

# Annual Report

## Majority Kingdom Investment Limited

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For the Year Ended 31 October 2019



Registered number: 08737149

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Company Information

<b>Directors</b>	Gina Beredo Raymond Leland Cushing Kathleen Kennedy
<b>Registered number</b>	08737149
<b>Company secretary</b>	Corporation Service Company (UK) Limited
<b>Registered office</b>	25 Canada Square, Level 37 London E14 5LQ
<b>Independent auditor</b>	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

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**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Strategic Report

For the Year Ended 31 October 2019

### Introduction

The directors present their strategic report for the period 1 November 2018 to 31 October 2019.

The principal activity of the company is that of an intermediate holding company, its strategy is to hold investments in and raise debt for its subsidiary undertakings.

### Business review

The company made a profit before tax of €91,344,666 (2018: €121,487,050) primarily from dividend income received from its subsidiary undertakings.

The results for the period and the company's financial position at the end of the period are in line with the directors' expectations.

### Principal risks and uncertainties

The company is an intermediate holding company within the wider Nordson Corporation group, and as such is not directly impacted by the Covid-19 pandemic. The trading entities in which it ultimately invests are impacted by the pandemic, but the directors have noted the scale and breadth of the Nordson Corporation group (in terms of the end markets and geographies that it serves) and its resilient trading during the pandemic period.

The principal risks and uncertainties facing the company are listed within Note 15 to the financial statements.

Overall, the directors are pleased with the performance of the company's subsidiaries and the underlying trading entities.

This report was approved by the board on **22** July and signed on its behalf.

*Kathleen M. Kennedy*

**Katheen Kennedy**

Director

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Directors' Report

For the Year Ended 31 October 2019

The directors present their report and the financial statements for the year ended 31 October 2019.

### **Directors' responsibilities statement**

The directors are responsible for preparing 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

### **Results and dividends**

The profit for the year, after taxation, amounted to €91,211,614 (2018: €121,333,403).

Dividends of €98,000,000 (2018: €128,000,000) were paid on ordinary shares during the year.

### **Directors**

The directors who served during the year were:

Gina Beredo  
Raymond Leland Cushing  
Kathleen Kennedy

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Directors' Report

For the Year Ended 31 October 2019

### **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.

### **Auditor**

The auditors, UHY Hacker Young LLP, were appointed and will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the board on **22** July and signed on its behalf.

*Kathleen M. Kennedy*

**Kathleen Kennedy**

Director

## **Independent Auditor's Report to the Members of Majority Kingdom Investment Limited**

### **Opinion**

We have audited the financial statements of Majority Kingdom Investment Limited for the year ended 31 October 2019, which comprise the Statement of comprehensive income, the Statement of Financial Position, the Statement of Changes in Equity, and the related 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 company's affairs as at 31 October 2019 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, 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.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditor's Report to the Members of Majority Kingdom Investment Limited

Key audit matter	How the matter was addressed during the audit
<p><b>Valuation of investments in subsidiaries</b></p> <p>The company has investments in subsidiaries of €468m for the current and prior year. This is one of the largest item in the financial statements as at the year ended 31 October 2019.</p> <p>Management assessment of the carrying value and impairment of the investment involves significant judgements and assumptions such as rate of discounts, timing and extent of future cash flows, as a result, increases the risk that this balance may be materially misstated.</p> <p>We therefore identify the valuation of investments in subsidiaries as a key audit matter.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>Assessing the company's accounting policy on impairment of investments in subsidiaries for consistency of application and for appropriateness in respect to the requirements of Financial Reporting Standard 102;</li> <li>Critically evaluating management's formal review incorporating its assessment of potential for impairment so as to determine the adequacy of the indicators used;</li> <li>Evaluating the reasonableness of the underlying judgements and assumptions within management's impairment review regarding the future growth of the revenues and profits of the subsidiaries;</li> <li>Agreeing the information used in the impairment analysis to appropriate supporting documentation (being information comprising external factors such as GDP growth rate, unemployment rate of the countries in which the subsidiaries operate in and internal factors such as performance of segments against the whole Nordson Corporation (ultimate parent company)) and the overall market capitalisation of Nordson Corporation.</li> </ul> <p><b>Key observations</b></p> <p>We concluded that management has completed a sufficiently robust assessment of external and internal factors that indicated that there was no requirement to impair the value of investments held as at the year end. As a result, this balance is considered to be recoverable.</p>



## Independent Auditor's Report to the Members of Majority Kingdom Investment Limited

<p><b>Management override of controls</b></p> <p>Intrinsically, there is always a risk of material misstatement due to fraud as a result of possible management override of internal controls.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Reviewing the nominal ledger accounts and journals to identify any unusual or exceptional transactions. We investigated and tested a sample of items to ensure amounts paid during the year related to business expenses and that transactions were appropriate.</li> <li>• We reviewed and enquired into the accounting systems, processes, controls and segregation of duties that existed in the company. We also evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.</li> </ul> <p><b>Key observations</b></p> <p>Our audit work did not indicate any instances of management override of controls occurring in the financial statements.</p>
<p><b>Revenue Recognition</b></p> <p>Auditing standards require that revenue recognition is considered a significant risk unless it may be appropriately rebutted.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> <li>• Assessing whether dividends received were appropriately recognised and received.</li> </ul> <p><b>Key observations</b></p> <p>We have not found any issues or errors involving investment income and are therefore satisfied we have assurance over income recognition and its treatment.</p>

### Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of misstatements on our audit and on the financial statements. We define financial statement materiality as the magnitude by which misstatements, including omission, could influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level of the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

## Independent Auditor's Report to the Members of Majority Kingdom Investment Limited

### **Our application of materiality (continued)**

We determine materiality for the financial statements as a whole to be €3,220,000. In determining this we based our assessment on the net assets of the company. This benchmark is considered to be the most appropriate because the assets of the company comprise almost entirely of investments in its subsidiaries. On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, being €2,415,000.

We also determine a lower level of performance materiality for related party transactions of €1,000.

We determined the threshold at which we will communicate misstatements to the Audit Committee to be €161,000. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

### **An overview of the scope of our audit**

The audit approach we took was based on the assessed risks and our understanding of the business and its operations, this involved:

- evaluating the company's internal control environment, including documentation of relevant processes and assessment of design effectiveness of controls pertaining to the Key Audit Matters discussed above in the Key Audit Matters section;
- testing performed on over 99% of the company's total assets and 99% of its total expenditure; and
- our audit approach was fully substantive in nature, undertaking substantive testing on significant transactions, balances and disclosures. This is consistent with that for the prior year.

### **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 of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Independent Auditor's Report to the Members of Majority Kingdom Investment Limited

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

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditors/audit-assurance](http://www.frc.org.uk/auditors/audit-assurance). This description forms part of our auditor's report.

# Independent Auditor's Report to the Members of Majority Kingdom Investment Limited

## **Other matters which we are required to address**

We were appointed by Majority Kingdom Investment Limited in 2019. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

## **Use of our report**

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



**Martin Jones (Senior Statutory Auditor)**  
**For and on behalf of**  
**UHY Hacker Young**  
Chartered Accountants  
Statutory Auditor

Quadrant House  
4 Thomas More Square  
London, E1W 1YW

23 July 2020

## Statement of Comprehensive Income

For the Year Ended 31 October 2019

	Note	2019 €	2018 €
Administrative expenses		(38,220)	(24,976)
<b>Operating loss</b>	<b>4</b>	<b>(38,220)</b>	<b>(24,976)</b>
Income from fixed asset investments	10	97,900,000	128,000,000
Interest receivable and similar income	6	30,046	1,939
Interest payable and expenses	7	(6,547,160)	(6,489,913)
<b>Profit on ordinary activities before taxation</b>		<b>91,344,666</b>	<b>121,487,050</b>
Tax on Profit on ordinary activities	9	(133,052)	(153,647)
<b>Profit for the financial year</b>		<b><u>91,211,614</u></b>	<b><u>(121,333,403)</u></b>

All amounts relate to continuing operations

There was no other Comprehensive Income for 2019.

The notes on pages 13 to 24 form part of these financial statements.

**Majority Kingdom Investment Limited**  
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## Statement of Financial Position

For the Year Ended 31 October 2019

	Note	2019 €	2018 €
<b>Fixed assets</b>			
Investments	10	467,824,116	467,824,116
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	11	7,028,076	85,016,635
Cash at bank and in hand	12	59,570	14,201
		<u>7,087,646</u>	<u>85,030,836</u>
Creditors: amounts falling due within one year	13	(14,917,191)	(223,450,224)
<b>Net current liabilities</b>		<b>(7,829,545)</b>	<b>(138,419,388)</b>
<b>Total assets less current liabilities</b>		<b>459,994,571</b>	<b>329,404,728</b>
Creditors: amounts falling due after more than one year	14	(137,378,229)	-
<b>Net assets</b>		<b><u>322,626,342</u></b>	<b><u>329,404,728</u></b>
<b>Capital and reserves</b>			
Called up share capital	17	4	4
Share premium account	18	55,678,850	55,678,850
Profit and loss account	18	266,937,488	273,725,874
		<u>322,616,342</u>	<u>329,404,728</u>

The notes on pages 13 to 24 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **22** July 2020.

*Kathleen M. Kennedy*

**Kathleen Kennedy**

Director

## Statement of Changes in Equity

For the Year Ended 31 October 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 November 2018	4	55,678,850	273,725,874	329,404,728
<b>Comprehensive profit for the year</b>				
Profit for the year	-	-	91,211,614	91,211,614
<b>Total comprehensive profit for the year</b>	-	-	91,211,614	91,211,614
Dividends: Equity capital	-	-	(98,000,000)	(98,000,000)
<b>Total transactions with owners</b>	-	-	(98,000,000)	(98,000,000)
<b>At 31 October 2019</b>	<b>4</b>	<b>55,678,850</b>	<b>266,937,488</b>	<b>322,616,342</b>

	Called up share capital	Share premium account	Profit and loss account	Total equity
	€	€	€	€
At 1 November 2017	4	55,678,850	280,392,471	336,071,325
<b>Comprehensive loss for the year</b>				
Profit for the year	-	-	121,333,403	121,333,403
<b>Total comprehensive loss for the year</b>	-	-	121,333,403	121,333,403
Dividends: Equity capital	-	-	(128,000,000)	(128,000,000)
<b>Total transactions with owners</b>	-	-	(128,000,000)	(128,000,000)
<b>At 31 October 2018</b>	<b>4</b>	<b>55,678,850</b>	<b>273,725,874</b>	<b>329,404,728</b>

The notes on pages 13 to 24 form part of these financial statements.

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### **1. General information**

Majority Kingdom Investment Limited is a private company limited by shares and is incorporated in England. The registered office is 25 Canada Square, Level 37, London, E14 5LQ.

The company's loan notes are quoted on The International Stock Exchange (TISE).

### **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 (FRS 102), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (UK GAAP) 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).

The company has claimed an exemption not to prepare a cash flow statement as consolidated financial statements are prepared by its ultimate parent company, Nordson Corporation Inc.

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006. The consolidated financial statements are publicly available at 28601 Clemens Road, Westlake, Ohio, 44145, USA.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. In reaching that conclusion, the directors have considered the potential impacts of the Covid-19 pandemic and its impact on the company, the companies in which it invests, and the performance and position of the wider Nordson Corporation group. As noted in the strategic report, the company is an intermediate holding company within the wider Nordson Corporation group, and as such is not directly impacted by the Covid-19 pandemic. The trading entities in which it ultimately invests are impacted by the pandemic, but the directors have noted the scale and breadth of the Nordson Corporation group (in terms of the end markets and geographies that it serves) and its resilient trading during the pandemic period. The directors have taken into account that performance and the resources available to Nordson Corporation to support the company if required. On that basis, the directors have concluded that the company is a going concern, and have therefore continued to prepare the financial statements on a going concern basis.

#### **2.3 Valuation of investments**

Investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the Statement of comprehensive income.



## Notes to the Financial Statements

For the Year Ended 31 October 2019

### **2. Accounting policies (continued)**

#### **2.4 Debtors**

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

#### **2.5 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.

#### **2.6 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, as the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive from the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### **2. Accounting policies (continued)**

#### **2.7 Creditors**

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

#### **2.8 Foreign currency translation**

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

The Company's functional and presentational currency is Euros.

##### **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 items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

All foreign exchange gains and losses are presented in the Statement of comprehensive income within administrative expenses.

#### **2.9 Finance costs**

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

#### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.11 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 2. Accounting policies (continued)

#### 2.12 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Tax is recognised in the Statement of comprehensive income for amounts payable or receivable on the company's share of profits or losses arising on the limited partnership in Germany, Nordson Germania Ltd & Co. KG, Erkrath.

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.

#### 2.13 Loan notes

All borrowings are initially stated at fair value of the consideration received after deduction of issue costs. The interest payable on borrowings is charged to the Statement of comprehensive income over the term of the loan.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported in assets and liabilities as at the balance sheet date and the amounts are reported for revenues and expenses during the year.

The directors make an annual assessment on whether there are any indicators of impairment of the investment in groups undertakings to determine whether the investments have been impaired.

There are no other key judgements or estimates made by management in the preparation of these financial statements (and related areas of estimation uncertainty).

### 4. Operating loss

The operating loss is stated after charging:

	2019	2018
	€	€
Auditor's remuneration	19,415	13,544
Exchange differences	10,871	(679)
	<u>30,286</u>	<u>12,865</u>

During the year, no director received any emoluments (2018 - €NIL).

Majority Kingdom Investment Limited  
Registered number:08737149

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 5. Auditor's remuneration

	2019	2018
	€	€
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>19,415</u>	<u>13,544</u>

### 6. Interest receivable and similar income

	2019	2018
	€	€
Interest receivable from group companies	<u>30,046</u>	<u>1,939</u>
	<u>30,046</u>	<u>1,939</u>

### 7. Interest payable and expenses

	2019	2018
	€	€
Interest payable to group companies	<u>(6,547,160)</u>	<u>(6,489,913)</u>
	<u>(6,547,160)</u>	<u>(6,489,913)</u>

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 8. Dividends

	2019	2018
	€	€
Equity dividends on ordinary shares paid during the year	(98,000,000)	(128,000,000)
	<u>(98,000,000)</u>	<u>(128,000,000)</u>

Ordinary dividends of €24,500,000 per share were paid in the year in respect of the year ended 31 October 2019.

### 9. Taxation

	2019	2018
	€	€
<b>Corporation tax</b>		
Current tax on profit for the year	151,526	153,647
Adjustments in respect of prior years	(18,474)	-
	<u>133,052</u>	<u>153,647</u>
<b>Total current tax</b>	<u>133,052</u>	<u>153,647</u>
<b>Taxation on profit on ordinary activities</b>	<u>133,052</u>	<u>153,647</u>

#### Factors affecting tax charge for the year

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

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 9. Taxation (continued)

	2019	2018
	€	€
Profit on ordinary activities before tax	<u>91,344,666</u>	<u>121,487,050</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	17,355,487	23,082,540
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	21
Group income not taxable	(18,601,000)	(24,320,000)
Tax on profit share of Nordson Germania Ltd & Co. KG, Erkrath	1,396,458	1,391,819
Foreign exchange differences	(17,893)	(733)
<b>Total tax charge for the year</b>	<u>133,052</u>	<u>153,647</u>

### 10. Fixed asset investments

	Unlisted investments €
At 1 November 2018	<u>467,824,116</u>
At 31 October 2019	<u>467,824,116</u>
<b>Net book value</b>	
At 31 October 2018	<u>467,824,116</u>
At 31 October 2019	
At 31 October 2019	<u>467,824,116</u>

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 10. Fixed asset investments (continued)

The company holds a 100% investment in the ordinary shares of Minority Kingdom Investment Limited. The company holds a 95% investment in the limited partnership of Nordson Germania Ltd & Co. KG, Erkrath.

The aggregate of the share capital and reserves as at 31 October 2019 and of the profit or loss for the period for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves	Profit
	€	€
Minority Kingdom Investment Limited	22,960,458	4,811,724
Nordson Germania Ltd & Co. KG, Erkrath	<u>363,080,443</u>	<u>7,736,611</u>

The investments are stated at cost and no indicators of impairment were noted during the year.

During the year the company received dividend income of €97,000,000 (2018: €128,000,000) from its subsidiaries.

### 11. Debtors

	2019	2018
	€	€
Due after more than one year - amounts owed by group undertakings	7,015,003	85,016,635
Other debtors	13,073	-
	<u>7,028,076</u>	<u>85,016,635</u>

### 12. Cash and cash equivalents

	2019	2018
	€	€
Cash at bank and in hand	59,570	14,201
	<u>59,570</u>	<u>14,201</u>

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 13. Creditors: Amounts falling due within one year

	2019	2018
	€	€
Amounts owed to group undertakings	(14,823,866)	(223,176,644)
Corporation tax	(73,910)	(237,206)
Other accruals	(19,415)	(19,572)
Other creditors	-	(16,802)
	<u>(14,917,191)</u>	<u>(223,450,224)</u>

### 14. Creditors: Amounts falling due after more than one year

	2019	2018
	€	€
Amounts owed to group undertakings – due between two and five years	(137,378,229)	-
	<u>(137,378,229)</u>	<u>-</u>

Amounts owed to group undertakings – due between two and five years represent loan notes which are quoted on The International Stock Exchange. The loan notes are held by an entity within the Nordson Corporation group.

### 15. Financial risk management

#### Credit risk

The company considers its exposure to credit risk to be minimal as its receivables are amounts due from Nordson group companies. Nordson Corporation Inc has sufficient cash reserves to support its subsidiaries.

#### Interest rate risk

Any period of interest rate increases may adversely affect profitability as the company has interest bearing loans payable to Nordson group companies.



## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 15. Financial risk management (continued)

#### Inflation rate risk

The company does not consider itself to have a material exposure to inflation rate changes as only minimal costs are subject to inflationary factors.

#### Liquidity risk

The company does not consider itself to have an exposure to liquidity problems. The ultimate parent company, Nordson Corporation Inc undertakes to provide any funding necessary to enable the company to settle any liabilities should the need arise.

#### Capital risk management

Any impairment in the value of the company's investments would adversely affect profitability. This could arise if the future operating performance of the investments were to fall significantly below current levels.

#### Foreign currency risk

The company is exposed to currency exchange rate risk due to a significant proportion of its loans being denominated in non-Euro currencies. However any exposure is monitored and managed centrally by Nordson Corporation's Treasury Department.

### 16. Financial instruments

	2019	2018
	€	€
<b>Financial assets</b>		
Financial assets measured at amortised cost	7,075,595	85,030,835
	<u>7,075,595</u>	<u>85,030,835</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(152,201,549)	(223,176,645)
	<u>(152,201,549)</u>	<u>(223,176,645)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other creditors and amounts owed to group undertakings.

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### 16. Financial instruments (continued)

The company has one class of share which carry full voting rights.

### 17. Share capital

	2019	2018
	€	€
Shares classified as equity		
Allotted, called up and fully paid		
4 - Ordinary shares of €1 each	<u>4</u>	<u>4</u>

### 18. Reserves

#### Share premium account

Share premium account represents the excess of the issue price of shares over par value.

#### Profit and loss account

Profit and loss includes all current and prior period retained profits and losses.

### 19. Related party transactions

The company is a wholly owned subsidiary of a parent undertaking. As the company is included in the parent undertaking's group financial statements, the company has taken advantage of the exemption to not disclose transactions with members or investors within the group under section 33.5 of FRS 102.

### 20. Controlling party

The ultimate parent undertaking and controlling party of this company is Nordson Corporation Inc., a company incorporated in the United States of America. The smallest and largest group, of which Majority Kingdom Investment Limited is a member, and for which group financial statements are prepared is Nordson Corporation Inc. Copies of the consolidated financial statements can be obtained from 28601 Clemens Road, Westlake, Ohio, 44145, United States of America.

**Majority Kingdom Investment Limited**  
**Registered number:08737149**

## Notes to the Financial Statements

For the Year Ended 31 October 2019

### **21. Post balance sheet events**

Since the balance sheet date, the COVID-19 pandemic has spread across the world. This is considered a non-adjusting post balance sheet event and the impact of COVID-19 will be reported in the FY20 financial statements. Further details of the COVID-19 effects on the company and on the directors' assessment of going concern are included in note 2 of these financial statements.

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