

Registration number: 03060232

Zyro Limited

Annual Report and Financial Statements
for the Year Ended 31 December 2015

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Zyro Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 28

Zyro Limited

Company Information

Directors	S J Ellison J Ellison M H Barker
Registered office	Roundhouse Road Faverdale Industrial Estate Darlington DL3 0UR
Solicitors	Addleshaw Goddard Sovereign House Sovereign Street Leeds LS1 1HQ
Bankers	Lloyds Bank plc Lisbon House 116 Wellington Street Leeds West Yorkshire LS1 4LT
Auditors	Watson Buckle Limited Statutory Auditor & Chartered Accountants York House Cottingley Business Park Bradford West Yorkshire BD16 1PE

Zyro Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

Principal activity

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

Fair review of the business

Zyro continued to invest substantially in both people and infrastructure to enable the company to be fit for future growth and continue to enhance the service provided to both customers and suppliers.

Turnover for the year reduced from £34.1m to £28.6m, a reduction of 16%. The reduction was driven by a softer cycling market in the UK when compared to 2014. Gross margins were maintained during this period at 30.0% compared to 30.7% in the prior year.

The reduction in turnover resulted in an Operating Profit of £2.23m compared to £3.29m in 2014.

A focus on inventory levels saw stock reduce from £10.4m at December 2014 to £8.9m whilst maintaining high stock availability. The resultant increase in cash from improved working capital management combined with the cash inflow from operating activities puts the business in a strong position to continue to invest in developing and growing the business.

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

Principal risks and uncertainties

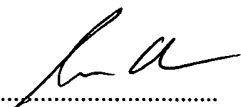
The majority of the company's turnover is derived from sales to retailers in the UK and the Republic of Ireland.

Both markets have benefited 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.

Approved by the Board on 29 September 2016 and signed on its behalf by:


.....
M H Barker
Director

Zyro Limited

Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the Company

The directors who held office during the year were as follows:

S J Ellison

J Ellison

A Budd (resigned 15 April 2016)

M H Barker

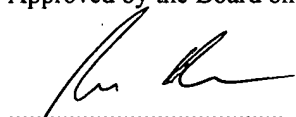
Disclosure of information to the auditors

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 of which they know the auditors are unaware.

Reappointment of auditors

Watson Buckle Limited will be reappointed as auditors under section 485 of the Companies Act 2006.

Approved by the Board on 29 September 2016 and signed on its behalf by:



M H Barker
Director

Zyro Limited

Statement of Directors' Responsibilities

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

Zyro Limited

Independent Auditor's Report

We have audited the financial statements of Zyro Limited for the year ended 31 December 2015, set out on pages 7 to 28. 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 to the financial statements.

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 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 2015 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 matter prescribed by the Companies Act 2006

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

Zyro Limited

Independent Auditor's Report

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

Watson Buckle Limited

.....
Ian Gill FCCA (Senior Statutory Auditor)
For and on behalf of Watson Buckle Limited
Statutory Auditors & Chartered Accountants

Bradford

29 September 2016

Zyro Limited

Profit and Loss Account for the Year Ended 31 December 2015

		2015		2014	
	Note	£	£	£	£
Turnover			28,644,082		34,111,200
Cost of sales			<u>(20,045,814)</u>		<u>(23,646,225)</u>
Gross profit			8,598,268		10,464,975
Administrative expenses			(6,417,008)		(7,267,224)
Other operating income			<u>50,258</u>		<u>91,088</u>
Operating profit	4		2,231,518		3,288,839
Other interest receivable and similar income	6	48,780		163,710	
Interest payable and similar charges	7	<u>(129,038)</u>		<u>(131,985)</u>	
			<u>(80,258)</u>		<u>31,725</u>
Profit before tax			2,151,260		3,320,564
Taxation	11		<u>(454,459)</u>		<u>(731,075)</u>
Profit for the financial year			<u><u>1,696,801</u></u>		<u><u>2,589,489</u></u>

The above results were derived from continuing operations.

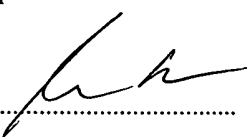
The company has no recognised gains or losses for the year other than the results above.

Zyro Limited

(Registration number: 03060232)
Balance Sheet as at 31 December 2015

	Note	2015		2014	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,642,725		3,140,624
Current assets					
Stocks	14	8,936,712		10,416,973	
Debtors	15	4,746,518		5,113,728	
Other financial assets	13	145,638		83,999	
Cash at bank and in hand		<u>5,453,081</u>		<u>1,976,437</u>	
		19,281,949		17,591,137	
Creditors: Amounts falling due within one year	17	<u>(9,651,542)</u>		<u>(9,551,159)</u>	
Net current assets			<u>9,630,407</u>		<u>8,039,978</u>
Total assets less current liabilities			12,273,132		11,180,602
Creditors: Amounts falling due after more than one year	17		(62,234)		(298,772)
Provisions for liabilities	18		<u>(90,000)</u>		<u>(115,000)</u>
Net assets			<u>12,120,898</u>		<u>10,766,830</u>
Capital and reserves					
Called up share capital	19	80,000		80,000	
Profit and loss account		<u>12,040,898</u>		<u>10,686,830</u>	
Total equity			<u>12,120,898</u>		<u>10,766,830</u>

Approved and authorised by the Board on 29 September 2016 and signed on its behalf by:



M H Barker

Director

The notes on pages 10 to 28 form an integral part of these financial statements.

Zyro Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Profit and loss account £	Total £
At 1 January 2015	80,000	10,686,830	10,766,830
Profit for the year	-	1,696,801	1,696,801
Total comprehensive income	-	1,696,801	1,696,801
Dividends	-	(342,733)	(342,733)
At 31 December 2015	80,000	12,040,898	12,120,898

	Share capital £	Profit and loss account £	Total £
At 1 January 2014	80,000	10,123,261	10,203,261
Profit for the year	-	2,589,489	2,589,489
Total comprehensive income	-	2,589,489	2,589,489
Dividends	-	(2,025,920)	(2,025,920)
At 31 December 2014	80,000	10,686,830	10,766,830

The notes on pages 10 to 28 form an integral part of these financial statements.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Roundhouse Road
Faverdale Industrial Estate
Darlington
DL3 0UR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

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

Summary of disclosure exemptions

The company has taken advantage of the exemption to prepare a Statement of Cash Flows in accordance with FRS102 section 1.12.

The company has taken advantage of the exemption under Section 33 Related Party disclosures from disclosing transactions and balances with fellow group undertakings whom are wholly owned.

Name of parent of group

These financial statements are consolidated in the financial statements of Aghoco 1136 Limited.

The financial statements of Aghoco 1136 Limited may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Accounting policies (continued)

Government grants

Government grants have been recognised in accordance with the accruals model. Government grants in respect of revenue nature have been recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. Grants of a capital nature have been recognised in income on a systematic basis over the expected useful life of the asset.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. This is with the exception of the hedge accounting adjustments processed in accordance with FRS102.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any estimated residual value, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold land and buildings	Straight line over lease term
Plant and machinery	20% reducing balance/10% straight line basis
Motor vehicles	33% reducing balance basis
Office equipment	33% reducing balance basis

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Accounting policies (continued)

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2 Accounting policies (continued)

Financial instruments

Classification

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

Recognition and measurement

Debt instruments, like loans and other debtors and creditors, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Derivative financial instruments and hedging

Derivatives

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in profit or loss. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Hedging

The company applies hedge accounting to hedging relationships where the hedging relationship consists only of a hedging instrument and a hedged item; the hedging relationship is consistent with the entity's risk management objectives for undertaking hedges; there is an economic relationship between the hedged item and the hedging instrument; the entity has documented the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified; and the entity has determined and documented causes of hedge ineffectiveness.

3 Revenue

No analysis of turnover by geographical market is given as the directors consider this would be seriously prejudicial to the company.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

4 Operating profit

Arrived at after charging/(crediting)

	2015	2014
	£	£
Depreciation expense	576,679	602,096
Foreign exchange gains	(185,299)	(89,277)
Operating lease expense - property	271,175	316,606
Operating lease expense - plant and machinery	26,079	26,986
(Profit)/loss on disposal of fixed assets	<u>(14,900)</u>	<u>52,951</u>

5 Government grants

The amount of grants relating to wage subsidies recognised in the financial statements was £50,258 (2014 - £91,088). An unfulfilled condition attached to grants which have been recognised as income during the year, is that the associated employees will remain in employment for a minimum of 24 months.

6 Other interest receivable and similar income

	2015	2014
	£	£
Interest income on bank deposits	5,981	1,084
Net changes in fair value of hedged item in a fair value hedge	61,639	503,121
Net changes in fair value of hedging instrument in a fair value hedge	(22,077)	(340,949)
Other finance income	<u>3,237</u>	<u>454</u>
	<u>48,780</u>	<u>163,710</u>

7 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank overdrafts and borrowings	97,064	104,945
Interest on obligations under finance leases and hire purchase contracts	16,428	19,982
Interest expense on other finance liabilities	<u>15,546</u>	<u>7,058</u>
	<u>129,038</u>	<u>131,985</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015 £	2014 £
Wages and salaries	3,724,179	4,189,648
Social security costs	386,945	424,573
Pension costs, defined contribution scheme	188,182	312,372
	<u>4,299,306</u>	<u>4,926,593</u>

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

	2015 No.	2014 No.
Administration and support	72	80
Sales	14	14
Distribution	52	53
	<u>138</u>	<u>147</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	333,137	404,537
Contributions paid to money purchase schemes	15,438	154,691
Compensation for loss of office	-	46,755
	<u>348,575</u>	<u>605,983</u>

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

	2015 No.	2014 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>5</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	158,913	148,323
Company contributions to money purchase pension schemes	<u>6,968</u>	<u>26,619</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

10 Auditors' remuneration

	2015 £	2014 £
Audit of the financial statements	<u>16,500</u>	<u>16,250</u>
Other fees to auditors		
Taxation compliance services	2,500	2,500
All other assurance services	<u>10,143</u>	<u>14,432</u>
	<u>12,643</u>	<u>16,932</u>

11 Taxation

Tax charged/(credited) in the profit and loss account

	2015 £	2014 £
Current taxation		
UK corporation tax	485,000	730,000
UK corporation tax adjustment to prior periods	<u>(5,541)</u>	<u>(13,925)</u>
	<u>479,459</u>	<u>716,075</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(24,985)	20,933
Arising from changes in tax rates and laws	<u>(15)</u>	<u>(5,933)</u>
Total deferred taxation	<u>(25,000)</u>	<u>15,000</u>
Tax expense in the profit and loss account	<u>454,459</u>	<u>731,075</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

11 Taxation (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20% (2014 - 21%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	2,151,260	3,320,564
Corporation tax at standard rate	430,252	697,318
Increase (decrease) from effect of different UK tax rates on some earnings	5,943	16,622
Effect of expense not deductible in determining taxable profit (tax loss)	23,850	56,853
Deferred tax expense (credit) relating to changes in tax rates or laws	(15)	(5,933)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(5,541)	(13,925)
Tax increase (decrease) from effect of capital allowances and depreciation	24,955	(40,793)
Deferred tax increase (decrease) from other short-term timing differences	(24,985)	20,933
Total tax charge	454,459	731,075

Deferred tax

Deferred tax assets and liabilities

2015

	Asset £	Liability £
Origination and reversal of timing differences	-	110,942
Other timing differences	20,942	-
	20,942	110,942

2014

	Asset £	Liability £
Origination and reversal of timing differences	-	142,691
Other timing differences	27,691	-
	27,691	142,691

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Tangible assets

	Short leasehold land and buildings £	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 January 2015	1,355,694	804,275	744,820	1,308,595	4,213,384
Additions	20,921	55,734	28,382	694	105,731
Disposals	-	(792)	(126,971)	-	(127,763)
At 31 December 2015	<u>1,376,615</u>	<u>859,217</u>	<u>646,231</u>	<u>1,309,289</u>	<u>4,191,352</u>
Depreciation					
At 1 January 2015	99,573	390,999	330,854	251,334	1,072,760
Charge for the year	144,943	146,041	138,362	147,333	576,679
Eliminated on disposal	-	(4,756)	(96,056)	-	(100,812)
At 31 December 2015	<u>244,516</u>	<u>532,284</u>	<u>373,160</u>	<u>398,667</u>	<u>1,548,627</u>
Carrying amount					
At 31 December 2015	<u>1,132,099</u>	<u>326,933</u>	<u>273,071</u>	<u>910,622</u>	<u>2,642,725</u>
At 31 December 2014	<u>1,256,121</u>	<u>413,276</u>	<u>413,966</u>	<u>1,057,261</u>	<u>3,140,624</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2015	2014
	£	£
Motor vehicles	93,828	197,171
Plant and machinery	<u>472,172</u>	<u>549,004</u>
	<u>566,000</u>	<u>746,175</u>

Restriction on title and pledged as security

Motor vehicles with a carrying amount of £93,828 (2014 - £197,171) has been pledged as security for the outstanding finance lease liability.

Plant and machinery with a carrying amount of £472,172 (2014 - £549,004) has been pledged as security for the outstanding finance lease liability.

13 Other financial assets

	2015	2014
	£	£
Current financial assets		
Derivatives used for hedging	<u>145,638</u>	<u>83,999</u>

14 Stocks

	2015	2014
	£	£
Stocks	<u>8,936,712</u>	<u>10,416,973</u>

The cost of stocks recognised as an expense in the year amounted to £18,690,016 (2014 - £21,960,340).

Impairment of stocks

The amount of impairment loss included in profit or loss is £91,199 (2014 - £114,211). An impairment loss was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

15 Debtors

	2015 £	2014 £
Trade debtors	4,269,940	4,634,520
Other debtors	212,119	107,895
Prepayments	264,459	371,313
Total current trade and other debtors	<u>4,746,518</u>	<u>5,113,728</u>

Debtors: Amounts falling due after more than one year

Debtors includes amounts falling due after more than one year of £nil (2014 - £31,348).

16 Cash and cash equivalents

	2015 £	2014 £
Cash on hand	7,925	10,485
Cash at bank	<u>5,445,156</u>	<u>1,965,952</u>
	5,453,081	1,976,437
Bank overdrafts	<u>(4,693,230)</u>	<u>(4,100,051)</u>
Cash and cash equivalents	<u>759,851</u>	<u>(2,123,614)</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

17 Creditors

	Note	2015 £	2014 £
Due within one year			
Loans and borrowings	21	4,929,754	4,381,322
Trade creditors		2,683,702	3,506,972
Amounts due to related parties	24	48,000	4,067
Social security and other taxes		643,836	210,497
Outstanding defined contribution pension costs		34,338	41,894
Other payables		249,011	173,555
Accrued expenses		829,901	946,506
Corporation tax liability	11	233,000	286,346
		<u>9,651,542</u>	<u>9,551,159</u>
Due after one year			
Loans and borrowings	21	<u>62,234</u>	<u>298,772</u>

18 Deferred tax and other provisions

	Deferred tax £
At 1 January 2015	115,000
Increase (decrease) in existing provisions	<u>(25,000)</u>
At 31 December 2015	<u>90,000</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

19 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary of £1 each	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

All shares rank pari passu for income, capital and voting rights

20 Reserves

Share capital

Represents the nominal value of issued shares

Profit and loss account

Includes all current and prior periods retained profits and losses

21 Loans and borrowings

	2015	2014
	£	£
Current loans and borrowings		
Bank overdrafts	4,693,230	4,100,051
Finance lease liabilities	<u>236,524</u>	<u>281,271</u>
	<u>4,929,754</u>	<u>4,381,322</u>
	2015	2014
	£	£
Non-current loans and borrowings		
Finance lease liabilities	<u>62,234</u>	<u>298,772</u>

Bank borrowings

Bank overdrafts is denominated in British pounds. The carrying amount at year end is £4,693,230 (2014 - £4,100,051).

The bank overdrafts are secured by an unlimited debenture over the company assets.

Bank overdrafts are repayable on demand.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

21 Loans and borrowings (continued)

Other borrowings

Finance lease liabilities with a carrying amount of £298,758 (2014 - £580,043) is denominated in British pounds.

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

22 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	242,996	293,671
Later than one year and not later than five years	63,071	306,068
	<u>306,067</u>	<u>599,739</u>

Operating leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	255,610	278,421
Later than one year and not later than five years	465,208	720,818
	<u>720,818</u>	<u>999,239</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £297,254 (2014 - £343,592).

23 Dividends

	2015 £	2014 £
Interim dividend of £4.28 (2014 - £25.32) per ordinary share	<u>342,733</u>	<u>2,025,920</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

24 Related party transactions

Transactions with directors

	At 1 January 2015 £	Advances to directors £	Repayments by director £	Other payments made to company by director £	At 31 December 2015 £
2015					
Advances to directors	-	(89,866)	89,866	-	-

Other transactions with directors

During the year interest of £15,546 (2014 - £7,058) was payable in respect of the loan balances due to the directors, at an interest rate of 4.5% (2014 - £4.5%). At the balance sheet date the amount due to the directors was £48,000 (2014 - £4,067).

25 Financial instruments

Fair value hedges

Foreign currency forward contracts

The main financial instruments used by the company are vanilla forward contracts or variants thereof, for example a forward contract which has a minimum and maximum exchange rate.

The fair value of the financial instruments designated as hedging instruments at 31 December 2015 is £145,638 (2014 - £83,999).

The company uses hedging instruments to mitigate its exposure to changes in fair value of an unrecognised firm commitment.

The amount of the change in fair value of the hedging instrument recognised in profit or loss for the period is £61,639 (2014 - £503,121).

The amount of the change in fair value of the hedged item recognised in profit or loss for the period is £(22,077) (2014 - £(340,949)).

26 Parent and ultimate parent undertaking

The company's immediate parent is Aghoco 1136 Limited, incorporated in England and Wales.

These financial statements are available upon request from;

Companies House, Crown Way, Cardiff, CF14 3UZ.

Until 15 April 2016 the ultimate controlling party was S J Ellison and J Ellison. From 15 April 2016 the ultimate controlling party is the directors of Power Topco Limited.

27 Transition to FRS 102

The company has adopted hedge accounting to reflect the company's hedging activities to mitigate foreign exchange risk in accordance with FRS102. The financial statements have therefore been restated at transition date 1 January 2014, comparative year end 31 December 2014 and current year end 31 December 2015 as detailed below.

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

27 Transition to FRS 102 (continued)

Balance Sheet at 1 January 2014

	As originally reported £	Remeasurement £	As restated £
Fixed assets			
Investment property	3,603,251	-	3,603,251
Current assets			
Stocks	10,717,511	-	10,717,511
Debtors	5,386,806	-	5,386,806
Other financial assets	-	(419,122)	(419,122)
Cash at bank and in hand	2,080,741	-	2,080,741
	<u>18,185,058</u>	<u>(419,122)</u>	<u>17,765,936</u>
Creditors: Amounts falling due within one year	<u>(11,254,006)</u>	<u>419,122</u>	<u>(10,834,884)</u>
Net current assets	<u>6,931,052</u>	<u>-</u>	<u>6,931,052</u>
Total assets less current liabilities	10,534,303	-	10,534,303
Creditors: Amounts falling due after more than one year	(231,042)	-	(231,042)
Provisions for liabilities	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Net assets	<u>10,203,261</u>	<u>-</u>	<u>10,203,261</u>
Capital and reserves			
Called up share capital	(80,000)	-	(80,000)
Profit and loss account	<u>(10,123,261)</u>	<u>-</u>	<u>(10,123,261)</u>
Total equity	<u>(10,203,261)</u>	<u>-</u>	<u>(10,203,261)</u>

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

27 Transition to FRS 102 (continued)

Balance Sheet at 31 December 2014

	As originally reported £	Remeasurement £	As restated £
Fixed assets			
Tangible assets	3,140,624	-	3,140,624
Current assets			
Stocks	10,416,973	-	10,416,973
Debtors	5,113,728	-	5,113,728
Other financial assets	-	83,999	83,999
Cash at bank and in hand	1,976,437	-	1,976,437
	17,507,138	83,999	17,591,137
Creditors: Amounts falling due within one year	(9,467,160)	(83,999)	(9,551,159)
Net current assets	8,039,978	-	8,039,978
Total assets less current liabilities	11,180,602	-	11,180,602
Creditors: Amounts falling due after more than one year	(298,772)	-	(298,772)
Provisions for liabilities	(115,000)	-	(115,000)
Net assets	10,766,830	-	10,766,830
Capital and reserves			
Called up share capital	(80,000)	-	(80,000)
Profit and loss account	(10,686,830)	-	(10,686,830)
Total equity	(10,766,830)	-	(10,766,830)

Zyro Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

27 Transition to FRS 102 (continued)

Profit and Loss Account for the year ended 31 December 2014

	As originally reported £	Remeasurement £	As restated £
Turnover	34,111,200	-	34,111,200
Cost of sales	(23,484,053)	-	(23,484,053)
Gross profit	10,627,147	-	10,627,147
Administrative expenses	(7,267,224)	(162,172)	(7,429,396)
Other operating income	91,088	-	91,088
Operating profit/(loss)	3,451,011	(162,172)	3,288,839
Gain on financial assets at fair value through profit and loss account	-	503,121	503,121
Net loss on financial liabilities at fair value through profit and loss account	-	(340,949)	(340,949)
Other interest receivable and similar income	1,538	-	1,538
Interest payable and similar charges	(131,985)	-	(131,985)
	(130,447)	162,172	31,725
Profit before tax	3,320,564	-	3,320,564
Taxation	(731,075)	-	(731,075)
Profit for the financial year	2,589,489	-	2,589,489