

**REGISTERED NUMBER: 05786039 (England and Wales)**

**REPORT OF THE DIRECTOR AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016**  
**FOR**  
**FRANCHISE INT LTD**

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**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**FRANCHISE INT LTD**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**DIRECTOR:** W N Samarasekara

**SECRETARY:** N D Patel

**REGISTERED OFFICE:** 21-23 Croydon Road  
Caterham  
Surrey  
CR3 6PA

**REGISTERED NUMBER:** 05786039 (England and Wales)

**ACCOUNTANTS:** Upton Neenan Lees  
Chartered Accountants  
21-23 Croydon Road  
Caterham  
Surrey  
CR3 6PA

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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The director presents his report with the financial statements of the company for the year ended 30 September 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of The principal activity of the company in the year under review was that of the operation of mobile telephone shops.

**REVIEW OF BUSINESS**

In the period in review the company has seen substantial growth in revenue and profits. This is mainly due to the recent stores acquisitions from O2 in 2014 coming out of the initial losses and becoming profitable as per the business plan set out in 2014. It is expected the revenue and profit growth to be moderate in 2017 due to the removal of IDD tariffs by Ofcom and the general downward pressures in pricing due to the saturated Mobile penetration in the UK market. However the company is increasing the added value services such as mobile insurance, SME sector penetration to supplement the falling revenues and profits from the traditional business. However the general growth in mobile data is encouraging and the company as a O2 mobile franchise is well placed to reap the benefits of such growth.

**DIRECTORS**

The directors who have held office during the period from 1 October 2015 to the date of this report are as follows:

W N Samarasekara - appointed 5 May 2016

L R Esfahani - resigned 5 May 2016

**POLITICAL DONATIONS AND EXPENDITURE**

During the year the company made £nil (2015: £nil) in charitable donations for the purpose of supporting local charities. The company encourage each store manager to use donations to engage with the local community.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

W N Samarasekara - Director

28 June 2017

**STATEMENT OF FINANCIAL POSITION**  
**30 SEPTEMBER 2016**

	Notes	30.9.16 £	30.9.15 £
<b>FIXED ASSETS</b>			
Intangible assets	4	-	-
Tangible assets	5	<u>136,772</u>	<u>226,937</u>
		<u>136,772</u>	<u>226,937</u>
<b>CURRENT ASSETS</b>			
Stocks		427,172	403,021
Debtors	6	1,233,331	1,076,456
Cash at bank and in hand		<u>1,028,617</u>	<u>530,404</u>
		2,689,120	2,009,881
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(1,778,942)</u>	<u>(2,062,767)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>910,178</u>	<u>(52,886)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,046,950	174,051
<b>PROVISIONS FOR LIABILITIES</b>		<u>(31,337)</u>	<u>(31,337)</u>
<b>NET ASSETS</b>		<u>1,015,613</u>	<u>142,714</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1,000	1,000
Retained earnings		<u>1,014,613</u>	<u>141,714</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,015,613</u>	<u>142,714</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2016 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION - continued**  
**30 SEPTEMBER 2016**

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The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the director on 28 June 2017 and were signed by:

W N Samarasekara - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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**1. STATUTORY INFORMATION**

Franchise Int Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

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

Assets that are deemed to be of a long term, ie in existence for a period longer than 12 months from the reporting date have been discounted to their fair value through the income

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Plant and machinery etc - 25% on cost

**Stocks**

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

**Deferred tax**

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

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

**Judgements and key sources of estimation uncertainty**

The director has made key assumptions in the determination of the fair value of certain financial assets in respect to loans provided to related companies. The valuation method utilised was discounted cash flows with an interest rate of 4%.

**Transition to frs 102**

This is the first year in which the financial statements have been prepared under FRS 102.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 33 .

**4. INTANGIBLE FIXED ASSETS**

	Goodwill £
<b>COST</b>	
At 1 October 2015	40,000
Disposals	<u>(40,000)</u>
At 30 September 2016	<u>-</u>
<b>AMORTISATION</b>	
At 1 October 2015	40,000
Eliminated on disposal	<u>(40,000)</u>
At 30 September 2016	<u>-</u>
<b>NET BOOK VALUE</b>	
At 30 September 2016	<u>-</u>
At 30 September 2015	<u>-</u>

**5. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 October 2015	71,112	365,316	436,428
Additions	-	1,543	1,543
Disposals	<u>(71,112)</u>	<u>(82,474)</u>	<u>(153,586)</u>
At 30 September 2016	<u>-</u>	<u>284,385</u>	<u>284,385</u>
<b>DEPRECIATION</b>			
At 1 October 2015	71,112	138,379	209,491
Charge for year	-	32,280	32,280
Eliminated on disposal	<u>(71,112)</u>	<u>(23,046)</u>	<u>(94,158)</u>
At 30 September 2016	<u>-</u>	<u>147,613</u>	<u>147,613</u>
<b>NET BOOK VALUE</b>			
At 30 September 2016	<u>-</u>	<u>136,772</u>	<u>136,772</u>
At 30 September 2015	<u>-</u>	<u>226,937</u>	<u>226,937</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.16	30.9.15
	£	£
Trade debtors	722,089	1
Amounts owed by group undertakings	482,887	940,388
Other debtors	28,355	136,067
	<u>1,233,331</u>	<u>1,076,456</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.16	30.9.15
	£	£
Bank loans and overdrafts	-	149,012
Trade creditors	1,119,608	1,016,964
Taxation and social security	424,901	396,875
Other creditors	234,433	499,916
	<u>1,778,942</u>	<u>2,062,767</u>

**8. RELATED PARTY DISCLOSURES**

Included in other debtors are loans made to the following companies (all registered in England and Wales), all of which are under common control:

Speedcom Holdings Limited: £482,887 (2015: £nil)  
Inter Franchise Ltd: £nil (2015: £440,388)  
The Magic Bean Co.Ltd: £nil (2015: £500,000)

The above represent the deemed fair value of the assets discounted at an interest rate of 4%.

**9. ULTIMATE CONTROLLING PARTY**

The controlling party is Speedcom Holdings Ltd.

The ultimate controlling party is W N Samarasekara.

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