

Zyro Limited

Directors' Report and Financial Statements

for the Period from 1 September 2011 to 31 December 2012

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Zyro Limited
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Zyro Limited
Company Information

Directors	S J Ellison J Ellison A Budd B Johnson M H Barker
Company secretary	J Ellison
Registered office	Thirsk Industrial Estate York Road Thirsk North Yorkshire YO7 3BX
Solicitors	Addleshaw Goddard Sovereign House Sovereign Street Leeds LS1 1HQ
Bankers	Lloyds TSB Bank Plc 8-11 Cambridge Crescent Harrogate North Yorkshire HG1 1PQ
Auditors	Watson Buckle LLP Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

Zyro Limited

Directors' Report for the Period from 1 September 2011 to 31 December 2012

The directors present their report and the financial statements for the period from 1 September 2011 to 31 December 2012

Directors of the company

The directors who held office during the period were as follows

S J Ellison

J Ellison

A Budd

B Johnson

M H Barker (appointed 26 March 2012)

A R Hewitt (appointed 1 November 2012 and resigned 17 April 2013)

Principal activity

The principal activity of the company is that of a distributor of bicycle parts, accessories and cyclists' clothing

Dividends

The directors recommend a final dividend payment of £116,000 be made in respect of the financial period ended 31 December 2012. This dividend has not been recognised as a liability in the financial statements

Business review

Fair review of the business

Due to a change in accounting period end date from 31 August to 31 December these financial statements report the results for the 16 month period ended 31 December 2012. During the period the company discontinued its relationship with the third party folding bikes brand, Dahon. Despite the continuing difficult economic conditions experienced during the trading period, the company increased turnover for continuing brands in the 12 months ended 31 December 2012. Sales of higher performance products continued to be strong, enhanced by the positive effects of the Olympics and the Tour de France, whilst the demand in the leisure and commuter areas of the market proved more challenging due to the adverse weather conditions of spring/summer 2012 and the challenging economic climate.

The relative weakness of Sterling against most major currencies continued to have a negative impact on the company's profit margin. The company continued to invest in both people and infrastructure to provide a platform for growth and continued to enhance the service provided to both customers and suppliers. The company has continued to perform at a similar level for the trading period commencing January 2013, and has secured the exclusive distribution rights for a number of additional, market leading brands.

The directors believe that the medium to long term outlook for the bicycle and outdoor markets remains very positive.

Zyro Limited

Directors' Report for the Period from 1 September 2011 to 31 December 2012

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Principal risks and uncertainties

The majority of the company's turnover is derived from sales to retailers in the UK and the Republic of Ireland. Both markets have benefitted from the cycle to work schemes encouraged by the governments and the absence of these schemes would have a negative effect on both markets.

Whilst retail sales in the bicycle and outdoor markets have remained strong, the company is exposed to changes in disposable incomes and consumer demand.

A large proportion of the company's products are purchased from suppliers in foreign currencies, these being predominantly US Dollars, Japanese Yen and Euro. The company's profit margin would be affected by changes in the exchange rate against these currencies. In order to limit the company's exposure, the company hedges a significant amount of its foreign currency purchases.

Charitable donations

During the period the company made charitable donations of £27,153. Individual donations were:

	£
Local charities	23,605
Other local donations	2,075
Royal Air Forces Association	200
Comic Relief	<u>1,273</u>


Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Watson Buckle LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 25 September 2013 and signed on its behalf by


J. Ellison
Company secretary

Zyro Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

Independent Auditor's Report to the Members of Zyro Limited

We have audited the financial statements of Zyro Limited for the period from 1 September 2011 to 31 December 2012, set out on pages 7 to 22. 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).

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 Statement of Directors' Responsibilities (set out on page 4), 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 (APB'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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2012 and of its profit for the period 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's Report to the Members of
Zyro Limited**

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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



Ian Gill FCCA (Senior Statutory Auditor)
For and on behalf of Watson Buckle LLP
Statutory Auditor & Chartered Accountants
Bradford

25 September 2013

Zyro Limited

Profit and Loss Account for the Period from 1 September 2011 to 31 December 2012

	Note	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Turnover		36,162,784	28,513,320
Cost of sales		(24,947,463)	(19,788,276)
Gross profit		11,215,321	8,725,044
Administrative expenses		(6,082,422)	(3,974,828)
Other operating income		12	-
Operating profit	2	5,132,911	4,750,216
Other interest receivable and similar income		132	131
Interest payable and similar charges	6	(83,140)	(132,013)
Profit on ordinary activities before taxation		5,049,903	4,618,334
Tax on profit on ordinary activities	7	(1,288,278)	(1,280,365)
Profit for the financial period	17	3,761,625	3,337,969

Turnover and operating profit derive wholly from continuing operations

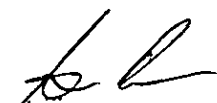
The company has no recognised gains or losses for the period other than the results above

The notes on pages 11 to 22 form an integral part of these financial statements

Zyro Limited
Balance Sheet at 31 December 2012

	Note	31 December 2012		31 August 2011	
		£	£	£	£
Fixed assets					
Intangible fixed assets	8		13,820		24,678
Tangible fixed assets	9		<u>1,878,144</u>		<u>2,016,893</u>
			1,891,964		2,041,571
Current assets					
Stocks	10	6,102,570		9,165,682	
Debtors	11	4,016,916		5,795,131	
Cash at bank and in hand		<u>3,700,328</u>		<u>339,164</u>	
		13,819,814		15,299,977	
Creditors Amounts falling due within one year	12	<u>(3,425,021)</u>		<u>(8,572,491)</u>	
Net current assets			<u>10,394,793</u>		<u>6,727,486</u>
Total assets less current liabilities			12,286,757		8,769,057
Creditors Amounts falling due after more than one year	13		(32,687)		(250,287)
Provisions for liabilities	14		<u>(10,000)</u>		<u>(36,325)</u>
Net assets			<u>12,244,070</u>		<u>8,482,445</u>
Capital and reserves					
Called up share capital	15	80,000		80,000	
Profit and loss account	17	<u>12,164,070</u>		<u>8,402,445</u>	
Shareholders' funds	18		<u>12,244,070</u>		<u>8,482,445</u>

Approved by the Board on 25 September 2013 and signed on its behalf by



M H Barker
Director

Zyro Limited

Cash Flow Statement for the Period from 1 September 2011 to 31 December 2012

Reconciliation of operating profit to net cash flow from operating activities

	1 September 2011 to 31 December 2012		Year ended 31 August 2011	
	£	£	£	£
Operating profit		5,132,911		4,750,216
Depreciation, amortisation and impairment charges		304,194		242,324
Loss/(profit) on disposal of fixed assets		1,259		(803)
Decrease/(increase) in stocks		3,063,112		(248,863)
Decrease/(increase) in debtors		1,778,215		(520,195)
Decrease in creditors		(3,231,569)		(3,104,213)
Net cash inflow from operating activities		<u>7,048,122</u>		<u>1,118,466</u>

Cash flow statement

	1 September 2011 to 31 December 2012		Year ended 31 August 2011	
	£	£	£	£
Net cash inflow from operating activities		7,048,122		1,118,466
Returns on investments and servicing of finance				
Interest received		132		131
HP and finance lease interest		(13,316)		(7,775)
Interest paid		<u>(69,824)</u>		<u>(124,238)</u>
		(83,008)		(131,882)
Taxation paid		(1,879,024)		(1,772,596)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(138,159)		(17,470)
Sale of tangible fixed assets		<u>64,449</u>		<u>53,343</u>
		(73,710)		35,873
Net cash inflow/(outflow) before management of liquid resources and financing		5,012,380		(750,139)
Financing				
Repayment of loans and borrowings		(173,832)		(119,988)
Repayment of capital element of finance leases and HP contracts		<u>(198,942)</u>		<u>(190,192)</u>
		(372,774)		(310,180)
Increase/(decrease) in cash		<u>4,639,606</u>		<u>(1,060,319)</u>

The notes on pages 11 to 22 form an integral part of these financial statements

Zyro Limited

Cash Flow Statement for the Period from 1 September 2011 to 31 December 2012

..... continued

Reconciliation of net cash flow to movement in net debt

	Note	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Increase/(decrease) in cash		4,639,606	(1,060,319)
Cash outflow from repayment of loans		173,832	119,988
Cash outflow from repayment of capital element of finance leases and hire purchase contracts		<u>198,942</u>	<u>190,192</u>
Change in net debt resulting from cash flows	21	5,012,380	(750,139)
 New finance leases		<u>(82,136)</u>	<u>(143,476)</u>
Movement in net debt	21	4,930,244	(893,615)
Net debt at start of period	21	<u>(1,447,583)</u>	<u>(553,968)</u>
Net funds/(debt) at end of period	21	<u><u>3,482,661</u></u>	<u><u>(1,447,583)</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows

Asset class	Amortisation method and rate
Development costs	33% reducing balance basis

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Freehold buildings	1% straight line basis
Short leasehold buildings	Straight line over lease term
Plant and machinery	20% reducing balance basis
Motor vehicles	33% reducing balance basis
Office equipment	33% reducing balance basis

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating profit

Operating profit is stated after charging

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Operating leases - other assets	135,875	115,247
Foreign currency gains	(340,289)	(636,853)
Loss/(profit) on sale of tangible fixed assets	1,259	(803)
Depreciation of owned assets	293,336	230,169
Amortisation	10,858	12,155
Auditor's remuneration	<u>31,810</u>	<u>35,682</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

3 Auditor's remuneration

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Audit of the financial statements	10,675	10,000
Other fees to auditors		
Other services	21,135	25,682
	<u>31,810</u>	<u>35,682</u>

4 Particulars of employees

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows

	1 September 2011 to 31 December 2012 No.	Year ended 31 August 2011 No.
Administration and support	62	57
Sales	10	10
Distribution	30	30
	<u>102</u>	<u>97</u>

The aggregate payroll costs were as follows

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Wages and salaries	3,793,241	2,623,352
Social security costs	431,815	301,398
Staff pensions	343,940	233,062
	<u>4,568,996</u>	<u>3,157,812</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

5 Directors' remuneration

The directors' remuneration for the period was as follows

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Remuneration (including benefits in kind)	488,843	280,832
Company contributions paid to money purchase schemes	<u>167,232</u>	<u>120,143</u>

During the period the number of directors who were receiving benefits and share incentives was as follows

	1 September 2011 to 31 December 2012 No	Year ended 31 August 2011 No.
Accruing benefits under money purchase pension scheme	<u>6</u>	<u>4</u>

In respect of the highest paid director

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Remuneration	164,795	129,602
Company contributions to money purchase pension schemes	<u>12,158</u>	<u>7,319</u>

6 Interest payable and similar charges

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Interest on bank borrowings	37,320	48,249
Interest on other loans	31,006	75,989
Other interest payable	1,498	-
Finance charges	<u>13,316</u>	<u>7,775</u>
	<u>83,140</u>	<u>132,013</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

7 Taxation

Tax on profit on ordinary activities

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Current tax		
Corporation tax charge	1,316,000	1,291,277
Adjustments in respect of previous years	(1,398)	(2,321)
UK Corporation tax	<u>1,314,602</u>	<u>1,288,956</u>
Deferred tax		
Origination and reversal of timing differences	(24,865)	(5,341)
Deferred tax adjustment relating to previous years	-	(24)
Effect of changes in tax rates	(1,459)	(3,226)
Total deferred tax	<u>(26,324)</u>	<u>(8,591)</u>
Total tax on profit on ordinary activities	<u>1,288,278</u>	<u>1,280,365</u>

Factors affecting current tax charge for the period

Tax on profit on ordinary activities for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24% (2011 - 26%)

The differences are reconciled below

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Profit on ordinary activities before taxation	<u>5,049,903</u>	<u>4,618,334</u>
Corporation tax at standard rate	1,211,977	1,200,767
Depreciation in excess of capital allowances	18,229	4,176
Expenses not deductible for tax purposes	39,771	29,925
Over provision in prior year	(1,398)	(2,321)
Change in tax rate	<u>46,023</u>	<u>56,409</u>
Total current tax	<u>1,314,602</u>	<u>1,288,956</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

8 Intangible fixed assets

	Development costs £	Total £
Cost		
At 1 September 2011	<u>54,975</u>	<u>54,975</u>
At 31 December 2012	<u>54,975</u>	<u>54,975</u>
Amortisation		
At 1 September 2011	30,297	30,297
Charge for the period	<u>10,858</u>	<u>10,858</u>
At 31 December 2012	<u>41,155</u>	<u>41,155</u>
Net book value		
At 31 December 2012	<u>13,820</u>	<u>13,820</u>
At 31 August 2011	<u>24,678</u>	<u>24,678</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

9 Tangible fixed assets

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation						
At 1 September 2011	1,555,714	42,514	311,084	623,454	310,459	2,843,225
Additions	-	-	11,335	114,327	94,633	220,295
Disposals	-	-	(9,315)	(207,163)	(29,441)	(245,919)
At 31 December 2012	1,555,714	42,514	313,104	530,618	375,651	2,817,601
Depreciation						
At 1 September 2011	104,129	23,022	206,174	274,324	218,683	826,332
Charge for the period	9,081	14,851	29,569	178,863	60,972	293,336
Eliminated on disposals	-	-	(5,425)	(147,490)	(27,296)	(180,211)
At 31 December 2012	113,210	37,873	230,318	305,697	252,359	939,457
Net book value						
At 31 December 2012	1,442,504	4,641	82,786	224,921	123,292	1,878,144
At 31 August 2011	1,451,585	19,492	104,910	349,130	91,776	2,016,893

Included in the gross book value of freehold land and building is £188,199 (2011 - £188,199) of non-depreciable assets

Finance lease assets

Included within the net book value of tangible fixed assets is £93,757 (2011 - £315,574) in respect of assets held under finance lease agreements. Depreciation for the period on these assets was £67,818 (2011 - £118,649)

10 Stocks

	31 December 2012 £	31 August 2011 £
Stocks	6,102,570	9,165,682

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

11 Debtors

	31 December 2012 £	31 August 2011 £
Trade debtors	3,691,647	5,531,611
Other debtors	148,645	900
Prepayments and accrued income	176,624	262,620
	<u>4,016,916</u>	<u>5,795,131</u>

Debtors Amounts falling due after more than one year

Debtors includes amounts falling due after more than one year of £94,045

12 Creditors Amounts falling due within one year

	31 December 2012 £	31 August 2011 £
Trade creditors	2,561,284	4,246,975
Bank loans and overdrafts	142,032	1,407,281
Obligations under finance lease and hire purchase contracts	42,948	129,179
Corporation tax	183,623	748,045
Other taxes and social security	90,516	800,821
Other creditors	18,461	50,692
Director's current accounts	41,490	903,982
Accruals and deferred income	344,667	285,516
	<u>3,425,021</u>	<u>8,572,491</u>

13 Creditors: Amounts falling due after more than one year

	31 December 2012 £	31 August 2011 £
Bank loans and overdrafts	32,687	219,712
Obligations under finance lease and hire purchase contracts	-	30,575
	<u>32,687</u>	<u>250,287</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

Secured borrowings

The bank loans and overdraft are secured by an unlimited debenture over the company's assets and by a legal charge over the freehold property

Obligations under finance leases and hire purchase contracts are secured by related assets

Obligations under finance leases and HP contracts

Amounts repayable:

	31 December 2012 £	31 August 2011 £
In one year or less on demand	42,948	129,179
Between one and two years	-	30,575
	<u>42,948</u>	<u>159,754</u>

14 Provisions

	Deferred tax £	Total £
At 1 September 2011	36,325	36,325
Credited to the profit and loss account	<u>(26,325)</u>	<u>(26,325)</u>
At 31 December 2012	<u>10,000</u>	<u>10,000</u>

Analysis of deferred tax

	31 December 2012 £	31 August 2011 £
Difference between accumulated depreciation and amortisation and capital allowances	18,741	40,049
Other timing differences	<u>(8,741)</u>	<u>(3,724)</u>
	<u>10,000</u>	<u>36,325</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

15 Share capital

Allotted, called up and fully paid shares

	31 December 2012		31 August 2011	
	No.	£	No.	£
Ordinary of £1 each	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

16 Dividends

	31 December 2012 £	31 August 2011 £
Recommended final dividend proposed for approval by shareholders	<u>116,000</u>	<u>-</u>

17 Reserves

	Profit and loss account £	Total £
At 1 September 2011	8,402,445	8,402,445
Profit for the period	<u>3,761,625</u>	<u>3,761,625</u>
At 31 December 2012	<u>12,164,070</u>	<u>12,164,070</u>

18 Reconciliation of movement in shareholders' funds

	1 September 2011 to 31 December 2012 £	Year ended 31 August 2011 £
Profit attributable to the members of the company	<u>3,761,625</u>	<u>3,337,969</u>
Net addition to shareholders' funds	<u>3,761,625</u>	<u>3,337,969</u>
Shareholders' funds at start of period	<u>8,482,445</u>	<u>5,144,476</u>
Shareholders' funds at end of period	<u>12,244,070</u>	<u>8,482,445</u>

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

..... continued

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £343,940 (2011 - £233,062)

Contributions totalling £15,697 (2011 - £14,323) were payable to the schemes at the end of the period and are included in creditors

20 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	31 December 2012 £	31 August 2011 £
Land and buildings		
Within one year	84,833	14,667
Within two and five years	-	75,000
	<u>84,833</u>	<u>89,667</u>
Other		
Within two and five years	<u>7,234</u>	<u>-</u>

Other commitments

At the year end the company had entered into foreign exchange contracts to buy \$1,940,563 between 2 January 2013 and 2 April 2013 at rates between 1.5768 and 1.5950

At the year end the company had entered into foreign exchange contracts to buy ¥185,783,442 between 2 January 2013 and 24 May 2013 at rates between 124.7500 and 129.6000

Zyro Limited

Notes to the Financial Statements for the Period from 1 September 2011 to 31 December 2012

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21 Analysis of net debt

	At 1 September 2011 £	Cash flow £	Other non-cash changes £	At 31 December 2012 £
Cash at bank and in hand	339,164	3,360,502	-	3,700,328
Bank overdraft	(1,278,442)	1,279,104	-	-
	(939,278)	4,639,606	-	3,700,328
Debt due within one year	(128,839)	(13,193)	-	(142,032)
Debt due after more than one year	(219,712)	187,025	-	(32,687)
Finance leases and hire purchase contracts	(159,754)	198,942	(82,136)	(42,948)
Net funds	(1,447,583)	5,012,380	(82,136)	3,482,661

22 Related party transactions

Other related party transactions

During the period the company made the following related party transactions

S J Ellison (Director)

During the period interest of £15,503 (2011 - £37,995) was paid in respect of the loan balance due to S J Ellison. Additionally, a motor vehicle was sold to S J Ellison at its market value, being £23,200. At the balance sheet date the amount due to S J Ellison was £20,745 (2011 - £451,991).

J Ellison (Director)

During the period interest of £15,503 (2011 - £37,995) was paid in respect of the directors loan due to J Ellison. At the balance sheet date the amount due to J Ellison was £20,745 (2011 - £451,991).

23 Control

The company is controlled by Aghoco 1136 Limited, its immediate parent undertaking. Ultimate control is vested in S J Ellison and J Ellison.