

ZETA COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021

ZETA COMPLIANCE SERVICES LIMITED

COMPANY INFORMATION

Directors	R G Nicoll G Brown K Gard M P Edwards
Company secretary	G Brown
Registered number	03351062
Registered office	Zeta House Avonbury Business Park Howes Lane Bicester Oxon OX26 2UB
Independent auditor	James Cowper Kreston Chartered Accountants and Statutory Auditor 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

ZETA COMPLIANCE SERVICES LIMITED

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ZETA COMPLIANCE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The Directors present their report and the financial statements for the year ended 31 January 2021.

Directors

The Directors who served during the year were:

R G Nicoll
G Brown
K Gard
M P Edwards

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 judgements 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 auditor

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 auditor is 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 auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

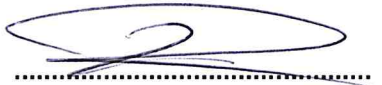
ZETA COMPLIANCE SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

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 and signed on its behalf.



R G Nicoll
Director

Date: 20 MAY 2021

ZETA COMPLIANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZETA COMPLIANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Zeta Compliance Services Limited (the 'Company') for the year ended 31 January 2021, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 January 2021 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.

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 Auditor's 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

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

ZETA COMPLIANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZETA COMPLIANCE SERVICES LIMITED (CONTINUED)

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 Auditor's 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.

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 set out 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.

ZETA COMPLIANCE SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZETA COMPLIANCE SERVICES LIMITED (CONTINUED)

Auditor's 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 Auditor's 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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 Auditor's Report.

ZETA COMPLIANCE SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ZETA COMPLIANCE SERVICES LIMITED
(CONTINUED)**

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 Auditor's 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.



Sue Staunton MA FCA CF (Senior Statutory Auditor)

for and on behalf of

James Cowper Kreston

Chartered Accountants and Statutory Auditor

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date: 20 May 2021

ZETA COMPLIANCE SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 £	2020 £
Turnover		4,163,718	4,278,162
Cost of sales		(2,783,921)	(2,679,938)
Gross profit		1,379,797	1,598,224
Administrative expenses		(1,570,065)	(1,528,913)
Other operating income	4	122,362	-
Operating (loss)/profit		(67,906)	69,311
Tax on (loss)/profit	7	1,110	-
(Loss)/profit for the financial year		(66,796)	69,311

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 10 to 21 form part of these financial statements.

ZETA COMPLIANCE SERVICES LIMITED
REGISTERED NUMBER: 03351062

STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	51,073	67,211
Current assets			
Stocks		8,019	-
Debtors: amounts falling due within one year	10	1,131,966	1,184,489
Cash at bank and in hand	11	90,570	553
		1,230,555	1,185,042
Creditors: amounts falling due within one year	12	(989,064)	(937,569)
Net current assets		241,491	247,473
Total assets less current liabilities		292,564	314,684
Creditors: amounts falling due after more than one year		(44,676)	-
Net assets		247,888	314,684
Capital and reserves			
Called up share capital		830	830
Share premium account	16	49,700	49,700
Other reserves	16	3,139	3,139
Profit and loss account	16	194,219	261,015
		247,888	314,684

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


R G Nicoll
 Director

20 MAY 2021

The notes on pages 10 to 21 form part of these financial statements.

ZETA COMPLIANCE SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2020	830	49,700	3,139	261,015	314,684
Loss for the year	-	-	-	(66,796)	(66,796)
At 31 January 2021	830	49,700	3,139	194,219	247,888

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2020**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 February 2019	830	49,700	4,501	191,704	246,735
Profit for the year	-	-	-	69,311	69,311
Share based payment credit	-	-	(1,362)	-	(1,362)
At 31 January 2020	830	49,700	3,139	261,015	314,684

The notes on pages 10 to 21 form part of these financial statements.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

1. General information

Zeta Compliance Services Limited is a private limited company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The registered office of the Company is Zeta House, Avonbury Business Park, Howes Lane, Bicester, Oxon, OX26 2UB.

The principal activity of the Company is the provision of water and fire safety compliance services.

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.

The Company's functional and presentational currency is pound Sterling. The accounts are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

During the year ended 31 January 2021, the World entered into a global pandemic, COVID-19. This resulted in periods of lockdown in the UK during the year and certain businesses suspending trading due to the closure of premises. The Company's trading was initially impacted during the first lockdown in April and May 2020 with a slowdown in orders from customers on the High Street however the demand from NHS related customers remained strong. In line with other UK businesses, the Group furloughed employees, deferred its VAT liability for the first quarter of the financial year and received a Bounce Back loan of £50,000 under the UK Government's Coronavirus support programmes for businesses. The Company has repaid its deferred VAT liability by March 2021.

The Directors acknowledge that COVID-19 continues to present challenges to the business. However, the Directors have implemented a range of protocols to ensure services to customers continue with minimal disruption whilst maintaining the safety of its employees and other persons.

The Company has generated a loss before tax for the year ended 31 January 2021 (profit for the year ended 31 January 2020), has net assets as at 31 January 2021 of £247,888 (2020: £314,684) of which cash represents £90,570 (2020: £553). The Directors have prepared forecasts and projections using what they consider to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for a period of at least 12 months from signing of the financial statements which show the Company to be a going concern. The forecasts are dependent on the Company returning to profitability and generating revenue from its long term customers and returning to what the Directors would consider to be normal trading conditions after the impacts of COVID-19.

Based on the above, the Directors are of the opinion that the going concern principle is applicable and that the Company has the necessary resources to continue as a going concern for the foreseeable future.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.3 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.

2.4 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:

Fixtures & fittings	-	25%
Office equipment	-	33%

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 profit or loss.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Stocks represent personal protective equipment.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 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.

2.11 Creditors

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

2.12 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

2. Accounting policies (continued)

2.13 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 profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 Statement of Financial Position 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 reporting date.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Asset useful life and depreciation

Tangible fixed assets are depreciated over their useful lives on a straight line basis. The useful lives of the assets are assessed annually and may vary depending on a number of factors. The useful lives of assets are reassessed based on technological innovation, future performance of that asset and its use on maintenance programmes.

Tax on profit on ordinary activities

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Share-based payments

Estimating fair value for share-payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, and volatility. For the measurement of the fair value of equity settled transactions with employees at the grant date, the Company uses a Black-Scholes model. The assumptions used for estimating fair value for share-based payments are disclosed in note 17.

4. Other operating income

	2021 £	2020 £
Government grants receivable	<u>122,362</u>	<u>-</u>

5. Employees

The average monthly number of employees, including Directors, during the year was 73 (2020 - 70).

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

6. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	301,021	271,943
Company contributions to defined contribution pension schemes	14,574	8,581
	315,595	280,524

During the year retirement benefits were accruing to 3 Directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £86,946 (2020 - £79,387).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £4,400 (2020 - £4,692).

7. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	11,820	-
Adjustment in respect of prior period	(14,654)	-
Effect of tax rate change on opening balance	1,724	-
Total deferred tax	(1,110)	-
Taxation on (loss)/profit on ordinary activities	(1,110)	-

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£	£
(Loss)/profit on ordinary activities before tax	(67,906)	69,311
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(12,902)	13,169
Effects of:		
Expenses not deductible for tax purposes	1,193	-
Remeasurement of deferred tax for changes in tax rates	(1,724)	-
Adjustments to tax charge in respect of prior periods	(14,654)	-
Other timing differences leading to an increase (decrease) in taxation	26,977	(13,169)
Total tax charge for the year	(1,110)	-

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

8. Tangible fixed assets

	Fixtures & fittings £	Office equipment £	Total £
Cost or valuation			
At 1 February 2020	16,508	123,745	140,253
Additions	6,405	11,786	18,191
Disposals	(1,178)	(29,746)	(30,924)
	21,735	105,785	127,520
Depreciation			
At 1 February 2020	10,437	62,605	73,042
Charge for the year on owned assets	3,331	30,998	34,329
Disposals	(1,178)	(29,746)	(30,924)
	12,590	63,857	76,447
Net book value			
At 31 January 2021	9,145	41,928	51,073
At 31 January 2020	6,071	61,140	67,211

9. Stocks

	2021 £	2020 £
Personal protective equipment	8,019	-

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

10. Debtors

	2021 £	2020 £
Trade debtors	722,313	775,023
Other debtors	1,000	1,000
Prepayments and accrued income	380,566	381,489
Deferred taxation	28,087	26,977
	1,131,966	1,184,489

11. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	90,570	553

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	5,324	-
Trade creditors	178,408	260,153
Amounts owed to group undertakings	11,102	1,035
Other taxation and social security	332,477	244,595
Other creditors	221,404	241,615
Accruals and deferred income	240,349	190,171
	989,064	937,569

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

See note 14 for details on securities over bank loans.

13. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	44,676	-

See note 14 for details on securities over bank loans.

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

14. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	5,324	-
Amounts falling due 1-2 years		
Bank loans	10,648	-
Amounts falling due 2-5 years		
Bank loans	34,028	-
	50,000	-
	50,000	-

Bank loans are secured over the assets of the Group, interest bearing at a rate of 2.5% and repayable by 1 July 2026. The bank loan is interest free and subject to a repayment holiday, both for a period of 12 months from the date upon which the loan was drawn down.

15. Deferred taxation

	2021 £	2020 £
At beginning of year	26,977	26,977
Charged to the profit or loss	1,110	-
At end of year	28,087	26,977
	28,087	26,977

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(9,316)	(4,180)
Loss and other deductions	34,586	29,501
Short term timing differences	2,817	1,656
	28,087	26,977
	28,087	26,977

ZETA COMPLIANCE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

16. Reserves

Share premium account

Share premium is the amount by which the amount received by the Company for a share issue exceeds its face value.

Other reserve

The share-based payment reserve is the amount of vested costs relating to share options granted to employees of the Company.

Profit & loss account

The profit & loss account includes all current and prior year profits and losses.

17. Share based payments

During the year, there were no share based payments.

The weighted average remaining contractual life of the share options was 4 years (2020: 4 years).

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	12.65	72,500	12.65	82,500
Forfeited during the year		-		(10,000)
Outstanding and exercisable at the end of the year	12.65	72,500	12.65	72,500
			2021 £	2020 £
Charge/(credit)			-	(1,362)

18. Contingent liabilities

During the year ended 31 January 2018, the Company was notified of a potential claim against it by a client. It is understood that the client has issued claims against a number of other parties in connection with this issue. The amount being claimed would be material to the financial statements, but the Directors and their advisers refute the basis of the claim. The Directors believe, on the advice of their legal advisers, that any potential claim would be covered by their insurers subject to an excess of £5,000.

ZETA COMPLIANCE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension contributions payable by the Company to the fund amounted to £93,648 (2020: £89,902). Amounts payable at the year end amount to £8,876 (2020: £13,124).

20. Commitments under operating leases

At 31 January 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	268,015	232,969
Later than 1 year and not later than 5 years	564,719	222,453
	<u>832,734</u>	<u>455,422</u>

21. Related party transactions

The Company has taken advantage of the exemption granted under FRS 102 to not disclose transactions with 100% owned members of the group headed by Zeta Compliance Group PLC.

During the year, Zeta Compliance Services Limited paid consultancy fees of £62,558 (2020: £63,896) to a company owned by a Director. At the year end, Zeta Compliance Services Limited owed £12,000 (2020: £nil) to this company.

During the year, Zeta Compliance Services Limited paid £3,008 (2020: £nil) to a Company controlled by a common Director for HR services. At the year end, Zeta Compliance Services Limited owed £nil (2020: £nil) to this company.

22. Controlling party

The Company is a 100% subsidiary of Zeta Compliance Group Plc, a Company incorporated in England and Wales.

Copies of the parent company accounts may be obtained from Zeta Compliance Group Plc, Zeta House, Avonbury Business Park, Howes Lane, Bicester, OX26 2UB.