

Zoom.Co.UK Limited  
Annual report  
for the year ended 25 August 2012

**Registered Number 2029103**



Zoom.Co.UK Limited

Annual report

For the year ended 25 August 2012

## Contents

Directors and advisers	.	1
Directors' report	.	2 - 3
Independent auditors' report	..	4
Profit and loss account	.	5
Balance sheet	.	6
Notes to the financial statements		7 - 11

# **Zoom.Co.UK Limited**

## **Directors and advisers**

### **Directors**

RL Burchill  
R de Dombal  
GA Hague  
S Wightman

### **Company secretary**

AL Waldron

### **Independent auditors**

PricewaterhouseCoopers LLP  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

### **Registered office**

Colegrave House  
70 Berners Street  
London  
W1T 3NL

### **Registered number**

2029103

# **Zoom.Co.UK Limited (registered number: 2029103)**

## **Directors' report for the year ended 25 August 2012**

The directors present their report together with the audited financial statements of the Company for the year ended 25 August 2012

### **Principal activities, business review and dividend**

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

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

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

The directors are unable to recommend the payment of a dividend and hence the loss for the financial year of £18,000 (2011: £29,000 profit) has been deducted (2011: transferred) from/to reserves.

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

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

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

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

### **Directors**

The following served as directors during the year and up to the date of approval of the financial statements:

RL Burchill  
R de Dombal (appointed 1 May 2012)  
GA Hague  
MA Healey (resigned 10 February 2012)  
S Wightman

### **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 prepared 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 then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

## **Zoom.Co.UK Limited (registered number: 2029103)**

### **Directors' report for the year ended 25 August 2012 (continued)**

#### **Directors' responsibilities statement (continued)**

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.

#### **Statement of disclosure of information to auditors**

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

#### **Going concern**

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

#### **Independent auditors**

The Company has passed an elective resolution to dispense with the annual appointment of auditors. PricewaterhouseCoopers LLP will therefore continue as auditors in accordance with and subject to Section 487 of the Companies Act 2006.

#### **By order of the Board**



**S Wightman**  
Director  
24 May 2013

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

We have audited the financial statements of Zoom Co UK Limited for the year ended 25 August 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' responsibilities statement set out on pages 2 and 3 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 25 August 2012 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.


### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



**Steve Denison (Senior Statutory Auditor)**

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

24 May 2013

## Zoom.Co.UK Limited

### Profit and loss account for the year ended 25 August 2012

	Note	2012 £'000	2011 £'000
Turnover	1	43,709	35,799
Cost of sales		(11,936)	(9,204)
<b>Gross profit</b>		<b>31,773</b>	<b>26,595</b>
Distribution costs		(31,776)	(26,595)
<b>Loss before taxation</b>	2	<b>(3)</b>	<b>-</b>
Tax on loss on ordinary activities	3	(15)	29
<b>(Loss) / profit for the financial year</b>	8	<b>(18)</b>	<b>29</b>

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

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

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

# Zoom.Co.UK Limited

## Balance sheet as at 25 August 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	4	5,407	5,479
<b>Current assets</b>			
Debtors	5	1,274	1,353
Cash at bank and in hand		999	1,002
		2,273	2,355
<b>Creditors (amounts falling due within one year)</b>	6	(11,211)	(11,347)
<b>Net current liabilities</b>		(8,938)	(8,992)
<b>Net liabilities</b>		(3,531)	(3,513)
<b>Capital and reserves</b>			
Called up share capital	7	400	400
Profit and loss account	8	(3,931)	(3,913)
<b>Total shareholders' deficit</b>	8	(3,531)	(3,513)

The financial statements on pages 5 to 11 were approved by the board of directors on 24 May 2013 and were signed on its behalf by



**S Wightman**  
Director



# **Zoom.Co.UK Limited**

## **Notes to the financial statements for the year ended 25 August 2012**

### **1 Accounting policies**

#### **Accounting convention**

The financial statements are drawn up on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards, which have been consistently applied

#### **Going concern**

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

#### **Cash flow statement**

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

#### **Turnover**

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

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost, which includes employment costs where systems are developed internally

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

Computer equipment 2 to 4 years

#### **Pension costs**

The Company's employees participate in a defined benefit scheme operated by the Group to which the Company contributes in order to provide pension and other benefits expressed in terms of a percentage of pensionable salary. Although this pension scheme is defined benefit in nature the Company accounts for its contributions as though they were to a defined contribution scheme as the Company is unable to identify its share of the underlying assets and liabilities of the scheme. The amounts charged to the profit and loss account are therefore the contributions payable during the period.

#### **Deferred taxation**

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

# Zoom.Co.UK Limited

## Notes to the financial statements for the year ended 25 August 2012 (continued)

### 2 Loss before taxation

	2012 £'000	2011 £'000
<b>This is stated after charging / (crediting):</b>		
Depreciation of owned assets	2,110	1,591
Employment costs		
Wages and salaries	4,084	3,191
Social security costs	217	210
Pension costs	45	27
Total employment costs	4,346	3,428
Employment costs capitalised	(322)	(325)
Employment costs charged to the profit and loss account	4,024	3,103

During the year none of the employees had service contracts with the Company. These were held by Arcadia Group Limited. Employment costs are recharged to the Company in full. The average monthly number of people employed by Arcadia Group Limited providing internet design and production services to the Company during the year was 30 (2011: 30).

Auditors' remuneration has been borne by Arcadia Group Limited.

None of the directors received any emoluments in respect of his or her services to the Company (2011: £nil).

### 3 Tax on loss on ordinary activities

	2012 £'000	2011 £'000
<b>a. Analysis of the tax (charge) / credit for the year</b>		
Based on the result for the year		
UK corporation tax charge at 25.2% (2011: 27.2%)		
- Current year (note 3b)	(164)	(55)
Deferred tax – current year	149	53
Deferred tax – prior years	-	31
Total deferred tax – origination and reversal of timing differences	149	84
Total taxation (charge) / credit	(15)	29

**Notes to the financial statements for the year ended 25 August 2012  
(continued)**

**3 Tax on loss on ordinary activities (continued)**

The corporation tax charge for the year is higher than the effective rate of corporation tax in the United Kingdom of 25 2% (2011 27 2%) The differences are explained below

	2012 £'000	2011 £'000
<b>b Factors affecting the current tax charge for the year</b>		
Loss before taxation	(3)	-
Result before taxation multiplied by the effective rate of corporation tax in the United Kingdom of 25 2% (2011 27 2%)	1	-
Effects of		
Depreciation in excess of capital allowances	(165)	(55)
Current tax charge for the year (note 3a)	(164)	(55)

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

**c. Factors that may affect future tax charges**

In addition to the changes in the rates of Corporation tax disclosed above further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget, These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015 These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

**4 Tangible fixed assets**

	Fixtures & equipment £'000
<b>Cost</b>	
At 28 August 2011	10,719
Additions	2,038
<b>At 25 August 2012</b>	<b>12,757</b>
<b>Accumulated depreciation</b>	
At 28 August 2011	5,240
Charge for the year	2,110
<b>At 25 August 2012</b>	<b>7,350</b>
<b>Net book value at 25 August 2012</b>	<b>5,407</b>
Net book value at 27 August 2011	5,479

## Zoom.Co.UK Limited

### Notes to the financial statements for the year ended 25 August 2012 (continued)

#### 5 Debtors

	2012 £'000	2011 £'000
Trade debtors	259	667
Other taxation	203	-
Prepayments and accrued income	642	665
Deferred taxation	170	21
	1,274	1,353

The deferred tax balances above relate to accelerated capital allowances and are measured on a non-discounted basis at the tax rates that are expected to apply in the periods when timing differences reverse, based on tax rates at the balance sheet date. There are no unrecognised deferred tax balances.

#### 6 Creditors (amounts falling due within one year)

	2012 £'000	2011 £'000
Trade creditors	1,374	1,244
Amounts due to group undertakings	6,729	5,120
Other taxation and social security	-	2,167
Accruals	3,108	2,816
	11,211	11,347

#### 7 Called up share capital

	Authorised £'000	Allotted and fully paid £'000
"A" Ordinary shares of £1 each	200	200
"B" Ordinary shares of £1 each	200	200
At 28 August 2011 and 25 August 2012	400	400

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

## Zoom.Co.UK Limited

### Notes to the financial statements for the year ended 25 August 2012 (continued)

#### 8 Reconciliation of movements in shareholders' deficit

	Called up share capital £'000	Profit and loss account £'000	Total 2012 £'000	Total 2011 £'000
(Loss) / profit for the financial year	-	(18)	(18)	29
Opening shareholders' deficit	400	(3,913)	(3,513)	(3,542)
Closing shareholders' deficit	400	(3,931)	(3,531)	(3,513)

#### 9 Parent undertaking, controlling party and related party disclosures

The Company's ultimate parent company is Taveta Investments Limited ('Taveta'), a company incorporated in England. Taveta is also the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Taveta's consolidated financial statements can be obtained by writing to the Secretary at Colegrave House, 70 Berners Street, London, W1T 3NL.

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

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