

**Volumatic Limited**

Report and Financial Statements

Year Ended

31 March 2017

Company Number 01069143

FRIDAY



\*A6LSRFAI\*

A32

22/12/2017

#302

COMPANIES HOUSE

# **Volumatic Limited**

## **Report and financial statements for the year ended 31 March 2017**

---

### **Contents**

#### **Page:**

1	Report of the directors
3	Independent auditor's report
5	Statement of comprehensive income
6	Statement of financial position
7	Statement of changes in equity
8	Notes forming part of the financial statements

---

### **Directors**

J M Summerfield  
D M Johnson  
C P Amos  
J W Harris  
R S Stuart

### **Secretary and registered office**

J M Summerfield, Taurus House, Endemere Road, Coventry, CV6 5PY

### **Company number**

01069143

### **Auditors**

BDO LLP, Two Snowhill, Birmingham, B4 6GA

# **Volumatic Limited**

## **Report of the directors for the year ended 31 March 2017**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2017.

### **Results and dividends**

The statement of comprehensive income is set out on page 5. The profit for the year, after taxation, amounted to £849,803 (2016 - £499,949). No dividends were paid in the current year. Dividends of £1,200,000 were paid to ordinary and preference shareholders in respect of the year ended 31 March 2016.

### **Financial instruments**

The Company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Fixed assets and working capital are principally financed from retained profit and cash reserves.

The Company is exposed to certain exchange rate risks as it sells and purchases in foreign currency. The company manages this risk by matching sales and purchases. Forward contracts are occasionally used to reduce the Company's exposure although there were no open contracts at the current or previous year end.

### **Post balance sheet events**

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

### **Research and development**

The Company continues to invest in research and development. The directors regard R&D investment as necessary for continuing success in the medium to long term future.

### **Directors**

The directors of the company during the year and up to the date of approval of these financial statements were:

J M Summerfield  
D M Johnson  
C P Amos  
J W Harris  
R S Stuart

# Volumatic Limited

## Report of the directors for the year ended 31 March 2017 (*continued*)

### Directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to:

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

The 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. 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.

### Small company exemption

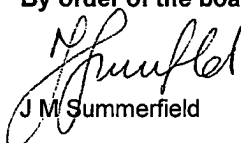
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415a of the Companies Act 2006.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

### By order of the board



J M Summerfield

Secretary

Date: 20th December 2017.

# **Volumatic Limited**

## **Independent auditor's report**

---

### **To the members of Volumatic Limited**

We have audited the financial statements of Volumatic Limited for the year ended 31 March 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its 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.

### **Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

## Volumatic Limited

### Independent auditor's report (*continued*)

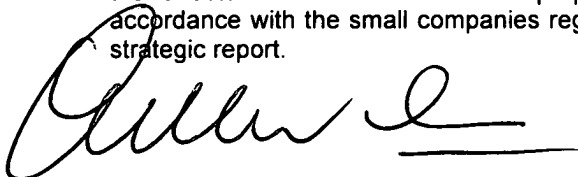
---

#### 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 director's report.

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Andrew Mair (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
United Kingdom

Date: 21/12/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Volumatic Limited

## Statement of comprehensive income for the year ended 31 March 2017

	Note	2017 £	2016 £
<b>Turnover</b>	3	<b>6,290,204</b>	4,933,150
Cost of sales		<b>4,618,560</b>	3,890,609
		<hr/>	<hr/>
<b>Gross profit</b>		<b>1,671,644</b>	1,042,541
Distribution costs		<b>51,963</b>	42,889
Administrative expenses		<b>755,613</b>	593,139
		<hr/>	<hr/>
<b>Operating profit</b>	4	<b>864,068</b>	406,513
Other interest receivable and similar income		<b>6,294</b>	8,788
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>870,362</b>	415,301
Tax (charge)/credit on profit on ordinary activities	8	<b>(20,559)</b>	84,648
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation and total comprehensive income</b>		<b>849,803</b>	499,949
		<hr/>	<hr/>

All amounts relate to continuing activities.

The company has no other comprehensive income for the period.

The notes on pages 8 to 21 form part of these financial statements.

# Volumatic Limited

## Statement of financial position at 31 March 2017

Company number 01069143	Note	2017 £	2017 £	2016 £	2016 £
<b>Fixed assets</b>					
Intangible assets	9		132,585		191,229
Tangible assets	10		679,265		757,616
			<u>811,850</u>		<u>948,845</u>
<b>Current assets</b>					
Stocks	11	1,561,216		1,409,499	
Debtors	12	3,174,442		2,218,091	
Cash at bank and in hand		1,908,254		1,845,355	
		<u>6,643,912</u>		<u>5,472,945</u>	
<b>Creditors: amounts falling due within one year</b>	13	777,674		559,269	
		<u></u>		<u></u>	
<b>Net current assets</b>			5,866,238		4,913,676
<b>Total assets less current liabilities</b>			<u>6,678,088</u>		<u>5,862,521</u>
<b>Provisions for liabilities</b>					
Deferred tax	14	46,717		76,185	
Other provisions	15	13,333		18,101	
		<u></u>	60,050	<u></u>	94,286
<b>Net assets</b>			<u>6,618,038</u>		<u>5,768,235</u>
<b>Capital and reserves</b>					
Called up share capital	17	1,000		1,000	
Profit and loss account		6,617,038		5,767,235	
		<u></u>	<u>6,618,038</u>	<u></u>	<u>5,768,235</u>
<b>Shareholders' funds</b>			<u>6,618,038</u>		<u>5,768,235</u>

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 20th December 2017.

  
C P Amos  
Director

  
J M Summerfield  
Director

The notes on pages 8 to 21 form part of these financial statements.



## Volumatic Limited

### Statement of changes in equity for the year ended 31 March 2017

	Share capital £	Profit and loss account £	Total £
<b>At 1 April 2016</b>	1,000	5,767,235	5,768,235
<b>Comprehensive income for the year</b>			
Profit for the year	-	849,803	849,803
	<u>1,000</u>	<u>6,617,038</u>	<u>6,618,038</u>
<b>At 31 March 2017</b>	<u>1,000</u>	<u>6,617,038</u>	<u>6,618,038</u>

### Statement of changes in equity for the year ended 31 March 2016

	Share capital £	Profit and loss account £	Total £
<b>At 1 April 2015</b>	1,000	6,467,286	6,468,286
<b>Comprehensive income for the year</b>			
Profit for the year	-	499,949	499,949
<b>Distributions to shareholders:</b>			
Dividends paid (note 7)	-	(1,200,000)	(1,200,000)
	<u>1,000</u>	<u>5,767,235</u>	<u>5,768,235</u>
<b>At 31 March 2016</b>	<u>1,000</u>	<u>5,767,235</u>	<u>5,768,235</u>

**Share capital** – represents the nominal value of shares in issue.

**Profit and loss account** – represents all other net gains and losses and transactions with owners not recognised elsewhere with the financial statements.

The notes on pages 8 to 21 form part of these financial statements.

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017

### 1 Accounting policies

#### *General information*

Volumatic Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Taurus House, Endemere Road, Coventry, CV6 5PY.

The principal activities of Volumatic Limited are the assembly, servicing and distribution of intelligent cash handling products for the retail, banking and leisure industries in the UK and throughout the world. The Company continues to focus on developing products, software and services that reduce the costs and increase the security and efficiency of handling cash.

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 2).

The following principal accounting policies have been consistently applied:

#### *Reduced disclosures*

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The financial statements of the company are consolidated in the financial statements of Volumatic Holdings Limited. The consolidated financial statements of Volumatic Holdings Limited are available from its registered office.

#### *Functional and presentational currencies*

The financial statements are presented in sterling which is also the functional currency of the Company.

#### *Foreign currencies*

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies (continued)*

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the company has transferred significant risk and rewards of ownership to the buyer and it is probable that the company will receive the previously agreed upon payment. In respect of sales of goods this is when the goods are physically delivered to the customer. For turnover generated from maintenance and service equipment, turnover represents value of work completed in the year.

#### *Research and development*

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are capitalised as intangible assets and amortised through the profit and loss over the estimated economic life of three to five years.

#### *Fixed assets*

Tangible fixed assets are initially recognised at cost and subsequently measured at cost net of accumulated depreciation. The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write the cost, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected lives. It is calculated at the following rates:

Freehold property	-	2%
Plant, equipment and vehicles	-	4% to 33%

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

### 1 Accounting policies (*continued*)

#### *Impairment of fixed assets and goodwill*

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

#### *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.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

At each reporting date, inventories are assessed for impairment. If inventory 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.

#### *Current and deferred taxation*

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

---

### 1 Accounting policies (*continued*)

#### *Current and deferred taxation (continued)*

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### *Leased assets*

Annual rentals in respect of operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### *Basic financial instruments*

##### *Financial assets*

Financial assets comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings and any subsequent impairment is recognised in the statement of comprehensive income.

##### *Impairment of financial assets carried at amortised cost*

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

##### *Financial liabilities*

Financial liabilities comprise trade creditors, other creditors and accruals; these are initially recognised at cost on the date they originate, and subsequently carried at amortised cost under the effective interest method.

##### *Other financial instruments*

Forward foreign exchange contracts are initially recognised in the balance sheet at the fair value within assets or liabilities as appropriate and then subsequently re-measured to fair value at each balance sheet date. Gains and losses arising from revaluation at the balance sheet date are recognised in the statement of comprehensive income. Fair value is assessed by reference to forward foreign exchange rates observed at the reporting date.

##### *Provisions*

Provisions for warranties are recognised when the Company; has a legal or constructive obligation as result of sales made in the year or proceeding years; it is probable that an outflow of resources will be required to settle the obligations; and the amount can be reliably estimated.

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)

---

### 2 Critical accounting estimates and areas of judgement

In preparing these financial statements, the directors have made the following judgements:

*a) Capitalisation of research and development costs*

Considered whether the conditions are met for a viable project to capitalise research costs as a development intangible assets. Factors taken into consideration in reaching such a decision include; whether the project is clearly defined and related expenditure is separately identifiable; the project is technically feasible and commercially viable; current and future costs are expected to be exceeded by future sales; and whether there is adequate resources for the project to be completed.

Other key sources of estimation uncertainty:

*a) Intangible assets and amortisation*

The company is required to estimate the useful economic life of intangible assets in order to determine appropriate amortisation rates. The assessment of the assets' useful economic life requires significant assumptions to be made. Changes in these underlying assumptions could have a significant impact on the carrying value of these assets.

*b) Stock provisions*

Stock levels are constantly reviewed and this should therefore be an indication of impairment obsolescence, the inventory is written down to its assessed realisable value.

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (continued)

## 3 Turnover

	2017 £	2016 £
Analysis by geographical market:		
United Kingdom	4,503,335	3,564,972
Europe	905,558	645,871
Rest of the World	881,311	722,307
	<hr/>	<hr/>
	6,290,204	4,933,150
	<hr/>	<hr/>

## 4 Operating profit

	2017 £	2016 £
This is arrived at after charging/(crediting):		
Research and development:		
- current year's expenditure	533,391	552,632
- amortisation of capitalised expenditure	58,644	58,049
Depreciation of tangible fixed assets	117,076	98,181
(Profit) / loss on disposal of tangible fixed assets	(2,200)	159
Hire of plant and machinery - operating leases	47,550	45,154
Auditor's remuneration:		
Fees payable for the audit of the Company's annual accounts	14,000	14,000
Other non-audit services	3,000	3,000
	<hr/>	<hr/>

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (continued)

## 5 Employees

	2017 £	2016 £
Staff costs (including directors) consists of:		
Wages and salaries	1,432,923	1,248,861
Social security costs	134,067	120,379
Other pension costs	86,796	75,324
	<u>1,653,786</u>	<u>1,444,564</u>

The average number of employees (including directors) during the year was 35 (2016 - 34).

## 6 Directors' remuneration

	2017 £	2016 £
Directors' emoluments	383,303	358,328
Company contributions to money purchase pension scheme	31,140	29,452
Amounts paid to third parties in respect of directors' services	43,280	46,380
	<u></u>	<u></u>

The total amount payable to the highest director in respect of emoluments was £110,432 (2016 - £103,132). Company pension contributions of £8,672 (2016 - £8,672) were made to a money purchase scheme on their behalf.

## 7 Dividends

	2017 £	2016 £
Ordinary shares- Interim paid of £Nil (2016 - £1,200) per share	-	1,080,000
Preference shares- Interim paid of £Nil (2016 - £1,200) per share	-	120,000
	<u>-</u>	<u>1,200,000</u>



# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (*continued*)

## 8 Taxation on profit from ordinary activities

	2017 £	2016 £
<i>UK corporation tax</i>		
UK corporation tax at 20%	49,986	-
Adjustment in respect of previous periods	41	(72,953)
	<u>50,027</u>	<u>(72,953)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(18,145)	(963)
Adjustment in respect of previous periods	(7,508)	(2,160)
Effect of change in tax rate on opening balances	(3,815)	(8,572)
	<u>(29,468)</u>	<u>(11,695)</u>
Movement in deferred tax provision		
	<u>(29,468)</u>	<u>(11,695)</u>
Taxation charge / (credit) on profit on ordinary activities	<u>20,559</u>	<u>(84,648)</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to loss before tax. The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>870,362</u>	<u>415,301</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 - 2%)	174,073	83,060
Effect of:		
Expenses not deductible for tax purposes	7,329	9,801
Research and development tax credit	(74,851)	(70,436)
Patent box deduction	-	(7,164)
Adjustments in respect of prior periods	(7,467)	(75,113)
Effect of change in tax rate on opening balances	(3,815)	(8,549)
Group relief claimed	(74,710)	(16,247)
	<u>20,559</u>	<u>(84,648)</u>
Current tax charge / (credit) for the period/year		
	<u>20,559</u>	<u>(84,648)</u>

### *Factors that may affect future tax charges*

The reduction in the UK corporation tax rate to 19% from 1 April 2017 and 17% from 1 April 2020 were substantively enacted in October 2016. Accordingly, these rates have been applied in the measurement of the Company's deferred tax assets and liabilities at 31 March 2017.

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (*continued*)

## 9 Intangible fixed assets

	Development costs £
<i>Cost</i>	
At 1 April 2016 and 31 March 2017	<b>1,066,386</b>
<i>Amortisation</i>	
At 1 April 2016	875,157
Provided for the year	58,644
At 31 March 2017	<b>933,801</b>
<i>Net book value</i>	
At 31 March 2017	<b>132,585</b>
At 31 March 2016	191,229

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (*continued*)

## 10 Tangible assets

	Freehold land and buildings £	Plant, equipment and vehicles £	Total £
<i>Cost</i>			
At 1 April 2016	515,729	1,949,771	2,465,500
Additions	-	38,726	38,726
Disposals	-	(38,277)	(38,277)
	<hr/>	<hr/>	<hr/>
At 31 March 2017	<b>515,729</b>	<b>1,950,220</b>	<b>2,465,949</b>
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2016	67,230	1,640,654	1,707,884
Provided for the period	10,343	106,734	117,077
Disposals	-	(38,277)	(38,277)
	<hr/>	<hr/>	<hr/>
At 31 March 2017	<b>77,573</b>	<b>1,709,111</b>	<b>1,786,684</b>
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2017	<b>438,156</b>	<b>241,109</b>	<b>679,265</b>
	<hr/>	<hr/>	<hr/>
At 31 March 2016	<b>448,499</b>	<b>309,117</b>	<b>757,616</b>
	<hr/>	<hr/>	<hr/>

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (continued)

## 11 Stocks

	2017 £	2016 £
Raw materials and consumables	515,957	348,039
Finished goods and goods for resale	1,045,259	1,061,460
	<u>1,561,216</u>	<u>1,409,499</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Stock as an expense in cost of sales was £2,471,418 (2016 - £2,122,665).

Stocks are stated net of a provision of £52,663 (2016 - £42,986). There were no significant stock write downs in either the current or prior period.

## 12 Debtors

	2017 £	2016 £
Trade debtors	1,328,268	994,505
Amounts owed by group undertakings	1,728,116	849,633
Corporation tax recoverable	-	114,851
Other debtors	27,305	178,909
Prepayments and accrued income	90,753	80,193
	<u>3,174,442</u>	<u>2,218,091</u>

All amounts shown under debtors fall due for payment within one year.

Debtors are stated net of a provision of £40,411 (2016 - £8,846). During the year debtors totalling £36,322 (2016 - £6,485) were written off to the profit and loss account.

## 13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	492,302	221,991
Other taxation and social security	128,013	108,317
Corporation Tax	51,309	-
Other creditors	65,606	195,330
Accruals and deferred income	40,444	33,631
	<u>777,674</u>	<u>559,269</u>

# Volumatic Limited

Notes forming part of the financial statements  
for the year ended 31 March 2017 (*continued*)

## 14 Provisions for deferred tax

		£
At 1 April 2016		76,185
Credited to profit and loss account		(29,468)
		<hr/>
At 31 March 2017		<b>46,717</b>
		<hr/>
<i>Deferred taxation</i>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>51,421</b>	76,185
Short term timing difference	<b>(4,704)</b>	-
	<hr/>	<hr/>
	<b>46,717</b>	<b>76,185</b>
	<hr/>	<hr/>

## 15 Other provisions

	Warranty provision £
At 1 April 2016	18,101
Utilised in the year	(3,724)
Charged to profit and loss account	(1,044)
	<hr/>
At 31 March 2017	<b>13,333</b>
	<hr/>

## 16 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £86,796 (2016 - £75,324). Contributions amounting to £27,673 (2016 - £10,582) were payable to the fund and are included in creditors.

# Volumatic Limited

## Notes forming part of the financial statements for the year ended 31 March 2017 (continued)

### 17 Share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
900 Ordinary shares of £1 each	900	900
100 Preference shares of £1 each	100	100
	<hr/>	<hr/>
	1,000	1,000
	<hr/>	<hr/>

The preference shares are presented as equity and included as called equity share capital in the statement of financial position as the share are non-convertible, irredeemable and there is no obligation to pay dividends.

### 18 Commitments under operating leases

The total future minimum payments under non-cancellable operating leases are set out below:

	Other 2017 £	Other 2016 £
Amounts payable:		
Within one year	42,835	26,728
Between one and five years	63,975	7,186
	<hr/>	<hr/>
	106,810	33,914
	<hr/>	<hr/>

### 19 Related party disclosures

The company is a wholly owned subsidiary of Volumatic Holdings Limited and has taken the exemption under FRS 102 Section 33 Related party disclosures not to disclose transactions with wholly owned group members.

Key management personnel include all directors of the Company. The total compensation paid to key management personnel for service rendered to the company was £520,889 (2016 - £494,074).

# **Volumatic Limited**

## **Notes forming part of the financial statements for the year ended 31 March 2017 (*continued*)**

---

### **20 Financial commitments**

The company has entered into a guarantee arrangement secured by a debenture over the assets of the company in respect of loans issued to its parent entity. The value of the loan notes secured at the period end date is £4,318,597 (2016 - £4,818,597).

### **21 Ultimate parent company and parent undertaking of larger group**

The largest and smallest group in which the results of the company are consolidated is that headed by Volumatic Holdings Limited, incorporated in United Kingdom. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.