

Company Registration No. 02996007 (England and Wales)

CREATEABILITY LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2018



CREATEABILITY LIMITED

COMPANY INFORMATION

Directors	Mr I Cotgrave Mrs D Cotgrave
Secretary	Mr I Cotgrave
Company number	02996007
Registered office	1 Friar Street Reading Berkshire RG1 1DA
Auditor	Fiander Tovell Limited Stag Gates House 63/64 The Avenue Southampton Hampshire SO17 1XS
Business address	Bridger's Farm Nursling Street Nursling Southampton SO16 0YA

CREATEABILITY LIMITED

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CREATEABILITY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present the strategic report for the year ended 30 November 2018.

Fair review of the business

Since 2015 Createability has continued to report year on year growth and increased profitability as part of a 5-year plan. Starting in 2015 at £5.1m through to 2018 at £11.431m turnover. Unfortunately due to circumstances outside of our control a private client start up with external funding failed, resulting in that company placing itself into voluntary liquidation with the inevitable consequences that produced a loss in the accounts of £946,972. The Directors have taken the decision to account for this loss in full whilst continuing to assert retention of title on goods supplied with the liquidators. The Company has significant cash reserves enabling it to continue to trade without issue.

2019 is currently on target to achieve £14m turnover and the order book going forward into 2020 is also very healthy.

The Board considers that there are two Key Performance Indicators (KPIs) that are reliable indicators of progress against the Company's objectives, namely Turnover £11,431,474 (2017: £11,790,732) and Gross Profit £2,340,199 (2017: £2,520,496).

Principal risks and uncertainties

The directors consider that the company's principal business risks are normal trading risks. The directors have systems in place to identify and mitigate the risks and uncertainties that the company faces in carrying out its business.

On behalf of the board

Mr I Cotgrave
Director

23/7/2019

CREATEABILITY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors present their annual report and financial statements for the year ended 30 November 2018.

Principal activities

The principal activity of the company continued to be that of design and installations for the leisure industry.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I Cotgrave
Mrs D Cotgrave

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a final dividend.

Financial instruments

Treasury operations and Financial instruments

The company operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. This hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

Fiander Tovell Limited were appointed as auditor to the company and are deemed to be reappointed in accordance with section 487(2) of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2018

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

Mr I ~~C~~otgrave
Director

Date:

23/7/19

CREATEABILITY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 NOVEMBER 2018

The directors are responsible for preparing the annual 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;
- 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.

CREATEABILITY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CREATEABILITY LIMITED

Opinion

We have audited the financial statements of Createability Limited (the 'company') for the year ended 30 November 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, 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 FRS 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 2018 and of its loss 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 *Auditor's 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 UK, including the FRC'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 annual report, other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CREATEABILITY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CREATEABILITY LIMITED

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 strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

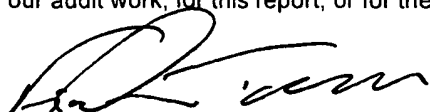
Auditor's responsibilities for the audit of the financial statements

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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Paul Meacher FCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell Limited

1 August 2019

Chartered Accountants
Statutory Auditor

Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

CREATEABILITY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2018

		Year ended 30 November 2018 £	Year ended 30 November 2017 £
	Notes		
Turnover	3	11,431,474	11,790,732
Cost of sales		(9,091,275)	(9,270,236)
Gross profit		2,340,199	2,520,496
Administrative expenses		(3,287,826)	(2,198,419)
Operating (loss)/profit	4	(947,627)	322,077
Interest receivable and similar income	8	3,656	5,014
Interest payable and similar expenses	9	(3,001)	(1,370)
(Loss)/profit before taxation		(946,972)	325,721
Tax on (loss)/profit	10	70,772	(60,746)
(Loss)/profit for the financial year		(876,200)	264,975

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

During the year bad debts totalling £905,229 (2018: £nil) were written off to the Profit and Loss Account. Of this amount, £900,092 related to one contract.

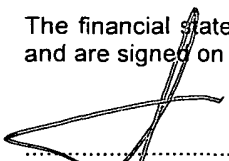
CREATEABILITY LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12		187,635		151,543
Current assets					
Debtors	13	3,155,979		2,443,168	
Cash at bank and in hand		1,932,456		2,587,462	
		5,088,435		5,030,630	
Creditors: amounts falling due within one year	14	(4,201,087)		(3,161,469)	
Net current assets			887,348		1,869,161
Total assets less current liabilities			1,074,983		2,020,704
Creditors: amounts falling due after more than one year	15		(29,761)		-
Provisions for liabilities	18		(7,741)		(7,023)
Net assets			1,037,481		2,013,681
Capital and reserves					
Called up share capital	21		1,000		1,000
Profit and loss reserves			1,036,481		2,012,681
Total equity			1,037,481		2,013,681

The financial statements were approved by the board of directors and authorised for issue on 23 July 2019 and are signed on its behalf by:


 Mr I Colgrave
 Director

Company Registration No. 02996007

CREATEABILITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 December 2016		1,000	1,747,706	1,748,706
Period ended 30 November 2017:				
Profit and total comprehensive income for the period		-	264,975	264,975
Balance at 30 November 2017		1,000	2,012,681	2,013,681
Period ended 30 November 2018:				
Loss and total comprehensive income for the period		-	(876,200)	(876,200)
Dividends	11	-	(100,000)	(100,000)
Balance at 30 November 2018		1,000	1,036,481	1,037,481

CREATEABILITY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations		(492,939)		1,128,255	
Interest paid		(3,001)		(1,370)	
Income taxes paid		(63,749)		-	
Net cash (outflow)/inflow from operating activities		(559,689)		1,126,885	
Investing activities					
Proceeds on disposal of intangibles		763		360	
Purchase of tangible fixed assets		(61,393)		(44,083)	
Proceeds on disposal of tangible fixed assets		13,264		15,217	
Interest received		3,656		5,014	
Net cash used in investing activities		(43,710)		(23,492)	
Financing activities					
Payment of finance leases obligations		(18,920)		(165)	
Dividends paid		(100,000)		-	
Net cash used in financing activities		(118,920)		(165)	
Net (decrease)/increase in cash and cash equivalents		(722,319)		1,103,228	
Cash and cash equivalents at beginning of year		2,587,462		1,484,234	
Cash and cash equivalents at end of year		1,865,143		2,587,462	
Relating to:					
Cash at bank and in hand		1,932,456		2,587,462	
Bank overdrafts included in creditors payable within one year		(67,313)		-	

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

Company information

Createability Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Friar Street, Reading, Berkshire, RG1 1DA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The loss in the year was primarily down to a large bad debt write off on a contract customer.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% reducing balance
Computers	25% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

1 Accounting policies

(Continued)

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accounting for construction contracts

Recognition of revenue and profit is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimation in relation to costs and value of work performed to date and to be performed in bringing contracts to completion. These estimates are made by reference to recovery of pre-contracts costs, variations in work scopes, claim recoveries and expected contract costs to complete. The company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to review and authorisation. The amount included in sales accruals, which has been estimated based on the expected profit margin is £34,910 (2017: £240,000) and the amount included in cost accruals is £980,233 (2017: £15,000).

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
Contract revenue	11,248,930	11,725,886
Rendering of services	182,544	64,846
	<u>11,431,474</u>	<u>11,790,732</u>
	2018 £	2017 £
Other significant revenue		
Interest income	3,656	5,014
	<u>2018 £</u>	<u>2017 £</u>
Turnover analysed by geographical market		
UK	<u>11,431,474</u>	<u>11,790,732</u>

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

4 Operating (loss)/profit

	2018	2017
Operating (loss)/profit for the period is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
Depreciation of owned tangible fixed assets	33,767	42,149
Depreciation of tangible fixed assets held under finance leases	16,281	6,237
Loss on disposal of tangible fixed assets	763	360
Operating lease charges	23,759	18,233

5 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	5,500	5,500

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Management	32	4
Operations	4	29
	36	33

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,842,141	1,969,987
Social security costs	198,105	182,451
Pension costs	61,209	57,509
	2,101,455	2,209,947

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	145,207	132,160

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	3,656	5,014

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	3,656	5,014
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9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	30	-
Interest on finance leases and hire purchase contracts	2,971	1,370
	3,001	1,370

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	63,749
Adjustments in respect of prior periods	(63,749)	-
Total current tax	(63,749)	63,749
Deferred tax		
Origination and reversal of timing differences	(7,023)	(3,003)
Total tax (credit)/charge	(70,772)	60,746

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2018

10 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(946,972)	325,721
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.33%)	(179,925)	62,972
Tax effect of expenses that are not deductible in determining taxable profit	240	518
Unutilised tax losses carried forward	105,456	-
Change in unrecognised deferred tax assets	(740)	-
Effect of change in corporation tax rate	704	-
Other permanent differences	3,493	(2,744)
Taxation (credit)/charge for the period	(70,772)	60,746

11 Dividends

	2018 £	2017 £
Interim paid	100,000	-

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

12 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 December 2017	58,987	90,662	213,653	363,302
Additions	12,093	8,004	80,833	100,930
Disposals	-	-	(58,160)	(58,160)
At 30 November 2018	71,080	98,666	236,326	406,072
Depreciation and impairment				
At 1 December 2017	44,045	59,771	107,943	211,759
Depreciation charged in the year	4,542	8,607	36,899	50,048
Eliminated in respect of disposals	-	-	(43,370)	(43,370)
At 30 November 2018	48,587	68,378	101,472	218,437
Carrying amount				
At 30 November 2018	22,493	30,288	134,854	187,635
At 30 November 2017	14,943	30,891	105,709	151,543

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Motor vehicles	66,535	24,949

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	2,685,597	2,160,254
Corporation tax recoverable	63,749	-
Other debtors	369,221	249,211
Prepayments and accrued income	29,671	33,703
	3,148,238	2,443,168

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

13 Debtors

(Continued)

	2018 £	2017 £
Amounts falling due after more than one year:		
Deferred tax asset (note 19)	7,741	-
Total debtors	3,155,979	2,443,168

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	16	67,313	-
Obligations under finance leases	17	9,777	18,921
Payments received on account		-	207,304
Trade creditors		2,892,000	2,358,394
Corporation tax		-	63,749
Other taxation and social security		237,709	419,148
Accruals and deferred income		994,288	93,953
		4,201,087	3,161,469

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Obligations under finance leases	17	29,761	-

16 Loans and overdrafts

	2018 £	2017 £
Bank overdrafts	67,313	-
Payable within one year	67,313	-

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	9,777	18,921
In two to five years	29,761	-
	<u>39,538</u>	<u>18,921</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance leases are secured over the assets to which they relate.

18 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	19	<u>7,741</u>	<u>7,023</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	7,741	7,023	-	-
Tax losses	-	-	7,741	-
	<u>7,741</u>	<u>7,023</u>	<u>7,741</u>	<u>-</u>
Movements in the year:				2018 £
Liability at 1 December 2017				7,023
Credit to profit or loss				(7,023)
Liability at 30 November 2018				<u>-</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period. The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

CREATEABILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2018

20 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61,209	57,509

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of 1p each	1,000	1,000

22 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	41,950	19,682
Between two and five years	167,963	-
	209,913	19,682

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018	2017
	£	£
Aggregate compensation	303,327	294,160

During the year the company operated a loan account with Omega Design Consultants LLP, of which both Mr I Cotgrave and Mrs D Cotgrave are LLP members. At the year end date £35,832 (2017: £35,867) was owed to the company by Omega Design Consultants LLP, the amount is repayable on demand.

24 Directors' transactions

Dividends totalling £100,000 (2017 - £0) were paid in the year in respect of shares held by the company's directors.