

'CRO'

Company Registration No. 03086007 (England and Wales)

CAVA (U.K.) LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2010

THURSDAY



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COMPANIES HOUSE

CAVA (U.K.) LIMITED

COMPANY INFORMATION

Directors

A C Barrett
C J Barrett
R Hogg
C Robshaw

Secretary

R Hogg

Company number

03086007

Registered office

Grafic House
Tom Dando Close
Normanton Industrial Estate
Normanton
Wakefield
West Yorkshire
WF6 1TP

Auditors

DJH Accountants Limited
Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

CAVA (U.K.) LIMITED

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CAVA (U.K.) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

The directors present their report and financial statements for the year ended 31 December 2010

Principal activities and review of the business

We aim to provide a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

The principal activity of the company continued to be the acquisition, refurbishment and sale of specialist machinery.

We consider that our key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross margin and return on capital employed.

Turnover has significantly increased this year, actually increasing by 51.07% compared with 2009, turnover this year is £1,030,274 (2009, £681,989). The increased turnover coupled with comparable administrative expenses has improved the trading results of the company, however this has been mitigated by a decreased gross profitability. Gross profit for the year was £193,836 (2009, £149,997) representing a gross profit percentage of 18.81% (2009, 21.99%).

The directors are disappointed with the results for the year and the financial position at the year end. An annual comprehensive review of costs, margins and expenses is carried out as part of the budget preparation, changes implemented as a result of last year's review have helped increase gross profitability this year. The directors are hopeful the company can achieve similar profitability in the future, this combined with increased turnover will result in the company becoming profitable again. The company continues to be insolvent and relies on the continued support of its parent, Grafitec Holdings Limited.

The business environment in which we operate continues to be challenging. The company faces competition both nationally and globally. We are of course also subject to consumer spending patterns and purchasing policies.

With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside our control.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2010:

A C Barrett
C J Barrett
R Hogg
C Robshaw

Auditors

In accordance with the company's articles, a resolution proposing that DJH Accountants Limited be reappointed as auditors of the company will be put at a General Meeting.

CAVA (U.K.) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2010

Directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently,
- 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,
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

x

R Hogg
Secretary

x

Date

15/06/11

CAVA (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAVA (U.K.) LIMITED

We have audited the financial statements of Cava (U K) Limited for the year ended 31 December 2010 set out on pages 5 to 16 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with section 495 and 496 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 set out on pages 1 - 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

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 December 2010 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements in respect of the support given by the company's parent We consider that it should be drawn to your attention but our opinion is not qualified in this respect

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

CAVA (U.K.) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CAVA (U.K.) LIMITED

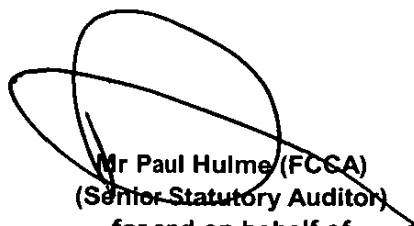
Matters on which we are required to report by exception

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

Porthill Lodge
High Street
Wolstanton
Newcastle under Lyme
Staffordshire
ST5 0EZ

20/06/11



Mr Paul Hulme (FCCA)
(Senior Statutory Auditor)
for and on behalf of
DJH ACCOUNTANTS LIMITED

Chartered Certified Accountants
Registered Auditor

CAVA (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	2009 £
Turnover	2	1,030,274	681,989
Cost of sales		(836,438)	(531,992)
Gross profit		193,836	149,997
Administrative expenses		(189,901)	(195,058)
Other operating income		-	75
Operating profit/(loss)	3	3,935	(44,986)
Other interest receivable and similar income	4	-	253
Interest payable and similar charges	5	(19,370)	(18,850)
Loss on ordinary activities before taxation		(15,435)	(63,583)
Tax on loss on ordinary activities	6	-	-
Loss for the year	13	(15,435)	(63,583)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CAVA (U.K.) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2010

	Notes	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	7		6,211		12,545
Investments	8		2		2
			<u>6,213</u>		<u>12,547</u>
Current assets					
Stocks	9	41,320		216,950	
Debtors	10	87,498		68,692	
Cash at bank and in hand		73,307		500	
		<u>202,125</u>		<u>286,142</u>	
Creditors, amounts falling due within one year	11	(573,116)		(648,032)	
Net current liabilities			<u>(370,991)</u>		<u>(361,890)</u>
Total assets less current liabilities			<u>(364,778)</u>		<u>(349,343)</u>
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		(374,778)		(359,343)
Shareholders' funds	14		<u>(364,778)</u>		<u>(349,343)</u>

Approved by the Board and authorised for issue on

* 15/04/11

*

A C Barrett
Director

Company Registration No. 03086007

CAVA (U.K.) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

	2010	2009
	£	£
Net cash (outflow)/inflow from operating activities	(14,708)	3,192
Returns on investments and servicing of finance		
Interest received	-	253
Interest paid	(19,370)	(18,850)
Net cash outflow for returns on investments and servicing of finance	(19,370)	(18,597)
Net cash outflow before management of liquid resources and financing	(34,078)	(15,405)
Financing		
Capital element of hire purchase contracts	(5,605)	(5,605)
Net cash outflow from financing	(5,605)	(5,605)
Decrease in cash in the year	(39,683)	(21,010)

CAVA (U.K.) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

1	Reconciliation of operating profit/(loss) to net cash (outflow)/inflow from operating activities	2010	2009
		£	£
	Operating profit/(loss)	3,935	(44,986)
	Depreciation of tangible assets	6,335	6,334
	Decrease/(increase) in stocks	175,630	(49,354)
	Increase in debtors	(18,806)	(5,086)
	(Decrease)/Increase in creditors within one year	(181,802)	96,284
	Net cash (outflow)/inflow from operating activities	(14,708)	3,192

2	Analysis of net debt	1 January 2010	Cash flow	Other non-cash changes	31 December 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	500	72,807	-	73,307
	Bank overdrafts	(169,621)	(112,490)	-	(282,111)
		<u>(169,121)</u>	<u>(39,683)</u>	<u>-</u>	<u>(208,804)</u>
	Bank deposits	-	-	-	-
	Debt				
	Finance leases	(8,874)	5,604	-	(3,270)
	Net debt	(177,995)	(34,079)	-	(212,074)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Decrease in cash in the year	(39,683)	(21,010)
	Cash outflow from decrease in debt and lease financing	5,604	5,605
	Movement in net debt in the year	(34,079)	(15,405)
	Opening net debt	(177,995)	(162,590)
	Closing net debt	(212,074)	(177,995)

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company is reliant on financial support from its parent company, Grafitec Holdings Limited. Loans outstanding at 31 December 2010 amounted to £180,000. In addition, the company's bank overdraft is secured by a cross guarantee and debenture.

The directors have prepared management accounts up to 31 March 2011 and budgets up to 31 December 2011. On the basis of this information, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	25% per annum of cost
Motor vehicles	25% per annum of cost

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

1 Accounting policies

(continued)

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Grafitec Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Turnover

Geographical market

	Turnover 2010 £	2009 £
UK	244,888	295,333
EEC	313,124	193,006
Other	472,261	193,650
	<u>1,030,273</u>	<u>681,989</u>

3 Operating profit/(loss)

	2010 £	2009 £
Operating profit/(loss) is stated after charging		
Depreciation of tangible assets	<u>6,335</u>	<u>6,334</u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Other services

3,100	3,000
676	687
<u>3,776</u>	<u>3,687</u>

4 Investment income

	2010 £	2009 £
Bank interest	-	253
	<u>-</u>	<u>253</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

5	Interest payable	2010 £	2009 £
	On bank loans and overdrafts	6,840	9,997
	Hire purchase interest	731	706
	Other interest	11,799	8,147
		<u>19,370</u>	<u>18,850</u>
6	Taxation	2010	2009
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(15,435)	(63,583)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21 00% (2009 - 20 00%)	(3,241)	(12,717)
	Effects of		
	Depreciation add back	1,330	1,267
	Capital allowances	(630)	(600)
	Tax losses utilised	2,520	12,065
	Other tax adjustments	21	(15)
		<u>3,241</u>	<u>12,717</u>
	Current tax charge for the year	-	-

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

7 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 January 2010 and at 31 December 2010	1,940	34,723	36,663
Depreciation			
At 1 January 2010	1,940	22,178	24,118
Charge for the year	-	6,334	6,334
At 31 December 2010	1,940	28,512	30,452
Net book value			
At 31 December 2010	-	6,211	6,211
At 31 December 2009	-	12,545	12,545

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 December 2010	6,210
At 31 December 2009	12,420
Depreciation charge for the year	
At 31 December 2010	6,210
At 31 December 2009	6,210

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2010 and at 31 December 2010	2
Net book value	
At 31 December 2010	2
	<u>2</u>
At 31 December 2009	<u>2</u>

9 Stocks

	2010 £	2009 £
Finished goods and goods for resale	41,320	216,950
	<u>41,320</u>	<u>216,950</u>

10 Debtors

	2010 £	2009 £
Trade debtors	44,224	37,190
Other debtors	42,228	30,724
Prepayments and accrued income	1,046	778
	<u>87,498</u>	<u>68,692</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

11 Creditors' amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	282,111	169,621
Net obligations under hire purchase contracts	3,270	8,874
Trade creditors	94,369	95,549
Taxes and social security costs	2,310	2,567
Other creditors	180,002	282,140
Accruals and deferred income	11,054	89,281
	<u>573,116</u>	<u>648,032</u>

The bank overdraft is secured by a cross guarantee and debenture dated 21 October 2004

12 Share capital	2010 £	2009 £
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2010	(359,343)
Loss for the year	<u>(15,435)</u>
Balance at 31 December 2010	<u>(374,778)</u>

14 Reconciliation of movements in shareholders' funds	2010 £	2009 £
Loss for the financial year	(15,435)	(63,583)
Opening shareholders' funds	<u>(349,343)</u>	<u>(285,760)</u>
Closing shareholders' funds	<u>(364,778)</u>	<u>(349,343)</u>

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

15 Contingent liabilities

The company has a cross guarantee and debenture dates 21 October 2004, in favour of Barclays Bank plc, with the following companies -

Grafitec Holdings Limited
Grafitec PLC
Grafitec Web Limited
Balun Limited
Graphic Management Services Limited

16 Directors' remuneration	2010 £	2009 £
Remuneration for qualifying services	32,267	31,400

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2010 Number	2009 Number
Sales	1	1
Warehouse	2	2
	3	3

Employment costs	2010 £	2009 £
Wages and salaries	73,769	74,100
Social security costs	8,627	8,618
	82,396	82,718

18 Control

The ultimate parent company is Grafitec Holdings Limited, a company registered in England and Wales

Grafitec Holdings Limited prepares group financial statements and copies can be obtained from Grafic House, Tom Dando Close, Normanton Industrial Estate, Normanton, Wakefield, WF6 1TP

CAVA (U.K.) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2010

19 Related party transactions

The following companies are considered to be related parties as defined by FRS 8 -

Graphworld Limited
Grafitec Plc
Grafitec Holdings Limited
Grafitec Web Limited
Graphic Management Services Limited
Cava Consumables Limited
European Graphic Machinery Limited
Care Graphics Machinery Limited
Grafitec Label Presses Limited
Balun Limited
ANS Engineering Services Limited

Transactions between Cava (UK) Limited and its related parties during the year were as follows -

	Grafitec Plc	Grafitec Holdings Limited	Grafitec Web Limited	Balun Limited
	£	£	£	£
Purchases of goods and services	33,657	7,544	171	22,903
Sales of goods and services	-	-	-	-
Balance due to, at 31 December 2010	19,549	187,544	322	4,992
Balance due from, at 31 December 2010	-	-	-	-

CAVA (U.K.) LIMITED
MANAGEMENT INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2010

CAVA (U.K.) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	2010		2009	
	£	£	£	£
Turnover				
Sales		1,030,274		681,989
Cost of sales				
Opening stock of finished goods	216,950		167,596	
Purchases	578,836		568,253	
Subcontract labour	36,469		7,743	
Commissions payable	42,588		3,500	
Hire of plant and machinery	2,915		1,850	
	<u>877,758</u>		<u>748,942</u>	
Closing stock of finished goods	(41,320)		(216,950)	
		<u>(836,438)</u>		<u>(531,992)</u>
Gross profit		193,836		149,997
Administrative expenses		<u>(189,901)</u>		<u>(195,058)</u>
		3,935		(45,061)
Other operating income				
Sundry income		-		75
Operating profit/(loss)		3,935		(44,986)
Other interest receivable and similar income				
Bank interest received		-		253
Interest payable				
Bank interest paid	6,840		9,997	
Hire purchase interest paid	731		706	
Other interest paid	11,799		8,147	
	<u></u>	<u>(19,370)</u>	<u></u>	<u>(18,850)</u>
Loss before taxation		<u>(15,435)</u>		<u>(63,583)</u>

CAVA (U.K.) LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Administrative expenses		
Wages and salaries	41,502	42,700
Directors' remuneration	32,267	31,400
Employment costs	8,627	8,618
Rent and rates	28,658	34,611
Insurance	8,110	6,756
Repairs and maintenance	-	6,335
Printing, postage and stationery	14,246	13,152
Telephone	3,713	2,930
Computer running costs	9,538	10,441
Motor running expenses	11,813	13,037
Travelling expenses	19,068	11,245
Legal and professional fees	13	(66)
Accountancy	676	687
Audit fees	3,100	3,000
Bank charges	2,005	3,714
Sundry expenses	230	164
Depreciation on motor vehicles	6,335	6,334
	<u>189,901</u>	<u>195,058</u>