

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2016**



## CAVANNA GROUP MANAGEMENT SERVICES LIMITED

### COMPANY INFORMATION

---

|                             |                                                                                                                                                 |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | J M Cavanna<br>M G Cavanna<br>J Cavanna<br>E J C Rapson (resigned 31 January 2017)<br>B Bargent                                                 |
| <b>Company secretary</b>    | B Bargent                                                                                                                                       |
| <b>Registered number</b>    | 04214607                                                                                                                                        |
| <b>Registered office</b>    | Cavanna House<br>Riviera Park<br>Nicholson Road<br>Torquay<br>Devon<br>TQ2 7TD                                                                  |
| <b>Independent auditors</b> | Bishop Fleming LLP<br>Chartered Accountants & Statutory Auditors<br>50 The Terrace<br>Torquay<br>Devon<br>TQ1 1DD                               |
| <b>Bankers</b>              | Lloyds Bank plc<br>PO Box 128<br>8 Royal Parade<br>Plymouth<br>Devon<br>PL1 1HB                                                                 |
| <b>Solicitors</b>           | Boyce Hatton<br>58 The Terrace<br>Torquay<br>Devon<br>TQ1 1DE<br><br>Michelmores<br>Woodwater House<br>Pynes Hill<br>Exeter<br>Devon<br>EX2 5WR |

# **CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

## **CONTENTS**

---

|                                                                             | Page    |
|-----------------------------------------------------------------------------|---------|
| <b>Directors' Report</b>                                                    | 1 - 2   |
| <b>Independent Auditors' Report</b>                                         | 3 - 4   |
| <b>Income Statement</b>                                                     | 5       |
| <b>Statement of Financial Position</b>                                      | 6       |
| <b>Statement of Changes in Equity</b>                                       | 7       |
| <b>Notes to the Financial Statements</b>                                    | 8 - 12  |
| The following pages do not form part of the statutory financial statements: |         |
| <b>Detailed Income Statement and Summaries</b>                              | 13 - 15 |

## **CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2016**

---

The directors present their report and the financial statements for the year ended 30 November 2016.

#### **Directors' responsibilities statement**

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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.

#### **Directors**

The directors who served during the year were:

J M Cavanna  
M G Cavanna  
J Cavanna  
E J C Rapson (resigned 31 January 2017)  
B Bargent

#### **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.

#### **Auditors**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

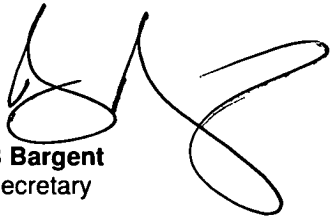
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

---

**Small companies note**

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 and signed on its behalf.



**B Bargent**  
Secretary

Date: 9/3/17

Cavanna House  
Riviera Park  
Nicholson Road  
Torquay  
Devon  
TQ2 7TD

## **CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

We have audited the financial statements of Cavanna Group Management Services Limited for the year ended 30 November 2016, set out on pages 5 to 12. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Directors' responsibilities statement on page 1, 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 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 Financial Reporting Council'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 30 November 2016 and of its profit or loss 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 matter 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED (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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Pamela Tuckett FCA (Senior statutory auditor)  
for and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
50 The Terrace  
Torquay  
Devon  
TQ1 1DD

Date: 9 March 2017

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

|                                        | Note | 2016<br>£      | 2015<br>£      |
|----------------------------------------|------|----------------|----------------|
| Turnover                               |      | 5,752,032      | 5,535,414      |
| Administrative expenses                |      | (5,402,930)    | (5,065,656)    |
| <b>Operating Profit</b>                |      | <b>349,102</b> | <b>469,758</b> |
| Interest receivable and similar income |      | 11,451         | 10,916         |
| Interest payable and similar expenses  |      | (1,182)        | (216)          |
| <b>Profit Before Tax</b>               |      | <b>359,371</b> | <b>480,458</b> |
| Tax on profit                          |      | (73,302)       | (100,892)      |
| <b>Profit for the Year</b>             |      | <b>286,069</b> | <b>379,566</b> |

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

The notes on pages 8 to 12 form part of these financial statements.

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**  
**REGISTERED NUMBER:04214607**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 NOVEMBER 2016**

|                                                | Note | 2016<br>£    | 2015<br>£    |
|------------------------------------------------|------|--------------|--------------|
| <b>Current Assets</b>                          |      |              |              |
| Debtors                                        | 5    | 769,227      | 782,511      |
| Creditors: amounts falling due within one year | 6    | (768,227)    | (781,511)    |
| <b>Net Current Assets</b>                      |      | <u>1,000</u> | <u>1,000</u> |
| <b>Capital and Reserves</b>                    |      |              |              |
| Called up share capital                        |      | <u>1,000</u> | <u>1,000</u> |
| <b>Shareholders' Funds</b>                     |      | <u>1,000</u> | <u>1,000</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*JM Cavanna*

**J M Cavanna**  
 Director

Date: 9/3/17

The notes on pages 8 to 12 form part of these financial statements.

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

|                            | <b>Called up<br/>share capital</b> | <b>Profit and<br/>loss account</b> | <b>Total equity</b> |
|----------------------------|------------------------------------|------------------------------------|---------------------|
|                            | <b>£</b>                           | <b>£</b>                           | <b>£</b>            |
| <b>At 1 December 2014</b>  | <b>1,000</b>                       | <b>-</b>                           | <b>1,000</b>        |
| Profit for the year        | -                                  | 379,566                            | 379,566             |
| Dividends paid             | -                                  | (379,566)                          | (379,566)           |
| <b>At 1 December 2015</b>  | <b>1,000</b>                       | <b>-</b>                           | <b>1,000</b>        |
| Profit for the year        | -                                  | 286,069                            | 286,069             |
| Dividends paid             | -                                  | (286,069)                          | (286,069)           |
| <b>At 30 November 2016</b> | <b>1,000</b>                       | <b>-</b>                           | <b>1,000</b>        |

The notes on pages 8 to 12 form part of these financial statements.

## CAVANNA GROUP MANAGEMENT SERVICES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

---

#### 1. General Information

The company is limited by shares, incorporated in the United Kingdom. The address of the registered office is given in the company information page of these financial statements. The principal activity of the company is that of builders, developers and dealers in land.

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes.

##### 2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, less any impairment.

##### 2.4 Financial Instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to related parties.

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

##### 2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, where applicable, are measured initially at fair value, net of transaction costs.

##### 2.6 Finance Costs

Finance costs are charged to the Income Statement over the term of the debt.

##### 2.7 Dividends

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

---

**2. Accounting Policies (continued)**

**2.8 Pensions**

**Defined Contribution Pension Plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**2.9 Current and Deferred Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# CAVANNA GROUP MANAGEMENT SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

### 3. Directors' Remuneration

|                                                               | 2016<br>£      | 2015<br>£      |
|---------------------------------------------------------------|----------------|----------------|
| Directors' emoluments                                         | 627,496        | 631,095        |
| Company contributions to defined contribution pension schemes | 176,735        | 201,604        |
|                                                               | <u>804,231</u> | <u>832,699</u> |

During the year retirement benefits were accruing to 6 directors (2015: 6) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £167,294 (2015: £158,151).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £29,801 (2015: £52,559).

### 4. Employees

Staff costs, including directors' remuneration, were as follows:

|                                     | 2016<br>£        | 2015<br>£        |
|-------------------------------------|------------------|------------------|
| Wages and salaries                  | 4,030,841        | 3,781,963        |
| Social security costs               | 424,882          | 388,604          |
| Cost of defined contribution scheme | 512,978          | 503,040          |
|                                     | <u>4,968,701</u> | <u>4,673,607</u> |

The average monthly number of full time equivalent employees, including the directors, during the year was as follows:

|                                       | 2016<br>No. | 2015<br>No. |
|---------------------------------------|-------------|-------------|
| Directors (including group companies) | 6           | 6           |
| Administration staff                  | 12          | 11          |
| Sales staff                           | 17          | 15          |
| Construction/design/technical staff   | 71          | 66          |
|                                       | <u>106</u>  | <u>98</u>   |

The total compensation paid to key management personnel during the year was £876,829 (2015: £905,913).

**CAVANNA GROUP MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

**5. Debtors**

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 748,518        | 762,064        |
| Other debtors                      | 7,841          | 5,805          |
| Deferred taxation                  | 12,868         | 14,642         |
|                                    | <u>769,227</u> | <u>782,511</u> |

**6. Creditors: Amounts Falling Due Within One Year**

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Bank overdrafts                    | 12,220         | 11,135         |
| Trade creditors                    | 2,160          | 1,318          |
| Amounts owed to group undertakings | 7,924          | -              |
| Corporation tax                    | 62,639         | 93,017         |
| Other taxation and social security | 134,305        | 126,441        |
| Accruals and deferred income       | 548,979        | 549,600        |
|                                    | <u>768,227</u> | <u>781,511</u> |

Bank borrowings are secured by a floating charge over all assets and a fixed charge over freehold land held for development.

**7. Deferred taxation**

|                           | 2016<br>£     |
|---------------------------|---------------|
| At beginning of year      | 14,642        |
| Charged to profit or loss | (1,774)       |
| <b>At end of year</b>     | <u>12,868</u> |

The deferred tax asset is made up as follows:

|                          | 2016<br>£     |
|--------------------------|---------------|
| Other timing differences | 12,868        |
|                          | <u>12,868</u> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2016**

---

**8. Pension Commitments**

The company operates a defined contributions 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 £512,978 (2015: £503,040). Contributions totalling £75,697 (2015: £81,345) were payable to the fund at the reporting date.

**9. Related Party Transactions**

As a wholly owned subsidiary undertaking of Cavanna Group Limited, the company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33 "Related party disclosures" in not disclosing intra group transactions between two or more members of the group.

**10. Controlling Party**

The holding company is Cavanna Group Limited, a company incorporated in England and Wales. Copies of the group financial statements can be obtained from the holding company's registered office, Cavanna House, Riviera Park, Nicholson Road, Torquay, Devon.

**11. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.