

# **M J Wilson Group Limited**

Registered number: 10786160

## **Annual report and financial statements**

**For the year ended 30 September 2020**

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**M J WILSON GROUP LIMITED**

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**COMPANY INFORMATION**

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**Directors**

D R Beveridge  
R J Jones (resigned 9 April 2020)  
I A Ritchie (resigned 26 November 2019)  
N Murray  
M J Cattell (appointed 30 January 2020)

**Registered number**

10786160

**Registered office**

Flotech House  
Stuart Road  
Bredbury  
Stockport  
SK6 2SR

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

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**M J WILSON GROUP LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Introduction**

The Directors present their Strategic Report for M J Wilson Group Limited ("the Company") for the year ended 30 September 2020.

**Business review**

The financial results for the year under review were below expectations due to difficult trading conditions resulting from the impact of the COVID pandemic, which has presented many challenges throughout the financial year. The health and wellbeing of our employees, alongside keeping the branches open, has been the key area of focus to ensure continued supply to many of the critical industries that we service.

The Directors have responded proactively throughout COVID which has positioned the group well going into the next financial year:

- A restructuring exercise was carried out in March 2020 to match our resources to our activity levels, returning the group to profitability from March 2020. The full benefit of the overhead reductions will not be realised until FY21. £479k has been charged to operating profit in relation to restructuring costs.
- The MRO group successfully completed a refinancing exercise in September 2020 creating additional liquidity of £0.9m.
- The product line offering has been expanded which delivered £1.5m of new revenue in the year to 30 September 2020.

Revenues were £0.4m down on the prior year (£15.3m FY20: £15.7m FY19) which has primarily been driven by the continued impact of the COVID pandemic. Several customers are experiencing regular production downtime caused by staff self-isolation issues, and have deferred significant capital projects into 2021 due to COVID restrictions and market uncertainty.

**Financial key performance indicators**

The Company has developed a range of KPI measures relevant to its needs and reports on them regularly. Relevant decisions and actions are taken based on the results which not only give actual performance but also give comparisons to previous periods and targets.

**Principal risks and uncertainties**

The spread of COVID over recent months has created substantial market uncertainty. The Company have adopted a coordinated and proactive response, ensuring that all branches remain open, providing critical components to many key industries (e.g. Healthcare, Energy, Food Manufacturing).

There is clearly a lot of continued uncertainty around the impact of the virus on the economy over the coming months. The Group has seen a reduction in demand driven by customer production downtime and the deferral of capital projects into 2021. Other possible effects are potential customer failure, changes in consumer behaviour, availability of materials; and longer term, potential downturn in production and manufacturing volumes.

In terms of mitigation, the group services many "key" industries and these are likely to remain resilient throughout the pandemic and has a diverse customer base across many end market sectors. The Group is strictly following local government and public health guidelines including social distancing measures at all sites. The Directors have performed a stress test on the business to confirm that it can continue to operate as a going concern. Further details are provided on page 11.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Principal risks and uncertainties (continued)**

Foreign Exchange Rates

The Company does not generally sell products or services in a foreign currency but does purchase certain products in Euros, US Dollars and Swiss Francs. Formal hedging contracts are not entered into due to the relatively low level of exposure.

Economic and Political Unrest

The Company mainly trades in the UK albeit purchases certain products from Europe and the US. It monitors political and economic developments in the areas with which it trades in order that it is able to take appropriate action should it be deemed necessary.

Changes in law, regulation or decisions by government bodies

There are a wide range of laws, regulations and government bodies that impact on the way the Company trades, but they are all reported, closely monitored and taken seriously throughout the Company, including at Director level.

Major failure of IT systems

The Company has recently invested in its IT systems and infrastructure and believes it has a robust, fit for purpose system that is regularly backed up and a contingency plan is in place for any unforeseen failures.

**Going concern**

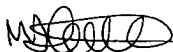
As a result of the market uncertainty due to the ongoing COVID-19 pandemic, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available credit facilities in a stressed scenario. Under all scenarios, the Directors are confident in the availability of sufficient headroom.

As at the date of this report, the Directors have reasonable expectation that the Company have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Impact of the United Kingdom leaving the European Union**

BREXIT has had a minimal impact on the Company during 2021 to date. We are reviewing and monitoring the impact of this on an ongoing basis.

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



**M J Cattell**  
Director

Date: Jun 23, 2021

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## **M J WILSON GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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The Directors present their report and the financial statements for the year ended 30 September 2020.

#### **Directors' responsibilities statement**

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 judgements 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.

#### **Principal activity**

The principal activities of the Company are the supply of process instrumentation, valves & controls, pipes, fittings, flanges, gaskets, stud-bolts, fastenings and engineering consumables to organisations across the UK, serving them from 5 strategic locations around the country.

M J Wilson Group Limited has distribution agreements with a range of leading brands in the sector and works closely with both the manufacturers and end users to ensure the most effective solution is delivered by our industry leading sales engineers.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £724,674 (2019 - profit £59,191).

#### **Directors**

The Directors who served during the year were:

D R Beveridge  
R J Jones (resigned 9 April 2020)  
I A Ritchie (resigned 26 November 2019)  
N Murray  
M J Cattell (appointed 30 January 2020)

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Matters covered in the Strategic Report**

The Company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out certain information in the Strategic Report as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, including future developments of the business and all risk management policies.

**Future developments**

The Directors monitor internal processes, procedures and controls in order to mitigate risk wherever possible and continue to invest in any areas highlighted as requiring improvement.

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.


**Director's indemnity**

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

**Auditor**

The auditor, Mazars LLP, 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.



**M J Cattell**  
Director

Date: Jun 23, 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M J WILSON GROUP LIMITED**

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**Opinion**

We have audited the financial statements of M J Wilson Group Limited (the 'Company') for the year ended 30 September 2020 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M J WILSON GROUP LIMITED**

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**Opinions 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 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 set out 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.

**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.

IA 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 auditor's report.

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**M J WILSON GROUP LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M J WILSON GROUP LIMITED**

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**Use of the audit report**

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.



Alistair Wesson (Jun 23, 2021 12:01 GMT+1)

Alistair Wesson (Senior Statutory Auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor ,  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: Jun 23, 2021

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**M J WILSON GROUP LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Note	2020 £	2019 £
Turnover	4	15,321,045	15,731,177
Cost of sales		(10,662,754)	(10,040,415)
<b>Gross profit</b>		<b>4,658,291</b>	<b>5,690,762</b>
Administrative expenses		(5,411,788)	(5,552,699)
<b>Operating (loss)/profit</b>	5	<b>(753,497)</b>	<b>138,063</b>
Interest payable and expenses	9	(123,056)	(58,100)
<b>(Loss)/profit before tax</b>		<b>(876,553)</b>	<b>79,963</b>
Taxation	10	151,879	(20,772)
<b>(Loss)/profit after tax</b>		<b>(724,674)</b>	<b>59,191</b>

There were no recognised gains and losses for 2020 other than those included in the profit and loss account.

There was no other comprehensive income for 2020.

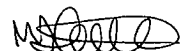
The notes on pages 11 to 28 form part of these financial statements.

**M J WILSON GROUP LIMITED**  
**REGISTERED NUMBER: 10786160**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	929,008	1,055,514
Tangible assets	12	520,033	620,598
Investments	13	1,301,816	1,301,816
		<u>2,750,857</u>	<u>2,977,928</u>
<b>Current assets</b>			
Stocks	14	924,457	858,264
Debtors: Amounts falling due after more than one year	15	37,017	-
Debtors: Amounts falling due within one year	15	2,461,500	3,013,518
Cash at bank and in hand	16	96,617	216,371
		<u>3,519,591</u>	<u>4,088,153</u>
Creditors: Amounts falling due within one year	17	(5,108,647)	(5,153,437)
<b>Net current liabilities</b>		<u>(1,589,056)</u>	<u>(1,065,284)</u>
<b>Total assets less current liabilities</b>		<u>1,161,801</u>	<u>1,912,644</u>
Creditors: Amounts falling due after more than one year	18	(1,478,996)	(1,483,063)
<b>Provisions for liabilities</b>			
Deferred tax	20	-	(22,102)
<b>Net (liabilities)/assets</b>		<u><u>(317,195)</u></u>	<u><u>407,479</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1	1
Profit and loss account	22	(317,196)	407,478
		<u><u>(317,195)</u></u>	<u><u>407,479</u></u>

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



**M J Cattell**  
Director

Date: Jun 23, 2021

The notes on pages 11 to 28 form part of these financial statements.

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**M J WILSON GROUP LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2019	1	407,478	407,479
<b>Comprehensive income for the year</b>			
Loss for the year	-	(724,674)	(724,674)
<b>Total comprehensive income for the year</b>	-	(724,674)	(724,674)
<b>At 30 September 2020</b>	<b>1</b>	<b>(317,196)</b>	<b>(317,195)</b>

**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>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2018	1	348,287	348,288
<b>Comprehensive income for the year</b>			
Profit for the year	-	59,191	59,191
<b>Total comprehensive income for the year</b>	-	59,191	59,191
<b>At 30 September 2019</b>	<b>1</b>	<b>407,478</b>	<b>407,479</b>

The notes on pages 11 to 28 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. General information**

M J Wilson Group Limited presents its financial statements for the year ended 30 September 2020.

The Company is a private company, limited by shares and is registered in England. The company registered number is 10786160 and its registered office address is Flotech House, Stuart Road, Bredbury, Stockport, SK6 2SR.

The presentation currency for the financial statements is Pounds Sterling (£) as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

The principal activity of the Company is that of a leading supplier of process instrumentation, valves & controls, pipe, fittings, flanges, gaskets, studbolts, fastenings & engineering.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

**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 judgement in applying the Company's accounting policies (see note 3).

**2.2 Going concern**

As a result of the market uncertainty due to the ongoing COVID-19 pandemic, the Directors have performed a detailed stress test to confirm that the business will be able to operate for at least the following 12 months. This involves assessing the headroom against available credit facilities in a stressed scenario. Under all scenarios, the Directors are confident in the availability of sufficient headroom.

As at the date of this report, the Directors have reasonable expectation that the Company have adequate resources to continue in business for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.3 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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MRO Plus Solutions Group Ltd as at 30 September 2020 and these financial statements may be obtained from Flotech House Stuart Road, Bredbury, Stockport, England SK6 2SR.

**2.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Sale of goods**

Turnover 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 turnover 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 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.6 Finance costs**

Finance costs are charged to profit or loss 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.

**2.7 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 profit and loss account over its useful economic life.

**Other intangible assets**

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.

**2.8 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:

Long-term leasehold property	-	20%	Straight line
Plant and machinery	-	10%	Straight line
Motor vehicles	-	20%	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 profit or loss.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.10 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 first in, first out basis.

At each balance sheet 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.

**2.11 Debtors**

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

**2.12 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.

**2.13 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen where applicable to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

**Financial assets - Classified as basic instruments**

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The category of financial assets held by the Company comprise of bank and cash balances, amounts owed by related parties and trade debtors.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each Balance Sheet date, they are subsequently measured at amortised cost, with interest income recognised to profit and loss using the effective interest method.

**Financial liabilities - Classified as basic instruments**

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. Financial liabilities held by the Company comprise of trade creditors, amounts owed to group undertakings finance leases and loans. Interest charges are recognised in profit and loss using the effective interest method. The only category of financial liability held by the Company is those measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.14 Creditors**

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

**2.15 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.16 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet 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 balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.18 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

**3. Significant management judgements and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

**Significant management judgements**

There are no management judgements in applying the accounting policies of the organisation that have had a significant effect on the amounts recognised in the financial statements.

**Estimation uncertainty**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

***Useful economic lives of intangible assets and tangible fixed assets***

The annual amortisation/depreciation charge for intangible/tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See Accounting Policy Note 2.7 and 2.8 for the useful economic lives for each class of assets.

***Impairment of debtors***

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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3. Judgements in applying accounting policies (continued)

**Stock provision**

Stock provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Stock provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

4. Turnover

The whole of the turnover is attributable to the sale of goods.

	2020 £	2019 £
United Kingdom	14,942,444	15,344,741
Rest of Europe	329,102	332,920
Rest of the world	49,499	53,516
	<u>15,321,045</u>	<u>15,731,177</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Exchange differences	19,829	31,480
Other operating lease rentals	378,021	342,943
Amortisation of intangible assets	126,506	126,558
Depreciation of tangible fixed assets	135,492	98,443
Loss on disposal on tangible fixed assets	1,819	-
Defined contribution pension cost	<u>134,753</u>	<u>123,477</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**6. Auditor's remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	28,750	21,630
<b>Fees payable to the Company's auditor in respect of:</b>		
Taxation compliance services	9,250	7,463
Preparation of financial statements	6,500	6,185
Corporate finance services	39,375	28,500
All other services	13,125	3,300
	<u>68,250</u>	<u>45,448</u>

**7. Employees**

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

	2020 £	2019 £
Wages and salaries	3,075,071	3,351,668
Social security costs	338,960	350,410
Cost of defined contribution scheme	134,753	123,477
	<u>3,548,784</u>	<u>3,825,555</u>

The average monthly number of employees, including Directors during the year was 83 (2019 - 76).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	343,618	149,165
Company contributions to defined contribution pension schemes	21,814	12,976
	<u>365,432</u>	<u>162,141</u>

During the year retirement benefits were accruing to 4 Directors (2019 - 2) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £105,850 (2019 - £109,945).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £8,663 (2019 - £11,015).

**9. Interest payable and similar expenses**

	2020 £	2019 £
Interest on invoice financing	111,784	50,219
Other loan interest	219	1,154
Finance leases	11,053	6,727
	<u>123,056</u>	<u>58,100</u>

**10. Taxation**

	2020 £	2019 £
<b>Total current tax</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(154,508)	35,155
Adjustments in respect of prior periods	26	(14,383)
Effect of tax rate change on opening balance	2,603	-
<b>Total deferred tax</b>	<u>(151,879)</u>	<u>20,772</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(151,879)</u>	<u>20,772</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**10. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	(876,553)	79,963
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(166,545)	15,193
<b>Effects of:</b>		
Expenses not deductible for tax purposes	319	63
Fixed asset differences	26,757	24,035
Adjustments to tax charge in respect of prior periods	26	(14,383)
Adjust closing deferred tax to average rate	2,603	(4,136)
Other differences leading to an increase in the tax charge	(15,039)	-
<b>Total tax charge for the year</b>	<b>(151,879)</b>	<b>20,772</b>

**Factors that may affect future tax charges**

The UK Government announced in the 2021 budget that from 1 April 2023, the rate of corporation tax in the United Kingdom will increase from 19% to 25%. Companies with profits of £50,000 or less will continue to be taxed at 19%, which is a new small profits rate. Where taxable profits are between £50,000 and £250,000, the higher 25% rate will apply but with a marginal relief applying as profits increase.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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11. Intangible assets

	Patents £	Goodwill £	Total £
<b>Cost</b>			
At 1 October 2019	1,520	1,265,058	1,266,578
At 30 September 2020	1,520	1,265,058	1,266,578
<b>Amortisation</b>			
At 1 October 2019	221	210,843	211,064
Charge for the year	30	126,476	126,506
At 30 September 2020	251	337,319	337,570
<b>Net book value</b>			
At 30 September 2020	1,269	927,739	929,008
At 30 September 2019	1,299	1,054,215	1,055,514



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**12. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 October 2019	138,208	193,169	241,787	155,467	728,631
Additions	20,595	3,644	43,860	-	68,099
Disposals	-	-	(58,674)	-	(58,674)
At 30 September 2020	158,803	196,813	226,973	155,467	738,056
<b>Depreciation</b>					
At 1 October 2019	13,044	40,071	38,358	16,560	108,033
Charge for the year	30,674	18,820	54,282	31,716	135,492
Disposals	-	-	(25,502)	-	(25,502)
At 30 September 2020	43,718	58,891	67,138	48,276	218,023
<b>Net book value</b>					
At 30 September 2020	115,085	137,922	159,835	107,191	520,033
At 30 September 2019	125,164	153,098	203,429	138,907	620,598

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	17,445	32,508
Motor vehicles	161,833	204,260
	179,278	236,768

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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13. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 October 2019	1,301,816
At 30 September 2020	<u>1,301,816</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Support Instrumentation Limited	Flotech House Stuart Road, Bredbury, Stockport, SK6 2SR	Ordinary	100%

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>924,457</u>	<u>858,264</u>

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**M J WILSON GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**15. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	37,017	-

Amounts owed by group undertakings are interest free and repayable 12 months and 1 day after the balance sheet date.

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	2,203,041	2,862,084
Other debtors	38,879	38,552
Prepayments and accrued income	89,803	112,882
Deferred taxation	129,777	-
	<u>2,461,500</u>	<u>3,013,518</u>

**16. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	96,617	216,371

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**M J WILSON GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Proceeds from invoice financing	1,358,759	1,935,601
Trade creditors	1,801,464	1,895,369
Other taxation and social security	794,258	374,405
Obligations under finance leases	67,094	32,361
Other creditors	59,258	107,794
Accruals and deferred income	1,027,814	807,907
	<u>5,108,647</u>	<u>5,153,437</u>

**Secured Loans**

The proceeds of invoice financing and finance leases are secured as follows:

In relation to the invoice discounting facility a fixed and floating charge covering all property and undertaking of the Company exists dated 24/09/2020.

Obligations under finance lease agreements are secured on the relevant assets.

**18. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Obligations under finance leases	59,953	156,776
Amounts owed to group undertakings	1,419,043	1,326,287
	<u>1,478,996</u>	<u>1,483,063</u>

The above amounts owed to group undertakings are interest free and repayable 12 months and 1 day after the balance sheet date.

**19. Finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	67,094	32,361
Between one and five years	59,953	156,776
	<u>127,047</u>	<u>189,137</u>

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**M J WILSON GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**20. Deferred taxation**

	2020 £	2019 £
At beginning of year	(22,102)	(1,330)
Charged to profit or loss	151,879	(20,772)
<b>At end of year</b>	<u>129,777</u>	<u>(22,102)</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Fixed asset timing differences	(46,450)	(43,814)
Short term timing differences	12,089	5,855
Losses and other deductions	<u>164,138</u>	<u>15,857</u>

**21. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

The share has attached to voting, dividend and capital distribution rights; the share does not confer any rights of redemption.

**22. Reserves****Profit and loss account**

The profit and loss account represents cumulative profits and losses of the Company.

**23. Contingent liabilities**

There is a cross guarantee and debenture for £27,700 between MRO Plus Solutions Midco Ltd, M J Wilson Group Limited, MRO+ Solutions Ltd, MRO Plus Solutions Group Ltd and Barclays Bank PLC dated 05/10/2018 securing a bank overdraft in Helix Tool Company Limited.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**24. Pension commitments**

The Company operates a defined contribution pension scheme, the assets of which are held separately from those of the Company in independently administered funds. The pension cost charge of £134,753 (2019 - £123,477) represents contributions payable by the company funds. Contributions totalling £20,355 (2019 - £17,888) were included within creditors at the period end and subsequently paid to the fund.

**25. Commitments under operating leases**

At 30 September 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	181,812	183,609
Later than 1 year and not later than 5 years	623,000	700,721
Later than 5 years	214,567	316,228
	<u>1,019,379</u>	<u>1,200,558</u>
	2020 £	2019 £
<b>Other leases</b>		
Not later than 1 year	40,915	27,597
Later than 1 year and not later than 5 years	2,781	119,589
	<u>43,696</u>	<u>147,186</u>

**26. Related party transactions**

M J Wilson Group Limited has taken the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned by MRO Plus Solutions Group Ltd.

The Key Management Personnel of the Company are deemed to be the Directors.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**27. Controlling party**

The immediate parent undertaking is MRO+ Solutions Ltd.

The Company's ultimate holding company is MRO Plus Solutions Group Ltd, a company incorporated within the United Kingdom, which is the smallest and largest group to consolidate these financial statements. Copies of the group financial statements can be obtained from their registered office at Flotech House Stuart Road, Bredbury, Stockport, England, SK6 2SR.

Funds advised by Cairngorm Capital Partners LLP have a majority shareholding in MRO Plus Solutions Group Ltd. Copies of the financial statements of Cairngorm Capital Partners LLP are available at their registered office at 3rd Floor, 22 Cross Keys Close, Marylebone, London, W1U 2DW.