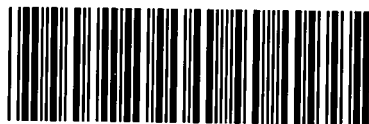


**AZEBRA GROUP LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

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# AZEBRA GROUP LTD

## COMPANY INFORMATION

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<b>Director</b>	S Overhead
<b>Company number</b>	08615815
<b>Registered office</b>	Egale 1 80 St Albans Road Watford Herts WD17 1DL
<b>Auditor</b>	Myers Clark Egale 1 80 St Albans Road Watford Hertfordshire WD17 1DL
<b>Business address</b>	Scotsbridge House Scots Hill Croxley Green Rickmansworth Herts WD3 3BB

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# AZEBRA GROUP LTD

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# AZEBRA GROUP LTD

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The director presents the strategic report for the year ended 31 December 2017.

#### **Review of the business and future developments**

The results for the year and the group's financial position are as shown in the following statutory accounts.

During the year, turnover decreased from £43,099,938 to £38,286,664, a decrease of 11%. Operating profit decreased from £165,342 to £10,804.

Revenues were impacted by the drop in the number of average employees. The group continues to invest in systems, people and clients to ensure that we adapt to change in customer requirements and legislation. In a competitive environment we continue to focus on customer relationships and our high quality service, whilst ensuring compliance with legislation.

#### **Principal risks and uncertainties**

The group continually identifies its risks and uncertainties, and how these may affect the group.

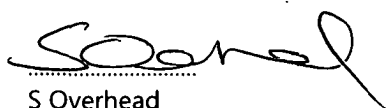
In common with similar businesses, the group may be impacted by changes to UK legislation, for example changes relating to employment intermediaries and travel and subsistence expenses.

The group ensures that its systems, operations and compliance are both flexible and robust enough to enable us to adapt to any changes.

#### **Liquidity risk**

The group monitors and reviews liquidity risks regularly on an ongoing basis and also as part of the planning process. The director considers short-term requirements against available sources of funding, taking into account cash flow and response to any identified needs as necessary to support the business.

On behalf of the board



S Overhead

Director

27.09.2018

# **AZEBRA GROUP LTD**

## **DIRECTOR'S REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The director presents her annual report and financial statements for the year ended 31 December 2017.

#### **Principal activities**

The principal activity of the company and group continued to be the provision of outsourced payroll, administrative and accounting services.

#### **Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

S Overhead

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present.

#### **Auditor**

Myers Clark were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

# AZEBRA GROUP LTD

## DIRECTOR'S REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

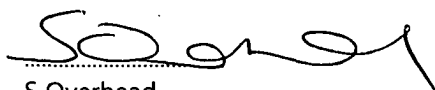
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



S Overhead

Director

Date: 25/9/18

# **AZEBRA GROUP LTD**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF AZEBRA GROUP LTD**

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#### **Opinion**

We have audited the financial statements of Azebra Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, 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 FRS 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 group's and the parent company's affairs as at 31 December 2017 and of the group's profit 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 UK, including the FRC'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The director is 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.

# **AZEBRA GROUP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AZEBRA GROUP LTD**

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

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement, the director is 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 director is responsible for assessing the group's and the parent 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 director either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **AZEBRA GROUP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AZEBRA GROUP LTD**

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### **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.



**Paul Windmill (Senior Statutory Auditor)  
for and on behalf of Myers Clark**

27.09.2018

**Chartered Accountants  
Statutory Auditor**

Egale 1  
80 St Albans Road  
Watford  
Hertfordshire  
WD17 1DL

# AZEBRA GROUP LTD

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	38,286,664	43,099,938
Cost of sales		(37,317,755)	(41,746,993)
<b>Gross profit</b>		968,909	1,352,945
Administrative expenses		(958,105)	(1,187,603)
<b>Operating profit</b>		10,804	165,342
Interest receivable and similar income	<b>6</b>	29	1,841
<b>Profit before taxation</b>		10,833	167,183
Tax on profit	<b>7</b>	(2,702)	(33,437)
<b>Profit for the financial year</b>		8,131	133,746

Profit for the financial year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

## **AZEBRA GROUP LTD**

### **GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017**

---

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	8,131	133,746
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>8,131</u>	<u>133,746</u>

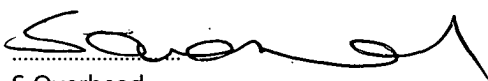
Total comprehensive income for the year is all attributable to the owners of the parent company.

# AZEBRA GROUP LTD

## GROUP BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	12	1,697,038		1,348,856	
Cash at bank and in hand		662,568		990,994	
		<u>2,359,606</u>		<u>2,339,850</u>	
<b>Creditors: amounts falling due within one year</b>	13	(2,238,821)		(2,227,196)	
<b>Net current assets</b>			<u>120,785</u>		<u>112,654</u>
<b>Capital and reserves</b>					
Called up share capital	15		100		100
Profit and loss reserves			120,685		112,554
<b>Total equity</b>			<u>120,785</u>		<u>112,654</u>

The financial statements were approved and signed by the director and authorised for issue on 26.09.2018

  
S Overhead  
Director

# AZEBRA GROUP LTD

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Investments	9		102		102
<b>Current assets</b>		-		-	
<b>Creditors: amounts falling due within one year</b>	13	(2)		(2)	
<b>Net current liabilities</b>			(2)		(2)
<b>Total assets less current liabilities</b>			100		100
<b>Capital and reserves</b>					
Called up share capital	15		100		100

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2016 - £140,000 profit).

The financial statements were approved and signed by the director and authorised for issue on 26.09.2018



S Overhead  
Director

Company Registration No. 08615815

# AZEBRA GROUP LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		100	118,808	118,908
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	133,746	133,746
Dividends	8	-	(140,000)	(140,000)
<b>Balance at 31 December 2016</b>		100	112,554	112,654
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	8,131	8,131
<b>Balance at 31 December 2017</b>		100	120,685	120,785

# AZEBRA GROUP LTD

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		100	-	100
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	140,000	140,000
Dividends	8	-	(140,000)	(140,000)
<b>Balance at 31 December 2016</b>		100	-	100
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	-	-
<b>Balance at 31 December 2017</b>		100	-	100

# AZEBRA GROUP LTD

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	17	(295,018)		(508,906)	
Income taxes paid		(33,437)		(82,103)	
<b>Net cash outflow from operating activities</b>		<u>(328,455)</u>		<u>(591,009)</u>	
<b>Investing activities</b>					
Interest received		29		1,841	
<b>Net cash generated from investing activities</b>			29		1,841
<b>Financing activities</b>					
Dividends paid to equity shareholders		-		(140,000)	
<b>Net cash used in financing activities</b>			-		(140,000)
<b>Net decrease in cash and cash equivalents</b>		<u>(328,426)</u>		<u>(729,168)</u>	
Cash and cash equivalents at beginning of year		990,994		1,720,162	
<b>Cash and cash equivalents at end of year</b>		<u>662,568</u>		<u>990,994</u>	



# AZEBRA GROUP LTD

## COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
<b>Investing activities</b>					
Dividends received		-		140,000	
		<u>-</u>		<u>140,000</u>	
<b>Net cash (used in)/generated from investing activities</b>			-		140,000
<b>Financing activities</b>					
Dividends paid to equity shareholders		-		(140,000)	
		<u>-</u>		<u>(140,000)</u>	
<b>Net cash used in financing activities</b>			-		(140,000)
<b>Net increase in cash and cash equivalents</b>			-		-
Cash and cash equivalents at beginning of year			-		-
			<u>-</u>		<u>-</u>
<b>Cash and cash equivalents at end of year</b>			<u>-</u>		<u>-</u>

# AZEBRA GROUP LTD

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

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### 1 Accounting policies

#### Company information

Azebra Group Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Egale 1, 80 St Albans Road, Watford, Herts, WD17 1DL.

The group consists of Azebra Group Ltd and all of its subsidiaries.

#### 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.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Azebra Group Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.4 Turnover

Turnover is recognised at the fair value of the consideration received for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover from the rendering of services is recognised at the point of payslip generation.

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

(Continued)

##### 1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and 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 group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

##### 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.

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

(Continued)

##### **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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1 Accounting policies

(Continued)

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

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

#### 1.8 Equity instruments

Equity instruments issued by the group 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 group.

#### 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 group'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.

#### 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.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Services	38,286,664	43,099,938

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	29	1,841

	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK	38,286,664	43,099,938

### 4 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,000	14,000

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Directors	1	1	-	-
Off-site employees	1,635	1,749	-	-
	1,636	1,750	-	-

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 5 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	27,283,102	31,368,873	-	-
Social security costs	2,254,215	2,514,576	-	-
Pension costs	109,863	127,061	-	-
	<u>29,647,180</u>	<u>34,010,510</u>	<u>-</u>	<u>-</u>

#### 6 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	<u>29</u>	<u>1,841</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>29</u>	<u>1,841</u>
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#### 7 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>2,702</u>	<u>33,437</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	<u>10,833</u>	<u>167,183</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	2,058	33,437
Effect of change in corporation tax rate	644	-
Taxation charge for the year	<u>2,702</u>	<u>33,437</u>

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Dividends

	2017 £	2016 £
Interim paid	-	140,000

### 9 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	10	-	-	102	102

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2017 and 31 December 2017	102
<b>Carrying amount</b>	
At 31 December 2017	102
At 31 December 2016	102

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
aZebra Pay Ltd	United Kingdom	Provision of outsourced and administrative payroll services	Ordinary	100.00
aZebra Solutions Ltd	United Kingdom	Provision of outsourced and administrative payroll services	Ordinary	100.00

### 11 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,697,038	1,348,856	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	222,354	538,585	2	2



# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	25,029	59,586	-	-
Amounts owed by undertakings in which the company has a participating interest	1,672,009	1,289,270	-	-
	<u>1,697,038</u>	<u>1,348,856</u>	<u>-</u>	<u>-</u>

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

	Group 2017 £	2016 £	Company 2017 £	2016 £
Corporation tax payable	2,702	33,437	-	-
Other taxation and social security	2,013,765	1,655,174	-	-
Other creditors	207,958	469,572	2	2
Accruals and deferred income	14,396	69,013	-	-
	<u>2,238,821</u>	<u>2,227,196</u>	<u>2</u>	<u>2</u>

#### 14 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>108,149</u>	<u>127,061</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 15 Share capital

	Group and company 2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of 10p each	<u>100</u>	<u>100</u>

#### 16 Related party transactions

# AZEBRA GROUP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 16 Related party transactions

(Continued)

During the year the group, entered into transactions with Black & White Outsourcing Ltd, a company connected through having the same ultimate controlling party. The total expenditure amounted to £944,000 (2016: £1,159,000) and related to management charges for the period. At the year end, Black & White Outsourcing Ltd owe Azebra Group Ltd £1,667,509 (2016: £1,141,609) and this is presented in debtors within the accounts.

At the year end, the group was owed £Nil (2016: £179,900) by Big Number Limited. Both companies are related by virtue of common controlling party.

#### 17 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	8,131	133,746
Adjustments for:		
Taxation charged	2,702	33,437
Investment income	(29)	(1,841)
Movements in working capital:		
(Increase) in debtors	(348,182)	(1,348,856)
Increase in creditors	42,360	2,193,759
<b>Cash (absorbed by)/generated from operations</b>	<b>(295,018)</b>	<b>1,010,245</b>

#### 17 Cash generated from operations - company

	2017 £	2016 £
Profit for the year after tax	-	140,000
Adjustments for:		
Investment income	-	(140,000)
Movements in working capital:		
(Decrease)/increase in creditors	-	2
<b>Cash (absorbed by)/generated from operations</b>	<b>-</b>	<b>2</b>