

# ZLC London Limited

Directors' Report and Unaudited Financial Statements

For the year ended 30 April 2017

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# ZLC London Limited

## Company Information

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<b>Directors</b>	J Elad A E Granit L Paskin Z Paskin T Amedi P Burton
<b>Company number</b>	08597980
<b>Registered office</b>	Devonshire House 60 Goswell Road London EC1M 7AD
<b>Accountants</b>	Kingston Smith LLP 4 Victoria Square St Albans Hertfordshire AL1 3TF

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# ZLC London Limited

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# ZLC London Limited

## Balance Sheet

As at 30 April 2017

		2017		2016 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	2		420,439		468,995
<b>Current assets</b>					
Stocks		25,195		18,412	
Debtors	3	195,234		258,312	
Cash at bank and in hand		370,538		52,764	
		<u>590,967</u>		<u>329,488</u>	
<b>Creditors: amounts falling due within one year</b>	4	<u>(485,599)</u>		<u>(380,618)</u>	
Net current assets/(liabilities)			<u>105,368</u>		<u>(51,130)</u>
<b>Total assets less current liabilities</b>			<u>525,807</u>		<u>417,865</u>
<b>Creditors: amounts falling due after more than one year</b>	5		(46,403)		(164,866)
<b>Provisions for liabilities</b>	6		<u>(12,725)</u>		<u>-</u>
<b>Net assets</b>			<u><u>466,679</u></u>		<u><u>252,999</u></u>
<b>Capital and reserves</b>					
Called up share capital	7	500,000		500,000	
Profit and loss reserves		<u>(33,321)</u>		<u>(247,001)</u>	
<b>Total equity</b>			<u><u>466,679</u></u>		<u><u>252,999</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

## ZLC London Limited

### Balance Sheet (Continued)

As at 30 April 2017

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For the financial year ended 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 22 January 2018 and are signed on its behalf by:

P Burton  
Director

**Company Registration No. 08597980**

# ZLC London Limited

## Notes to the Financial Statements

For the year ended 30 April 2017

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### 1 Accounting policies

#### Company information

ZLC London Limited is a private company limited by shares incorporated in England and Wales. The registered office is Devonshire House, 60 Goswell Road, London, EC1M 7AD.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 April 2017 are the first financial statements of ZLC London Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account discounts.

#### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	15 years straight line
Plant and machinery	33% on written down value
Fixtures, fittings & equipment	33% on written down value

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.



# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

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### 1 Accounting policies

(Continued)

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

### 2 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 May 2016	410,271	236,669	646,940
Additions	3,560	16,484	20,044
	<u>413,831</u>	<u>253,153</u>	<u>666,984</u>
At 30 April 2017	413,831	253,153	666,984
<b>Depreciation and impairment</b>			
At 1 May 2016	57,720	120,225	177,945
Depreciation charged in the year	27,569	41,031	68,600
	<u>85,289</u>	<u>161,256</u>	<u>246,545</u>
At 30 April 2017	85,289	161,256	246,545
<b>Carrying amount</b>			
At 30 April 2017	<u>328,542</u>	<u>91,897</u>	<u>420,439</u>
At 30 April 2016	<u>352,551</u>	<u>116,444</u>	<u>468,995</u>

The net book value of other tangible fixed assets includes £41,093 (2016: £60,054) in respect of assets held under finance leases and hire purchase agreements. The depreciation charge in respect of such assets amounted to £8,852 (2016: £11,612).

### 3 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	38,233	334
Other debtors	157,001	257,978
	<u>195,234</u>	<u>258,312</u>

### 4 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	169,786	168,378
Other taxation and social security	117,463	127,151
Other creditors	198,350	85,089
	<u>485,599</u>	<u>380,618</u>

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

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**5 Creditors: amounts falling due after more than one year**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Other creditors	46,403	164,866
	<u>46,403</u>	<u>164,866</u>

**6 Provisions for liabilities**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Deferred tax liabilities	12,725	-
	<u>12,725</u>	<u>-</u>

**7 Called up share capital**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
250,000 Ordinary Type A of £1 each	250,000	250,000
250,000 Ordinary Type B of £1 each	250,000	250,000
	<u>500,000</u>	<u>500,000</u>

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

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### 8 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	130,000	130,000
Between two and five years	520,000	520,000
In over five years	834,849	964,849
	<u>1,484,849</u>	<u>1,614,849</u>

### 9 Events after the reporting date

After the year end on 25 May 2017, the shareholders of ZLC London Limited passed a written resolution to reduce the issued share capital of the company from £500,000 to £200,000 by cancelling and extinguishing 150,000 of the issued A Ordinary Shares of £1 each and 150,000 of the issued B Ordinary Shares of £1. Both of these are fully paid up and so the amount by which the share capital is reduced will be repaid to the holders of those shares.

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

### 10 Related party transactions

During the year the company loaned L Paskin, a director of the company, £24,000 (2016: £50,000) of which £50,000 (2016: £24,000) was repaid in the year. No interest was charged on the loan (2016: nil%). During the year, L Paskin incurred expenses on behalf of the company of £4,506 (£2,043). Included within other debtors is an amount of £nil (2016: £26,936) due from L Paskin.

During the year Z Paskin incurred expenses on behalf of the company of £3,101 (2016: £801). Included within other debtors is an amount of £nil (2016: £1,203) due from Z Paskin.

As at the year end included within other creditors were amounts due to T Amedi, a director of the company of £10,000 (2016: £80,000). No interest was charged on the loan. Included within other debtors was a balance of £nil (2016: £5) due from T Amedi.

As at the year end included within trade creditors were amounts due to A Granit, a director of the company, of £nil (2016: £300).

As at the year end included within other debtors was an amount of £10,849 due from ZLC 7Dials Limited. ZLC 7Dials Limited is a related party by virtue of Z Paskin and L Paskin being directors of the company.

### 11 Control

In the opinion of the directors there is no one controlling party.

### 12 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

Notes	At 1 May 2015			At 30 April 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Fixed assets</b>						
Tangible assets	519,019	-	519,019	468,995	-	468,995
<b>Current assets</b>						
Stocks	17,969	-	17,969	18,412	-	18,412
Debtors	160,749	-	160,749	258,312	-	258,312
Bank and cash	163,204	-	163,204	52,764	-	52,764
	341,922	-	341,922	329,488	-	329,488

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

### 12 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 May 2015			At 30 April 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
<b>Creditors due within one year</b>						
Loans and overdrafts	(24,650)	-	(24,650)	27,939	-	27,939
Taxation	(171,144)	-	(171,144)	(127,151)	-	(127,151)
Other creditors	1 (307,449)	34,130	(273,319)	(311,203)	29,797	(281,406)
	<u>(503,243)</u>	<u>34,130</u>	<u>(469,113)</u>	<u>(410,415)</u>	<u>29,797</u>	<u>(380,618)</u>
Net current liabilities	<u>(161,321)</u>	<u>34,130</u>	<u>(127,191)</u>	<u>(80,927)</u>	<u>29,797</u>	<u>(51,130)</u>
Total assets less current liabilities	<u>357,698</u>	<u>34,130</u>	<u>391,828</u>	<u>388,068</u>	<u>29,797</u>	<u>417,865</u>
<b>Creditors due after one year</b>						
Loans and overdrafts	(80,000)	-	(80,000)	(80,000)	-	(80,000)
Other creditors	1 (42,491)	(55,069)	(97,560)	(34,130)	(50,736)	(84,866)
	<u>(122,491)</u>	<u>(55,069)</u>	<u>(177,560)</u>	<u>(114,130)</u>	<u>(50,736)</u>	<u>(164,866)</u>
Net assets	<u>235,207</u>	<u>(20,939)</u>	<u>214,268</u>	<u>273,938</u>	<u>(20,939)</u>	<u>252,999</u>
<b>Capital and reserves</b>						
Share capital	500,000	-	500,000	500,000	-	500,000
Profit and loss	1 (264,793)	(20,939)	(285,732)	(226,062)	(20,939)	(247,001)
Total equity	<u>235,207</u>	<u>(20,939)</u>	<u>214,268</u>	<u>273,938</u>	<u>(20,939)</u>	<u>252,999</u>

# ZLC London Limited

## Notes to the Financial Statements (Continued)

For the year ended 30 April 2017

### 12 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit or loss for the year

Notes	Year ended 30 April 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover	2,346,780	-	2,346,780
Cost of sales	(796,531)	-	(796,531)
Gross profit	1,550,249	-	1,550,249
Administrative expenses	(1,509,673)	-	(1,509,673)
Interest payable and similar expenses	(1,844)	-	(1,844)
Taxation	-	-	-
Profit for the financial period	38,732	-	38,732

#### Notes to reconciliations on adoption of FRS 102

##### 1 Lease incentives

On transition to FRS 102, lease incentives are now recognised over the duration of the lease, rather than the period to the first rent review. As at the date of transition to FRS 102 on 1st May 2015, the company recognised accruals of £59,403 in relation to lease incentives. This was shown as £4,333 due within one year and £55,070 due in greater than one year. Previously the company had recognised accruals of £38,463 due within one year.

The company also restated accruals in relation to lease incentives as at 30 April 2016. The company recognised accruals of £4,333 due within one year and £50,736 due in greater than one year. Previously the company had recognised deferred income of £34,130 due within one year.

The increase in accruals has been recognised in the profit and loss reserve.

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