

Capital Reward Clients Limited

**Directors' report and financial
statements**

Registered number 05886637

31 December 2015

THURSDAY



A5GK1EHM

A39

29/09/2016

#28

COMPANIES HOUSE

Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	3
Independent auditor's report to the members of Capital Reward Clients Limited	4
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes	9

Company information

Directors	GJ Kershaw NM Stevens SC Turvey
Registered office	The John Smith's Stadium Stadium Way Huddersfield HD1 6PG
Registered number	05886637 (England and Wales)
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street, Leeds LS1 4DA

Director's report

The directors present their report together with the financial statements for the year ended 31 December 2015.

Principal activities and business review

The principal activity of the company in the year under review was that of holding clients that have been acquired from retiring financial adviser practices. The results for the year are shown on page 6.

Directors

The directors of the company during the year and up to the date of signing this report were :

GJ Kershaw
NM Stevens
SC Turvey

Dividends

The directors do not recommend payment of a dividend.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP were appointed as the company's first auditor during the year.

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.

By order of the board



SC Turvey
Director

The John Smith's Stadium
Stadium Way
Huddersfield
HD1 6PG

28/7/2016

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 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 judgments and 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Capital Reward Clients Limited

We have audited the financial statements of Capital Reward Clients Limited for the year ended 31 December 2015 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board'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.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matter – prior period financial statements

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standard on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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.

Independent auditor's report to the members of Capital Reward Clients 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 in preparing the Directors' report and in not preparing a Strategic report.



Frances Whittle (Senior Statutory Auditor)

For and on behalf of

KPMG LLP

Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

28/7/2016

Profit and loss account
for the year ended 31 December 2015

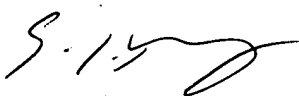
	<i>Note</i>	2015	2014
		£	Unaudited £
Turnover		70,797	73,081
Administrative expenses		(64,842)	(64,290)
Operating profit	2	5,955	8,791
Interest paid and similar charges		(5,955)	(8,791)
Profit on ordinary activities before tax		-	-
Tax on profit on ordinary activities	3	-	-
Profit for the financial period		-	-

There are no items to be included in Other Comprehensive Income in the current or preceding year.

Balance sheet
at 31 December 2015

	Note	2015 £	2015 £	2014 Unaudited £	2014 Unaudited £
Fixed assets					
Intangible assets	4		302,211		403,022
Creditors: amounts falling due within one year	5	(174,209)		(155,587)	
Net current liabilities			(174,209)		(155,587)
Total assets less current liabilities			128,002		247,435
Creditors : amounts falling due after more than one year	6		(128,002)		(247,435)
Net assets			-		-
Capital and reserves					
Called up share capital	7		1,000		1,000
Profit and loss account			(1,000)		(1,000)
Shareholders' funds			-		-

These financial statements were approved by the board of directors on 25/7/ 2016 and were signed on its behalf by:


SC Turvey
Director

Company registered number: 05886637

Statement of changes in equity
for the year ended 31 December 2015

	Called up Share capital £	Profit and Loss account £	Total equity £
Balance at 1 January 2014 – unaudited	1,000	(1,000)	-
Total comprehensive income for the period			
Profit or loss - unaudited	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period - unaudited	-	-	-
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Dividends paid - unaudited	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners – unaudited	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2014 - unaudited	1,000	(1,000)	-
	<hr/>	<hr/>	<hr/>
Balance at 1 January 2015	1,000	(1,000)	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period			
Profit or loss	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Dividends paid	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	1,000	(1,000)	-
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Capital Reward Clients Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ('FRS 102') as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, The SimplyBiz Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of The SimplyBiz Group Limited are prepared in accordance with FRS102. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Notwithstanding net current liabilities of £174,209 at the balance sheet date, these financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is reliant on the continued financial support of its parent group to fund its working capital needs and has received confirmation of continuing financial support from The SimplyBiz Group Limited; such that it will continue to make sufficient funds available to the company for the next 12 months following approval of these financial statements, and thereafter for the foreseeable future, to allow the company to meet its liabilities as they fall due in the normal course of business and will not seek repayment of amounts currently made available to the company by group undertakings.

As with any company placing reliance on other group companies for financial support, the directors acknowledge that there can be no certainty this support will continue although, at the date of approval of these financial statements, they have no reason to believe that sufficient funds will not continue to be made available and therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments

or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Notes (continued)

1 Accounting policies (continued)

1.5 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Notes (continued)

2 Operating profit

The operating profit is stated after charging:

	2015 £	2014 Unaudited £
Auditor's remuneration	1,000	-

Auditor's remuneration is borne by a fellow group company.

3 Taxation

Total tax credit recognised in the profit and loss account

	2015 £	2014 Unaudited £
Current tax		
Current tax on income for the period	-	-
Adjustments in respect of prior periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Change in tax rate	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	-	-
Total tax credit	-	-

Reconciliation of effective tax rate

	2015 £	2014 Unaudited £
Profit for the year	-	-
Total tax credit	-	-
Profit before taxation	-	-
Tax using the UK corporation tax rate of 20.25% (2014: 20%)	-	-
Total tax credit included in the profit or loss	-	-

There are no deferred tax balances, either recognised or unrecognised, at 31 December 2015 or 31 December 2014.

Notes (continued)

4 Intangibles

	Goodwill £
Cost	
At 1 January 2015 – unaudited	527,721
Additions	86,353
Changes in cost	(122,237)
	<hr/>
At 31 December 2015	491,837
	<hr/>
Amortisation	
At 1 January 2015 – unaudited	124,699
Amortisation for year	64,927
	<hr/>
At 31 December 2015	189,626
	<hr/>
Net book value	
At 31 December 2015	302,211
	<hr/>
At 31 December 2014 – unaudited	403,022
	<hr/>

Goodwill is the amounts paid together with the estimated additional amounts to be paid, based on expected future income generation, in connection with the acquisition of clients from retiring financial adviser practices.

The changes in cost represents the differences arising between the original estimates of additional amounts to be paid and the actual amounts due, along with the updating of the estimates income generation.

5 Creditors: amounts falling due within one year

	2015 £	2014 Unaudited £
Amounts owed to group undertakings	58,080	39,489
Other creditors	116,129	112,978
Accruals and deferred income	-	3,120
	<hr/>	<hr/>
	174,209	155,587
	<hr/>	<hr/>

Notes (continued)

6 Creditors: amounts falling due after more than one year

	2015	2014
	£	Unaudited £
Other creditors	128,002	247,435

7 Share capital

Allotted, issued and fully paid:
Number

Class:	Nominal value:	2015	2014
		£	Unaudited £
1,000 Ordinary	1	1,000	1,000

8 Contingencies

The company has provided a guarantee against the bank loans of The SimplyBiz Group Limited, the ultimate parent company. The total amount outstanding at 31 December 2015 amounted to £35,000,000 (2014, unaudited £20,527,696).

9 Related party disclosures

The company has taken advantage of the exemption within FRS102 and therefore not disclosed details of transactions with fellow companies within the group headed by The SimplyBiz Group Limited.

10 Ultimate parent company

The company's immediate parent undertaking is Simply Biz Services Limited.

The company's ultimate parent undertaking is The SimplyBiz Group Limited. These are the only consolidated set of financial statements which include the results of the company and are available from the company's registered office.