

Registered number: SC394617

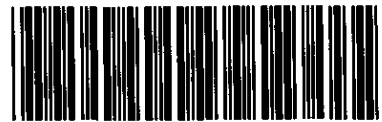
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**ZAPPAR LIMITED**

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**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**ZAPPAR LIMITED**

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**ZAPPAR LIMITED**  
**REGISTERED NUMBER: SC394617**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	453,151	235,585
Tangible assets	5	77,890	74,253
Investments		66	66
		<u>531,107</u>	<u>309,904</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	1,139,582	608,645
Cash at bank and in hand		2,392,716	884,119
		<u>3,532,298</u>	<u>1,492,764</u>
Creditors: amounts falling due within one year	7	(445,958)	(306,011)
<b>Net current assets</b>		<u>3,086,340</u>	<u>1,186,753</u>
<b>Total assets less current liabilities</b>		<u>3,617,447</u>	<u>1,496,657</u>
Creditors: amounts falling due after more than one year	8	(2,887,500)	(1,061,567)
<b>Provisions for liabilities</b>			
Deferred tax	10	(95,652)	(45,533)
Other provisions		(9,724)	(8,824)
		<u>(105,376)</u>	<u>(54,357)</u>
<b>Net assets</b>		<u><u>624,571</u></u>	<u><u>380,733</u></u>
<b>Capital and reserves</b>			
Called up share capital		200	200
Capital contribution reserve		433,125	132,609
Other reserve		30,000	30,000
Profit and loss account		161,246	217,924
		<u>624,571</u>	<u>380,733</u>

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**ZAPPAR LIMITED**  
**REGISTERED NUMBER: SC394617**

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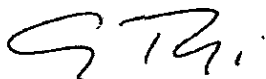
**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2017**

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The Company's financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime as set out within Part 15 of the Companies Act 2006.

The Statement of Comprehensive Income and Directors report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to the small companies regime.

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



Jens Caspar Thykier

Director

Date: 09/10/17

The notes on pages 3 to 14 form part of these financial statements.

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## ZAPPAR LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

Zappar Limited is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is The Cairn, Auchterarder, Perthshire, Scotland, PH3 1NR.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland as applied in the context of the small entities regime and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 13.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

*The first date at which FRS 102 was applied was 1 April 2015. The company prepared its financial statements in the previous year in accordance with the FRSSSE (2015).*

The following principal accounting policies have been applied:

##### 1.2 Going concern

The directors and management have produced forecasts which indicate that the company should be in a position to continue in operational existence for the foreseeable future. For this reason the directors have prepared the financial statements on a going concern basis.

##### 1.3 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.

Royalty income is recognised over the period to which the royalties relate.

Licence income is recognised over the period of the licence.

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**1. Accounting policies (continued)**

**1.4 Intangible assets**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Research and development costs are reviewed annually and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Statement of Comprehensive Income.

The estimated useful lives range as follows:

Development expenditure	-	2	years
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**1.5 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.

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.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- 25%
Fixtures & fittings	- 25%
Office equipment	- 25%
Computer equipment	- 25%

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.

**1.6 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**1.7 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.

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## ZAPPAR LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. Accounting policies (continued)

##### 1.8 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.

##### 1.9 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

##### 1.10 Creditors

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

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ZAPPAR LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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1. Accounting policies (continued)

1.11 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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

1.12 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 Balance sheet 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.



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## ZAPPAR LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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#### 1. Accounting policies (continued)

##### 1.13 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 balance sheet 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 balance sheet.

##### 1.14 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 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 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 balance sheet date.

##### 1.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic life of 2 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**2. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgments that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

**Judgments**

*Financial instruments classification*

The classification of financial instruments as "basic" or "other" requires judgment as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

**Key sources of estimation uncertainty**

*Market rate of interest for intra group loan*

Accounting for the intra group loan as a financing transaction requires an estimation of the market rate of interest for a similar debt instrument. Management have estimated that the applicable rate to apply to the intra group loan is 15%.

**3. Employees**

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

2017	2016
No.	No.
<u>25</u>	<u>21</u>

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ZAPPAR LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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4. Intangible assets

	Develop- ment £
<b>Cost</b>	
At 1 April 2016	342,874
Additions	348,499
At 31 March 2017	<u>691,373</u>
<b>Amortisation</b>	
At 1 April 2016	107,289
Charge for the year	130,933
At 31 March 2017	<u>238,222</u>
<b>Net book value</b>	
At 31 March 2017	<u>453,151</u>
At 31 March 2016	<u>235,585</u>

**ZAPPAR LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

**5. Tangible fixed assets**

	S/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2016	39,480	21,313	62,345	123,138
Additions	-	904	29,326	30,230
At 31 March 2017	<u>39,480</u>	<u>22,217</u>	<u>91,671</u>	<u>153,368</u>
<b>Depreciation</b>				
At 1 April 2016	4,828	3,702	40,355	48,885
Charge for the year	9,438	6,032	11,123	26,593
At 31 March 2017	<u>14,266</u>	<u>9,734</u>	<u>51,478</u>	<u>75,478</u>
<b>Net book value</b>				
At 31 March 2017	<u>25,214</u>	<u>12,483</u>	<u>40,193</u>	<u>77,890</u>
At 31 March 2016	<u>34,652</u>	<u>17,611</u>	<u>21,990</u>	<u>74,253</u>

**6. Debtors**

	2017 £	2016 £
Trade debtors	461,941	102,461
Amounts owed by group undertakings	79,011	63,554
Other debtors	-	96,383
Prepayments and accrued income	411,628	284,478
Tax recoverable	187,002	61,769
	<u>1,139,582</u>	<u>608,645</u>

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**7. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	49,128	46,159
Other taxation and social security	61,102	31,107
Accruals and deferred income	335,728	228,745
	<u>445,958</u>	<u>306,011</u>

**8. Creditors: Amounts falling due after more than one year**

	2017 £	2016 £
Other loans	2,887,500	1,061,567
	<u>2,887,500</u>	<u>1,061,567</u>

Included within other loans is an intra-group loan of £3,320,625 (2016: £1,016,666) The loan is unsecured, does not attract interest and is repayable on 367 days' notice.

This loan has been accounted for as a financing transaction with an assumed market rate of interest of 15% resulting in a capital contribution reserve of £433,125 (2016: £132,609) and a loan balance of £2,887,500 (2016: £884,057).

**9. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at amortised cost	890,038	506,604
	<u>890,038</u>	<u>506,604</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	2,961,816	1,132,360
	<u>2,961,816</u>	<u>1,132,360</u>

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**ZAPPAR LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017**

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**10. Deferred taxation**

	2017 £	2016 £
At beginning of year	45,533	37,839
Charged to profit or loss	50,119	7,694
<b>At end of year</b>	<u><u>95,652</u></u>	<u><u>45,533</u></u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	97,654	45,533
Tax losses carried forward	(1,793)	-
Short term timing differences	(209)	-
	<u><u>95,652</u></u>	<u><u>45,533</u></u>

**11. Commitments under operating leases**

At 31 March 2017 the Company had future minimum lease payments under non-cancelable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	55,864	109,067
Later than 1 year and not later than 5 years	-	55,864
	<u><u>55,864</u></u>	<u><u>164,931</u></u>

**12. Parent Company**

Zappar (Holding) Limited is the ultimate parent undertaking, a company incorporated in the United Kingdom. The registered address for the company is The Cairn, Auchterarder, Perthshire, Scotland, PH3 1NR. Zappar (Holding) Limited is exempt from preparing consolidated financial statements due to the group being small and as such, under the Companies Act 2006, it is not required to prepare group accounts.

ZAPPAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

13. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 April 2015 £	Effect of transition 1 April 2015 £	FRS 102 (as restated) 1 April 2015 £	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	FRS 102 (as restated) 31 March 2016 £
Fixed assets		189,197	-	189,197	309,904	-	309,904
Current assets		1,364,148	-	1,364,148	1,492,764	-	1,492,764
Creditors: amounts falling due within one year		(452,260)	-	(452,260)	(306,011)	-	(306,011)
<b>Net current assets</b>		<b>911,888</b>	<b>-</b>	<b>911,888</b>	<b>1,186,753</b>	<b>-</b>	<b>1,186,753</b>
<b>Total assets less current liabilities</b>		<b>1,101,085</b>	<b>-</b>	<b>1,101,085</b>	<b>1,496,657</b>	<b>-</b>	<b>1,496,657</b>
Creditors: amounts falling due after more than one year	1	(921,343)	97,870	(823,473)	(1,194,176)	132,609	(1,061,567)
Provisions for liabilities		(44,863)	-	(44,863)	(54,357)	-	(54,357)
<b>Net assets</b>		<b>134,879</b>	<b>97,870</b>	<b>232,749</b>	<b>248,124</b>	<b>132,609</b>	<b>380,733</b>
<b>Capital and reserves</b>		<b>134,879</b>	<b>97,870</b>	<b>232,749</b>	<b>248,124</b>	<b>132,609</b>	<b>380,733</b>

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ZAPPAR LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2017

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**13. First time adoption of FRS 102 (continued)**

There was a £nil net impact to the Statement of Comprehensive Income.

Explanation of changes to previously reported equity:

- 1 The transition adjustment of £132,609 (1 April 2015: £97,870) relates to an intra group loan being accounted for as a financing transaction, with a market rate of interest for a similar debt instrument being applied.

**14. Auditor's information**

The auditor's report on the financial statements prepared for the members was unqualified and there were no matters to which the auditor drew attention by way of emphasis. The auditor's report was signed by Timothy Adams of Nexia Smith & Williamson as senior statutory auditor.