision tools, is registered in Northern Ireland and is 100% owned by Moyadd Holdings Limited;
3. Moyadd Farm Limited, whose principle activity is farming, is registered in Northern Ireland and is 100% owned by Moyadd Holdings Limited; and
4. Moyfab Engineering Ireland Limited, a non-trading company, is registered in the Republic of Ireland and is 100% owned by Moyadd Holdings Limited.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

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

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

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Moyadd Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

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

1.4 Turnover

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

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil
Leasehold improvements	2% Straight Line and 4% Reducing Balance
Plant and equipment	10% Straight Line and 20% Reducing Balance
Fixtures and fittings	20% and 33 1/3% Straight Line
Motor vehicles	25% Reducing Balance

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Freehold land is not depreciated. The full value in respect of land and buildings within the financial statements is in relation to freehold land.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

1.8 Impairment of fixed assets

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

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

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

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

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

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

1.10 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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

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

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

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.16 Retirement benefits

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

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Impairment of stock

At each reporting period end, the directors provide for stock which they consider to be obsolete and also for stock which is considered as slow moving. The provision is created based on forecasts and past knowledge. See note 17 for the net carrying amount of stock and associated impairment provision.

Impairment of debtors

The company directors makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and associated impairment provision.

Re-work provision

The group recognises a provision for the best estimate of costs of making good manufacturing defects that become apparent after the sale. The company undertakes to make good by repair or replacement. Management have estimated the provision on the basis of past experience. See note 23 for carrying amount of the re-work provision.

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
Engineering	8,401,852	6,820,104
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	175	31
Grants received	2,536	3,170
	<u> </u>	<u> </u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

3 Turnover and other revenue

(Continued)

	2018	2017
	£	£
Turnover analysed by geographical market		
Northern Ireland	6,439,721	4,815,876
Republic of Ireland	1,962,131	2,004,228
	<u>8,401,852</u>	<u>6,820,104</u>

4 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(125,262)	(94,824)
Government grants	(2,536)	(3,170)
Depreciation of owned tangible fixed assets	328,700	262,241
Depreciation of tangible fixed assets held under finance leases	335,702	298,679
(Profit)/loss on disposal of tangible fixed assets	(7,587)	11,836
Cost of stocks recognised as an expense	<u>3,704,721</u>	<u>3,237,082</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £125,262 (2017 - £94,824).

5 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	2,750	-
Audit of the financial statements of the company's subsidiaries	<u>12,896</u>	<u>-</u>
	<u>15,646</u>	<u>-</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

6 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Management	4	4	-	-
Production	65	52	-	-
Administrative	3	3	-	-
	<u>72</u>	<u>59</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,525,888	1,171,707	-	-
Social security costs	119,834	87,358	-	-
Pension costs	15,830	7,582	-	-
	<u>1,661,552</u>	<u>1,266,647</u>	<u>-</u>	<u>-</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>32,240</u>	<u>32,240</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>175</u>	<u>31</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

9 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and loans	18,325	14,967
Interest on finance leases and hire purchase contracts	58,274	48,063
Other interest	-	32
	<u> </u>	<u> </u>
Total finance costs	<u>76,599</u>	<u>63,062</u>

10 Taxation

	2018	2017
	£	£
Current tax		
UK corporation tax on profits for the current period	145,560	102,581
Adjustments in respect of prior periods	(11,896)	-
	<u> </u>	<u> </u>
Total current tax	<u>133,664</u>	<u>102,581</u>
Deferred tax		
Origination and reversal of timing differences	75,175	(3,175)
	<u> </u>	<u> </u>
Total tax charge	<u>208,839</u>	<u>99,406</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

10 Taxation

(Continued)

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

	2018 £	2017 £
Profit before taxation	1,556,255	954,192
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.42%)	295,688	185,304
Tax effect of expenses that are not deductible in determining taxable profit	655	654
Permanent capital allowances in excess of depreciation	(70,769)	(20,126)
Research and development tax credit	(78,213)	(68,689)
Under/(over) provided in prior years	(11,896)	-
Disposals of fixed assets	(1,442)	6,054
Amortisation of taxable capital grants	(482)	(616)
Provisions tax adjustment	123	-
Deferred taxation movement	75,175	(3,175)
Taxation charge	208,839	99,406

11 Dividends

	2018 £	2017 £
Interim paid	294,000	305,000

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

12 Tangible fixed assets

Group	Freehold land and buildings £	Leasehold improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost						
At 1 November 2017	571,415	319,800	6,355,052	165,607	81,799	7,493,673
Additions	-	69,193	1,437,754	14,258	-	1,521,205
Disposals	-	-	(251,937)	-	-	(251,937)
At 31 October 2018	571,415	388,993	7,540,869	179,865	81,799	8,762,941
Depreciation and impairment						
At 1 November 2017	-	147,649	3,598,862	130,396	80,325	3,957,232
Depreciation charged in the year	-	7,463	639,848	16,722	369	664,402
Eliminated in respect of disposals	-	-	(149,915)	-	-	(149,915)
At 31 October 2018	-	155,112	4,088,795	147,118	80,694	4,471,719
Carrying amount						
At 31 October 2018	571,415	233,881	3,452,074	32,747	1,105	4,291,222
At 31 October 2017	571,415	172,151	2,756,190	35,211	1,474	3,536,441

The company had no tangible fixed assets at 31 October 2018 or 31 October 2017.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2018 £	2017 £	Company 2018 £	2017 £
Plant and equipment	2,286,925	1,660,333	-	-
Depreciation charge for the year in respect of leased assets	335,702	298,679	-	-

13 Investment property

	Group 2018 £	Company 2018 £
Fair value		
At 1 November 2017 and 31 October 2018	-	-
Additions through external acquisition	102,189	-
At 31 October 2018	102,189	-

As at 31 October 2018 the acquisition cost of the investment property is considered the fair value.

14 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	15	-	-	20,106	20,104

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in group
undertakings

£

Cost or valuation

At 1 November 2017

20,104

Additions

2

At 31 October 2018

20,106

Carrying amount

At 31 October 2018

20,106

At 31 October 2017

20,104

15 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Moyfab Tool Company Limited	Northern Ireland	Manufacturing	Ordinary	100.00	
Moyfab Engineering Limited	Northern Ireland	Manufacturing	Ordinary	100.00	
Moyadd Farm Limited	Northern Ireland	Farming	Ordinary	100.00	
Moyfab Engineering Ireland Limited	Republic of Ireland	Non-trading	Ordinary	100.00	

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

16 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,242,237	1,814,648	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	3,354,798	3,285,517	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	280,722	191,725	-	-
Work in progress	58,193	34,536	-	-
Finished goods and goods for resale	123,428	174,864	-	-
	462,343	401,125	-	-

Stock is stated after provisions for impairment of £60,000 (2017: nil).

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	2,242,235	1,814,648	-	-
Corporation tax recoverable	14,974	-	-	-
Amounts owed by group undertakings	-	-	411,000	411,000
Other debtors	79,357	88,833	-	-
Prepayments and accrued income	18,964	16,707	-	-
	2,355,530	1,920,188	411,000	411,000

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

18 Debtors

(Continued)

Trade debtors are stated after provisions for impairment of £5,000 (2017: £5,000).

Advances against trade debtors are secured by floating charges over the book debts of the company.

19 Creditors: amounts falling due within one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	21	477,123	342,253	-	-
Obligations under finance leases	22	529,543	507,885	-	-
Trade creditors		836,086	1,030,519	-	-
Corporation tax payable		145,560	102,581	-	-
Other taxation and social security		160,117	107,240	-	-
Other creditors		191,136	235,049	1,092	1,092
Accruals and deferred income		70,891	112,802	-	-
		<u>2,410,456</u>	<u>2,438,329</u>	<u>1,092</u>	<u>1,092</u>

The group's borrowings are secured over assets of the group. Details of security can be obtained by writing to the Group Company Secretary at the Registered Office.

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	21	144,302	213,225	-	-
Obligations under finance leases	22	1,105,717	843,784	-	-
Government grants	25	10,145	12,681	-	-
		<u>1,260,164</u>	<u>1,069,690</u>	<u>-</u>	<u>-</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

21 Loans and overdrafts

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	213,294	279,499	-	-
Bank overdrafts	408,131	275,979	-	-
	<u>621,425</u>	<u>555,478</u>	<u>-</u>	<u>-</u>
Payable within one year	477,123	342,253	-	-
Payable after one year	<u>144,302</u>	<u>213,225</u>	<u>-</u>	<u>-</u>

22 Finance lease obligations

	Group 2018 £	2017 £	Company 2018 £	2017 £
Future minimum lease payments due under finance leases:				
Within one year	529,543	507,885	-	-
In two to five years	<u>1,105,717</u>	<u>843,784</u>	<u>-</u>	<u>-</u>
	<u>1,635,260</u>	<u>1,351,669</u>	<u>-</u>	<u>-</u>

23 Provisions for liabilities

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Re-work provision		222,654	144,385	-	-
Deferred tax liabilities	24	<u>372,884</u>	<u>297,709</u>	<u>-</u>	<u>-</u>
		<u>595,538</u>	<u>442,094</u>	<u>-</u>	<u>-</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

23 Provisions for liabilities

(Continued)

Movements on provisions apart from deferred tax liabilities:

Group	Re-work provision £
At 1 November 2017	144,385
Additional provisions in the year	78,269
	<u> </u>
At 31 October 2018	222,654
	<u> </u>

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	372,884	297,709
	<u> </u>	<u> </u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 November 2017	297,709	-
Charge to profit or loss	75,175	-
	<u> </u>	<u> </u>
Liability at 31 October 2018	372,884	-
	<u> </u>	<u> </u>

The deferred tax liability set out above is expected to reverse within 60 months and relates to accelerated capital allowances that are expected to mature within the same period.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

25 Government grants

During the year the group released £2,536 (2017: £3,170) of Government Grant amortisation to the profit and loss. The net book value of the capital grant as at the year end was £10,145 (2017: £12,681).

26 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	15,830	7,582

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

27 Share capital

	Group and company	
	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
6,002 Ordinary A of £1 each	6,002	6,002
6,002 Ordinary B of £1 each	6,002	6,002
2,000 Ordinary C of £1 each	2,000	2,000
2,000 Ordinary D of £1 each	2,000	2,000
2,000 Ordinary E of £1 each	2,000	2,000
2,000 Ordinary F of £1 each	2,000	2,000
	<u>20,004</u>	<u>20,004</u>

All shares rank pari passu.

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Acquisition of tangible fixed assets	<u>56,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

29 Events after the reporting date

There are no circumstances or events arising after the balance sheet date which could materially affect the financial statements.

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	32,240	32,240

Key management personnel relates to the Directors of the group and the figures above represent the compensation paid or payable to key management for employee services.

Transactions with related parties

During the year ended 31 October 2018 the group incurred rental expenses of £40,000 (2017: £40,000) and also received £3,000 (2017: £3,000) of rental income from a connected party. The entity is considered a connected party due to common control.

The above mentioned connected party also provided £2,000 (2017: £nil) of finance in relation to a property acquisition.

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2018	2017
	£	£
Group		
Other related parties	2,000	-

The above outstanding amounts are interest free and are repayable on demand.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

30 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2018 Balance £
Group	
Other related parties	3,000

The above outstanding amounts are interest free and are repayable on demand.

31 Directors' transactions

Included within creditors less than one year is an amount of £188,487 (2017: £235,049) owed by the group to the directors.

Loans with directors are interest free and payable on demand.

During the year ended 31 October 2018 the group paid rental expenses of £12,000 (2017: £12,000) to a director of the group.

Dividends totalling £294,000 (2017 - £305,000) were paid in the year in respect of shares held by the company's directors.

32 Controlling party

The company was under the control of the Fitzpatrick family for the current and previous financial year.

The smallest and largest group into which Moyadd Holdings Limited is consolidated into is the Moyadd Holdings Limited consolidated financial statements.

MOYADD HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

33 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,347,416	854,786
Adjustments for:		
Taxation charged	208,839	99,406
Finance costs	76,599	63,062
Investment income	(175)	(31)
(Gain)/loss on disposal of tangible fixed assets	(7,587)	11,836
Depreciation and impairment of tangible fixed assets	664,402	560,920
Increase in provisions	78,269	144,385
Movements in working capital:		
(Increase) in stocks	(61,218)	(157,628)
(Increase) in debtors	(420,368)	(440,601)
(Decrease)/increase in creditors	(227,380)	338,671
(Decrease) in deferred income	(2,536)	(3,170)
Cash generated from operations	1,656,261	1,471,636

34 Auditor's liability limitation agreement

The directors, on behalf of the company, have entered into a Limited Liability Agreement with their auditors dated 4th February 2019. The auditors liability is limited to an amount which is considered fair and reasonable. This has been disclosed in line with company legislation.