

Zoom.Co.UK Limited
Annual report
for the year ended 1 September 2007

Registered Number 2029103

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Zoom.Co.UK Limited
Annual report
for the year ended 1 September 2007

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Zoom.Co.UK Limited

Directors and advisors

Directors

RL Burchill

CP Duckels

GA Hague

MA Healey

Secretary

MH Cox

Independent auditors

PricewaterhouseCoopers LLP

Benson House

33 Wellington Street

Leeds

LS1 4JP

Registered office

Colegrave House

70 Berners Street

London

W1T 3NL

Registered number

2029103

Zoom.Co.UK Limited

Directors' report for the year ended 1 September 2007

The directors present their report together with the audited financial statements of the Company for the year ended 1 September 2007

Principal activities, business review and dividend

The Company's principal activity is the provision of internet design and production services to companies within the Arcadia group. It also acts as an intermediary for these companies, providing web based promotion and a sales and distribution channel for their products.

The Company no longer receives commission from Arcadia group companies for these services, but instead recharges its costs to the respective company on the basis of sales generated through its websites. The directors expect this situation to continue for the foreseeable future.

The Company's results for the financial year are set out in the profit and loss account on page 5.

The directors are unable to recommend the payment of a dividend and hence the retained profit for the year of £46,000 (2006: £248,000) has been transferred to reserves.

Management and reporting of risks and Key Performance Indicators (KPIs)

The directors of Taveta Investments Limited manage the Company's risks and those of its fellow subsidiaries at a group level. Furthermore, they monitor the group's performance on a brand basis rather than at statutory company level.

For these reasons the Company's directors do not believe that a discussion of the principal risks facing the Company or of the KPIs used to analyse its performance is appropriate for an understanding of its development, performance or financial position.

The KPIs used by the group and the principal business risks it faces, are discussed on page 1 of Taveta Investments Limited's annual report which does not form part of this report.

Directors

The following served as directors during the year:

RL Burchill	
JSH Crossland	(resigned 29 May 2007)
CP Duckels	
GA Hague	
MA Healey	

Zoom.Co.UK Limited

Directors' report for the year ended 1 September 2007 (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 1 September 2007 and that applicable accounting standards have been followed.

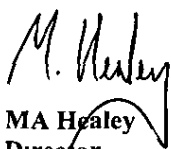
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The Company has passed an elective resolution to dispense with the annual appointment of auditors. PricewaterhouseCoopers LLP will therefore continue as auditors in accordance with and subject to Section 386 of the Companies Act 1985.

By order of the Board



MA Healey
Director

1 February 2008

Zoom.Co.UK Limited

Independent auditors' report to the members of Zoom.Co.UK Limited

We have audited the financial statements of Zoom Co UK Limited for the year ended 1 September 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

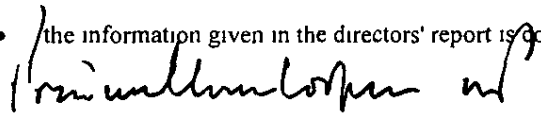
We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 1 September 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Leeds
1 February 2008

Zoom.Co.UK Limited

Profit and loss account for the year ended 1 September 2007

	Note	2007 £'000	2006 £'000
Turnover	1	10,567	7,097
Cost of sales		(8,710)	(5,020)
Gross profit		1,857	2,077
Administrative expenses		(1,857)	(1,707)
Result / profit before taxation	2	-	370
Taxation credit / (charge)	3	46	(122)
Retained profit for the year	8	46	248

All items dealt with in arriving at the result before taxation relate to continuing operations

The only recognised gains and losses are those dealt with in the profit and loss account above

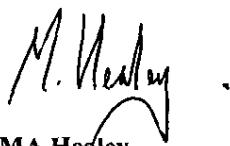
There is no difference between the results disclosed above and the results on an unmodified historical cost basis

Zoom.Co.UK Limited

Balance sheet as at 1 September 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	4	1,871	1,493
Current assets			
Debtors (due within one year)	5	419	401
Cash at bank		1,984	1,369
		2,403	1,770
Creditors (amounts falling due within one year)	6	(7,731)	(6,766)
Net current liabilities		(5,328)	(4,996)
Net liabilities		(3,457)	(3,503)
Capital and reserves			
Called up share capital	7	400	400
Profit and loss account - deficit	8	(3,857)	(3,903)
Equity shareholders' deficit	8	(3,457)	(3,503)

The financial statements on pages 5 to 11 were approved by the board of directors on 1 February 2008 and were signed on its behalf by



MA Healey
Director

Zoom.Co.UK Limited

Notes to the financial statements for the year ended 1 September 2007

1 Accounting policies

Accounting convention

The financial statements are drawn up under the historical cost convention and in accordance with applicable accounting standards, which have been consistently applied

Going concern

In the opinion of the directors it is appropriate to prepare the financial statements on the going concern basis as Arcadia Group Limited has given an undertaking to provide the Company with continuing financial support for a period of at least twelve months from the date on which the accounts were signed

Cash flow statement

The Company is a wholly-owned subsidiary of Taveta Investments Limited and has therefore taken advantage of the exemption allowed by Financial Reporting Standard 1 (revised) from preparing a cash flow statement. The Company's cash flows are included within the consolidated cash flow statement of Taveta Investments Limited.

Turnover

Turnover comprises postage and packaging income levied on external customers on the despatch of their goods. It also includes recharges to Arcadia group companies of the costs associated with hosting their websites.

Depreciation

Depreciation is calculated so as to write off the cost of tangible fixed assets over their estimated useful lives. Tangible fixed assets are depreciated at the following annual rate on a straight line basis from the date on which they are brought into use:

Fixtures and equipment	50%
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Deferred taxation

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying tax differences can be deducted. Deferred tax assets and liabilities are not discounted.

2 Result / profit before taxation

	2007 £'000	2006 £'000
This is stated after charging:		
Depreciation of owned assets	461	305

Auditors' remuneration has been borne by Arcadia Group Limited

None of the directors received any emoluments in respect of his or her services to the Company (2006: £nil).
The Company does not have any employees (2006: none).

Zoom.Co.UK Limited

Notes to the financial statements for the year ended 1 September 2007 (continued)

3 Taxation

	2007 £'000	2006 £'000
a. Analysis of the tax credit / (charge) for the year		
Based on the result for the year		
UK corporation tax charge at 30% (2006 30%)		
- Current year	25	(85)
Deferred tax – current year	(55)	(37)
Deferred tax – prior years	76	-
Total deferred tax – origination and reversal of timing differences	21	(37)
Total taxation	46	(122)

The corporation tax credit for the year is higher than the standard rate of corporation tax in the United Kingdom (30%). The differences are explained below

	2007 £'000	2006 £'000
b. Factors affecting the tax credit / (charge) for the year		
Result / profit before taxation	=	370
Result / profit before taxation multiplied by the standard rate of corporation tax in the United Kingdom of 30% (2006 30%)	-	(111)
Effects of		
Expenditure not deductible for tax purposes	(28)	(11)
Capital allowances in excess of depreciation	53	37
Current tax credit / (charge) for the year (note 3a)	25	(85)

The Company has entered into a group payment arrangement whereby Arcadia Group Limited undertakes to make corporation tax payments on behalf of all companies within the Arcadia group. Accordingly, at the year end the Company's corporation tax debtor has been deducted from amounts due to group undertakings (note 6)

c. Factors that may affect future tax charges

The directors are not aware of any factors that will significantly affect the Company's future tax charges

Zoom.Co.UK Limited

Notes to the financial statements for the year ended 1 September 2007 (continued)

4 Tangible fixed assets

	Fixtures & equipment £'000
Cost	
At 3 September 2006	1,843
Additions	839
At 1 September 2007	2,682
Accumulated depreciation	
At 3 September 2006	350
Charge for the year	461
At 1 September 2007	811
Net book value at 1 September 2007	1,871
Net book value at 2 September 2006	1,493

5 Debtors

	2007 £'000	2006 £'000
Trade debtors	264	313
Prepayments	115	69
Deferred taxation	40	19
	419	401

Deferred taxation, which relates to accelerated capital allowances, is measured on a non-discounted basis at the tax rates that are expected to apply in the periods when timing differences reverse, based on tax rates at the balance sheet date. There is no unrecognised deferred tax.

Zoom.Co.UK Limited

Notes to the financial statements for the year ended 1 September 2007 (continued)

6 Creditors (amounts falling due within one year)

	2007 £'000	2006 £'000
Trade creditors	319	121
Amounts due to group undertakings	5,518	4,816
Other taxation and social security	111	83
Accruals	1,783	1,746
	7,731	6,766

7 Called up share capital

	Authorised £'000	Allotted and fully paid £'000
"A" Ordinary shares of £1 each	200	200
"B" Ordinary shares of £1 each	200	200
At 2 September 2006 and 1 September 2007	400	400

The "A" and "B" ordinary shares entitle the respective holders to 50% of the rights to dividends and distributions of income and capital, together with 50% of the voting rights and Board representation

8 Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total 2007 £'000	Total 2006 £'000
Retained profit for the year	-	46	46	248
Opening shareholders' deficit	400	(3,903)	(3,503)	(3,751)
Closing shareholders' deficit	400	(3,857)	(3,457)	(3,503)

Zoom.Co.UK Limited

Notes to the financial statements for the year ended 1 September 2007 (continued)

9 Parent undertaking, controlling party and related party disclosures

The Company's ultimate parent company is Taveta Investments Limited ('Taveta'), a company incorporated in England. Taveta is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Taveta's consolidated financial statements can be obtained by writing to the Secretary at Marylebone House, 129 – 137 Marylebone Road, London, NW1 5QD.

The Company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Taveta group or investees of Taveta.

The Company's ultimate controlling party is Lady Cristina Green and her immediate family.