

Moth Holdings Limited

Annual Report and Consolidated Financial Statements

for the Period from 20 December 2017 to 30 June 2018

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Moth Holdings Limited

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Moth Holdings Limited

Company Information

Director Mr Kevin Haynes

Registered office K D H House
Mill Field Road
Donington
Spalding
Lincolnshire
PE11 4UR

Auditors Bulley Davey Limited
Chartered Certified Accountants
1 - 4 London Road
Spalding
Lincolnshire
PE11 2TA

Moth Holdings Limited

Strategic Report for the period from 20 December 2017 to 30 June 2018

The director presents his strategic report for the period from 20 December 2017 to 30 June 2018.

Principal activity

The principal activity of the company is that of a holding company.

Fair review of the business

The company's key financial and other performance indicators during the period were as follows:

	Unit	2018
Turnover	£	6,174,737
Gross profit Margin	%	17

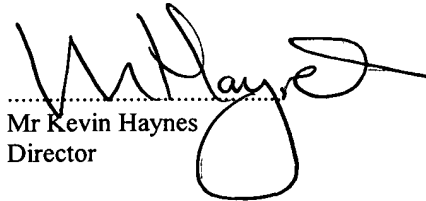
Principal risks and uncertainties

The principal risks and uncertainties facing the company are mainly due to the income which can fluctuate due to factors which are outside of the directors control. To help with this the company has many different customers so it is not dependent on one source of income.

Other factors are the prices of raw materials which could adversely affect the gross profit and the rising price of skilled labour due to a shortage.

The director regularly reviews what factors are affecting the business and subsequently new controls are put in place to try and minimise the risks if necessary.

Approved by the director on 21/01/2019 and signed on its behalf by:



Mr Kevin Haynes
Director

Moth Holdings Limited

Director's Report for the Period from 20 December 2017 to 30 June 2018

The director presents his report and the for the period from 20 December 2017 to 30 June 2018.

Incorporation

The company was incorporated on 20 November 2018.

Director of the group

The director who held office during the period was as follows:

Mr Kevin Haynes (appointed 20 December 2017)

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise of bank balances, bank overdrafts, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by ensuring that there is the facility available to meet all payments before they are made.

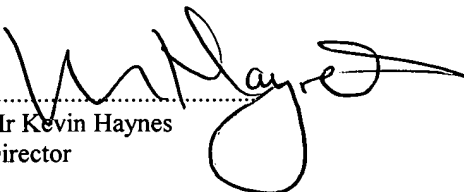
Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for bad debts.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Disclosure of information to the auditor

The director has taken steps that he 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 auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Approved by the director on 21/01/2019 and signed on its behalf by:


.....
Mr Kevin Haynes
Director

Moth Holdings Limited

Statement of Director's Responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Moth Holdings Limited

Independent Auditor's Report to the Members of Moth Holdings Limited

Opinion

We have audited the financial statements of Moth Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 20 December 2017 to 30 June 2018, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

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 30 June 2018 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 director is 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.

Moth Holdings Limited

Independent Auditor's Report to the Members of Moth Holdings Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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 Director's 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.

Responsibilities of the director

As explained more fully in the Statement of Director's Responsibilities [set out on page 4], the director is 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 director determines 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 director is 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 director either intends 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

Moth Holdings Limited

Independent Auditor's Report to the Members of Moth Holdings Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



.....
Peter Wright (Senior Statutory Auditor)

For and on behalf of Bulley Davey Limited, Statutory Auditor

1 - 4 London Road
Spalding
Lincolnshire
PE11 2TA

Date: 21st January 2019 .

Moth Holdings Limited

Consolidated Profit and Loss Account for the Period from 20 December 2017 to 30 June 2018

	Note	2018 £
Turnover	3	6,170,625
Cost of sales		<u>(5,107,196)</u>
Gross profit		1,063,429
Administrative expenses		(809,615)
Other operating income	4	<u>3,002,180</u>
Operating profit	6	<u>3,255,994</u>
Other interest receivable and similar income	7	138
Interest payable and similar expenses	8	<u>(9,934)</u>
		<u>(9,796)</u>
Profit before tax		3,246,198
Taxation	12	<u>(49,613)</u>
Profit for the financial period		<u><u>3,196,585</u></u>
Profit/(loss) attributable to:		
Owners of the company		3,179,182
Minority interests		<u>17,403</u>
		<u><u>3,196,585</u></u>

The above results were derived from continuing operations.

The group has no recognised gains or losses for the period other than the results above.

Moth Holdings Limited

Consolidated Statement of Comprehensive Income for the Period from 20 December 2017 to 30 June 2018

	2018
	£
Profit for the period	<u>3,196,585</u>
Total comprehensive income for the period	<u><u>3,196,585</u></u>
Total comprehensive income attributable to:	
Owners of the company	3,179,182
Minority interests	<u>17,403</u>
	<u><u>3,196,585</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Moth Holdings Limited

(Registration number: 11120476)

Consolidated Balance Sheet as at 30 June 2018

	Note	2018 £
Fixed assets		
Goodwill	13	4,934
Tangible assets	14	810,632
Current assets		
Stocks	16	164,464
Debtors	17	3,081,120
Cash at bank and in hand		<u>2,185,546</u>
		5,431,130
Creditors: Amounts falling due within one year	19	<u>(2,567,623)</u>
Net current assets		<u>2,863,507</u>
Total assets less current liabilities		3,679,073
Creditors: Amounts falling due after more than one year	19	(413,090)
Provisions for liabilities		<u>(65,429)</u>
Net assets		<u><u>3,200,554</u></u>
Capital and reserves		
Called up share capital		100
Profit and loss account	22	<u>3,179,182</u>
Equity attributable to owners of the company		3,179,282
Minority interests		<u>21,272</u>
Total equity		<u><u>3,200,554</u></u>

Approved and authorised by the director on 21/01/2019

Mr Kevin Haynes
Director

Moth Holdings Limited

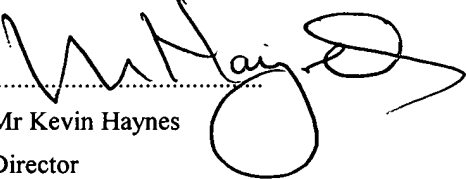
(Registration number: 11120476)

Balance Sheet as at 30 June 2018

	Note	2018 £
Fixed assets		
Investments	15	220
Current assets		
Debtors	17	<u>1,013,880</u>
Net assets		<u>1,014,100</u>
Capital and reserves		
Called up share capital		100
Profit and loss account		<u>1,014,000</u>
Total equity		<u>1,014,100</u>

The company made a profit after tax for the financial period of £1,014,000 (- loss of £-).

Approved and authorised by the director on 21/01/2019


.....
Mr Kevin Haynes
Director

Moth Holdings Limited

Consolidated Statement of Changes in Equity for the Period from 20 December 2017 to 30 June 2018

Equity attributable to the parent company

	Share capital £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
Profit for the period	-	3,179,182	3,179,182	17,403	3,196,585
Total comprehensive income	-	3,179,182	3,179,182	17,403	3,196,585
Dividends	-	-	-	(14,000)	(14,000)
New share capital subscribed	100	-	100	-	100
Acquisition of subsidiaries, increase/(decrease) in equity	-	-	-	17,869	17,869
At 30 June 2018	100	3,179,182	3,179,282	21,272	3,200,554

The notes on pages 16 to 28 form an integral part of these financial statements.

Moth Holdings Limited

Statement of Changes in Equity for the Period from 20 December 2017 to 30 June 2018

	Share capital £	Profit and loss account £	Total £
Profit for the period	-	1,014,000	1,014,000
Total comprehensive income	-	1,014,000	1,014,000
New share capital subscribed	100	-	100
At 30 June 2018	100	1,014,000	1,014,100

Moth Holdings Limited

Consolidated Statement of Cash Flows for the Period from 20 December 2017 to 30 June 2018

	Note	2018 £
Cash flows from operating activities		
Profit for the period		3,196,585
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	6	(2,921,657)
Profit on disposal of tangible assets	5	(3,813)
Finance income	7	(138)
Finance costs	8	9,934
Income tax expense	12	49,613
		<u>330,524</u>
Working capital adjustments		
Increase in stocks	16	(164,464)
Increase in trade debtors	17	(3,081,120)
Increase in trade creditors	19	2,323,888
		<u>(591,172)</u>
Cash generated from operations		(591,172)
Income taxes received	12	131,197
		<u>(459,975)</u>
Cash flows from investing activities		
Interest received		138
Acquisitions of tangible assets		(70,249)
Proceeds from sale of tangible assets		22,784
Acquisition of assets from business combinations		2,768,342
		<u>2,721,015</u>
Cash flows from financing activities		
Interest paid	8	(9,934)
Proceeds from issue of ordinary shares, net of issue costs		100
Repayment of bank borrowing		(7,013)
Payments to finance lease creditors		(44,647)
Dividends paid		(14,000)
		<u>(75,494)</u>
Net cash flows from financing activities		(75,494)
Net increase in cash and cash equivalents		2,185,546
Cash and cash equivalents at 20 December		<u>-</u>
Cash and cash equivalents at 30 June		<u><u>2,185,546</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Moth Holdings Limited

Statement of Cash Flows for the Period from 20 December 2017 to 30 June 2018

	Note	2018 £
Cash flows from operating activities		
Profit for the period		1,014,000
Adjustments to cash flows from non-cash items		
Finance income		<u>(1,014,000)</u>
		-
Working capital adjustments		
Increase in trade debtors	17	<u>(1,013,880)</u>
Net cash flow from operating activities		<u>(1,013,880)</u>
Cash flows from investing activities		
Acquisition of subsidiaries	15	(220)
Dividend income		<u>1,014,000</u>
Net cash flows from investing activities		1,013,780
Cash flows from financing activities		
Proceeds from issue of ordinary shares, net of issue costs		<u>100</u>
Net increase/(decrease) in cash and cash equivalents		-
Cash and cash equivalents at 20 December		<u>-</u>
Cash and cash equivalents at 30 June		<u><u>-</u></u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

1 General information

The company is a private company limited by share capital, incorporated in 20/12/17.

The address of its registered office is:

K D H House
Mill Field Road
Donington
Spalding
Lincolnshire
PE11 4UR
England

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2018.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Amounts recoverable on construction contracts are included in debtors and stated at cost plus attributable profit less any foreseeable losses. Payments received on account for contracts are deducted from amounts recoverable on contracts. Payments received in excess of amounts recoverable on contracts are included in creditors.

Tax

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

The current 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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	2% straight line and 40% reducing balance
Plant and machinery	40% reducing balance
Fixtures and fittings	3 years straight line
Motor vehicles	40% and 15% reducing balance
Garage equipment	25% reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Negative goodwill

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	3 years straight line
Negative Goodwill	1 year straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

3 Revenue

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

	2018 £
Sale of goods	5,777,554
Rendering of services	393,071
	<u>6,170,625</u>

4 Other operating income

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

	2018 £
Sub lease rental income	4,112
Miscellaneous other operating income	2,675
Amortisation of negative goodwill	2,995,393
	<u>3,002,180</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the period is as follows:

	2018 £
Gain (loss) on disposal of property, plant and equipment	<u>3,813</u>

6 Operating profit

Arrived at after charging/(crediting)

	2018 £
Depreciation expense	73,423
Amortisation expense	313
Operating lease expense - property	75,796
Operating lease expense - plant and machinery	268,063
Profit on disposal of property, plant and equipment	<u>(3,813)</u>

7 Other interest receivable and similar income

	2018 £
Interest income on bank deposits	115
Other finance income	23
	<u>138</u>

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

8 Interest payable and similar expenses

	2018 £
Interest on bank overdrafts and borrowings	4,524
Interest on obligations under finance leases and hire purchase contracts	5,214
Foreign exchange (gains) / losses	196
	<u>9,934</u>

9 Staff costs

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

	2018 £
Wages and salaries	1,073,505
Social security costs	109,971
Pension costs, defined contribution scheme	32,293
Other employee expense	13,599
	<u>1,229,368</u>

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

	2018 No.
Production	72
Administration and support	16
	<u>88</u>

10 Director's remuneration

The director's remuneration for the period was as follows:

	2018 £
Remuneration	7,946
Contributions paid to money purchase schemes	9,726
	<u>17,672</u>

During the period the number of directors who were receiving benefits and share incentives was as follows:

	2018 No.
Received or were entitled to receive shares under long term incentive schemes	<u>1</u>

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

11 Auditors' remuneration

	2018 £
Audit of these financial statements	3,900
Other fees to auditors	
All other non-audit services	7,054

12 Taxation

Tax charged/(credited) in the income statement

	2018 £
Current taxation	
UK corporation tax	44,098
Deferred taxation	
Arising from origination and reversal of timing differences	5,515
Tax expense in the income statement	49,613

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

The differences are reconciled below:

	2018 £
Profit before tax	3,246,198
Corporation tax at standard rate	616,778
Effect of expense not deductible in determining taxable profit (tax loss)	(568,855)
Tax increase from effect of capital allowances and depreciation	1,690
Total tax charge	49,613
Deferred tax	
Group	
Deferred tax assets and liabilities	
	Liability
	£
2018	
Deferred tax	65,429

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

13 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
Acquired through business combinations	5,246	5,246
At 30 June 2018	5,246	5,246
Amortisation		
Amortisation charge	312	312
At 30 June 2018	312	312
Carrying amount		
At 30 June 2018	4,934	4,934
Negative goodwill		
Changes arising from new business combinations		(2,995,392)
Recognised in profit or loss		2,995,392
At 30 June 2018		-

14 Tangible assets

Group

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation					
Additions	-	49,506	20,743	-	70,249
Acquired through business combinations	411,093	64,441	353,278	3,965	832,777
Disposals	-	-	(64,654)	-	(64,654)
At 30 June 2018	411,093	113,947	309,367	3,965	838,372
Depreciation					
Charge for the period	5,002	15,766	52,200	455	73,423
Eliminated on disposal	-	-	(45,683)	-	(45,683)
At 30 June 2018	5,002	15,766	6,517	455	27,740
Carrying amount					
At 30 June 2018	406,091	98,181	302,850	3,510	810,632

Included within the net book value of land and buildings above is £406,091 in respect of freehold land and buildings.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

15 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2018
Subsidiary undertakings			
KDH Projects Limited*	KDH House, Millfield Road, Donington, Spalding, Lincolnshire, PE11 4UR England and Wales	Ordinary share capital	100%
UK Kold Limited*	Stanmore Place Bic, Honeypot Lane, Stanmore, London, England, HA7 1BT	Ordinary share capital	50%
Hireforce Rentals Limited*	Unit 6, Mill Field Road, Donington, Spalding, Lincs, PE11 4UR England	Ordinary share capital	70%

* indicates direct investment of the company

Subsidiary undertakings

The principal activity of KDH Projects Limited is construction

The principal activity of UK Kold Limited is construction Its financial period end is 16 January.

The principal activity of Hireforce Rentals Limited is rental of commercial vehicles

Company

	2018 £
Investments in subsidiaries	<u>220</u>
Subsidiaries	£
Cost or valuation	
Additions	<u>220</u>
Provision	
Carrying amount	
At 30 June 2018	<u><u>220</u></u>

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2018
Subsidiary undertakings			
KDH Projects Limited	KDH House Millfield Road, Donington, Spalding, Lincolnshire, PE11 4UR England	Ordinary share capital	100%
UK Kold Limited	Stanmore Place Bic, Honeypot Lane, Stanmore, London, England, HA7 1BT England	Ordinary share capital	50%
Hireforce Rentals Limited	Unit 6 Mill Field Road, Donington, Spalding, Lincs, PE11 4UR England	Ordinary share capital	70%

The principal activity of KDH Projects Limited is construction

The principal activity of UK Kold Limited is construction

The principal activity of Hireforce Rentals Limited is hire of commercial vehicles

For the period ending 30 June 2018 the subsidiary Hireforce Rentals Limited was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

16 Stocks

	Group 2018 £	Company 2018 £
Other inventories	164,464	-

Group

The cost of stocks recognised as an expense in the period amounted to £2,386,450.

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

17 Debtors

	Note	Group 2018 £	Company 2018 £
Trade debtors		2,030,634	-
Amounts owed by related parties	25	-	1,006,950
Other debtors		235,233	6,930
Prepayments		41,744	-
Accrued income		18,000	-
Gross amount due from customers for contract work		<u>755,509</u>	<u>-</u>
		3,081,120	1,013,880
Less non-current portion		<u>(103,377)</u>	<u>-</u>
		<u>2,977,743</u>	<u>1,013,880</u>

18 Cash and cash equivalents

	Group 2018 £	Company 2018 £
Cash at bank	1,360,406	-
Short-term deposits	<u>825,140</u>	<u>-</u>
	<u>2,185,546</u>	<u>-</u>

19 Creditors

	Note	Group 2018 £	Company 2018 £
Due within one year			
Loans and borrowings	23	128,354	-
Trade creditors		1,633,680	-
Amounts due to related parties	25	39,025	-
Social security and other taxes		156,539	-
Other payables		56,100	-
Accruals		438,544	-
Income tax liability	12	<u>115,381</u>	<u>-</u>
		<u>2,567,623</u>	<u>-</u>
Due after one year			
Loans and borrowings	23	<u>413,090</u>	<u>-</u>

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £32,293.

21 Share capital

Allotted, called up and fully paid shares

	No.	2018 £
Ordinary share capital of £1 each	100	100

22 Reserves

Group

Share capital

Represents the nominal value of shares that have been issued.

Profit and loss account

Includes all current and prior period retained profits and losses inclusive of cumulative unrealised gains and losses for assets shown at fair value at the balance sheet date.

Non-controlling interests

Represents the value of reserves not attributable to the parent.

Company

Share capital

Represents the nominal value of shares that have been issued.

Profit and loss account

Includes all current and prior period retained profits and losses inclusive of cumulative unrealised gains and losses for assets shown at fair value at the balance sheet date.

23 Loans and borrowings

	Group 2018 £	Company 2018 £
Non-current loans and borrowings		
Bank borrowings	282,637	-
Finance lease liabilities	130,453	-
	<u>413,090</u>	<u>-</u>

Moth Holdings Limited

Notes to the Financial Statements for the Period from 20 December 2017 to 30 June 2018

	Group 2018 £	Company 2018 £
Current loans and borrowings		
Bank borrowings	16,900	-
Finance lease liabilities	111,454	-
	<u>128,354</u>	<u>-</u>

24 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2018 £
Not later than one year	111,453
Later than one year and not later than five years	130,453
	<u>241,906</u>

Operating leases

The total of future minimum lease payments is as follows:

	2018 £
Not later than one year	6,857
Later than one year and not later than five years	8,814
	<u>15,671</u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £2,643 .

25 Related party transactions

Group

Other transactions with directors

At the balance sheet date the amount owed the amount owed to the director was £32,195.

Summary of transactions with other related parties

Polydeck Resins Limited

(Common Director / Joint Control)

On the 25th June 2018 the group loaned £75,868 to Polydeck Resins Limited. At the balance sheet date the amount owed by Polydeck Resins was £75,868. This balance is included in other debtors.

26 Parent and ultimate parent undertaking

The ultimate controlling party is K D Haynes.