

Registered number: 04214607

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2017

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COMPANIES HOUSE

 **Bishop Fleming**
Chartered Accountants

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	J M Cavanna M G Cavanna J Cavanna E J C Rapson (resigned 31 January 2017) B Bargent K R Miller (appointed 2 October 2017)
Company secretary	B Bargent
Registered number	04214607
Registered office	Cavanna House Riviera Park Nicholson Road Torquay Devon TQ2 7TD
Independent auditors	Bishop Fleming LLP Chartered Accountants & Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN
Bankers	Lloyds Bank plc PO Box 128 8 Royal Parade Plymouth Devon PL1 1HB
Solicitors	Boyce Hatton 58 The Terrace Torquay Devon TQ1 1DE Michelmores Woodwater House Pynes Hill Exeter Devon EX2 5WR

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

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CAVANNA GROUP MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present their report and the financial statements for the year ended 30 November 2017.

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 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.

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
K R Miller (appointed 2 October 2017)

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.

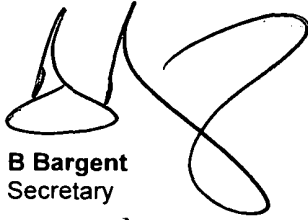
CAVANNA GROUP MANAGEMENT SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2017**

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: 8/3/18

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

Opinion

We have audited the financial statements of Cavanna Group Management Services Limited (the 'company') for the year ended 30 November 2017, which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 30 November 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' report, other than the financial statements and our Auditors' 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.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

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 Directors' 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' exemptions 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 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, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAVANNA GROUP MANAGEMENT SERVICES LIMITED (CONTINUED)

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 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.

Bishop Fleming LLP

Pamela Tuckett FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth
PL4 0BN

Date: 8/3/18

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	2017 £	2016 £
Turnover	6,229,718	5,752,032
Administrative expenses	(5,839,506)	(5,402,930)
Other operating income	78	-
Operating Profit	390,290	349,102
Interest receivable and similar income	12,274	11,451
Interest payable and similar expenses	(407)	(1,182)
Profit Before Tax	402,157	359,371
Tax on profit	(77,322)	(73,302)
Profit for the Year	324,835	286,069

There were no recognised gains and losses for 2017 or 2016 other than those included in the income statement.

The notes on pages 9 to 13 form part of these financial statements.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER:04214607

STATEMENT OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017

	Note	2017 £	2016 £
Current Assets			
Debtors	6	799,117	769,227
Creditors: amounts falling due within one year	7	(798,117)	(768,227)
Net Current Assets		<u>1,000</u>	<u>1,000</u>
Capital and Reserves			
Called up share capital		<u>1,000</u>	<u>1,000</u>
Shareholders' Funds		<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:



J M Cavanna
Director

Date:

8/3/18

The notes on pages 9 to 13 form part of these financial statements.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2015	1,000	-	1,000
Profit for the year	-	286,069	286,069
Dividends paid	-	(286,069)	(286,069)
At 1 December 2016	1,000	-	1,000
Profit for the year	-	324,835	324,835
Dividends paid	-	(324,835)	(324,835)
At 30 November 2017	1,000	-	1,000

The notes on pages 9 to 13 form part of these financial statements.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

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 employment services for the Cavanna group.

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.

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

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.

3. Other Operating Income

	2017 £	2016 £
Miscellaneous income	78	-
	<u>78</u>	<u>-</u>

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

4. Directors' Remuneration

	2017 £	2016 £
Directors' emoluments	863,093	627,496
Company contributions to defined contribution pension schemes	62,011	176,735
	<u>925,104</u>	<u>804,231</u>

During the year retirement benefits were accruing to 6 directors (2016: 6) in respect of defined contribution pension schemes.

Included within the above is compensation to directors or past directors in respect of loss of office amounting to one hundred and one thousand, five hundred and eighty pounds.

The highest paid director received remuneration of £214,317 (2016: £167,294).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016: £29,801).

5. Employees

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

	2017 £	2016 £
Wages and salaries	4,389,694	4,030,841
Social security costs	465,822	424,882
Cost of defined contribution scheme	432,354	512,978
	<u>5,287,870</u>	<u>4,968,701</u>

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

	2017 No.	2016 No.
Directors	5	6
Administration staff	10	12
Sales staff	19	17
Construction/design/technical staff	74	71
	<u>108</u>	<u>106</u>

The total compensation paid to key management personnel during the year was £916,823 (2016: £876,829).

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017**

6. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	789,032	748,518
Other debtors	3,487	7,841
Deferred taxation	6,598	12,868
	<u>799,117</u>	<u>769,227</u>

7. Creditors: Amounts Falling Due Within One Year

	2017 £	2016 £
Bank overdrafts	10,699	12,220
Trade creditors	10,662	2,160
Amounts owed to group undertakings	32,531	7,924
Corporation tax	36,376	62,639
Other taxation and social security	136,547	134,305
Accruals and deferred income	571,302	548,979
	<u>798,117</u>	<u>768,227</u>

Bank borrowings are secured by a floating charge over all assets.

8. Deferred Taxation

	2017 £
At beginning of year	12,868
Charged to profit or loss	(6,270)
At end of year	<u><u>6,598</u></u>

The deferred tax asset is made up as follows:

	2017 £
Accelerated capital allowances	6,598
	<u><u>6,598</u></u>

CAVANNA GROUP MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

9. 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 £432,354 (2016: £512,978). Contributions totalling £38,811 (2016: £75,697) were payable to the fund at the reporting date.

10. 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.

11. 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, TQ2 7TD.