

**CAVITECH SOLUTIONS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



# CAVITECH SOLUTIONS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M P Robinson C D Smith S Scott
<b>Company number</b>	02566839
<b>Registered office</b>	CorpAcq House 1 Goose Green Altrincham Cheshire WA14 1DW
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP No. 1 Spinningfields Hardman Square Manchester M3 3EB
<b>Business address</b>	Dorset Avenue Cleveleys Lancashire FY5 2DB
<b>Bankers</b>	Barclays Bank Plc Leicester LE87 2BB  Bank of Scotland Douglas House 117 Foregate Street Chester CH1 1HE

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# CAVITECH SOLUTIONS LIMITED

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# CAVITECH SOLUTIONS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

### **Principal activities**

The principal activity of the company continued to be the design and manufacture of mould tools for the plastics industry.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

M P Robinson  
C D Smith  
S Scott

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the board



C D Smith  
**Director**

18th June 2019

# CAVITECH SOLUTIONS LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

# CAVITECH SOLUTIONS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVITECH SOLUTIONS LIMITED

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#### Report on the audit of the financial statements

##### Opinion

In our opinion, Cavitech Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

##### Basis for opinion

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

##### *Independence*

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

##### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

##### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

# CAVITECH SOLUTIONS LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVITECH SOLUTIONS LIMITED (CONTINUED)

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

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

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

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

##### *Use of this report*

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

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.

# CAVITECH SOLUTIONS LIMITED

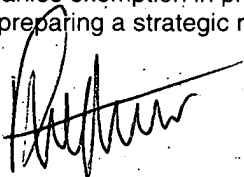
## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF CAVITECH SOLUTIONS LIMITED (CONTINUED)

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#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Philip Storer (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

19 June 2019



# CAVITECH SOLUTIONS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

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	Note	2018 £	2017 £
Turnover		7,068,839	6,071,650
Cost of sales		<u>(3,914,044)</u>	<u>(3,378,334)</u>
<b>Gross profit</b>		3,154,795	2,693,316
Distribution costs		(16,993)	(19,820)
Administrative expenses		<u>(2,005,238)</u>	<u>(1,650,846)</u>
<b>Operating profit</b>	3	1,132,564	1,022,650
Interest receivable and similar income		543	14
Interest payable and similar expenses		<u>(35,039)</u>	<u>(73,401)</u>
<b>Profit before taxation</b>		1,098,068	949,263
Taxation	5	<u>(213,156)</u>	<u>(187,648)</u>
<b>Profit for the financial year</b>		<u><u>884,912</u></u>	<u><u>761,615</u></u>

# CAVITECH SOLUTIONS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		2,616,409		2,098,398
<b>Current assets</b>					
Stocks		833,734		202,691	
Debtors	7	8,041,476		6,876,116	
Cash at bank and in hand		3,658,182		1,150,031	
		<u>12,533,392</u>		<u>8,228,838</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(5,945,219)</u>		<u>(2,062,146)</u>	
<b>Net current assets</b>			<u>6,588,173</u>		<u>6,166,692</u>
<b>Total assets less current liabilities</b>			9,204,582		8,265,090
<b>Creditors: amounts falling due after more than one year</b>	9		(425,445)		(360,812)
<b>Provisions for liabilities</b>	10		<u>(155,942)</u>		<u>(165,995)</u>
<b>Net assets</b>			<u>8,623,195</u>		<u>7,738,283</u>
<b>Capital and reserves</b>					
Called up share capital	12		100,002		100,002
Profit and loss reserves			8,523,193		7,638,281
<b>Total equity</b>			<u>8,623,195</u>		<u>7,738,283</u>

The notes on pages 9 to 17 are an integral part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 18th June 2019 and are signed on its behalf by:

  
C D Smith  
Director

Company Registration No. 02566839

**CAVITECH SOLUTIONS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	100,002	6,876,666	6,976,668
Profit for the year	-	761,615	761,615
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	761,615	761,615
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	100,002	7,638,281	7,738,283
	<hr/>	<hr/>	<hr/>
<b>Year ended 31 December 2018:</b>			
Profit for the year	-	884,912	884,912
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	884,912	884,912
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	100,002	8,523,193	8,623,195
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# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

CaviTech Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Corpacq House, 1 Goose Green, Altrincham, Cheshire WA14 1DW.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Although the customer is billed in stages, these amounts are refundable until acceptance. Turnover is therefore recognised on acceptance. This revenue recognition policy therefore results in payments on account which are included in creditors.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life on a straight line basis, as follows:

Plant and machinery	3 to 10 years
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

#### 1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (continued)

##### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (continued)

##### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (continued)

##### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### ***Critical judgements in applying the Company's accounting policies***

The directors do not consider that the amounts recognised in the financial statements have been significantly affected by any critical judgements made in the process of applying the Company's accounting policies.

##### ***Key sources of estimation uncertainty***

###### ***Provision against bad and doubtful amounts receivable***

Based on management's historic knowledge of the business and the relationship with all customers, no provision is considered necessary for bad and doubtful debts.

###### ***Provision against future warranty claims***

A provision is put in place for future warranty claims and is included within Other Creditors. This is based on management's historic knowledge of the business and the complexity of moulds produced.



# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Operating profit

	2018	2017
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	15,526
Fees payable to the company's auditors for taxation services	2,832	3,000
Operating lease charges	15,599	15,776
Depreciation of owned tangible fixed assets	269,063	245,140
Depreciation of tangible fixed assets held under finance leases	169,009	183,167

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 49 (2017 - 45).

### 5 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current year	12,047	84,534
Adjustment in respect of previous periods	(885)	82
Group tax relief	212,046	137,957
Total current tax	<u>223,208</u>	<u>222,573</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(13,478)	(39,542)
Adjustment in respect of previous periods	2,007	1
Effect of changes in tax rates	1,419	4,616
Total deferred tax	<u>(10,052)</u>	<u>(34,925)</u>
Total tax per income statement	<u>213,156</u>	<u>187,648</u>
<b>Factors affecting tax charge for the year</b>		
Profit before taxation	1,098,068	949,263
Tax on profits at standard UK rate of 19.00% (2017: 19.25%)	208,633	182,701
Effect of;		
Expenses not deductible	1,982	250
Income not taxable	-	(2)
Adjustments in respect of previous periods	1,122	83
Tax rate changes	1,419	4,616
Total charge for the year	<u>213,156</u>	<u>187,648</u>

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 6 Tangible assets

	Plant and machinery	Total
	£	£
<b>Cost</b>		
At 1 January 2018	5,218,638	5,218,638
Additions	984,433	984,433
Disposals	(135,367)	(135,367)
	<u>6,067,704</u>	<u>6,067,704</u>
<b>Accumulated depreciation and impairment</b>		
At 1 January 2018	3,120,240	3,120,240
Depreciation charged in the year	438,072	438,072
Eliminated in respect of disposals	(107,017)	(107,017)
	<u>3,451,295</u>	<u>3,451,295</u>
<b>Carrying amount</b>		
At 31 December 2018	<u>2,616,409</u>	<u>2,616,409</u>
At 31 December 2017	<u>2,098,398</u>	<u>2,098,398</u>

#### 7 Debtors

	2018	2017
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,211,624	1,201,996
Amounts due from group undertakings	6,130,495	5,441,476
Other debtors	643,888	232,644
Corporation tax	55,469	-
	<u>8,041,476</u>	<u>6,876,116</u>

#### 8 Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	259,828	255,928
Trade creditors	745,106	433,110
Corporation tax	-	34,509
Other taxation and social security	329,148	83,837
Other creditors	4,611,137	1,254,762
	<u>5,945,219</u>	<u>2,062,146</u>

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

**9 Creditors: amounts falling due after more than one year**

	2018 £	2017 £
Bank loans and overdrafts	425,445	360,812
	<u>425,445</u>	<u>360,812</u>

**10 Provisions for liabilities**

	2018 £	2017 £
Deferred tax liabilities	155,942	165,995
	<u>155,942</u>	<u>165,995</u>

**11 Retirement benefit schemes**

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	105,192	110,529
	<u>105,192</u>	<u>110,529</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**12 Called up share capital**

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,002 (2017:100,002) Ordinary shares of £1 each	100,002	100,002
	<u>100,002</u>	<u>100,002</u>

Called up share capital represents the nominal value of shares that have been issued.

# CAVITECH SOLUTIONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 13 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	15,599	11,207
Between two and five years	20,060	12,373
	<u>35,659</u>	<u>23,580</u>

#### 14 Parent company

The immediate parent company is Dunham Group Limited, a company registered in England and Wales.

The ultimate parent company is Orange UK Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is CorpAcq Limited. The consolidated financial statements of the group are available to the public and may be obtained from CorpAcq Limited at 1 Goose Green, Altrincham, Cheshire, WA14 1DW, United Kingdom.

The directors consider that, by virtue of his shareholding in the ultimate parent company, the ultimate controlling party is Mr S Orange.