

Creare Franchise Limited

Report and Financial Statements

Year Ended

30 April 2015

Company Number 06864370

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Creare Franchise Limited

Report and financial statements for the year ended 30 April 2015

Contents

Page:

1	Report of the directors
3	Independent auditor's report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

E W Jackson
V Cooper
T Darnell
K B Ord
A L Wood

Secretary and registered office

E W Jackson, Boughton Leigh House, Brownsover Road, Rugby, Warwickshire, CV21 1HL

Company number

06864370

Auditors

BDO LLP, 1 Bridgewater Place, Water Lane, Leeds, LS11 5RU

Creare Franchise Limited

Report of the directors for the year ended 30 April 2015

The directors present their report together with the audited financial statements for the year ended 30 April 2015.

Results

The profit and loss account is set out on page 5 and shows the profit for the year.

Principal activities

The principal activities of the company are search engine optimisation, website development and associated services.

Directors

The directors of the company during the year were:

E W Jackson
V Cooper (appointed 1 July 2014)
T Darnell (appointed 29 August 2014)
K B Ord (appointed 4 June 2014)
A L Wood (appointed 29 August 2014)

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; 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 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.

Creare Franchise Limited

Report of the directors for the year ended 30 April 2015 (*continued*)

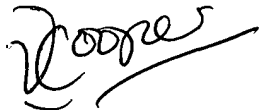
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this directors' report advantage has been taken of the small companies' exemption and to the exemption from the requirement to prepare a strategic report.

On behalf of the board



V Cooper
Director

23 October 2015

Creare Franchise Limited

Independent auditor's report

To the members of Creare Franchise Limited

We have audited the financial statements of Creare Franchise Limited for the year ended 30 April 2015 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (FRC'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 FRC's website at 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 April 2015 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.

Opinion on other matters 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.

Creare Franchise Limited

Independent auditor's report (*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 prepare the financial statements and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

Mark Langford (*senior statutory auditor*)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom

3 NOVEMBER 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Creare Franchise Limited

Profit and loss account for the year ended 30 April 2015

	Note	2015 £	2014 £
Turnover	2	841,728	870,481
Cost of sales		525,096	520,130
Gross profit		316,632	350,351
Administrative expenses		23,245	57,404
Profit on ordinary activities before taxation		293,387	292,947
Taxation on profit on ordinary activities	4	3,803	(17,609)
Profit on ordinary activities after taxation		297,190	275,338

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements.

Create Franchise Limited

Balance sheet at 30 April 2015

Company number 06864370	Note	2015 £	2015 £	2014 £	2014 £
Fixed assets					
Intangible assets	6	-	-	-	-
Tangible assets	7	-	-	20,753	20,753
			<u>-</u>	<u>20,753</u>	<u>20,753</u>
Current assets					
Debtors	8	594,416	383,484		
Cash at bank and in hand		41,249	40,642		
		<u>635,665</u>	<u>424,126</u>		
Creditors: amounts falling due within one year	9	<u>23,971</u>	<u>130,375</u>		
Net current assets			<u>611,694</u>		<u>293,751</u>
Total assets less current liabilities			<u>611,694</u>		<u>314,504</u>
Capital and reserves					
Called up share capital	10	6	6	6	6
Profit and loss account	11	611,688	314,498		
Shareholders' funds	12	<u>611,694</u>	<u>314,504</u>		

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23 October 2015


V Cooper
Director

The notes on pages 7 to 13 form part of these financial statements.

Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 2006.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Turnover for the design and development of websites is recognised on completion of certain milestones.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	- 10% - 50% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 50% straight line

Deferred taxation

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

- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015 (continued)

1 Accounting policies (continued)

Franchise agreement

Franchise agreements are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost over equal annual instalments over the estimated useful life of 5 years.

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit

	2015 £	2014 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	7,038	17,852
Amortisation of other intangible fixed assets	-	4,583
Hire of other assets - operating leases	-	(1,195)
	<u>7,038</u>	<u>21,240</u>

Depreciation includes £7,038 (2014 - £9,227) charged on assets held under finance leases and hire purchase contracts.

4 Taxation on profit on ordinary activities

	2015 £	2014 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	-	19,540
Adjustment in respect of previous periods	(3,344)	84
	<u>(3,344)</u>	<u>19,624</u>
Total current tax	(3,344)	19,624
<i>Deferred tax</i>		
Origination and reversal of timing differences	(459)	(2,007)
Adjustment in respect of previous periods	-	(8)
	<u>(459)</u>	<u>(2,015)</u>
Movement in deferred tax provision	(459)	(2,015)
Taxation on profit on ordinary activities	<u>(3,803)</u>	<u>17,609</u>

Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015 (continued)

4 Taxation on profit on ordinary activities (continued)

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	293,387	292,947
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20.92% (2014 - 22.84%)	61,377	66,909
Effect of:		
Expenses not deductible for tax purposes	366	1,599
Depreciation for period in excess of capital allowances	480	2,279
Adjustment to tax charge in respect of previous periods	(3,344)	84
Group relief claimed	(62,223)	(51,247)
Current tax (credit)/charge for the year	(3,344)	19,624

5 Dividends

	2015 £	2014 £
Ordinary shares		
Interim paid of £nil (2014 - £4,833) per share	-	29,000

Creare Franchise Limited

Notes forming part of the financial statements
for the year ended 30 April 2015 (*continued*)

6 Intangible fixed assets

	Other intangible fixed assets £
<i>Cost</i>	
At 1 May 2014 and 30 April 2015	25,000
<i>Amortisation</i>	
At 1 May 2014 and 30 April 2015	25,000
<i>Net book value</i>	
At 30 April 2014 and 30 April 2015	-

7 Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 May 2014	45,398	1,250	42,951	89,599
Disposals	(45,398)	-	-	(45,398)
At 30 April 2015	-	1,250	42,951	44,201
<i>Depreciation</i>				
At 1 May 2014	24,645	1,250	42,951	68,846
Provided for the year	7,038	-	-	7,038
Disposals	(31,683)	-	-	(31,683)
At 30 April 2015	-	1,250	42,951	44,201
<i>Net book value</i>				
At 30 April 2015	-	-	-	-
At 30 April 2014	20,753	-	-	20,753

Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

8 Debtors

	2015 £	2014 £
Trade debtors	6,538	19,077
Amounts owed by group undertakings	584,547	361,535
Deferred taxation	3,331	2,872
	<hr/>	<hr/>
	594,416	383,484
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

	Deferred taxation £
At 1 May 2014	2,872
Credited to profit and loss account	459
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At 30 April 2015	3,331
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Deferred taxation

	2015 £	2014 £
The amount of deferred tax provided for is as follows:		
Accelerated capital allowances	3,331	2,872
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9 Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	-	473
Corporation tax	-	78,496
Other taxation and social security	20,977	26,532
Obligations under finance lease and hire purchase contracts (secured)	-	17,666
Other creditors	2,994	7,208
	<hr/>	<hr/>
	23,971	130,375
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Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

10 Share capital

	2015 £	2014 £
<i>Allotted, called up and fully paid</i>		
6 Ordinary shares of £1 each	6	6
	<u>6</u>	<u>6</u>

11 Reserves

	Profit and loss account £
At 1 May 2014	314,498
Profit for the year	297,190
	<u>611,688</u>
At 30 April 2015	<u>611,688</u>

12 Reconciliation of movements in shareholders' funds

	2015 £	2014 £
Profit for the year	297,190	275,338
Dividends	-	(29,000)
	<u>297,190</u>	<u>246,338</u>
Net additions to shareholders' funds	297,190	246,338
Opening shareholders' funds	314,504	68,166
	<u>611,694</u>	<u>314,504</u>
Closing shareholders' funds	611,694	314,504

13 Related party disclosures

The company is a wholly owned subsidiary of Creare Communications (Holdings) Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Creare Communications (Holdings) Limited or other wholly owned subsidiaries within the group.

Creare Franchise Limited

Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

14 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Creare Communications Limited. The ultimate parent company is Creare Communications (Holdings) Limited which is the ultimate parent company incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Creare Communications (Holdings) Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Cardiff. No other group accounts include the results of the company.