Brammer Vending Limited

Annual report and financial statements for the year ended 31 December 2018

Registered in England no. 8174367

Registered office:
Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE

Strategic Report

The directors present their Strategic Report on the Company for the year ended 31 December 2018.

Principal activities

The Company acts as a Group financing company, whose principal activity consists of the leasing of industrial vending machines to fellow group entities in the UK and in Europe.

Key performance indicators

Given the Company's function as a financing company, the directors consider that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Business review and future developments

The profit for the year is set out in the Statement of Comprehensive Income on page 6. The directors do not recommend the payment of a dividend for the year (2017: £nil).

Following a review of the profitability of the Invend programme in 2016, it was decided that the tangible fixed assets of the business should be fully written down. During 2017 and 2018, the Group ceased investment in further vending machines whilst focussing on improving the underlying profitability of the Invend programme across the Rubix Group.

With the appointment of a Rubix Group Vice President of Services in June 2019, levels of future investment and intercompany lease pricing will be determined in the coming months based on the success of the Invend programme across the Rubix Group. As such, the Board considers the current carrying value of Company tangible fixed assets to be appropriate, but will continue to assess this as the future strategy develops.

The Company continues to lease industrial vending machines to fellow group companies in order to maximise returns on the initial investment. Machines have been leased to fellow group entities in the UK, Germany, France, Spain, Netherlands, Czech Republic, Hungary, Nordics, Italy and Poland. At 31 December 2018, the total number of installed machines was 1,848 (31 December 2017: 1,809).

The Board does not envisage any major changes in the Company's activities in the foreseeable future.

Principal risks and uncertainties

The principal risks of the Company are integrated with the principal risks of the Group of which the Company is part and are not managed separately. Accordingly, the principal risks and uncertainties of Rubix Group Holdings Limited, which include those of the Company, are discussed in its Group Annual Report which does not form part of this report. Copies of this Group Annual Report can be obtained from the Company's registered office at Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE.

This process is considered to be effective given the size and nature of the risks and uncertainties involved but will be kept under review in the future should circumstances change.

Approved by the Board of Directors and signed on its behalf

Katherine Phillips
Director
27 September 2019

Directors' Report

The directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2018.

Results and future developments

The results for the financial year, including dividends, are shown in the Strategic Report on page 1 and in the Statement of Comprehensive Income on page 6.

The Board does not envisage any major changes in the Company's activities in the foreseeable future.

Directors

The directors during the year and up to the date of signing the financial statements were:

K Phillips	appointed 30 April 2019
G Gillon	appointed 16 May 2018
Y Saunier	appointed 16 May 2018
D Magrath	resigned 30 April 2019
P Hervieux	resigned 16 May 2018
A Scarratt	resigned 16 May 2018

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Rubix Group Holdings Limited. The directors have received a letter of support confirming that Rubix Group International Limited intends to support the Company for at least one year after these financial statements are signed.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Directors' report (continued)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Financial risk management

As the Company's activities are all intra-group, it has no direct exposure to external price, credit, liquidity and cash flow risks. As these risks are common to all entities in the group, the management of the risks is carried out and monitored by a central treasury function as described in the group's annual report.

Directors' and officers' liability insurance and indemnities

The Company has in place liability insurance cover for directors and officers of the Company which gives appropriate cover for any legal action brought against them. The Company has also provided an indemnity for its directors to the extent permitted by the law in respect of liabilities incurred as a result of their office. The indemnity would not provide any coverage to the extent that a director is proved to have acted fraudulently or dishonestly.

The indemnity provision was in force during the year and at the date of approval of these financial statements.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. Each director has taken all the steps that they ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

Katherine Phillips
Director
23 September 2019

Independent auditors' report to the members of Brammer Vending Limited

Report on the audit of the financial statements

Opinion

In our opinion, Brammer Vending Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Hazel Macnamara (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
27 September 2019

Statement of comprehensive income

For the year ended 31 December 2018

	Note	2018	2017
		£'000	£'000
Turnover	1	3,954	4,295
Operating expenses		(367)	(1,203)
Operating profit	2	3,587	3,092
*Adjusted operating profit**		3,587	4,062
Exceptional items	3	-	(970)
Operating profit	2	3,587	3,092
Interest payable to group undertakings		(449)	(646)
Profit before taxation		3,138	2,446
*Adjusted profit before taxation**		3,138	3,416
Exceptional items	3	-	(970)
Profit before taxation		3,138	2,446
Tax on profit	4	(164)	(328)
Profit and total comprehensive income for the financial year		2,974	2,118

**Adjusted operating profit and adjusted profit before taxation are before the impact of exceptional items, being the impairment of tangible fixed assets in the prior year.*

The statement of accounting policies and notes on pages 9 to 14 form an integral part of these financial statements.

The Company has no other comprehensive income in the year.

Statement of changes in equity

For the year ended 31 December 2018

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' deficit £'000
Balance at 1 January 2017	-	(12,349)	(12,349)
Profit and total comprehensive income for the financial year	-	2,118	2,118
At 31 December 2017	-	(10,231)	(10,231)
Profit and total comprehensive income for the financial year	-	2,974	2,974
At 31 December 2018	**-**	**(7,257)**	**(7,257)**

Balance sheet

As at 31 December 2018

	Note	2018 £'000	2017 £'000
Assets			
Non-current assets			
Tangible assets	5	-	-
		-	-
Current assets			
Debtors	6	-	74
Cash at bank and in hand		3	3
		3	77
Creditors : amounts falling due within one year	7	(7,260)	(10,199)
Net current liabilities		(7,257)	(10,122)
Deferred tax Liability	8	-	(109)
Net liabilities		(7,257)	(10,231)
Called up share capital	9	-	-
Profit and loss account		(7,257)	(10,231)
Total shareholders' deficit		(7,257)	(10,231)

The statement of accounting policies and notes on pages 9 to 14 form an integral part of these financial statemen

The financial statements on pages 6 to 14 were approved by the Board of Directors on 27 September 2019 and signed on its behalf by

K Phillips
Director

Brammer Vending Limited
Company number: 08174367

Accounting policies

General information

Brammer Vending Limited is a private company, limited by shares, incorporated and domiciled in the UK. Its registered office is Claverton Court, Claverton Road, Wythenshawe, Manchester, M23 9NE.

The principal activities are set out in the Strategic Report on page 1. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards.

The Company is a qualifying entity for the purposes of FRS 101. Note 13 gives details of the Company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained. FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

the following paragraphs of IAS 1, 'Presentation of financial statements'
-10(d) (statement of cash flows)
-16 (statement of compliance with all IFRS)
-111 (cash flow statement information)
-134-136 (capital management disclosures)

IFRS 7, 'Financial instruments: Disclosures'
IAS 7, 'Statement of cash flows'
IAS 8, 'Accounting policies, Changings in Accounting Estimates and Errors'
IAS 24 (paragraph 17), 'Related party disclosures' (key management compensation)
IAS 24, 'Related party disclosures' - the requirement to disclose related party transactions between two or more members of a group.

As the Group financial statements include the equivalent disclosures, the Company has taken the exemptions available under FRS 101 in respect of certain disclosures required by IFRS 13 Fair Value Measurement and disclosures required by IFRS 7 Financial Instrument Disclosures.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Rubix Group International Limited. The directors have received a letter of support confirming that Rubix Group International Limited, intends to support the Company for at least one year after these financial statements are signed.

Critical accounting estimates

The Company makes estimates and assumptions concerning the future. There are no areas involving a higher degree of judgement or complexity and there are no significant judgements or estimates in these financial statements that have a significant effect on the amounts recognised in these financial statements.

Accounting policies (continued)

Revenue recognition
Rental income from leased machines (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

Taxation
Current tax
Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax
Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Current or substantively enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

No deferred tax asset or liability is recognised in respect of temporary differences associated with investments in subsidiaries, branches, associates and joint ventures, where the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Exceptional items
Exceptional items are material items of income and expense which, in management's judgement, need to be disclosed separately by virtue of their size or incidence in order for the user to obtain a proper understanding of the Company's financial performance.

Debtors
Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the best estimate of the amount recoverable.

Creditors
Creditors are non-interest bearing and are stated at their nominal value.

Share capital and share premium
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the financial statements

1 Turnover

Turnover comprises charges to fellow group undertakings for the leasing of the Company's industrial vending machines.

2 Operating profit

Operating profit is stated after charging:

	2018 £'000	2017 £'000
Software costs	367	361
Other gains	-	(128)
Exceptional items (see note 3)	-	970

Audit fees are assumed by the parent company with no charge to subsidiary undertakings.

3 Exceptional items

Exceptional items relate to tangible fixed asset impairment in the prior year. Vending machine assets were fully impaired during the prior year (£748k).

In addition, Vending licence prepayments totalling £223k for the prior year were fully impaired.

The total impairment charge has been shown separately on the face of the statement of comprehensive income as a non-recurring cost.

4 Tax on profit

	2018 £'000	2017 £'000
Analysis of charge for the year:		
Current tax		
UK corporation tax on profit for the year at 19.00% (2017: 19.25%)	171	202
Adjustments in respect of prior periods	102	126
Total current tax charge	273	328
Deferred tax		
Adjustments in respect of prior periods	(109)	-
Impact of change in tax rate	-	-
Total deferred tax credit	(109)	-
Tax on profit	164	328

Notes to the financial statements (continued)

4 Tax on profit (continued)

Factors affecting the tax charge for the year

The effective tax rate for the year is lower (2017: lower) to the standard rate of corporation tax in the United Kingdom. The differences in the tax rate are explained below.

	2018	2017
	£'000	£'000
Profit before taxation	3,138	2,446
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	596	471
Effects of:		
Other adjustments	(425)	(269)
Deferred tax not recognised	-	-
Change in tax rate	-	-
Adjustments in respect of prior periods	(7)	126
Tax credit for year	164	328

There is no unprovided deferred tax asset at 31 December 2018 (31 December 2017: £nil).

The standard rate of corporation tax in the UK was reduced from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's profit chargeable to corporation tax for the year was taxed at the effective rate of 19% (2017: 19.25%).

HMRC have announced further reductions to the corporation tax rate to 17% from 1 April 2020. As a result, deferred tax balances have been re-stated to be measured at the average rate they are expected to reverse.

Notes to the financial statements (continued)

5 Tangible assets

	Equipment £'000
Cost	
At 1 January and 31 December 2018	15,811
Accumulated depreciation	
At 1 January and 31 December 2018	(15,811)
Net book value at 31 December 2018	-
Net book value at 31 December 2017	-

6 Debtors

	2018 £'000	2017 £'000
Prepayments and accrued income	-	74
	-	74

7 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Other creditors and accruals	120	120
Other taxes and social security	1	24
	121	144
Amounts owed to group undertakings	7,139	10,055
	7,260	10,199

Amounts owed to group undertakings are unsecured, carry interest at a variable rate linked to base rate and are repayable at any time.

8 Deferred tax liability

Deferred tax comprises:

	Accelerated capital allowances £'000	Total £'000
At 1 January 2018	(109)	(109)
Other movements	109	109
At 31 December 2018	-	-

Notes to the financial statements (continued)

9 Called up share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1 (2017: 1) ordinary share of £1 each	1	1

10 Related party transactions

The Company is exempt under FRS 101 from disclosing related party transactions with entities that are part of the same group, as these transactions are fully eliminated on consolidation.

There were no other related party transactions in the year.

11 Directors' emoluments

The emoluments of the directors are paid by other subsidiaries which make no recharge to the Company. As the directors are the directors of a number of fellow subsidiaries, it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries.

12 Employee information and auditors' remuneration

The Company had no employees in the current or prior year.

Auditors' remuneration for audit services in the current and prior year has been borne by Rubix Group International Limited, with no recharge to the Company.

13 Parent company and controlling party

The immediate parent company is Rubix International Limited. The smallest and largest group to consolidate these financial statements is Rubix Group Holdings Limited.

The ultimate parent company is AI Robin (Cayman) Limited.

The ultimate controlling party is Advent Funds GPE VIII.