

Registered number: 03351062

ZETA COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2018

TUESDAY



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24/07/2018
COMPANIES HOUSE

ZETA COMPLIANCE SERVICES LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | R G Nicoll G Brown D B Downer (resigned 10 January 2018) A Sleeth K Gard (appointed 7 June 2018) |
| Company secretary | G Brown |
| Registered number | 03351062 |
| Registered office | Zeta House Avonbury Business Park Howes Lane Bicester Oxon OX26 2UA |
| Independent auditor | James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG |

ZETA COMPLIANCE SERVICES LIMITED

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ZETA COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their report and the financial statements for the year ended 31 January 2018.

Directors

The directors who served during the year were:

R G Nicoll
G Brown
D B Downer (resigned 10 January 2018)
A Sleeth

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

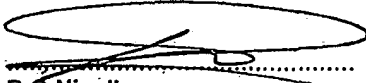
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

ZETA COMPLIANCE SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2018**

This report was approved by the board on 11th July 2018 and signed on its behalf.



R G Nicoll
Director

ZETA COMPLIANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZETA COMPLIANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Zeta Compliance Services Limited (the 'Company') for the year ended 31 January 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

ZETA COMPLIANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZETA COMPLIANCE SERVICES LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

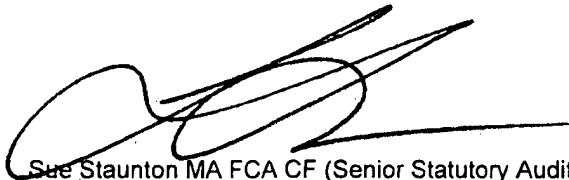
ZETA COMPLIANCE SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZETA COMPLIANCE SERVICES
LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: *11 July 2018*

ZETA COMPLIANCE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2018

| | Note | 2018 £ | 2017 £ |
|--|------|------------------|------------------|
| Turnover | | 3,669,525 | 3,583,301 |
| Cost of sales | | (2,466,546) | (2,293,204) |
| Gross profit | | 1,202,979 | 1,290,097 |
| Administrative expenses | | (1,251,289) | (1,303,034) |
| Exceptional administrative expenses | | (57,180) | - |
| Operating loss | | (105,490) | (12,937) |
| Tax on loss | 6 | 18,023 | (224) |
| Loss for the financial year | | (87,467) | (13,161) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive income for the year | | (87,467) | (13,161) |

The notes on pages 8 to 17 form part of these financial statements.


ZETA COMPLIANCE SERVICES LIMITED
REGISTERED NUMBER: 03351062

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018

| | Note | 2018 £ | 2017 £ |
|--|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 31,723 | 30,176 |
| | | <u>31,723</u> | <u>30,176</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 9 | 1,101,350 | 1,008,161 |
| Cash at bank and in hand | 10 | 10,651 | 4,363 |
| | | <u>1,112,001</u> | <u>1,012,524</u> |
| Creditors: amounts falling due within one year | 11 | (989,245) | (796,187) |
| Net current assets | | <u>122,756</u> | <u>216,337</u> |
| Total assets less current liabilities | | <u>154,479</u> | <u>246,513</u> |
| Net assets | | <u><u>154,479</u></u> | <u><u>246,513</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 830 | 830 |
| Share premium account | 13 | 49,700 | 49,700 |
| Other reserves | 13 | 5,665 | 10,232 |
| Profit and loss account | 13 | 98,284 | 185,751 |
| | | <u>154,479</u> | <u>246,513</u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



R G Nicoll
 Director

Date: 11/7/2018

The notes on pages 8 to 17 form part of these financial statements.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

1. General information

Zeta Compliance Service Limited is a private limited company incorporated in the United Kingdom and registered in England and Wales.

The principal activity of the Company is the provision of water and fire safety compliance services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year ended 31 January 2018, the Company sustained a loss for the financial year of £87,467 and had net assets at the year end of £154,479. Since the year end the directors have taken action to reduce overheads and the directors have called in the amount owed by group undertakings in order to improve the cash position. The directors, therefore, conclude that the Company remains a going concern.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

| | |
|---------------------|-----------|
| Fixtures & fittings | - 4 years |
| Office equipment | - 3 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

2. Accounting policies (continued)

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018**

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Asset useful life and depreciation

Tangible fixed assets are depreciated over their useful life on a straight line basis. The useful lives of the assets are assessed annually and may vary depending on a number of factors. The useful lives of assets are reassessed based on a technological innovation, future performance of that asset and maintenance programmes are taken into account. Further details are contained in note 10.

Tax on profit on ordinary activities

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Share-based payments

Estimating fair value for share-payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, and volatility. For the measurement of the fair value of equity settled transactions with employees at the grant date, the Company uses a Black-Scholes model. The assumptions used for estimating fair value for share-based payments are disclosed in note 16.

4. Employees

The average monthly number of employees, including directors, during the year was 59 (2017 - 62).

5. Directors' remuneration

| | 2018 £ | 2017 £ |
|---|----------------|----------------|
| Directors' emoluments | 190,368 | 158,091 |
| Company contributions to defined contribution pension schemes | 8,873 | 6,108 |
| Compensation for loss of office | 57,180 | - |
| | <u>256,421</u> | <u>164,199</u> |

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

6. Taxation

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Total current tax | - | - |
| Deferred tax | | |
| Origination and reversal of timing differences | (18,123) | (1,431) |
| Changes to tax rates | - | 1,655 |
| Adjustments in respect of prior periods | 100 | - |
| Total deferred tax | (18,023) | 224 |
| Taxation on (loss)/profit on ordinary activities | (18,023) | 224 |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19.16% (2017 - 20%). The differences are explained below:

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Loss on ordinary activities before tax | (105,490) | (12,937) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.16% (2017 - 20%) | (20,212) | (2,587) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 770 | 1,084 |
| Adjustments in respect of prior periods | 100 | - |
| Other timing differences leading to an increase (decrease) in taxation | 2,303 | 1,907 |
| Non-taxable income | (984) | (180) |
| Total tax charge for the year | (18,023) | 224 |

Factors that may affect future tax charges

Legislation has been passed to reduce the main rate of UK corporation tax to 17% from 1 April 2020. The future impact of the changes on the deferred tax liability have been accounted for.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

7. Exceptional items

| | 2018 £ | 2017 £ |
|--|---------------|-----------|
| Compensation paid to a director for loss of office | 57,180 | - |
| | <u>57,180</u> | <u>-</u> |

8. Tangible fixed assets

| | Fixtures & fittings £ | Office equipment £ | Total £ |
|-------------------------------------|-----------------------------|--------------------------|---------------|
| Cost or valuation | | | |
| At 1 February 2017 | 9,861 | 46,708 | 56,569 |
| Additions | 604 | 17,773 | 18,377 |
| At 31 January 2018 | <u>10,465</u> | <u>64,481</u> | <u>74,946</u> |
| Depreciation | | | |
| At 1 February 2017 | 5,718 | 20,675 | 26,393 |
| Charge for the year on owned assets | 1,888 | 14,942 | 16,830 |
| At 31 January 2018 | <u>7,606</u> | <u>35,617</u> | <u>43,223</u> |
| Net book value | | | |
| At 31 January 2018 | <u>2,859</u> | <u>28,864</u> | <u>31,723</u> |
| At 31 January 2017 | <u>4,143</u> | <u>26,033</u> | <u>30,176</u> |

9. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 779,994 | 711,673 |
| Amounts owed by group undertakings | 40,200 | 40,200 |
| Other debtors | 1,000 | 1,000 |
| Prepayments and accrued income | 232,556 | 225,712 |
| Deferred taxation | 47,600 | 29,576 |
| | <u>1,101,350</u> | <u>1,008,161</u> |

Amounts owed by group undertakings are repayable on demand and do not attract interest.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

10. Cash and cash equivalents

| | 2018 £ | 2017 £ |
|--------------------------|---------------|--------------|
| Cash at bank and in hand | 10,651 | 4,363 |
| | <u>10,651</u> | <u>4,363</u> |

11. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 257,523 | 205,095 |
| Amounts owed to group undertakings | 44,559 | 47,383 |
| Other taxation and social security | 213,818 | 202,664 |
| Other creditors | 268,803 | 237,541 |
| Accruals and deferred income | 204,542 | 103,504 |
| | <u>989,245</u> | <u>796,187</u> |

Amounts owed to group undertakings are repayable on demand and do not attract interest.

12. Deferred taxation

| | 2018 £ | 2017 £ |
|--------------------------------|----------------------|----------------------|
| At beginning of year | 29,576 | 29,800 |
| Charged to the profit or loss | 18,024 | (224) |
| At end of year | <u>47,600</u> | <u>29,576</u> |
| | 2018 £ | 2017 £ |
| Fixed asset timing differences | (4,764) | (4,363) |
| Loss and other deductions | 50,144 | 30,857 |
| Short term timing differences | 2,220 | 3,082 |
| | <u>47,600</u> | <u>29,576</u> |

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

13. Reserves

Share premium account

Share premium is the amount by which the amount received by the Company for a share issue exceeds its face value.

Other reserves

The share-based payment reserve is the amount of vested costs relating to share options granted to employees of the Company.

Profit & loss account

The profit & loss account includes all current and prior year profits and losses.

14. Share based payments

During the year, EMI share option scheme existed, giving options on shares in the parent company, Zeta Compliance Group Plc.

During the year ended 31 January 2018 and 31 January 2017, no share options were issued.

Share options granted vest immediately and the maximum life of the share options is ten years. The share options will be settled in equity.

At the year end, 99,420 (2017: 171,920) share options were outstanding of which 99,420 (2017: 171,920) were exercisable.

The options outstanding at the year end had exercise prices of £0.125 and £0.128.

The weighted average remaining contractual life of the share options was 5 years.

There were 72,500 (2017: Nil) share options forfeited during the year and Nil (2017: 10,000) share options exercised during the year.

15. Contingent liabilities

Following the balance sheet date, the Company was notified of a potential claim against it by a client. It is understood that the client has issued claims against a number of other parties in connection with this issue. The amount being claimed would be material to the financial statements, but the directors and their advisers refute the basis of the claim.

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension contributions payable by the Company to the fund amounted to £84,141 (2017: £76,335).

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

17. Commitments under operating leases

At 31 January 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2018 £ | 2017 £ |
|--|----------------|----------------|
| Land and buildings | | |
| Not later than 1 year | 53,725 | 53,725 |
| Later than 1 year and not later than 5 years | 143,267 | 196,992 |
| Total | 196,992 | 250,717 |
| | | |
| | 2018 £ | 2017 £ |
| Motor vehicles | | |
| Not later than 1 year | 176,112 | 170,362 |
| Later than 1 year and not later than 5 years | 248,926 | 241,780 |
| Total | 425,038 | 412,142 |

18. Related party transactions

During the year, Zeta Compliance Services Limited paid consultancy fees of £107,026 (2017: £126,000) to a company owned by a director. At the year end, Zeta Compliance Services Limited owed £24,742 (2017: £12,332) to this company.

During the year, Zeta Compliance Services Limited purchased services of £132,562 (2017: £168,943) from a company with common directors. At the year end, Zeta Compliance Services Limited owed £43,104 (2017: £32,178) to this company.

19. Controlling party

The Company is a 100% subsidiary of Zeta Compliance Group Plc, the Company incorporated in England and Wales.

Copies of the parent company accounts may be obtained from Zeta Compliance Group Plc, Zeta House, Avonbury Business Park, Howes Lane, Bicester, OX26 2UA.

20. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.