

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018**

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED
REGISTERED NUMBER: 09938915

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2018

| | Note | 2018 £ | 2017 £ |
|--|------|----------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 8,943 | 3,460 |
| | | <u>8,943</u> | <u>3,460</u> |
| Current assets | | | |
| Stocks | 6 | 14,648 | 12,000 |
| Debtors: amounts falling due within one year | 7 | 38,099 | 48,676 |
| Cash at bank and in hand | 8 | 12,962 | 9,453 |
| | | <u>65,709</u> | <u>70,129</u> |
| Creditors: amounts falling due within one year | 9 | (38,815) | (71,606) |
| Net current assets/(liabilities) | | <u>26,894</u> | <u>(1,477)</u> |
| Total assets less current liabilities | | <u>35,837</u> | <u>1,983</u> |
| Provisions for liabilities | | | |
| Other provisions | 11 | (2,000) | (2,000) |
| | | <u>(2,000)</u> | <u>(2,000)</u> |
| Net assets/(liabilities) | | <u><u>33,837</u></u> | <u><u>(17)</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | 33,835 | (19) |
| | | <u><u>33,837</u></u> | <u><u>(17)</u></u> |

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED
REGISTERED NUMBER: 09938915

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 FEBRUARY 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Mr A Moss

Director

Date: 17 May 2018

The notes on pages 3 to 10 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

1. General information

Digital Creations Cambridgeshire Ltd is a private limited company incorporated in England.

Registered Office:

George Court

Bartholomew's Walk

Ely

Cambridgeshire

CB7 4JW

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | |
|---------------------|------------------------|
| Plant and machinery | - 15% reducing balance |
|---------------------|------------------------|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 06 January 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.10 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2017 - 4).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

4. Taxation

| | 2018 £ | 2017 £ |
|---|--------------|--------------|
| Current tax on profits for the year | (367) | 367 |
| | <u>(367)</u> | <u>367</u> |
| Total current tax | <u>(367)</u> | <u>367</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | (280) | (304) |
| | <u>(280)</u> | <u>(304)</u> |
| Total deferred tax | <u>(280)</u> | <u>(304)</u> |
| Taxation on (loss)/profit on ordinary activities | <u>(647)</u> | <u>63</u> |

Factors affecting tax charge for the year/period

There were no factors that affected the tax charge for the year/period which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% (2017 - 20%).

Factors that may affect future tax charges

There are trading losses carried forward of 7,716 which may affect future tax charges.

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

5. Tangible fixed assets

| | Plant and machinery £ |
|-------------------------------------|-----------------------------|
| Cost or valuation | |
| At 1 March 2017 | 4,071 |
| Additions | 7,062 |
| | <hr/> |
| At 28 February 2018 | 11,133 |
| | <hr/> |
| Depreciation | |
| At 1 March 2017 | 611 |
| Charge for the year on owned assets | 1,579 |
| | <hr/> |
| At 28 February 2018 | 2,190 |
| | <hr/> |
| Net book value | |
| At 28 February 2018 | 8,943 |
| | <hr/> |
| At 28 February 2017 | 3,460 |
| | <hr/> |

6. Stocks

| | 2018 £ | 2017 £ |
|-------------------------------|-----------|-----------|
| Raw materials and consumables | 11,145 | 10,000 |
| Work in progress | 3,503 | 2,000 |
| | <hr/> | <hr/> |
| | 14,648 | 12,000 |
| | <hr/> | <hr/> |

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

7. Debtors

| | 2018 £ | 2017 £ |
|----------------------------------|---------------|---------------|
| Trade debtors | 24,780 | 44,225 |
| Other debtors | 7,767 | - |
| Called up share capital not paid | 2 | 2 |
| Prepayments and accrued income | 4,966 | 4,145 |
| Deferred taxation | 584 | 304 |
| | <u>38,099</u> | <u>48,676</u> |

8. Cash and cash equivalents

| | 2018 £ | 2017 £ |
|--------------------------|---------------|--------------|
| Cash at bank and in hand | 12,962 | 9,453 |
| | <u>12,962</u> | <u>9,453</u> |

9. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|---------------|---------------|
| Trade creditors | 26,139 | 60,714 |
| Corporation tax | - | 367 |
| Other taxation and social security | 7,120 | 6,727 |
| Other creditors | 107 | - |
| Accruals and deferred income | 5,449 | 3,798 |
| | <u>38,815</u> | <u>71,606</u> |

DIGITAL CREATIONS CAMBRIDGESHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

10. Deferred taxation

| | 2018 £ |
|---------------------------|------------|
| At beginning of year | 304 |
| Charged to profit or loss | - |
| Utilised in year | 280 |
| At end of year | 584 |

The deferred tax asset is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|------------|------------|
| Accelerated capital allowances | (727) | 304 |
| Tax losses carried forward | 1,311 | - |
| | <u>584</u> | <u>304</u> |

11. Provisions

| | Dilapidation Provision £ |
|----------------------------|--------------------------------|
| At 1 March 2017 | 2,000 |
| At 28 February 2018 | 2,000 |

Dilapidations provisions for a rented unit.