

**Volumatic Limited**

Annual Report and Financial Statements

Year Ended

31 March 2019

Company Number 01069143

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# **Volumatic Limited**

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## **Company Information**

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<b>Directors</b>	J W Harris D M Johnson M A Severs R S Stuart J M Summerfield C P Amos
<b>Company secretary</b>	C P Amos
<b>Registered number</b>	01069143
<b>Registered office</b>	Taurus House Endemere Road Coventry CV6 5PY
<b>Independent auditors</b>	BDO LLP Two Snowhill Birmingham B4 6GA

# **Volumatic Limited**

## **Directors' Report For the Year Ended 31 March 2019**

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

### **Principal activity**

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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £1,370,263 (2018 - £473,837).

Dividends of £1,800,000 were paid during the year (2018: £Nil). No further dividends are proposed.

### **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.

### **Research and development activities**

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 who served during the year and up to the date of approval of these financial statements were:

J W Harris  
D M Johnson  
R S Stuart  
J M Summerfield  
C P Amos  
M A Severs (appointed 1 April 2019)

# Volumatic Limited

## Directors' Report (continued) For the Year Ended 31 March 2019

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### Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

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

### Small companies exemption

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

This report was approved by the board on 12<sup>th</sup> November 2019 and signed on its behalf by.



C P Amos  
Director

# Volumatic Limited

## Independent Auditor's report to the members of Volumatic Limited

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### Opinion

We have audited the financial statements of Volumatic Limited ("the Company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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.

### Basis for opinion

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

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **Volumatic Limited**

## **Independent Auditor's report to the members of Volumatic Limited (continued)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

### **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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

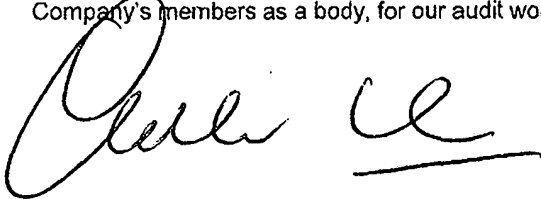
## Volumatic Limited

### Independent Auditor's report to the members of Volumatic Limited (continued)

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#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.



**Andrew Mair** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
United Kingdom 18 Nov 2019

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 2019

	Note	2019 £	2018 £
Turnover	4	9,634,957	5,600,464
Cost of sales		(7,069,971)	(4,315,740)
<b>Gross profit</b>		<b>2,564,986</b>	<b>1,284,724</b>
Distribution costs		(51,651)	(34,385)
Administrative expenses		(871,732)	(779,237)
<b>Operating profit</b>	5	<b>1,641,603</b>	<b>471,102</b>
Interest receivable and similar income		680	2,089
<b>Profit on ordinary activities before taxation</b>		<b>1,642,283</b>	<b>473,191</b>
Tax (charge)/credit on profit on ordinary activities	8	(272,020)	646
<b>Profit on ordinary activities after taxation and total comprehensive income</b>		<b>1,370,263</b>	<b>473,837</b>

All amounts relate to continuing activities.

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 9 to 22 form part of these financial statements.



**Volumatic Limited**  
Registered number: 01069143

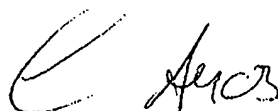
**Statement of Financial Position**  
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Intangible assets	9		54,013		71,510
Tangible fixed assets	10		662,926		696,173
			<u>716,939</u>		<u>767,683</u>
<b>Current assets</b>					
Stocks	11	1,089,880		1,953,772	
Debtors: amounts falling due within one year	12	5,489,797		4,199,938	
Cash at bank and in hand		1,772,345		1,363,321	
		<u>8,352,022</u>		<u>7,517,031</u>	
Creditors: amounts falling due within one year	13	(2,172,699)		(1,134,110)	
<b>Net current assets</b>			<u>6,179,323</u>		<u>6,382,921</u>
<b>Total assets less current liabilities</b>			<u>6,896,262</u>		<u>7,150,604</u>
<b>Provisions for liabilities</b>					
Deferred tax	14	(39,951)		(45,396)	
Other provisions	15	(194,173)		(13,333)	
			<u>(234,124)</u>		<u>(58,729)</u>
<b>Net assets</b>			<u><u>6,662,138</u></u>		<u><u>7,091,875</u></u>
<b>Capital and reserves</b>					
Called up share capital	16		1,000		1,000
Profit and loss account	17		6,661,138		7,090,875
			<u><u>6,662,138</u></u>		<u><u>7,091,875</u></u>

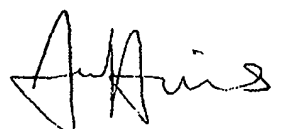
The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12<sup>th</sup> November 2019.

C P Amos  
Director



J W Harris  
Director



The notes on pages 9 to 22 form part of these financial statements.

## Volumatic Limited

### Statement of Changes in Equity For the Year Ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	1,000	7,090,875	7,091,875
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,370,263	1,370,263
<b>Contributions by and distributions to owners</b>			
Dividends paid (£2,000 per share)	-	(1,800,000)	(1,800,000)
<b>Total transactions with owners</b>	-	(1,800,000)	(1,800,000)
<b>At 31 March 2019</b>	<b>1,000</b>	<b>6,661,138</b>	<b>6,662,138</b>

### Statement of Changes in Equity For the Year Ended 31 March 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	1,000	6,617,038	6,618,038
<b>Comprehensive income for the year</b>			
Profit for the year	-	473,837	473,837
<b>At 31 March 2018</b>	<b>1,000</b>	<b>7,090,875</b>	<b>7,091,875</b>

The notes on pages 9 to 22 form part of these financial statements.

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 1. General information

Volumatic Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The address of the company's registered office and principal place of business is Taurus House, Endemere Road, Coventry, CV6 5PY.

The nature of the company's principal activity is shown in the Directors' Report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been consistently applied:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Volumatic Holdings Limited as at 31 March 2019 and these financial statements may be obtained from its registered office.

#### 2.3 Foreign currency

##### *Functional and presentational currencies*

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

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 2. Accounting policies (continued)

#### 2.3 Foreign currency (continued)

##### *Transactions and balances*

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

Monetary assets and liabilities denominated in foreign currencies are retranslated 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.

All translation differences are taken to the statement of comprehensive income, 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.

#### 2.4 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.

#### 2.5 Leased assets

Annual rentals in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

#### 2.6 Research and development

Expenditure on pure and applied research is charged to the statement of comprehensive income 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 statement of comprehensive income over the estimated economic life of three to five years.

#### 2.7 Pensions

Contributions to the company's defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

# **Volumatic Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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

#### **2.8 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 the statement of comprehensive income, 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.

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.

#### **2.9 Tangible 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 the statement of comprehensive income 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.

Depreciation is provided on the following basis:

Freehold property	- 2%
Plant and machinery	- 10% to 33%

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 2. Accounting policies (continued)

#### 2.9 Tangible fixed assets (continued)

##### *Impairment of fixed assets*

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 ("CGU") to which the asset has been allocated) is tested for impairment and 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 (CGU's). 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.

#### 2.10 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 and includes all direct costs, labour costs and any attributable overheads. 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 the statement of comprehensive income.

#### 2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with no significant risk of change in value.

#### 2.12 Provisions for liabilities

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.

#### 2.13 Financial instruments

##### *Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

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### 2. Accounting policies (continued)

#### 2.13 Financial instruments (continued)

##### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

##### *Forward currency contracts*

Forward currency contracts are fair valued at each period end and the profit or loss recorded within the statement of comprehensive income in the period in which it relates to. An associated financial asset or financial liability is recorded on the statement of financial position.

#### 2.14 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.

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

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

- *Capitalisation of research and development costs*

Reached a judgement as to whether the conditions are met for a viable project to capitalise costs as a development intangible assets. Factors taken into consideration in reaching such a decision include; whether a 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:

- *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.

- *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.

- *Overseas taxation liabilities*

The group is required to estimate tax liabilities in foreign jurisdictions to determine an appropriate tax liability. The assessment requires significant assumptions to be made. Changes in the underlying assumptions could have a significant impact on the liability recognised.

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	8,134,115	3,812,767
Rest of Europe	635,532	665,898
Rest of the world	865,310	1,121,799
	<u>9,634,957</u>	<u>5,600,464</u>

### 5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Research and development:		
- current year's expenditure	539,013	546,608
- amortisation of capitalised expenditure	57,676	61,185
Depreciation of tangible fixed assets	111,501	95,863
Hire of plant and machinery - operating leases	44,221	51,166
Fees payable for the audit of the company's annual accounts	16,000	15,480
Other non-audit services	10,300	2,560
Exchange differences	290	53,726
	<u></u>	<u></u>

### 6. Employees

Staff costs (including directors) consists of:

	2019 £	2018 £
Wages and salaries	1,524,709	1,417,556
Social security costs	173,114	137,990
Other pension costs	97,527	84,817
	<u>1,795,350</u>	<u>1,640,363</u>

The average number of employees (including directors) during the year was 36 (2018 - 34).



# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	395,935	400,799
Company contributions to money purchase pension scheme	39,256	32,040
Amounts paid to third parties in respect of directors' services	100,607	47,180
	<u>535,798</u>	<u>480,019</u>

The total amount payable to the highest director in respect of emoluments was £110,585 (2018 - £116,022). Company pension contributions of £10,793 (2018 - £9,393) were made to a money purchase scheme on their behalf.

### 8. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	283,650	-
Adjustments in respect of previous periods	(6,185)	675
<b>Total current tax</b>	<u>277,465</u>	<u>675</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5,428)	689
Adjustment in respect of previous periods	(17)	(2,010)
<b>Total deferred tax</b>	<u>(5,445)</u>	<u>(1,321)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>272,020</u>	<u>(646)</u>

## Volumatic Limited

### Notes to the Financial Statements For the Year Ended 31 March 2019

#### 8. Taxation (continued)

##### Factors affecting tax charge/(credit) for the year

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

	2019 £	2018 £
Profit before tax	1,642,283	473,191
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	312,034	89,906
Effects of:		
Expenses not deductible for tax purposes	11,986	2,638
Adjustments to tax charge in respect of prior periods	(6,202)	(1,335)
Overseas tax expense	50,000	-
Group relief	(95,798)	(91,855)
<b>Total tax charge/(credit) for the year</b>	<b>272,020</b>	<b>(646)</b>

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

The main rate of UK corporation tax for the year commencing 1 April 2018 was 19% (year commencing 1 April 2017: 19%). The Finance Act 2016, enacted on 15 September 2016, reduced the main rate of Corporation tax to 17% for the year commencing 1 April 2020. These changes have been reflected in the carrying value of the deferred tax liability at the balance sheet date.

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 9. Intangible assets

	Development costs £
<b>Cost</b>	
At 1 April 2018	1,066,496
Additions	40,179
At 31 March 2019	<u>1,106,675</u>
<b>Amortisation</b>	
At 1 April 2018	994,986
Charge for the year	57,676
At 31 March 2019	<u>1,052,662</u>
<b>Net book value</b>	
At 31 March 2019	<u>54,013</u>
At 31 March 2018	<u>71,510</u>

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 10. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	515,729	2,062,991	2,578,720
Additions	-	78,254	78,254
At 31 March 2019	515,729	2,141,245	2,656,974
<b>Depreciation</b>			
At 1 April 2018	90,466	1,792,081	1,882,547
Charge for the year on owned assets	7,972	103,529	111,501
At 31 March 2019	98,438	1,895,610	1,994,048
<b>Net book value</b>			
At 31 March 2019	417,291	245,635	662,926
At 31 March 2018	425,263	270,910	696,173

### 11. Stocks

	2019 £	2018 £
Raw materials and consumables	332,115	800,282
Finished goods and goods for resale	757,765	1,153,490
	1,089,880	1,953,772

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

Stock recognised in cost of sales as an expense during the year was £4,561,582 (2018 - £2,288,446).

Stocks are stated net of a provision of £159,294 (2018 - £40,087). There were no significant stock write downs in either the current or prior period.

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 12. Debtors

	2019 £	2018 £
Trade debtors	3,154,709	877,336
Amounts owed by group undertakings	2,134,162	3,151,416
Other debtors	69,556	13,711
Prepayments and accrued income	131,370	157,475
	<u>5,489,797</u>	<u>4,199,938</u>

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

Debtors are stated net of a provision of £31,364 (2018 - £58,551). The impairment loss recognised in the statement of comprehensive income in respect of bad and doubtful trade debtors was £14,109 (2018 - £21,564).

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

	2019 £	2018 £
Trade creditors	1,234,421	890,860
Other taxation and social security	506,835	90,221
Corporation tax	277,796	26,365
Other creditors	67,934	83,116
Accruals and deferred income	85,713	43,548
	<u>2,172,699</u>	<u>1,134,110</u>

### 14. Deferred taxation

	2019 £
At 1 April 2018	45,396
Charged to profit or loss	(5,445)
At 31 March 2019	<u>39,951</u>

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 14. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	46,666	47,700
Short term timing differences	(6,715)	(2,304)
	<u>39,951</u>	<u>45,396</u>

### 15. Provisions

	Warranty provision £
At 1 April 2018	13,333
Charge to profit or loss	194,173
Utilised in the year	(13,333)
At 31 March 2019	<u>194,173</u>

### 16. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
900 Ordinary shares of £1 each	900	900
100 Deferred Preference shares of £1 each	100	100
	<u>1,000</u>	<u>1,000</u>

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

# Volumatic Limited

## Notes to the Financial Statements For the Year Ended 31 March 2019

### 17. Reserves

The company's capital and reserves are as follows:

#### **Called up share capital**

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

#### **Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid.

### 18. Pension commitments

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 cost charge represents contributions payable by the company to the fund and amounted to £97,527 (2018 - £84,817). Contributions totalling £14,196 (2018 - £13,555) were payable to the fund at the reporting date and are included in creditors.

### 19. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	36,938	47,322
Later than 1 year and not later than 5 years	6,069	43,189
	<u>43,007</u>	<u>90,511</u>

### 20. Financial commitments

The company has entered into a guarantee arrangement secured by a debenture over the assets of the company in respect of the loans issued to its parent entity. The value of the loan notes secured at the year end date is £2,669,590 (2018 - £3,203,389).

### 21. Related party transactions

The company is a wholly owned subsidiary of Volumatic Holdings Limited and has taken the exemption under FRS 102 Section 33.1A 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 services rendered to the company was £576,619 (2018 - £474,314).

# **Volumatic Limited**

## **Notes to the Financial Statements For the Year Ended 31 March 2019**

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### **22. Controlling party**

The largest and smallest group in which the results of the company are consolidated is that headed by Volumatic Holdings Limited, incorporated in the 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.