

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023
FOR
THE CAVITY INSULATION GUARANTEE AGENCY

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FOR THE YEAR ENDED 30 APRIL 2023**

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THE CAVITY INSULATION GUARANTEE AGENCY

COMPANY INFORMATION FOR THE YEAR ENDED 30 APRIL 2023

DIRECTORS:

D L Belton
E Coates
P J Dickin
I R F Gager
M I Morrall
J Pulman
N Ralph
D F Robson
M J Webb

SECRETARY:

N Donohue

REGISTERED OFFICE:

Ciga House
3 Vimy Court
Vimy Road
Leighton Buzzard
Bedfordshire
LU7 1FG

REGISTERED NUMBER:

03044131 (England and Wales)

AUDITORS:

Ad Valorem Audit Services Limited
Chartered Certified Accountants
& Statutory Auditors
2 Manor Farm Court
Old Wolverton Road
Old Wolverton
Milton Keynes
Buckinghamshire
MK12 5NN

BALANCE SHEET
30 APRIL 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Tangible assets	5		793,868		768,892
Investments	6		5,691,828		5,782,798
Investment property	7		<u>791,000</u>		<u>1,227,742</u>
			7,276,696		7,779,432
CURRENT ASSETS					
Stocks		3,000		3,000	
Debtors	8	1,583,858		761,207	
Cash at bank and in hand		<u>414,662</u>		<u>1,722,560</u>	
		2,001,520		2,486,767	
CREDITORS					
Amounts falling due within one year	9	<u>408,679</u>		<u>585,404</u>	
NET CURRENT ASSETS			<u>1,592,841</u>		<u>1,901,363</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			8,869,537		9,680,795
PROVISIONS FOR LIABILITIES	11		<u>17,436,697</u>		<u>17,919,090</u>
NET LIABILITIES			<u>(8,567,160)</u>		<u>(8,238,295)</u>
RESERVES					
Income and expenditure account			<u>(8,567,160)</u>		<u>(8,238,295)</u>
			<u>(8,567,160)</u>		<u>(8,238,295)</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 January 2024 and were signed on its behalf by:

D F Robson - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

1. STATUTORY INFORMATION

The Cavity Insulation Guarantee Agency is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Cavity Insulation Guarantee Agency as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Adequacy of guarantee funds

The principal activity of the company is to provide a uniform and dependable independent guarantee for the cavity insulation industry. The Council of Management's primary objective is to review on an annual basis that the company will have sufficient resources to ensure that guarantee claims, both notified to it at the year end and those that may arise in the future, can be met as they fall due.

In doing so the Council considers the sum of the deferred income reserve, the provision for notified claims and the provision for unexpired risk to assess whether this overall 'guarantee reserve' is sufficient to meet the claims that are likely to arise based on current projections of claim rates over the unexpired guarantee period and the anticipated expenditure on settling claims as adjusted for anticipated inflation.

TURNOVER

Turnover is stated after allocating part of the guarantee fee received from the installer on the completion of each cavity wall insulation to deferred income. This deferred income is allocated to turnover in equal annual instalments over the 25 year period of the CIGA guarantee.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on cost

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Freehold property is not depreciated in the year as the directors consider the market value to be consistent with the original cost stated.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

3. ACCOUNTING POLICIES - continued

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary undertakings are recognised at cost.

INVESTMENT PROPERTY

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred income

In order to accumulate guarantee funds the company allocates part of the guarantee fee received from the installer on the completion of each cavity wall insulation to deferred income. An annual judgement is made as to what percentage of the guarantee fee is allocated straight to turnover and the balance to deferred income, based on market conditions and claims history.

This deferred income is allocated to the profit and loss account in equal instalments over the 25 year period of the CIGA guarantee commensurate with the expected incidence of claims. In reaching its assessment of the pattern of claims the company makes reference to past experience. The deferred income represents the proportion of the guarantee fee issued in the year and in previous years that relate to the unexpired risk period of the guarantees in issue.

Guarantee claims paid

Guarantee claims incurred comprise claims and related expenses paid in the year, together with the movement on the provision for outstanding claims notified but not settled at the year end date and the provision for unexpired risk on guarantee claims in issue.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

3. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

GENERAL PROVISIONS

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and are subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are disclosed in the profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Provision for notified claims

A provision is made in respect of all claims notified to the company by guarantee holders as at the year end date. In estimating the cost of notified but not settled claims, the Council of Management has regard to the claim circumstances as reported and the cost of settling claims with similar characteristics in previous periods.

Provision for unexpired risk

An unexpired risk provision is made where the estimated cost of claims and related expenses exceed the unearned fee, after taking account of future investment income and cost inflation. An assessment is made at the year-end for the estimated cost of claims which may arise during the unexpired period of each guarantee in force at the balance sheet date.

The provisions are inevitably subject to inherent uncertainties because of the range of factors which could give rise to potential claims over the 25 year guarantee period. The time expected to elapse between the inception of the guarantee, the manifestation of events giving rise to claims and the notification to and settlement by the company of such claims accentuate these uncertainties.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2022 - 29) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

5. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 May 2022	507,241	154,082	336,637	997,960
Additions	-	86,354	37,546	123,900
Disposals	-	-	(4,158)	(4,158)
At 30 April 2023	<u>507,241</u>	<u>240,436</u>	<u>370,025</u>	<u>1,117,702</u>
DEPRECIATION				
At 1 May 2022	-	99,186	129,882	229,068
Charge for year	-	34,464	64,460	98,924
Eliminated on disposal	-	-	(4,158)	(4,158)
At 30 April 2023	<u>-</u>	<u>133,650</u>	<u>190,184</u>	<u>323,834</u>
NET BOOK VALUE				
At 30 April 2023	<u>507,241</u>	<u>106,786</u>	<u>179,841</u>	<u>793,868</u>
At 30 April 2022	<u>507,241</u>	<u>54,896</u>	<u>206,755</u>	<u>768,892</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Other investments £	Totals £
COST OR VALUATION			
At 1 May 2022	2,000	5,780,798	5,782,798
Impairments	-	(90,970)	(90,970)
At 30 April 2023	<u>2,000</u>	<u>5,689,828</u>	<u>5,691,828</u>
NET BOOK VALUE			
At 30 April 2023	<u>2,000</u>	<u>5,689,828</u>	<u>5,691,828</u>
At 30 April 2022	<u>2,000</u>	<u>5,780,798</u>	<u>5,782,798</u>

Cost or valuation at 30 April 2023 is represented by:

	Shares in group undertakings £	Other investments £	Totals £
Valuation in 2022	-	2,700	2,700
Valuation in 2023	-	(90,970)	(90,970)
Cost	<u>2,000</u>	<u>5,778,098</u>	<u>5,780,098</u>
	<u>2,000</u>	<u>5,689,828</u>	<u>5,691,828</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

7. INVESTMENT PROPERTY

FAIR VALUE

At 1 May 2022

Disposals

At 30 April 2023

NET BOOK VALUE

At 30 April 2023

At 30 April 2022

Total
£

1,227,742

(436,742)

791,000

791,000

1,227,742

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2023

£

2022

£

Trade debtors

46,765

91,198

Amounts owed by group undertakings

1,430,053

664,847

Other debtors

107,040

5,162

1,583,858

761,207

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

2023

£

2022

£

Trade creditors

185,725

62,674

Amounts owed to group undertakings

141,876

394,875

Taxation and social security

13,262

29,165

Other creditors

67,816

98,690

408,679

585,404

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

2023

£

2022

£

Within one year

1,958

1,958

Between one and five years

1,959

3,917

3,917

5,875

11. PROVISIONS FOR LIABILITIES

2023

£

2022

£

Other provisions

Technical provisions

7,726,097

7,344,711

Deferred guarantee income

9,710,600

10,574,379

17,436,697

17,919,090

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2023

12. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Darren Kerins FCCA (Senior Statutory Auditor)
for and on behalf of Ad Valorem Audit Services Limited

13. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14. **ULTIMATE CONTROLLING PARTY**

No member of the company or member of the Council of Management has overall control of the company.

15. **LIMITED BY GUARANTEE**

The liability of each member is limited to a contribution of £1 in the event of the company being wound up while they are a member, or within one year they cease to be a member, towards the payment of debts and liabilities of the company contracted before they cease to be a member. At 30 April 2023 there were 119 members (2022 - 97).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.