

CZ Capital Services Limited

Report And Financial Statements

31 March 2019

Rees Pollock
Chartered Accountants

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COMPANY INFORMATION

Directors	C Curtis W Rushmer S Evans O Lewis
Registered number	05617499
Registered office	4th Floor Reading Bridge House George Street Reading RG1 8LS
Independent auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Royal Bank of Scotland London W1Y 7RF

DIRECTORS' REPORT
For the Year Ended 31 March 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of the company is acting as corporate member of, and providing services to, CZ Capital LLP, a partnership authorised by the Financial Conduct Authority whose principal activity is that of the provision of investment management services.

Directors

The directors who served during the year were:

C Curtis
W Rushmer
S Evans
O Lewis

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 auditors

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 auditors are 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 auditors are aware of that information.

Auditors

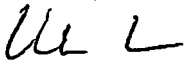
The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 March 2019

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.

This report was approved by the board on 23rd July 2019 and signed on its behalf.



C Curtis
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CZ CAPITAL SERVICES LIMITED

Opinion

We have audited the financial statements of CZ Capital Services Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 March 2019 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.'

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 Auditors' 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.

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 Auditors' 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CZ CAPITAL SERVICES LIMITED (CONTINUED)

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.

Auditors' 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 Auditors' 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 Auditors' Report.

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 Auditors' 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.

Simon Rees (Senior Statutory Auditor)
for and on behalf of
Rees Pollock, Statutory Auditor
23 July 2019

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	3	1,861,519	1,222,116
Administrative expenses		(1,773,667)	(1,169,644)
Operating profit	4	87,852	52,472
Interest receivable and similar income		88	45
Profit before tax		87,940	52,517
Tax on profit	6	(21,920)	(10,600)
Profit for the financial year		66,020	41,917

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 8 to 14 form part of these financial statements.

BALANCE SHEET
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	7	45,003	44,288
Investments	8	47,000	47,000
		<u>92,003</u>	<u>91,288</u>
Current assets			
Debtors due within one year	9	133,034	243,145
Bank and cash balances		130,438	31,763
		<u>263,472</u>	<u>274,908</u>
Creditors: amounts falling due within one year	10	(119,603)	(197,652)
Net current assets		<u>143,869</u>	<u>77,256</u>
Total assets less current liabilities		<u>235,872</u>	<u>168,544</u>
Provisions for liabilities			
Deferred tax	11	(7,600)	(6,292)
		<u>(7,600)</u>	<u>(6,292)</u>
Net assets		<u><u>228,272</u></u>	<u><u>162,252</u></u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account		218,272	152,252
		<u><u>228,272</u></u>	<u><u>162,252</u></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 on

23 July 2019.



C Curtis
Director

The notes on pages 8 to 14 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	10,000	110,335	120,335
Profit for the year	-	41,917	41,917
At 1 April 2018	10,000	152,252	162,252
Profit for the year	-	66,020	66,020
At 31 March 2019	10,000	218,272	228,272

The notes on pages 8 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

1. General information

CZ Capital Services Limited is a private company limited by shares, incorporate in the UK and registered in England and Wales.

The entity's registered address is 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS and its trading address is 53-54 Grosvenor Street, London W1K 3HU. Its principal activity is the provision of services to CZ Capital LLP.

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.

2.2 Revenue

Turnover comprises revenue recognised by the company in respect of expenses recharged during the year, exclusive of Value Added Tax.

2.3 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on the following basis:

Leasehold property	- Over the period of the lease
Fixtures and fittings	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

2.4 Valuation of investments

Investments held as fixed assets are shown at fair value.

2.5 Financial instruments

The entity does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The entity does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The entity's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the entity only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

2.7 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

The Company also contributes to personal pension plans of certain employees.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

3. Turnover

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	26,291	22,348
Auditors' remuneration - audit	5,161	4,977
Auditors' remuneration - non - audit	1,621	1,562
Pension costs	46,039	65,812
Exchange differences	561	-
	<u>561</u>	<u>-</u>

5. Employees

Staff costs including directors' remuneration were as follows:

	2019 £	2018 £
Wages and salaries	1,120,390	753,991
Social security costs	162,512	73,258
Other pension costs	46,039	65,812
	<u>1,328,941</u>	<u>893,061</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Administration and compliance	<u>6</u>	<u>4</u>

Aggregate directors' remuneration was £nil (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019
6. Taxation

	2019	2018
	£	£
Current tax		
UK Corporation tax on profits for the year	20,612	10,613
Deferred tax		
Origination and reversal of timing differences	1,308	(13)
Taxation on profit on ordinary activities	21,920	10,600

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£	£
Profit on ordinary activities before tax	87,940	52,517
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	16,709	9,978
Effects of:		
Expenses not deductible for tax purposes	5,211	937
Effects of tax rate change	-	(315)
Total tax charge for the year	21,920	10,600

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019
7. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2018	35,540	17,254	51,906	104,700
Additions	-	815	26,191	27,006
At 31 March 2019	35,540	18,069	78,097	131,706
Depreciation				
At 1 April 2018	21,801	9,670	28,941	60,412
Charge for the year	7,173	3,542	15,576	26,291
At 31 March 2019	28,974	13,212	44,517	86,703
Net book value				
At 31 March 2019	6,566	4,857	33,580	45,003
At 31 March 2018	13,739	7,584	22,965	44,288

8. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 April 2018	47,000
At 31 March 2019	47,000

The investment represents the company's share of partnership capital in CZ Capital LLP, an LLP incorporated in the United Kingdom. The company owns 9.4% (2018: 9.4%) of the voting rights of the LLP and therefore does not have a controlling interest in the LLP.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

9. Debtors

	2019 £	2018 £
Trade debtors	24,000	12,000
Amounts owed by CZ Capital LLP	53,859	191,655
Other debtors	9,658	8,258
Prepayments and accrued income	45,517	31,232
	<u>133,034</u>	<u>243,145</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	40,000	40,000
Trade creditors	49,562	6,244
Corporation tax	20,597	10,611
Accruals and deferred income	9,444	140,797
	<u>119,603</u>	<u>197,652</u>

On 1 March 2006 the Company received an interest free £40,000 unsecured subordinated loan from CZ Capital Services (Cayman) Limited, an entity under common control. The loan is repayable on demand.

11. Deferred taxation

	2019 £	2018 £
At beginning of year	(6,292)	(6,305)
Charged to profit or loss	(1,308)	13
At end of year	<u>(7,600)</u>	<u>(6,292)</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2019

11. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(7,791)	(6,826)
Accrued pension contributions	191	534
	<u>(7,600)</u>	<u>(6,292)</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000 (2018 - 10,000) Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

13. Related party transactions

During the year, the company charged service fees of £1,741,519 (2018: £1,102,116) to CZ Capital LLP, an entity under common control. At the balance sheet date £53,859 (2018: £191,655) was due from CZ Capital LLP.

14. Controlling party

The immediate and ultimate parent company is CZ Capital Services (Cayman) Limited, a company incorporated in the Cayman Islands.

The ultimate controlling party is Charles Curtis.