

COMPANY REGISTRATION NUMBER: 03091576

**ZEAL CLEAN SUPPLIES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2016**



**ZEAL CLEAN SUPPLIES LIMITED**

**DIRECTORS RESPONSIBILITIES STATEMENT  
YEAR ENDED 31 DECEMBER 2016**

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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 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 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 judgments and accounting estimates that are reasonable and prudent; and
- 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 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.

**ZEAL CLEAN SUPPLIES LIMITED**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2016**

	Note	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	5	-		-	
Tangible assets	6	208,674		152,648	
			208,674		152,648
<b>Current assets</b>					
Stocks		151,544		102,016	
Debtors	7	720,399		780,253	
Cash at bank and in hand		50,284		58,869	
		922,227		941,138	
<b>Creditors: amounts falling due within one year</b>	8	(821,000)		(776,025)	
<b>Net current assets</b>			101,227		165,113
<b>Total assets less current liabilities</b>			309,901		317,761
<b>Creditors: amounts falling due after more than one year</b>	9		(11,796)		(22,411)
<b>Provisions for liabilities</b>	10		(16,639)		(17,345)
<b>Net assets</b>			281,466		278,005
<b>Capital and reserves</b>					
Called up share capital			102		102
Profit and loss account			281,364		277,903
<b>Shareholders funds</b>			281,466		278,005

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The notes on pages 4 to 11 form part of these financial statements.

**ZEAL CLEAN SUPPLIES LIMITED**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)  
31 DECEMBER 2016**

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These financial statements were approved by the board of directors and authorised for issue on 25 September 2017, and are signed on behalf of the board by:



J T Coles  
Director

Company registration number: 03091576

The notes on pages 4 to 11 form part of these financial statements.

## **ZEAL CLEAN SUPPLIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2016**

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#### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 8 Deer Park Road, London, SW19 3UU.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 16.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **ZEAL CLEAN SUPPLIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **YEAR ENDED 31 DECEMBER 2016**

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#### **Research and development**

Research expenditure is written off in the year in which it is incurred.

Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 6%	straight line
Plant and machinery	- 10%	straight line
Fittings fixtures and equipment	- 25%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## **ZEAL CLEAN SUPPLIES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 DECEMBER 2016**

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#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets or either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

**ZEAL CLEAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2016**

**4. Staff costs**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2016</b>	<b>2015</b>
Production staff	17	17
Administrative staff	5	5
	<u>22</u>	<u>22</u>

The aggregate payroll costs incurred during the year were:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	590,697	594,709
Other pension costs	1,066	-
	<u>591,763</u>	<u>594,709</u>

**5. Intangible assets**

	<b>Other intangible assets</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 January 2016 and 31 December 2016	<u>98,540</u>	<u>98,540</u>
<b>Amortisation</b>		
At 1 January 2016 and 31 December 2016	<u>98,540</u>	<u>98,540</u>
<b>Carrying amount</b>		
At 31 December 2016	<u>-</u>	<u>-</u>
At 31 December 2015	<u>-</u>	<u>-</u>



**ZEAL CLEAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
YEAR ENDED 31 DECEMBER 2016**

**6. Tangible assets**

	Long leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2016	132,937	603,160	42,738	778,835
Additions	-	83,492	4,561	88,053
<b>At 31 December 2016</b>	<u>132,937</u>	<u>686,652</u>	<u>47,299</u>	<u>866,888</u>
<b>Depreciation</b>				
At 1 January 2016	95,714	499,712	30,761	626,187
Charge for the year	7,977	19,471	4,579	32,027
<b>At 31 December 2016</b>	<u>103,691</u>	<u>519,183</u>	<u>35,340</u>	<u>658,214</u>
<b>Carrying amount</b>				
<b>At 31 December 2016</b>	<u>29,246</u>	<u>167,469</u>	<u>11,959</u>	<u>208,674</u>
At 31 December 2015	<u>37,223</u>	<u>103,448</u>	<u>11,977</u>	<u>152,648</u>

**Obligations under finance leases**

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Plant and machinery £
<b>At 31 December 2016</b>	<u>82,407</u>
At 31 December 2015	<u>47,958</u>

**7. Debtors**

	2016 £	2015 £
Trade debtors	330,440	275,468
Amounts owed by group undertakings and undertakings in which the company has a participating interest	378,920	504,035
Other debtors	11,039	750
	<u>720,399</u>	<u>780,253</u>

**ZEAL CLEAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2016**

**8. Creditors: amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	350,775	236,563
Amounts owed to group undertakings and undertakings in which the company has a participating interest	197,686	248,863
Corporation tax	3,385	3,385
Social security and other taxes	13,643	35,030
Other creditors	255,511	252,184
	<u>821,000</u>	<u>776,025</u>

The payments received on account with regard to the invoice discounting are secured against the debtors to which they relates. The unlimited Inter Company Guarantee between Coles Holdings Limited and Zeal Clean Supplies Limited is provided to the bank. The bank also holds a debenture against all assets of the company.

**9. Creditors: amounts falling due after more than one year**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>11,796</u>	<u>22,411</u>

**10. Provisions**

	<b>Deferred tax (note 11)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
At 1 January 2016	17,345	17,345
Charges against provisions	(706)	(706)
<b>At 31 December 2016</b>	<u>16,639</u>	<u>16,639</u>

**ZEAL CLEAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2016**

**11. Deferred tax**

The deferred tax included in the statement of financial position is as follows:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Included in provisions (note 10)	16,639	17,345

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Accelerated capital allowances	17,345	17,345

**12. Limitation of auditors liability**

A company has entered into a liability limitation agreement with its auditors for the year ended 31 December 2016 on the terms that the maximum aggregate amount of the auditor's liability to company shall not exceed the lower of;

- 1) the sum of 10 times of audit fees payable (excluding expenses and Value Added Tax) or
- 2) £25,000

The resolution approving the agreement was passed on 11 July 2017.

**13. Summary audit opinion**

The auditor's report for the year dated 25 September 2017 was unqualified.

The senior statutory auditor was Sohaib Akram, for and on behalf of Axis Accountants Ltd.

**14. Related party transactions**

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Coles Holdings Ltd - Ultimate Holding Company	32,797	38,193	(63,696)	(38,243)
Coles Holdings Ltd - Ultimate Holding Company	31,491	35,154	74,767	49,463
Coles Holding Ltd - Ultimate Holding Company	-	-	378,919	504,035
G H Zeal Ltd - Fellow subsidiary company	7,354	35,463	(28,241)	(35,463)
Zeal Holdings Clean Ltd - Intermediate Holding company	-	-	(171,900)	(213,400)

The nature of transactions with Coles Holdings Ltd are Rent and management charges payment, Interest receivable and loan receivable. The nature of transactions with G H Zeal are purchases and the nature of transactions with Zeal Holdings Clean Ltd are loan payable.

**ZEAL CLEAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2016**

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**15. Controlling party**

For the whole period the company was under the control of Mr J T Coles, a shareholder and director of the ultimate holding company, Coles Holdings Limited.

**16. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

**Reconciliation of equity**

No transitional adjustments were required.

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

No transitional adjustments were required.