

ZENOFFICE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Company Number 01189115



ZENOFFICE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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**ZENOFFICE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

OFFICERS AND PROFESSIONAL ADVISERS

Directors	P Crean (appointed 24 February 2021) S Shine (appointed 24 February 2021) L Salmon (appointed 24 February 2021) GB Davie M Waterhouse S Horne (resigned 24 February 2021) D Needham (resigned 24 February 2021) R Oates (resigned 24 February 2021)
Company secretary	R Cahill (appointed 24 February 2021) P Maynard (resigned 24 February 2021)
Registered office	Zenoffice House Gateway Crescent Broadway Business Park Chadderton Greater Manchester OL9 9XB
Bankers	Lloyds Bank PLCMarket Street Manchester BX1 1LT
Auditor	Grant Thornton UK LLP Chartered Accountants and Senior Statutory Auditor 30 Finsbury Square London EC2A 1AG United Kingdom

ZENOFFICE LIMITED STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Directors present their strategic report for the year ended 30 June 2021.

Principal activity and review of the business

The principal activity of the Company is a provider of a range of business supplies products and services to many SME organisations primarily based in the North West of England. The Company supplies their SME customers with a wide range of managed solutions, including managed print services (MPS), mail & fulfilment, signage & exhibition, workwear & PPE and business interiors. The Company is a trusted partner for SMEs, going beyond office supplies to provide customers a range of business solutions all from one place. On 25 May 2020, Paragon Group Limited agreed to acquire the Company subject to UK FCA approval. UK FCA approval was obtained on 23 February 2021 and the acquisition was completed.

The Company has shown a continuing strong gross profit margin of 37.9%, 4.5 points higher than the prior year. The Company made a profit for the year of £339,478 (30 June 2020: loss of £921,041). The Company traded well during the year as a result of a restructuring programme undertaken in the prior year and performed ahead of company budget.

The result for the 12 months includes non-recurring charges of £177,232. Included within the non-recurring charges are restructuring costs of £177,232. These costs were incurred, to further align the Company with a cost base and platform to trade profitably during the remainder of COVID-19 and thereafter.

Cashflow has remained resilient throughout the pandemic with all agreed deferred payments as of 30 June 2020 being fully repaid by the end of March 2021 (£615,000).

Trading Outlook post year end

The Company has continued to perform well and enters 2022 ahead of agreed company budgets. The transformation of the MPS division is delivering superior returns creating a platform for success for 2022 and beyond. The trading outlook reflects accretive growth through a market-leading position, innovation capability and strategic investment decisions. The Directors are optimistic for the future of the business.

Key performance indicators

Zenoffice Limited is a wholly owned subsidiary of Paragon Group Limited (the "Group"). Zenoffice Limited is managed by the directors in accordance with the strategies of this Group. For this reason, the directors believe that further key performance indicators for the company are not necessary or appropriate to understand the development, performance or position of the business. These strategies and key performance indicators are discussed in the group strategic report of the company's parent which does not form part of this report.

Principal risks and uncertainties

Despite operating in a highly competitive market, a culmination of business diversification, improving economic outlook, strong sales order growth and a large consumer base, to mitigate the risk of key dependency, has allowed us to trade successfully in supplying directly related business services to the expanding customer base. Within our region we have a strong position in the market, with a broad spectrum of clients to mitigate our bad debt exposure.

Risk management policy

The directors along with senior managers formally evaluate and review the principal risks and uncertainties facing the company on a quarterly basis. The principal risks and uncertainties facing the company are detailed below.

ZENOFFICE LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Competitive risks

The company has a wide range of customers, operating across many different market sectors. The company is therefore not reliant on any individual customer or market sector.

Coronavirus risk

In relation to the Coronavirus (COVID-19) pandemic, the directors continue to assess the situation across key markets and the potential risk to the operation of the business daily. The directors have taken all necessary measures as advised by the NHS, WHO, the UK government and equivalent local authorities across our offices, including promoting hygiene standards and providing facilities to enable this, and firmly insisting all employees to work from home where possible. The company has maintained a sufficient level of trading activity during the crisis. At the date of signing the financial statements the directors do not consider there to be a threat to the overall business in the case of another Coronavirus-related closures and lockdowns, or the company (through the support of the overall Paragon Group) having access to sufficient working capital. The directors believe that appropriate strategies have been developed to ensure the company can continue to reduce and manage the impacts of the adverse developments which could otherwise affect the company's ability to continue trading.

Financial risks

The company's principal financial investments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the company's operating activities. The main risks associated with the company's financial assets are set out below.

Interest rate risk

The company invests surplus cash in a floating rate interest yielding bank deposit account and has access to a floating rate interest bearing overdraft facility. Term loans are entered into at floating interest rates. Interest income and expenses are therefore affected by movements in interest rates. The company does not undertake any hedging activity.

Price risk

There is no significant exposure to changes in the carrying value of assets and liabilities due to agreed pricing. Most price increases would be considered transferable as indicated within the trade terms agreements.

Credit risk

Company policies are aimed at minimising losses from credit risk, and require that deferred terms are granted only to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations. Capital expenditure and related financing of investments are approved at group level. Flexibility is maintained by retaining surplus cash in readily accessible bank financial statements. Cash balances and forecasts are controlled at both local and group level daily.

The Company's liquidity risk is mitigated by way of its receivable financing facility which allows to Company to receive cash more efficiently in order to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

ZENOFFICE LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Foreign currency risk

The company has exposure to currency movements relating to trade debtors and trade creditors. However, a significant proportion of transactions entered into by the company are denominated in sterling.

Disabled employees

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

Section 172 statement

The companies act 2006 (CA2006) sets out a number of general duties which directors owe to the company. Legislation has been introduced to help shareholders better understand how directors have discharged their duty to promote success of the company, while having regard to the matters in section 172(1)(a) to (f) of the CA2006 (s172 factors). In 2021 the directors continued to exercise all their duties, while having regard to these and other factors as they reviewed and considered proposals from senior management and governed the company.

The directors consider that the statement focuses on those risk and opportunities that were of strategic importance to Zenoffice Limited is consistent with the size and complexity of the company. In the performance of its duty to promote the success of the company, the directors have regard to a number of matters, including listening to and considering the view key stakeholders to build trust and ensure it fully understands in which we operate. Engagement with the company's main stakeholder groups. Including our people customers and suppliers, at all levels of the organization are contained in the directors' report.

On behalf of the Board

Laurent SALMON

L Salmon
Director
24 May 2022

**ZENOFFICE LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The Directors present their report together with the financial statements and auditor's report of the Company for the year ended 30 June 2021.

Principal Activity

The principal activity of the Company is a provider of a range of business supplies products and services to many SME organisations primarily based in the North West of England.

Results and Dividends

The profit for the period after taxation amounted to £339,478 (2020: loss of £921,041). No dividends were paid during the period (2020: £Nil).

Directors

The Directors who held office at the date the statement of financial position was signed were as follows:

P Crean (appointed 24 February 2021)

S Shine (appointed 24 February 2021)

L Salmon (appointed 24 February 2021)

GB Davie

M Waterhouse

The following Directors resigned during the year:

R Oates resigned 24 February 2021

S Horne resigned 24 February 2021

D Needham resigned 24 February 2021

ZENOFFICE LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Going concern

The Directors have performed an assessment of going concern, including receiving written support provided from its ultimate parent company ("the Paragon Group"). The Paragon Group have performed an assessment of going concern by reviewing the Group's cash position, available banking facilities and financial forecasts for the period under review being July 2021 through to June 2023, including the ability to adhere to banking covenants. In doing so, the Directors have considered the uncertain nature of the current COVID-19 pandemic, current trading trends and extensive actions already undertaken to protect profitability and conserve cash.

Four scenarios were considered by the Paragon Group in preparing their going concern assessment, being a management case and three other scenarios using a set of severe but plausible downside assumptions to that management case. Overall the Group traded in line with the management case for the first six months of the 2022 financial year and has remained profitable and cash generative which further underlines the resilience and adaptability of the business during this difficult time.

The management case which is built up from detailed projections for each of the Group's businesses and markets includes the following key assumptions:

- The management case anticipates that volume would be steady for the remainder of the period under review;
- The downside case factors in a reduction in variable costs to align the costs with the lower volumes including furloughing staff as part of government support scheme and reducing repairs and maintenance costs;
- Additional reductions in support costs to reflect the impact of the extensive cost reduction initiatives implemented by the Group including the implementation of a recruitment freeze, deferral of executive bonuses and graduated salary reductions for support staff across the business;
- The downside case included further reductions in the range of 10%, 25% and 40% in turnover across the Group's five divisions for the remainder of period under review, to reflect the scenario of a deeper economic impact, region specific lockdowns in the UK and a slower recovery over the course of the next year. Those projections showed that the Group will continue to operate viably over that period;
- The above downside case excludes €180m in post-balance sheet funding received by the wider Group, which will have a positive impact on going concern.

Based on the above, the Directors have, at the date of signing of the accounts, a reasonable expectation that, with the support provided from Paragon Group, the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

Directors' liabilities

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Post balance sheet events

In the directors' opinion, there were no post balance sheet events that have a material impact on the financial statements.

Political and charitable contributions

During the period, the Company did not make any political or charitable contributions (2020 – £nil).

ZENOFFICE LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited 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 audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 audited 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 audited 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 auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

**ZENOFFICE LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Re-appointment of auditor

A resolution to reappoint Grant Thornton UK LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

Laurent SALMON

L Salmon
Director
24 May 2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENOFFICE LIMITED (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

Opinion

We have audited the financial statements of Zenoffice Limited (the 'Company') for the year ended 30 June 2021, which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 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 30 June 2021 and of its 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the director and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENOFFICE LIMITED (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

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.

Opinions 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 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.

Matter on which we are required to report under the Companies Act 2006

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 Strategic report and the Director's report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

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 director determines 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 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENOFFICE LIMITED (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the group and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, FRS 102 and the Companies Act 2006.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures and management. We corroborated our inquiries through our review of board minutes and walkthroughs performed with management.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. Audit procedures performed by the engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - understanding how the Board considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - challenging assumptions and judgments made by management in its significant accounting estimates;
 - identifying and testing journal entries, in particular any journal entries posted with large values or those posted at the year end; and
 - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- The engagement leader assessed whether the engagement team collectively had the appropriate competence and capabilities, including consideration of the engagement team's understanding of and practical experience with audit engagements of a similar nature and complexity, knowledge of the industry in which the client operates, and understanding of the legal and regulatory requirements specific to the entity.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZENOFFICE LIMITED (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021**

- In assessing the potential risks of material misstatement, we obtained an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

Grant Thornton UK LLP

Lindsay Bergh
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
24 May 2022

ZENOFFICE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

		Year ended 30 June 2021	18 months ended 30 June 2020 Restated
		£	£
Turnover	3	11,903,776	22,851,666
Cost of sales		(7,393,233)	(15,225,741)
Gross profit		<u>4,510,543</u>	<u>7,625,925</u>
Distribution costs		(311,139)	(715,646)
Administrative expenses		(3,999,109)	(8,140,022)
Other operating income	5	524,496	388,289
Other operating expenses	5	(177,232)	(66,000)
Operating profit/(loss)	4	<u>547,559</u>	<u>(907,454)</u>
Interest payable and similar expenses	6	(79,064)	(159,632)
Profit/(loss) before taxation		<u>468,495</u>	<u>(1,067,086)</u>
Tax (charge)/credit	8	(129,017)	146,045
Profit/(loss) for the period		<u><u>339,478</u></u>	<u><u>(921,041)</u></u>

The above results are derived from continuing operations.

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 16 to 31 form part of these financial statements.

ZENOFFICE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 June 2021 £	30 June 2020 £
Fixed assets			
Tangible assets	10	1,397,459	1,447,794
Intangible assets	9	11,302	25,094
		<u>1,408,761</u>	<u>1,472,888</u>
Current assets			
Inventory	12	233,140	377,360
Trade and other receivables	13	1,748,248	2,447,677
Cash and cash equivalents	11	369,428	213,875
		<u>2,350,816</u>	<u>3,038,912</u>
Current liabilities			
Trade and other payables	14	2,532,423	3,581,613
Borrowings	15	632,937	637,947
		<u>3,165,360</u>	<u>4,219,560</u>
Net current liabilities		<u>(814,544)</u>	<u>(1,180,648)</u>
Total assets less current liabilities		594,217	292,240
Non-current liabilities:			
Borrowings	15	435,788	473,289
Net assets/(liabilities)		<u>158,429</u>	<u>(181,049)</u>
Capital and reserves			
Called-up share capital	18	100	100
Revaluation reserve	19	253,005	253,005
Profit and loss account	19	(94,676)	(434,154)
Total shareholders' funds surplus/(deficit)		<u>158,429</u>	<u>(181,049)</u>

The financial statements of ZenOffice Limited, were approved and authorised for issue by the Board of Directors on 24 May 2022 and signed on its behalf by:

Laurent SALMON

L Salmon
Director
24 May 2022

The notes on pages 16 to 31 form part of these financial statements.

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called-up share capital £	Profit and loss account £	Revaluation reserve £	Total £
At 1 July 2020	100	(434,154)	253,005	(181,049)
Profit for the period	-	339,478	-	339,478
At 30 June 2021	100	(94,676)	253,005	158,429

	Called-up share capital £	Profit and loss account £	Revaluation reserve £	As restated Total £
At 1 January 2019	100	486,887	253,005	739,992
Loss for the period	-	(921,041)	-	(921,041)
At 30 June 2020	100	(434,154)	253,005	(181,049)

The notes on pages 16 to 31 form part of these financial statements.

ZENOFFICE LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

1 GENERAL INFORMATION

The principal accounting policies, all of which have been applied consistently throughout the year and the preceding period, are summarised below.

Basis of preparation

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The Company is incorporated in England under the Companies Act. The address of the registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

The financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Companies Act 2006. The financial statements are presented in £. These financial statements present the performance and position of the individual entity. The results of the Company are included in the consolidated financial statements of Paragon Group Limited, which are available from its registered office, Lower Ground Floor, House, 16/18 Finsbury Circus, London, EC2M 7EB. The principal accounting policies adopted by the Company have been consistently applied and are set out below.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.14(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures 33.7

2 ACCOUNTING POLICIES

Going Concern

The Directors have performed an assessment of going concern, including receiving written support provided from its ultimate parent company ("the Paragon Group"). The Paragon Group have performed an assessment of going concern by reviewing the Group's cash position, available banking facilities and financial forecasts for the period under review being July 2021 through to June 2023, including the ability to adhere to banking covenants. In doing so, the Directors have considered the uncertain nature of the current COVID-19 pandemic, current trading trends and extensive actions already undertaken to protect profitability and conserve cash.

Four scenarios were considered by the Paragon Group in preparing their going concern assessment, being a management case and three other scenarios using a set of severe but plausible downside assumptions to that management case. Overall the Group traded in line with the management case for the first six months of the 2022 financial year and has remained profitable and cash generative which further underlines the resilience and adaptability of the business during this difficult time.

The management case which is built up from detailed projections for each of the Group's businesses and markets includes the following key assumptions:

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2 ACCOUNTING POLICIES (CONTINUED)

- The management case anticipates that volume would be steady for the remainder of the period under review;
- The downside case factors in a reduction in variable costs to align the costs with the lower volumes including furloughing staff as part of government support scheme and reducing repairs and maintenance costs;
- Additional reductions in support costs to reflect the impact of the extensive cost reduction initiatives implemented by the Group including the implementation of a recruitment freeze, deferral of executive bonuses and graduated salary reductions for support staff across the business;
- The downside case included further reductions in the range of 10%, 25% and 40% in turnover across the Group's five divisions for the remainder of period under review, to reflect the scenario of a deeper economic impact, region specific lockdowns in the UK and a slower recovery over the course of the next year. Those projections showed that the Group will continue to operate viably over that period;
- The above downside case excludes €180m in post-balance sheet funding received by the wider Group, which will have a positive impact on going concern.

Based on the above, the Directors have, at the date of signing of the accounts, a reasonable expectation that, with the support provided from Paragon Group, the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

Turnover

Turnover represents amounts receivable for goods and services net of VAT and discounts.

MPS

Development and consulting services are provided on a time and material basis. The revenue is recognised as the service provided over time. Turnover provided under a fixed price contract is recognised on a percentage of completion basis.

Business Supplies

Turnover is recognised based upon the number of packages or items printed and delivered to or mailed on behalf of clients at the point of dispatch.

Government grants

Amounts receivable from government grants are presented in the financial statements only when there is reasonable assurance that the Company fulfils the necessary conditions and that the grants will be received. Reported payroll costs is restated to gross of any CJRS payroll assistance received from the government which is now reported within other operating income. Government grants in relation to income are credited in the income statement for the year.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in Section 22 of FRS 102 are capitalised as part of the cost of that asset.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing when the assets are brought into operational use, of each asset evenly over its useful economic life as follows:

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2 ACCOUNTING POLICIES (CONTINUED)

Tangible fixed assets (continued)

Asset class	Depreciation method and rate
Freehold property	2% on cost
Plant and machinery	10% on cost
Fixtures and fittings	20% on cost
Motor vehicles	33% on cost
Computer equipment	33% on cost

Land is not depreciated as it is considered to have an indefinite useful life.

On transition to FRS102, the freehold property which was revalued in 2015, was treated as being held at deemed cost post transition.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of comprehensive income in the period of derecognition.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition intangible assets are measured at cost less any amortisation and any accumulated impairment losses.

Goodwill

Goodwill arising on acquisitions, representing the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired in connection with the acquisition of businesses in 2009 and 2014, is being amortised evenly over their estimated useful life of 20 and 5 years respectively. Provision is made for impairment.

Development expenditure

Web development costs are amortised over 5 years.

Impairment

The company performs impairment reviews in respect of tangible fixed assets where events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised when the receivable amount of an asset, which is the higher of the net realisable value and its value in use, is less than its carrying amount.

The company performs impairment reviews in respect of intangible assets where events or change in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised when the receivable amount of an asset, which is the higher of the net realisable value and its value in use, is less than its carrying amount.

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2 ACCOUNTING POLICIES (CONTINUED)

Stock

Stock are valued at the lower of cost and net realisable value, after the allowance for obsolete and slow moving items. Provision is made where necessary for obsolete and slow moving and defective stocks. Provision is made for any foreseeable losses where appropriate.

Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Foreign currencies

The financial statements are presented in British sterling (£), which is the currency of the primary economic environment in which the Company operates (*its functional currency*). Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Pensions

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. Contributions are charged in the statement of comprehensive income in the year in which they are incurred.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. *Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment. Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the statement of comprehensive income.*

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2 ACCOUNTING POLICIES (CONTINUED)

Trade and other receivables

Trade and other receivables do not carry any interest and are initially stated at fair value then held at amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Allowances are recognised in the Statement of comprehensive income when there is objective evidence that the asset is impaired.

Trade and other payables

Trade and other payables are not interest bearing and are initially stated at fair value then held at amortised cost.

Cash at bank and in hand

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the company will be required to settle the obligation, and its value can be reliably estimated. Where the time value of money is material, provisions are discounted at a pre-tax rate. When a provision needs to be released, the provision is taken back to the Statement of comprehensive income within the line where it was initially booked.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of comprehensive income over the period of the borrowings using the effective interest method.

Receivables finance facility

The Company is party to a receivables finance facility that allows it to accelerate the inflow of cash flows related to trade receivables. These receivables are measured at amortised cost.

Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2 ACCOUNTING POLICIES (CONTINUED)

Critical accounting judgements

In the course of applying the Company's accounting policies the following judgements have been made which could have a significant effect on the results of the Company were they subsequently found to be inappropriate.

Carrying value of property, plant and equipment

The carrying value of the Company's investment in property, plant and equipment represents a key area of management judgement. This includes assumptions in respect of the use of fair values as well as estimation in respect of useful lives.

3 TURNOVER

All turnover was derived from the sales in the United Kingdom.

The analysis of the company's turnover for the period by class of business is as follows:

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Business Supplies	3,955,312	10,532,552
MPS	7,948,464	12,319,114
	11,903,776	22,851,666

4 OPERATING PROFIT/(LOSS)

This is stated after charging:

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Depreciation of tangible fixed assets (Note 10)	90,218	137,146
Amortisation of intangibles (Note 9)	13,792	48,180
Operating lease charge	95,257	569,939

The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor for

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Audit of the financial statements	31,000	31,000
All other non-audit services	-	-

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

5 OTHER OPERATING INCOME AND EXPENSES

Other operating income	Year ended 30 June 2021	18 months ended 30 June 2020 Restated
	£	£
Government grants receivable	524,496	388,289
Other operating expenses		
Redundancy costs	(177,232)	(66,000)

During the financial year, the company received government assistance relating to the wages and salaries costs of employees furloughed under the Coronavirus Job Retention Scheme.

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Bank loan interest	14,462	101,690
Factor charges	64,602	57,942
	79,064	159,632

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

7 STAFF COSTS

The average number of employees (including executive directors) during the period was:

	Year ended 30 June 2021	18 months ended 30 June 2020
	Number	Number
Sales	39	61
Operations and administration	17	18
Distribution	12	12
	<u>68</u>	<u>91</u>

Their aggregate remuneration (including directors' remuneration) was:

	Year ended 30 June 2021	18 months ended 30 June 2020 Restated
	£	£
Wages and salaries	2,797,124	5,303,079
Social security costs	284,296	330,623
Pension costs, defined contribution scheme	53,293	36,977
	<u>3,134,713</u>	<u>5,670,679</u>

The prior year payroll costs have been restated to present the amounts gross of CJRS income which is now reported within other operating income on the Statement of Comprehensive Income.

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

7 DIRECTORS REMUNERATION

The remuneration of the directors for the year was as follows:

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Remuneration	325,606	523,499
Contributions paid to pension schemes	9,990	11,586
	<u>335,596</u>	<u>535,085</u>

Highest paid Director

The above amounts include the following in respect of the highest paid Director:

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Remuneration	142,178	271,867
Contributions paid to pension schemes	874	1,846
	<u>143,052</u>	<u>273,713</u>

8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Analysis of tax charge/(credit) on ordinary activities

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Current tax		
United Kingdom corporation tax at 19% (2020: 19%)	-	-
Adjustments in respect of prior periods	129,017	(37,728)
Total current tax charge/(credit)	<u>129,017</u>	<u>(37,728)</u>
Deferred tax		
Timing differences, origination and reversal	-	(108,434)
Adjustments in respect of prior periods	-	(2,026)
Effect of tax rate change on opening balance	-	2,143
Total deferred tax charge/(credit)	<u>-</u>	<u>(108,317)</u>
Tax charge/(credit) on profit/(loss) on ordinary activities	<u>129,017</u>	<u>(146,045)</u>

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (CONTINUED)

The tax charge for the period differs from the standard rate of UK corporation tax of 19% (2020: 19%) as explained below:

	Year ended 30 June 2021	18 months ended 30 June 2020
	£	£
Profit/(loss) before tax	468,495	(1,067,086)
Tax charge/(credit) at standard CT rate 19% (2020: 19%)	89,014	(202,746)
Effects of:		
Fixed asset differences	9,613	20,760
Expenses not deductible for tax purposes	4,318	16,280
Adjustments to brought forward values	-	(2,459)
Losses carried back	-	40,941
Group relief surrendered	-	18,790
Adjustments to tax charge in respect of previous periods	40,094	(37,728)
Adjustments to tax charge in respect of previous periods – deferred tax	-	(2,026)
Remeasurement of deferred tax for changes in tax rates	(4,219)	2,143
Deferred tax not recognised	(9,803)	-
	<u>129,017</u>	<u>(146,045)</u>

Factors that may affect future tax charges

The Finance Act 2020 included legislation to maintain the main rate of UK corporation tax at 19%, rather than reducing it to 17% from 1 April 2020. The change to the main rate of corporation tax was substantively enacted by the balance sheet date and therefore included in these financial statements. The UK Budget announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. Temporary differences have been remeasured using these budget tax rates that are expected to apply when the liability is settled or the asset realised.

ZENOFFICE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

9 INTANGIBLE FIXED ASSETS

	Web development costs £	Goodwill £	Total £
Cost			
At 1 July 2020	225,910	165,515	391,425
Additions	-	-	-
At 30 June 2021	<u>225,910</u>	<u>165,515</u>	<u>391,425</u>
Amortisation			
At 1 July 2020	201,874	164,457	366,331
Provided for in the period	12,734	1,058	13,792
At 30 June 2021	<u>214,608</u>	<u>165,515</u>	<u>380,123</u>
Net book value			
At 30 June 2021	<u>11,302</u>	-	<u>11,302</u>
At 30 June 2020	<u>24,036</u>	<u>1,058</u>	<u>25,094</u>

ZENOFFICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

10 TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery	Fixtures and fittings	Motor vehicles	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2020	1,750,884	1,687	170,183	2,000	250,160	2,174,914
Additions	-	-	-	-	39,883	39,883
At 30 June 2021	<u>1,750,884</u>	<u>1,687</u>	<u>170,183</u>	<u>2,000</u>	<u>290,043</u>	<u>2,214,797</u>
Depreciation						
At 1 July 2020	355,806	1,622	162,506	2,000	205,186	727,120
Charge for the period	50,526	60	3,962	-	35,670	90,218
At 30 June 2021	<u>406,332</u>	<u>1,682</u>	<u>166,468</u>	<u>2,000</u>	<u>240,856</u>	<u>817,338</u>
Net book value						
At 30 June 2021	<u>1,344,552</u>	<u>5</u>	<u>3,715</u>	<u>-</u>	<u>49,187</u>	<u>1,397,459</u>
At 30 June 2020	<u>1,395,078</u>	<u>65</u>	<u>7,677</u>	<u>-</u>	<u>44,974</u>	<u>1,447,794</u>

Included within the net book value of land and buildings above is £1,313,937 (2020: £1,344,040) in respect of freehold land and buildings.

ZENOFFICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

11 CASH AND CASH EQUIVALENTS

	30 June 2021	30 June 2020
	£	£
Cash and cash equivalents	369,428	213,875

Cash and cash equivalents comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximates to their fair value.

12 INVENTORY

	30 June 2021	30 June 2020
	£	£
Finished goods	233,140	377,360

13 TRADE AND OTHER RECEIVABLES

Amounts falling due within one year:

	30 June 2021	30 June 2020
	£	£
Trade debtors	1,045,775	1,562,476
Other debtors	102,685	100,750
Amounts owed by group undertakings	266,342	261,343
Prepayments and accrued income	333,446	523,108
	<u>1,748,248</u>	<u>2,447,677</u>

Amounts due from related and group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

ZENOFFICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

14 TRADE AND OTHER PAYABLES

	30 June	30 June
	2021	2020
	£	£
<i>Due within one year</i>		
Amounts owed to group undertakings	210,000	210,000
Trade creditors	1,192,168	1,397,402
Other taxes and social security costs	227,482	696,508
Other creditors	-	12,892
Accruals and deferred income	902,773	1,264,811
	<u>2,532,423</u>	<u>3,581,613</u>

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

15 BORROWINGS

	30 June	30 June
	2021	2020
	£	£
<i>Due within one year</i>		
Bank loans and facilities	632,937	637,947
	<u>632,937</u>	<u>637,947</u>
<i>Due in more than one year</i>		
Bank loans and facilities	435,788	473,291
	<u>435,788</u>	<u>473,291</u>

ZENOFFICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

15 BORROWINGS (CONTINUED)

Bank loans and facilities are repayable as follows:

	30 June 2021	30 June 2020
	£	£
Within one year	632,937	637,947
	<u>632,937</u>	<u>637,947</u>
Between one to two years	43,208	37,503
Between two to five years	181,001	126,559
More than five years	211,579	309,229
	<u>435,788</u>	<u>473,291</u>
Total bank loans and facilities	<u>1,068,725</u>	<u>1,111,238</u>

Bank loans comprise a mortgage of £473,291 (2020: £508,660) which bears an interest rate of 5.87%, repayable by February 2031. The Company's bankers have a first legal mortgage over the Company's freehold property dated 15 February 2015.

The Company's receivable finance facility is secured by way of an all-assets debenture, dated March 2021. It bears interest at 2.7% above the base rate. The balance of this facility at 30 June 2021 was £595,434 (2020: £602,578). This facility has no fixed term and has a limit of £1,500,000.

The Company's bankers have an unlimited debenture over the Company dated 26 November 2010.

16 FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	30 June 2021	30 June 2020
	£	£
-within one year	172,946	124,224
-between one and five years	56,869	349,243
	<u>229,815</u>	<u>473,467</u>

17 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension commitment for the year represents contributions payable to the schemes and amounted to £10,000 (2020: £Nil).

ZENOFFICE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2021

18 SHARE CAPITAL

Authorised, allotted and fully paid:

	30 June 2021		30 June 2020	
	Number	£	Number	£
Ordinary shares of £1 each	100	100	100	100

19 RESERVES

Called-up share capital – represents the nominal value of shares that have been issued.

Revaluation reserve – The revaluation reserve represents the increase in the value of the freehold property following its valuation on 10 July 2015 by an External Valuer.

Profit and loss account – includes all current and prior period retained profits and losses.

20 CONTINGENT LIABILITIES

In the directors' opinion there are no contingent liabilities (2020: £nil).

21 RELATED PARTY TRANSACTIONS

In accordance with exemptions available to wholly owned subsidiaries, the Company has taken advantage of FRS 102 paragraph 33.1A, not to disclose transactions with other undertakings within the group.

22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In accordance with FRS 102 paragraph 33.1A, the following disclosures are made. The Company's immediate parent undertaking is Stat Company Limited. The ultimate parent undertaking is Paragon Group Limited which has included the company in its Group financial statements, a copy of which are available from its registered office at Lower Ground Floor, Park House, 16/18, Finsbury Circus, London, England, EC2M 7E. The Company's ultimate controlling party is Patrick Crean.

23 POST BALANCE SHEET EVENTS

In the directors' opinion, there were no post balance sheet events that have a material impact on the financial statements.