

Company Registration No. 04028821 (England and Wales)

CREATIVE LYNX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



CREATIVE LYNX LIMITED

COMPANY INFORMATION

Directors	D A Hunt N J Martin D Murphy N C Orme
Secretary	A J Ross
Company number	04028821
Registered office	Havas House Hermitage Court Hermitage Lane Maidstone Kent UK ME16 9NT
Auditors	Constantin 25 Hosier Lane London UK EC1A 9LQ

CREATIVE LYNX LIMITED

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CREATIVE LYNX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016. The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006.

Principal activities

The principal activity of the company continues to be that of a full service, integrated marketing agency specialising in the healthcare sector. There were no significant changes in this activity in the year under review, and no changes are anticipated in the forthcoming year.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of financial risks, including credit risk, currency risk, cash flow and liquidity risk, and market risk.

Credit risk : The company's credit risk is primarily attributable to its trade debtors. The amount presented in the balance sheet is net of allowances for doubtful receivables. The company manages this risk by continually monitoring the status of its debtors and client list. Credit checks are made and appropriate credit insurance may be taken out in respect of specific customers, or payment terms are altered where no insurance can be obtained.

Currency risk : The company's reporting currency is GBP but it transacts in other currencies including the US Dollar and Euro. The company's revenues, costs and operating profits may be affected by fluctuations in value between GBP and the other foreign currencies. The company maintains bank accounts denominated in its major trading currencies and wherever possible matches foreign currency income and expenses in order to minimise its foreign currency exposures.

Cash flow & liquidity risk : The company monitors its working capital and available cash carefully. The company ensures that it has sufficient funds available to settle its liabilities as they fall due.

Market risk : The company operates in a highly competitive market which is a continuing risk to the company as existing clients could be lost to competitors. The company manages this risk by providing bespoke value-added services to its clients, and by building and maintaining strong relationships.

Key performance indicators

The directors consider that turnover and operating margin and the key financial performance indicators that demonstrate the company's performance and financial strength. The company's turnover improved by 17% from £21,551,000 in 2015 to £25,281,000 in the current year. The company's ongoing focus on cost containment contributed to operating margin (operating profit as a percentage of turnover) rising to 21.8% in 2016 compared to 19.5% in 2015.

Future developments

The directors expect the continuation of sustainable growth in the future through the retention and development of existing clients and new business wins.

On behalf of the board



N J Martin

Director

13 April 2017

CREATIVE LYNX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Directors

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

D A Hunt
N J Martin
D Murphy
N C Orme

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends of £3,345,000 were paid during the year. A dividend of £4,394,000 is recommended in respect of the year ended 31 December 2016.

Auditor

The auditor, Constantin, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to include in the company's strategic report certain information in respect of the company's principal activities, a review of the business and the company's principal risks and uncertainties which would otherwise be contained in the directors' report in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7.

Statement of disclosure to auditor

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.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

On behalf of the board



N J Martin
Director
13 April 2017

CREATIVE LYNX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

CREATIVE LYNX LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CREATIVE LYNX LIMITED

We have audited the financial statements of Creative Lynx Limited for the year ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 102 "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, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2016 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, 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.

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 any material misstatements in the Strategic Report and the Directors' Report.

CREATIVE LYNX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CREATIVE LYNX LIMITED

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.



Peter Smith FCA (Senior Statutory Auditor)
for and on behalf of Constantin

13 April 2017

Chartered Accountants
Statutory Auditor

25 Hosier Lane
London
UK
EC1A 9LQ

CREATIVE LYNX LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Turnover	3	25,281	21,551
Cost of sales		(5,712)	(3,817)
Gross profit		<u>19,569</u>	<u>17,734</u>
Administrative expenses		(14,043)	(13,521)
Operating profit	4	<u>5,526</u>	<u>4,213</u>
Interest receivable and similar income	7	4	10
Profit before taxation		<u>5,530</u>	<u>4,223</u>
Taxation	8	(1,136)	(878)
Profit for the financial year	17	<u><u>4,394</u></u>	<u><u>3,345</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

CREATIVE LYNX LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £000	2015 £000
Profit for the year	4,394	3,345
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,394</u>	<u>3,345</u>

CREATIVE LYNX LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £000	2015 £000
Fixed assets			
Goodwill	10	477	542
Tangible assets	11	559	492
		<u>1,036</u>	<u>1,034</u>
Current assets			
Debtors	12	10,380	7,252
Cash at bank and in hand		2,854	2,745
		<u>13,234</u>	<u>9,997</u>
Creditors: amounts falling due within one year	14	<u>(7,721)</u>	<u>(5,531)</u>
Net current assets		5,513	4,466
Total assets less current liabilities		<u>6,549</u>	<u>5,500</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss reserves	17	6,549	5,500
Total equity		<u>6,549</u>	<u>5,500</u>

The financial statements were approved by the board of directors and authorised for issue on 13 April 2017 and are signed on its behalf by:



N J Martin
Director

Company Registration No. 04028821

CREATIVE LYNX LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Profit and loss reserves £000
Balance at 1 January 2015		5,029
Year ended 31 December 2015:		
Profit and total comprehensive income for the year		3,345
Dividends	9	(2,874)
Balance at 31 December 2015		5,500
Year ended 31 December 2016:		
Profit and total comprehensive income for the year		4,394
Dividends	9	(3,345)
Balance at 31 December 2016		<u>6,549</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Creative Lynx Limited is a company limited by shares incorporated in England and Wales. The registered office is Havas House, Hermitage Court, Hermitage Lane, Maidstone, Kent, UK, ME16 9NT.

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 are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

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

The company is a "qualifying company" for the purposes of FRS102 and has taken advantage of the disclosure exemption relating to the provision of a cash flow statement in accordance with FRS 102 paragraph 1.12 (b) and the disclosure of the total compensation paid to key management personnel in accordance with FRS 102 paragraph 1.12 (e).

In accordance with FRS 102 paragraph 33.1A, transactions entered into by the company and its immediate parent company Creative Lynx Group Limited are not disclosed within the notes to the financial statements.

1.2 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 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. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses incurred that are recoverable.

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of Creative Lynx Partnership in 2004 over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. The goodwill has a finite useful life, and is being amortised evenly over an estimated useful life of 10 years from the date of transition to FRS102.

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:

Leasehold improvements	Over the remaining life of the lease
Fixtures, fittings & equipment	25% reducing balance basis
Computer equipment	33% straight line basis
Motor vehicles	25% reducing balance basis

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset - the difference between the sale proceeds and the carrying value of the asset - is recognised in the profit and loss account.

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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. 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 and cash equivalents

Cash and cash equivalents 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 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 trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. At subsequent reporting periods, the basic financial assets receivable within one year are measured at the undiscounted amount of the cash or other consideration that the company expects to receive.

Basic financial assets that constitute financing transactions, in accordance with FRS 102 paragraph 11.13, are measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial assets that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies that are payable within one year or less, other than those that constitute a financing transaction in accordance with FRS 102 paragraph 11.13, are initially recognised at the transaction price and, except for those financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b), are subsequently measured at the undiscounted amount of the cash or other consideration that the company expects to pay.

Basic financial liabilities that constitute a financing transaction in accordance with FRS 102 paragraph 11.13 are measured at the present value of the future receipts discounted at a market rate of interest. Basic financial liabilities that meet the conditions in FRS102 paragraph 11.8 (b) are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method.

1.8 Taxation

Current tax

Current tax, including UK corporation tax and foreign tax, is provided at the amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted at the balance sheet date.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred taxation is recognised in respect of the cumulative timing differences that have originated but not reversed at the balance sheet date where transactions or events that will result in an obligation to pay more, or a right to pay less, or to receive more, tax, have occurred at that date. Timing differences are differences between the company's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets, including unrelieved tax losses carried forward, are recognised only to the extent that the directors consider that on the balance of the available evidence, it is more likely than not that there will be sufficient taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

1.9 Retirement benefits

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

1.10 Leases

Rentals payable under operating leases, net of any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rates of exchange prevailing at the balance sheet date. Gains and losses arising on translation differences are included in the profit and loss account for the period.

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.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Turnover

Turnover analysed by geographical market

	2016 £000	2015 £000
United Kingdom	9,914	7,709
Europe	14,448	5,879
Rest of the World	919	7,963
	<u>25,281</u>	<u>21,551</u>

4 Operating profit

	2016 £000	2015 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(384)	10
Fees payable to the company's auditors for the audit of the company's financial statements	24	24
Depreciation of owned tangible fixed assets	225	199
Depreciation of tangible fixed assets held under finance leases	3	6
Loss/(profit) on disposal of tangible fixed assets	-	(10)
Amortisation of intangible assets	65	65
Operating lease charges	655	560
	<u>655</u>	<u>560</u>

5 Employees

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

	2016 Number	2015 Number
Directors	4	4
Production	233	217
	<u>237</u>	<u>221</u>

Their aggregate remuneration comprised:

	2016 £000	2015 £000
Wages and salaries	9,159	8,585
Social security costs	952	893
Pension costs	54	51
	<u>10,165</u>	<u>9,529</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Directors' remuneration

	2016 £000	2015 £000
Remuneration for qualifying services	337	314
Company pension contributions to defined contribution schemes	1	1
	<u>338</u>	<u>315</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	187	187
Company pension contributions to defined contribution schemes	-	-
	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2016 £000	2015 £000
Interest income		
Interest on bank deposits	4	10
	<u>4</u>	<u>10</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Taxation

	2016 £000	2015 £000
Current tax		
UK corporation tax on profits for the current period	1,147	894
Adjustments in respect of prior periods	4	(1)
Total current tax	1,151	893
Deferred tax		
Origination and reversal of timing differences	(15)	(15)
Total tax charge	1,136	878

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

	2016 £000	2015 £000
Profit before taxation	5,530	4,223
Expected tax charge based on a corporation tax rate of 20.00%	1,106	855
Tax effect of expenses that are not deductible in determining taxable profit	10	10
Adjustments in respect of prior years	4	-
Amortisation of intangible assets	13	13
Effect of change in future corporation tax rate	3	-
Tax expense for the year	1,136	878

9 Dividends

	2016 £000	2015 £000
Dividends paid during the year	3,345	2,874
	3,345	2,874

A final dividend of £4,394,000 is proposed in respect of the year ended 31 December 2016.

The proposed final dividend is subject to approval by shareholders and has not been included as a liability in these financial statements.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2016 and 31 December 2016	1,300
Amortisation and impairment	
At 1 January 2016	758
Amortisation charged for the year	65
At 31 December 2016	823
Carrying amount	
At 31 December 2016	477
At 31 December 2015	542

11 Tangible fixed assets

	Leasehold improvements £000	Fixtures, furniture & equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2016	352	146	624	32	1,154
Additions	88	29	181	-	298
Disposals	-	-	-	(20)	(20)
At 31 December 2016	440	175	805	12	1,432
Depreciation and impairment					
At 1 January 2016	175	72	395	19	661
Depreciation charged in the year	64	23	138	3	228
Eliminated in respect of disposals	-	-	-	(16)	(16)
At 31 December 2016	239	95	533	6	873
Carrying amount					
At 31 December 2016	201	80	272	6	559
At 31 December 2015	176	74	228	14	492

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £3,000 (2015 - £6,000) for the year.

	2016 £000	2015 £000
Motor vehicles	6	14

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

12 Debtors

	2016	2015
	£000	£000
Amounts falling due within one year:		
Trade debtors	8,637	5,566
Gross amounts due from contract customers	-	8
Amount due from parent undertaking	1,352	1,352
Amounts due from fellow group undertakings	105	72
Other debtors	32	31
Prepayments and accrued income	196	180
	<u>10,322</u>	<u>7,209</u>
Deferred tax asset (note)	58	43
	<u>10,380</u>	<u>7,252</u>

The financial assets held at amortised cost at 31 December 2016 amount to £10,094,000 (2015 - £6,998,000).

13 Deferred taxation

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

	Assets 2016 £000	Assets 2015 £000
Balances:		
Accelerated capital allowances	47	37
Short term timing differences	11	6
	<u>58</u>	<u>43</u>
Movements in the year:		2016 £000
Liability/(Asset) at 1 January 2016		(43)
Credit to profit and loss		(15)
Liability/(Asset) at 31 December 2016		<u>(58)</u>

The company expects the deferred tax asset that it is recognising in respect of accelerated capital allowances to increase by £18,000 in the next twelve months. The exact amount of the movement will depend on the actual capital allowances that the company claims and the excess depreciation expense recorded in the year in respect of the company's existing fixed assets.

The company does not expect the carried forward deferred tax asset that is recognising in respect of short term timing differences to change in the next twelve months. The actual movement will depend on whether or not the general provisions carried forward at the balance sheet date are utilised or released in the forthcoming year.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

14 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	358	257
Amount due to parent undertaking	99	-
Amounts due to fellow group undertakings	989	397
Corporation tax payable	684	468
Other taxation and social security	329	365
Accruals and deferred income	5,262	4,044
	<u>7,721</u>	<u>5,531</u>

The financial liabilities held at amortised cost at 31 December 2016 amount to £1,446,000 (2015 - £654,000).

15 Retirement benefit schemes

Defined contribution schemes

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.

The charge to profit and loss in respect of defined contribution schemes was £54,000 (2015 - £51,000).

16 Share capital

	2016 £000	2015 £000
Authorised, allotted, called up & full paid		
100 Ordinary Shares of £1 each	-	-
	<u>-</u>	<u>-</u>

17 Profit and loss reserves

	2016 £000	2015 £000
At the beginning of the year	5,500	5,029
Profit for the year	4,394	3,345
Dividends	(3,345)	(2,874)
	<u>-</u>	<u>-</u>
At the end of the year	<u>6,549</u>	<u>5,500</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

18 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:

	2016 £000	2015 £000
Within one year	403	354
Between two and five years	872	1,177
In over five years	35	-
	<u>1,310</u>	<u>1,531</u>

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales of goods and services		Purchases, recharged expenses and fees	
	2016 £000	2015 £000	2016 £000	2015 £000
Entities with control, joint control or significant influence over the company	-	-	726	640
Other related parties	307	488	1,436	354
	<u>307</u>	<u>488</u>	<u>2,162</u>	<u>994</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £000	2015 £000
Entities with control, joint control or significant influence over the company	99	-
Other related parties	989	397
	<u>1,088</u>	<u>397</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

19 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance £000	Net £000	Balance £000	Net £000
Other related parties	105	105	72	72
	<u>105</u>	<u>105</u>	<u>72</u>	<u>72</u>
	<u><u>105</u></u>	<u><u>105</u></u>	<u><u>72</u></u>	<u><u>72</u></u>

20 Controlling party

The company's immediate parent company is Creative Lynx Group Limited, a company incorporated in the United Kingdom and registered in England & Wales. The company's ultimate parent company and controlling party is Havas S.A., which is incorporated in France.

The smallest and largest group in which the results of the company are consolidated is that headed by Havas S.A., whose financial statements are available in English and in French from Havas S.A., 29/30 quai de Dion Bouton, F92817 Puteaux Cedex, France, and from the Havas website at www.havas.com/finance.