

COMPANIES HOUSE COPY

Volumatic Limited

Report and Financial Statements

Year Ended

31 March 2015

Company Number 01069143

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COMPANIES HOUSE

Volumatic Limited

Report and financial statements for the year ended 31 March 2015

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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

Strategic report for the year ended 31 March 2015

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2015.

Review of the Business

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, Europe and USA. The Company continues to focus on developing products, software and services that reduce the costs and increase the security of handling cash.

Results and performance

The results of Volumatic Limited for the year as set out on pages 7 to 19 show a profit on ordinary activities before tax of £363,000 (2014: £2,010,000). Despite the fall in sales and profit the Company has continued to make good progress during the year, investing significantly in its products, processes and infrastructure. We continue to enjoy a strong prospect pipeline, but the level of sales in the year under review did not match a significant project we completed for a major UK supermarket in the previous year. In total, sales fell by 37% as a consequence of this change in project volumes, however we saw growth in exports, particularly into the US, and we expect this to continue.

Business Environment

There is a consistent drive amongst retailers to improve the efficiency of non-value adding tasks and all of our products are well placed to meet these needs. An increasingly demanding compliance environment and escalating labour rates impact further on this drive for efficiency. Our CounterCache intelligent remains the most widely used intelligent till point deposit device by a significant margin but we are seeing growing competition in this sector. As set out in 'Future Developments' below we continue to invest in all of our major product ranges to maintain a commercial advantage over our competitors.

Performance indicators

	2015 £'000	2014 £'000
Indicator		
Turnover	5,142	8,123
Gross profit	1,013	2,866
Operating profit	351	2,004

We rely on these and several other financial and non-financial key performance indicators to monitor the performance of the business. All indicators are reported and analysed at regular local management meetings and business reviews with our majority shareholder.

Principal risks and uncertainties

Competitive pressure in the Company's key markets and the general economic environment are a continuing risk for the Company. The Company manages these risks by providing added value services to its customers, having fast response times and by maintaining strong relationships with customers.

Some of the Company's sales in Europe are made in Euros and it is therefore exposed to the movement in the Euro to Pound exchange rate. Similarly some of the Company's purchases and sales in the USA are made in US Dollars so the Company is exposed to the movement in the US Dollar to Pound exchange rate. Forward foreign exchange contracts are taken out to manage this exposure where significant.

Volumatic Limited

Strategic report for the year ended 31 March 2015 *(continued)*

Future Developments

We continue to be involved in several trials for our CounterCache intelligent product with major retailers both in the UK and overseas, however the market remains cautious about the strength of the economic recovery which has led to some delays in making investment decisions. Over the last year we have continued to invest in the three elements – the CounterCache Intelligent unit itself, the TruPouch and CashView software – that constitute the CounterCache intelligent solution. Significant investment has been made in an enterprise wide version of our CashView software which should open up more opportunities to us and potentially lead to recurring revenue streams. We expect this to be available late in 2015.

The CountEasy TS, which includes touch screen technology giving a clearer, more intuitive and more comprehensive user interface than any other product on the market, was launched during the year. The major market for this sort of scale is currently the US and we are planning to invest in our American sales and support infrastructure to exploit the opportunities CountEasy TS offers us in that territory. We will continue to develop the CountEasy TS to simplify configuration and set up, broadening the global appeal of the product to both distribution partners and end users.

The Company continues to invest in its business infrastructure to improve information flow both within the organisation and also with our customers and suppliers. The first phase of a CRM installation was completed during the year and this will be extended to cover after sales support in the coming months.

By order of the board



J M Summerfield
Secretary

18 December 2015

Volumatic Limited

Report of the directors for the year ended 31 March 2015

The directors present their report together with the audited financial statements for the year ended 31 March 2015.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

Principal activities, review of business and future developments

A review of business and future developments is available in the strategic report.

Financial instruments

Details of financial instruments are available in the strategic report.

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 were:

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

Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Volumatic Limited

Report of the directors for the year ended 31 March 2015 (*continued*)

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 and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board



J M Summerfield

Secretary

18 December 2015

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 2015 which comprise the profit and loss account, the balance sheet 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.

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 2015 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 the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Volumatic Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

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.

BDO LLP

*Tobias Stephenson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom*

21 December 2015

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

Volumatic Limited

Profit and loss account for the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	2	5,141,978	8,122,907
Cost of sales		4,128,741	5,256,486
Gross profit		1,013,237	2,866,421
Distribution costs		42,070	68,333
Administrative expenses		620,218	793,867
Operating profit	3	350,949	2,004,221
Other interest receivable and similar income		12,160	5,581
Profit on ordinary activities before taxation		363,109	2,009,802
Taxation on profit on ordinary activities	6	3,631	296,353
Profit on ordinary activities after taxation		359,478	1,713,449

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 9 to 19 form part of these financial statements.

Volumatic Limited

Balance sheet at 31 March 2015

Company number 01069143	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible assets	7		249,278		217,629
Tangible assets	8		789,053		685,109
			<hr/>		<hr/>
			1,038,331		902,738
Current assets					
Stocks	9	1,289,277		940,613	
Debtors	10	1,952,005		1,327,097	
Cash at bank and in hand		2,878,375		3,852,051	
		<hr/>		<hr/>	
			6,119,657	6,119,761	
Creditors: amounts falling due within one year	11	601,822		886,773	
		<hr/>		<hr/>	
Net current assets			5,517,835		5,232,988
			<hr/>		<hr/>
Total assets less current liabilities			6,556,166		6,135,726
Creditors: amounts falling due after more than one year	12	-		26,918	
Provisions for liabilities	13	87,880		-	
		<hr/>		<hr/>	
			87,880		26,918
			<hr/>		<hr/>
			6,468,286		6,108,808
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	15	1,000		1,000	
Profit and loss account	16	6,467,286		6,107,808	
		<hr/>		<hr/>	
Shareholders' funds	17	6,468,286		6,108,808	
		<hr/>		<hr/>	

The financial statements were approved by the board of directors and authorised for issue on 18 December 2015.


C P Amos
Director


J M Summerfield
Director

The notes on pages 9 to 19 form part of these financial statements.

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Cash flow statement

The Company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the Company are controlled within the group headed by Volumatic Holdings Limited (formally Project Counter Limited) and the Company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. For turnover generated from maintenance and service of equipment, turnover represents the value of work completed in the year.

Depreciation

Tangible fixed assets are stated at cost less depreciation and provision for impairment.

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

Freehold property	- 50 years
Plant, equipment and vehicles	- 4% to 33%

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

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.

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

1 Accounting policies (*continued*)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company become party to the contractual provisions of the instrument.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

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.

Volumatic Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

2 Turnover

	2015 £	2014 £
Analysis by geographical market:		
United Kingdom	3,541,390	6,775,975
Europe	1,033,041	993,577
Rest of the world	567,547	353,355
	<u>5,141,978</u>	<u>8,122,907</u>

Turnover is wholly attributable to the principal activity of the Company.

3 Operating profit

	2015 £	2014 £
This is arrived at after charging/(crediting):		
Research and development - current year's expenditure	596,607	324,757
- amortisation of capitalised expenditure	43,436	-
Depreciation of tangible fixed assets	123,442	93,612
Profit on disposal of tangible fixed assets	(3,400)	(2,159)
Hire of plant and machinery - operating leases	53,406	21,511
Auditor's remuneration		
Fees payable for the audit of the Company's annual accounts	12,000	12,000
Other services	3,000	3,000
	<u>12,000</u>	<u>3,000</u>

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

4 Employees

Staff costs (including directors) consist of:

	2015 £	2014 £
Wages and salaries	1,242,015	1,202,654
Social security costs	124,019	139,341
Other pension costs	70,959	63,563
	<u>1,436,993</u>	<u>1,405,558</u>

The average number of employees (including directors) during the year was 34 (2014 - 31).

5 Directors' remuneration

	2015 £	2014 £
Directors' emoluments	357,769	442,103
Company contributions to money purchase pension schemes	27,763	27,493
Amounts paid to third parties in respect of directors' services	46,046	45,000
	<u>431,578</u>	<u>514,596</u>

The total amount payable to the highest paid director in respect of emoluments was £104,857 (2014 - £142,975). Company pension contributions of £8,672 (2014 - £8,588) were made to a money purchase scheme on their behalf.

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

6 Taxation on profit on ordinary activities

	2015 £	2014 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	286,786
Adjustment in respect of previous periods	(92,104)	(2,362)
	<hr/>	<hr/>
Total current tax	(92,104)	284,424
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	52,209	7,412
Adjustment in respect of previous periods	43,526	2,227
Effect of changes in tax rate	-	2,290
	<hr/>	<hr/>
Movement in deferred tax provision	95,735	11,929
	<hr/>	<hr/>
Taxation on profit on ordinary activities	3,631	296,353
	<hr/>	<hr/>

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

	2015 £	2014 £
Profit on ordinary activities before tax	363,109	2,009,802
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2014 - 23%)	76,253	462,254
Effect of:		
Expenses not deductible for tax purposes	987	(59,884)
Research and development tax credit	(73,111)	-
Capital allowances for period in excess of depreciation	(51,120)	(12,577)
Other timing differences	8,774	4,053
Adjustments in respect of prior periods	(92,104)	(2,362)
Losses carried back	38,217	-
Group relief surrendered / (received) for nil payment	-	(107,060)
	<hr/>	<hr/>
Current tax (credit)/charge for the year	(92,104)	284,424
	<hr/>	<hr/>

Factors that may affect future tax charges

The Budget on 19 March 2014 announced that the main rate of UK corporation tax will reduce to 20% for financial periods beginning 1 April 2015. This announcement will reduce the company's future current tax charge accordingly.

Volumatic Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

7 Intangible fixed assets

	Development costs £
<i>Cost</i>	
At 1 April 2014	991,301
Additions	75,085
	<hr/>
At 31 March 2015	1,066,386
	<hr/>
<i>Amortisation</i>	
At 1 April 2014	773,672
Provided for the year	43,436
	<hr/>
At 31 March 2015	817,108
	<hr/>
<i>Net book value</i>	
At 31 March 2015	249,278
	<hr/> <hr/>
At 31 March 2014	217,629
	<hr/> <hr/>

Volumatic Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

8 Tangible fixed assets

	Freehold land and buildings £	Plant, equipment and vehicles £	Total £
<i>Cost</i>			
At 1 April 2014	515,729	1,753,845	2,269,574
Additions	-	229,042	229,042
Disposals	-	(35,372)	(35,372)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	515,729	1,947,515	2,463,244
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2014	39,880	1,544,585	1,584,465
Provided for the year	17,022	106,420	123,442
Disposals	-	(33,716)	(33,716)
	<hr/>	<hr/>	<hr/>
At 31 March 2015	56,902	1,617,289	1,674,191
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2015	458,827	330,226	789,053
	<hr/>	<hr/>	<hr/>
At 31 March 2014	475,849	209,260	685,109
	<hr/>	<hr/>	<hr/>

9 Stocks

	2015 £	2014 £
Raw materials and consumables	538,908	413,500
Finished goods and goods for resale	750,369	527,113
	<hr/>	<hr/>
	1,289,277	940,613
	<hr/>	<hr/>

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

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (continued)

10 Debtors

	2015 £	2014 £
Amounts receivable within one year		
Trade debtors	996,769	906,921
Amounts owed by group undertakings	619,382	162,415
Corporation tax recoverable	90,126	-
Other debtors	166,766	174,902
Prepayments and accrued income	78,962	75,004
	<u>1,952,005</u>	<u>1,319,242</u>
Amounts receivable after more than one year		
Deferred taxation (see note 13)	-	7,855
	<u>-</u>	<u>7,855</u>
Total debtors	<u>1,952,005</u>	<u>1,327,097</u>

11 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	325,258	357,646
Corporation tax	-	136,978
Other taxation and social security	54,812	66,965
Other creditors	183,065	292,916
Accruals and deferred income	38,687	32,268
	<u>601,822</u>	<u>886,773</u>

12 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Other creditors	-	26,918
	<u>-</u>	<u>26,918</u>

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

13 Provisions for liabilities

	Deferred taxation £
Transferred from debtors	(7,855)
Utilised in year	52,209
Adjustment in respect of previous periods	43,526
	<hr/>
At 31 March 2015	87,880
	<hr/> <hr/>

Deferred taxation

	2015 £	2014 £
Accelerated capital allowances	87,880	(4,331)
Sundry timing differences	-	(3,524)
	<hr/>	<hr/>
	87,880	(7,855)
	<hr/> <hr/>	<hr/> <hr/>

14 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 £70,959 (2014: £63,563). Contributions amounting to £14,598 (2014: £17,620) were payable to the fund and are included in creditors.

15 Share capital

	2015 £	2014 £
<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/>	<hr/> <hr/>

The preference shares are presented as equity and included as called-up share capital in the balance sheet as the shares are non-convertible, irredeemable and there is no obligation to pay dividends to the preference shareholders.

Volumatic Limited

Notes forming part of the financial statements
for the year ended 31 March 2015 (*continued*)

16 Reserves

	Profit and loss account £
At 1 April 2014	6,107,808
Profit for the year	359,478
	<hr/>
At 31 March 2015	6,467,286
	<hr/>

17 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the year	359,478	1,713,449
Opening shareholders' funds	6,108,808	4,395,359
	<hr/>	<hr/>
Closing shareholders' funds	6,468,286	6,108,808
	<hr/>	<hr/>

18 Commitments under operating leases

The Company had annual commitments under non-cancellable operating leases as set out below:

	Other 2015 £	Other 2014 £
Operating leases which expire:		
Within one year	42,902	-
In two to five years	31,554	40,252
	<hr/>	<hr/>
	74,456	40,252
	<hr/>	<hr/>

19 Capital commitments

	2015 £	2014 £
Contracted but not provided for	99,877	35,896
	<hr/>	<hr/>

Volumatic Limited

Notes forming part of the financial statements for the year ended 31 March 2015 (*continued*)

20 Financial commitments

At 31 March 2015, the company had no commitments to purchase US Dollars under the terms of a foreign exchange contracts (2014: \$540,000).

At 31 March 2014, the contracts had a value of £3,852. The directors did not record the gain in the prior year financial statements on the basis that it is not material to the accounts.

The company has entered into a guarantee arrangement secured by a debenture over the assets of the company in respect of loan notes issued by its parent entity. The value of the loan notes secured at the balance sheet date is £5,818,597 (2014: £5,818,597).

21 Related party disclosures

The company is a wholly owned subsidiary of Volumatic Holdings Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Volumatic Holdings Limited or other wholly owned subsidiaries within the group.

22 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.