

Registered number: 04905798

**MOLSON COMPACT EQUIPMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**



# **MOLSON COMPACT EQUIPMENT LIMITED**

## **COMPANY INFORMATION**

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### **DIRECTORS**

R Brown  
R Powell  
J Wilson

### **REGISTERED NUMBER**

04905798

### **REGISTERED OFFICE**

Snitterfield Road  
Bearley  
Stratford-Upon-Avon  
Warwickshire  
CV37 0TY

### **INDEPENDENT AUDITORS**

Bishop Fleming Bath Limited  
Chartered Accountants & Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

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## **MOLSON COMPACT EQUIPMENT LIMITED**

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## **MOLSON COMPACT EQUIPMENT LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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#### **INTRODUCTION**

The directors present their strategic report for the year ended 30 September 2019.

#### **BUSINESS REVIEW**

The principal activity of the company in the period under review was that of the sale and distribution of plant and machinery to the construction and quarrying industry. There have not been any significant changes in the company's principal activities in the period under review.

The financial key performance indicators below show that the company produced an excellent return on net assets for the shareholders.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company has adopted a process for the identification, assessment, treatment, monitoring and reporting of risk. The process helps support business objectives by linking into business strategy, identifying and reacting to emerging risks and developing cost effective solutions to risk exposures.

The principal risks and uncertainties facing the company are as follows:

- The level of activity in the building and construction sector of the economy;
- The cost of machinery and spare parts for resale which are affected by the price of raw materials, labour and exchange rate fluctuations;
- The risk of holding obsolete and slow moving stock, and;
- The cost of warranty claims arising from defective machinery.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

The Company uses a number of KPI's to monitor it's performance:

	Year ended 30 September 2019	Year ended 30 September 2018
Turnover	12.8m	18.2m
Operating Profit	0.6m	1.2m
Net Assets	8.0m	8.5m
Gross Profit Margin	13.1%	12.1%
Net Profit Before Tax Margin	4.7%	6.7%
Ratio Current Assets/Current Liabilities	3.2	3.1
Return on Net Assets After Tax	6.0%	11.3%

#### **HEALTH AND SAFETY**

The company recognises the importance and implications of the Health and Safety at Work Act 1974, the Environmental Protection Legislation and all new Health and Safety Legislation, including that being promulgated through EU directives. The company operates a series of health and safety, risk management programmes to ensure compliance throughout the company and to reduce the incidence of hazardous circumstances that might affect the health and safety of employees.

This report was approved by the board on 02/03/2020

and signed on its behalf.

  
**J Wilson**  
Director

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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The Directors present their report and the financial statements for the year ended 30 September 2019.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £468,087 (2018: £965,945).

During the year a dividend of £1,000,000 was recommended and paid (2018: £2,000,000).

#### **DIRECTOR**

The Directors who served during the year were:

R Brown  
R Powell  
J Wilson

#### **MATTERS COVERED IN THE STRATEGIC REPORT**

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic report to be prepared. Where mandatory disclosures in the Directors' report are considered by the directors to be of strategic importance, these have been included in the Strategic report rather than the Directors' report.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

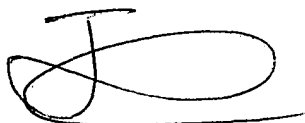
#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

#### **AUDITORS**

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



**J Wilson**  
Director

Date: 02/03/2020

Snitterfield Road  
Bearley  
Stratford-Upon-Avon  
Warwickshire  
CV37 0TY

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOLSON COMPACT EQUIPMENT LIMITED**

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#### **OPINION**

We have audited the financial statements of Molson Compact Equipment Limited (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 30 September 2019 and of its 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

#### **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 Auditors' 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.

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOLSON COMPACT EQUIPMENT LIMITED (CONTINUED)**

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We have nothing to report in this regard.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

#### **RESPONSIBILITIES OF DIRECTORS**

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

#### **AUDITORS' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.



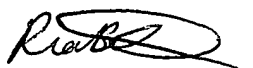
**MOLSON COMPACT EQUIPMENT LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOLSON COMPACT EQUIPMENT LIMITED (CONTINUED)**

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**USE OF OUR REPORT**

This report is made solely to the Company's shareholders 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders for our audit work, for this report, or for the opinions we have formed.



Ria Burrridge FCCA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date: 03/03/2020

**MOLSON COMPACT EQUIPMENT LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	12,884,962	18,242,498
Cost of sales		(11,458,904)	(16,037,826)
<b>GROSS PROFIT</b>		<b>1,426,058</b>	<b>2,204,672</b>
Administrative expenses		(824,304)	(994,395)
<b>OPERATING PROFIT</b>	5	<b>601,754</b>	<b>1,210,277</b>
Interest receivable and similar income		801	3,246
Interest payable and expenses	8	(388)	-
<b>PROFIT BEFORE TAX</b>		<b>602,167</b>	<b>1,213,523</b>
Tax on profit	9	(134,080)	(247,578)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>468,087</b>	<b>965,945</b>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 10 to 22 form part of these financial statements.

**MOLSON COMPACT EQUIPMENT LIMITED**  
**REGISTERED NUMBER:04905798**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	11	424,109	523,900
Tangible assets	12	90,714	64,509
		<u>514,823</u>	<u>588,409</u>
<b>CURRENT ASSETS</b>			
Stocks	13	4,067,256	2,169,826
Debtors: amounts falling due within one year	14	5,848,890	8,638,618
Cash at bank and in hand	15	1,121,097	833,094
		<u>11,037,243</u>	<u>11,641,538</u>
Creditors: amounts falling due within one year	16	(3,524,640)	(3,701,751)
<b>NET CURRENT ASSETS</b>		<u>7,512,603</u>	<u>7,939,787</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>8,027,426</u>	<u>8,528,196</u>
Creditors: amounts falling due after more than one year	17	(31,143)	-
<b>NET ASSETS</b>		<u><u>7,996,283</u></u>	<u><u>8,528,196</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	2,000,000	2,000,000
Profit and loss account	22	5,996,283	6,528,196
		<u><u>7,996,283</u></u>	<u><u>8,528,196</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**J Wilson**  
Director

Date: 02/03/2020

The notes on pages 10 to 22 form part of these financial statements.

**MOLSON COMPACT EQUIPMENT LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 October 2018	2,000,000	6,528,196	8,528,196
Profit for the year	-	468,087	468,087
Dividends: Equity capital	-	(1,000,000)	(1,000,000)
<b>AT 30 SEPTEMBER 2019</b>	<b>2,000,000</b>	<b>5,996,283</b>	<b>7,996,283</b>

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The notes on pages 10 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£
At 1 October 2017	2,000,000	7,562,251	9,562,251
Profit for the year	-	965,945	965,945
Dividends: Equity capital	-	(2,000,000)	(2,000,000)
<b>AT 30 SEPTEMBER 2018</b>	<b>2,000,000</b>	<b>6,528,196</b>	<b>8,528,196</b>

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The notes on pages 10 to 22 form part of these financial statements.

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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#### **1. GENERAL INFORMATION**

Molson Compact Equipment Limited is a limited liability company incorporated in England and Wales. The registered office is Snitterfield Road, Bearley, Stratford-Upon-Avon, Warwickshire, CV37 0TY.

#### **2. ACCOUNTING POLICIES**

##### **2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

The following principal accounting policies have been applied:

##### **2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

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

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

This information is included in the consolidated financial statements of Molson Group Limited as at 30 September 2019 and these financial statements may be obtained from Smoke Lane Industrial Estate, Avonmouth, Bristol BS11 0YA..

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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## **2. ACCOUNTING POLICIES (continued)**

### **2.3 FOREIGN CURRENCY TRANSLATION**

#### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

#### **Transactions and balances**

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

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

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

### **2.4 TURNOVER**

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

#### **Sale of goods**

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

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

### **2.5 OPERATING LEASES**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

### **2.6 FINANCE COSTS**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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## **2. ACCOUNTING POLICIES (continued)**

### **2.7 PENSIONS**

#### **DEFINED CONTRIBUTION PENSION PLAN**

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

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

### **2.8 CURRENT AND DEFERRED TAXATION**

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

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

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

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

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

### **2.9 INTANGIBLE ASSETS**

#### **GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

## **MOLSON COMPACT EQUIPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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## **2. ACCOUNTING POLICIES (continued)**

### **2.10 TANGIBLE FIXED ASSETS**

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 33% Straight Line
Office equipment	- 20% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

### **2.11 STOCKS**

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

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

### **2.12 DEBTORS**

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

### **2.13 CASH AND CASH EQUIVALENTS**

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

### **2.14 CREDITORS**

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

### **2.15 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.



## MOLSON COMPACT EQUIPMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. These items in the financial statements where these judgments and estimates have been made include:

##### **Goodwill and intangible assets**

Goodwill, as generated on previous business combinations, is capitalised and recognised as an intangible asset on the balance sheet and amortised on a straight line basis over the useful life. The Company establishes a reliable estimate of the useful life of the goodwill based on a variety of factors such as the expected use of the acquired company, the expected useful life of the cash generating units to which the asset is attributed and any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of a similar business.

##### **Debtor provision**

The Company recognises a provision against potential bad debts. Management consider the ageing profile and known concerns over recoverability when establishing this provision.

#### 4. TURNOVER

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	12,724,021	17,090,528
Rest of Europe	157,372	1,149,444
Rest of the world	3,569	2,526
	<u>12,884,962</u>	<u>18,242,498</u>

#### 5. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(37,420)	(226,126)
Other operating lease rentals	96,338	79,998
	<u>          </u>	<u>          </u>

**MOLSON COMPACT EQUIPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**6. EMPLOYEES**

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

	2019 £	2018 £
Wages and salaries	563,696	705,000
Social security costs	69,283	81,105
Cost of defined contribution scheme	19,482	35,374
	<u>652,461</u>	<u>821,479</u>

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

	2019 No.	2018 No.
Administration	16	19
Management	1	1
	<u>17</u>	<u>20</u>

**7. DIRECTORS' REMUNERATION**

	2019 £	2018 £
Directors' emoluments	-	75,135
	<u>-</u>	<u>75,135</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019 £	2018 £
Finance leases and hire purchase contracts	388	-
	<u>388</u>	<u>-</u>

**MOLSON COMPACT EQUIPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**9. TAXATION**

	2019 £	2018 £
<b>CORPORATION TAX</b>		
Current tax on profits for the year	131,073	248,243
<b>TOTAL CURRENT TAX</b>	<u>131,073</u>	<u>248,243</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences	2,690	(665)
Adjustments in respect of prior periods	317	-
<b>TOTAL DEFERRED TAX</b>	<u>3,007</u>	<u>(665)</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>134,080</u>	<u>247,578</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>602,167</u>	<u>1,213,523</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	114,412	230,569
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	471	625
Adjust closing deferred tax to average rate of 19%	1,752	1,662
Adjust opening deferred tax to average rate of 19%	(1,531)	(1,584)
Fixed asset differences	18,960	18,960
Other differences	16	(2,654)
<b>TOTAL TAX CHARGE FOR THE YEAR</b>	<u>134,080</u>	<u>247,578</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The 2016 budget on 16 March 2016 announced that the UK corporation tax rate will reduce to 17% by 2020.

**MOLSON COMPACT EQUIPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**10. DIVIDENDS**

	2019 £	2018 £
Dividends paid on equity capital	1,000,000	2,000,000
	<u>1,000,000</u>	<u>2,000,000</u>

**11. INTANGIBLE ASSETS**

	Goodwill £
<b>COST</b>	
At 1 October 2018	1,995,817
At 30 September 2019	<u>1,995,817</u>
<b>AMORTISATION</b>	
At 1 October 2018	1,471,917
Charge for the year	99,791
At 30 September 2019	<u>1,571,708</u>
<b>NET BOOK VALUE</b>	
At 30 September 2019	<u>424,109</u>
At 30 September 2018	<u>523,900</u>

**MOLSON COMPACT EQUIPMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**12. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Office equipment £	Total £
<b>COST OR VALUATION</b>			
At 1 October 2018	130,794	-	130,794
Additions	62,524	1,865	64,389
Disposals	(15,833)	-	(15,833)
At 30 September 2019	177,485	1,865	179,350
<b>DEPRECIATION</b>			
At 1 October 2018	66,285	-	66,285
Charge for the year on owned assets	36,368	233	36,601
Disposals	(14,250)	-	(14,250)
At 30 September 2019	88,403	233	88,636
<b>NET BOOK VALUE</b>			
At 30 September 2019	89,082	1,632	90,714
At 30 September 2018	64,509	-	64,509

**13. STOCKS**

	2019 £	2018 £
Finished goods and goods for resale	4,067,256	2,169,826
	4,067,256	2,169,826

Stock recognised in cost of sales during the year as an expense was £10,210,919 (2018: £15,797,477) .

**MOLSON COMPACT EQUIPMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019****14. DEBTORS**

	2019 £	2018 £
Trade debtors	1,067,009	1,554,636
Amounts owed by group undertakings	4,698,173	6,865,251
Other debtors	639	111,689
Prepayments and accrued income	72,746	93,047
Deferred taxation	10,323	13,995
	<u>5,848,890</u>	<u>8,638,618</u>

**15. CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash at bank and in hand	1,121,097	833,094
	<u>1,121,097</u>	<u>833,094</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019 £	2018 £
Trade creditors	2,968,520	3,315,528
Amounts owed to group undertakings	-	78,000
Corporation tax	64,901	72,738
Other taxation and social security	150,131	12,840
Obligations under finance lease and hire purchase contracts	16,988	-
Other creditors	6,646	-
Accruals and deferred income	317,454	222,645
	<u>3,524,640</u>	<u>3,701,751</u>

The hire purchase liability is secured over the corresponding assets.

**MOLSON COMPACT EQUIPMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019****17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	31,143	-
	<u>31,143</u>	<u>-</u>

The hire purchase liability is secured over the corresponding assets.

**18. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	16,988	-
Between 1-5 years	31,143	-
	<u>48,131</u>	<u>-</u>

**19. FINANCIAL INSTRUMENTS**

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	1,121,097	833,094
Financial assets that are debt instruments measured at amortised cost	5,765,714	8,423,222
	<u>6,886,811</u>	<u>9,256,316</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(3,292,620)</u>	<u>(3,616,173)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts owed by group.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, accruals and net obligations under finance leases and hire purchase contracts.

**MOLSON COMPACT EQUIPMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019****20. DEFERRED TAXATION**

	2019 £
At beginning of year	13,995
Charged to profit or loss	(3,672)
<b>AT END OF YEAR</b>	<b>10,323</b>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	9,637	8,930
Other short term timing differences	686	5,065
	<b>10,323</b>	<b>13,995</b>

**21. SHARE CAPITAL**

	2019 £	2018 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
2,000,000 (2018: 2,000,000) Ordinary shares of £1.00 each	<b>2,000,000</b>	<b>2,000,000</b>

**22. RESERVES****Profit and loss account**

The profit and loss account includes current and prior period retained profits and losses. All are considered distributable.

**23. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £19,482 (2018: £35,374).



## **MOLSON COMPACT EQUIPMENT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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#### **24. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	60,000
	<u>-</u>	<u>60,000</u>

#### **25. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the FRS102, Section 33 exemption not to disclose related party transactions and balances with wholly owned subsidiaries within the Molson Group Limited group.

	2019 £	2018 £
Sales to companies under common ownership	23,923	13,421
Amounts owed by companies under common ownership	2,649	192
	<u>23,923</u>	<u>13,421</u>

Key management personnel consist only of the directors, of which remuneration is disclosed in note 7.

#### **26. CONTROLLING PARTY**

Molson Compact Equipment Limited is a wholly owned subsidiary of Molson Group Limited, a company incorporated in the United Kingdom. There is no ultimate controlling party.