

BYTEMARK COMPUTER CONSULTING LTD

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JULY 2011

COMPANY REGISTRATION NO. 04484629 (England and Wales)

**HUNTER GEE HOLROYD
CLUB CHAMBERS
MUSEUM STREET
YORK
YO1 7DN**

BYTEMARK COMPUTER CONSULTING LTD

COMPANY INFORMATION

Directors

Mr M E Bloch
Mr P R Taphouse

Registered office

The Raylor Centre
James Street
York
YO10 3DW

Accountants

Hunter Gee Holroyd
Club Chambers
Museum Street
York
YO1 7DN

Bankers

Barclays Bank plc
1,2 & 3 Parliament Street
York
YO1 1XD

BYTEMARK COMPUTER CONSULTING LTD

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BYTEMARK COMPUTER CONSULTING LTD

DIRECTORS' REPORT *FOR THE YEAR ENDED 31 JULY 2011*

The directors present their report and financial statements for the year ended 31 July 2011.

Principal activities

The principal activity of the company continued to be that of internet service provider.

Directors

The following directors have held office since 1 August 2010:

Mr M E Bloch

Mr P R Taphouse

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board

Mr P R Taphouse

Director

1 December 2011

BYTEMARK COMPUTER CONSULTING LTD

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BYTEMARK COMPUTER CONSULTING LTD FOR THE YEAR ENDED 31 JULY 2011

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Bytemark Computer Consulting Ltd for the year ended 31 July 2011 set out on pages 3 to 11 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Bytemark Computer Consulting Ltd, as a body, in accordance with the terms of our engagement letter dated 24 November 2011. Our work has been undertaken solely to prepare for your approval the financial statements of Bytemark Computer Consulting Ltd and state those matters that we have agreed to state to the Board of Directors of Bytemark Computer Consulting Ltd, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bytemark Computer Consulting Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Bytemark Computer Consulting Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Bytemark Computer Consulting Ltd. You consider that Bytemark Computer Consulting Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Bytemark Computer Consulting Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

12 December 2011

Hunter Gee Holroyd
Chartered Accountants
Club Chambers
Museum Street
York
YO1 7DN

BYTEMARK COMPUTER CONSULTING LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2011

| | | 2011 | 2010 |
|--|-----------|-----------|-----------|
| | Notes | £ | £ |
| Turnover | | 1,906,343 | 1,543,612 |
| Cost of sales | | (826,776) | (690,115) |
| Gross profit | | 1,079,567 | 853,497 |
| Administrative expenses | | (864,671) | (626,251) |
| Other operating income | | - | 75 |
| Operating profit | 2 | 214,896 | 227,321 |
| Other interest receivable and similar income | 3 | 66 | 28 |
| Interest payable and similar charges | | (6,522) | (6,001) |
| Profit on ordinary activities before taxation | | 208,440 | 221,348 |
| Tax on profit on ordinary activities | 4 | (25,687) | (47,467) |
| Profit for the year | 13 | 182,753 | 173,881 |

BYTEMARK COMPUTER CONSULTING LTD

BALANCE SHEET AS AT 31 JULY 2011

| | Notes | 2011 £ | £ | 2010 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 6 | | 882,237 | | 659,272 |
| Current assets | | | | | |
| Debtors | 7 | 122,633 | | 16,391 | |
| Cash at bank and in hand | | 204,891 | | 134,795 | |
| | | <u>327,524</u> | | <u>151,186</u> | |
| Creditors: amounts falling due within one year | 8 | <u>(716,086)</u> | | <u>(332,204)</u> | |
| Net current liabilities | | | <u>(388,562)</u> | | <u>(181,018)</u> |
| Total assets less current liabilities | | | 493,675 | | 478,254 |
| Creditors: amounts falling due after more than one year | 9 | | - | | (4,500) |
| Provisions for liabilities | 10 | | <u>(8,943)</u> | | <u>(21,375)</u> |
| | | | <u>484,732</u> | | <u>452,379</u> |
| Capital and reserves | | | | | |
| Called up share capital | 12 | | 100 | | 100 |
| Profit and loss account | 13 | | 484,632 | | 452,279 |
| Shareholders' funds | | | <u>484,732</u> | | <u>452,379</u> |

BYTEMARK COMPUTER CONSULTING LTD

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2011

For the financial year ended 31 July 2011 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board for issue on 1 December 2011

Mr M E Bloch
Director

Company Registration No. 04484629

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|---------------------------------|--|
| Computer equipment | 3 years straight line |
| Fixtures fittings and equipment | 15% reducing balance and 3 years straight line |

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

| 2 Operating profit | 2011 | 2010 |
|--|-------------------|-------------------|
| | £ | £ |
| Operating profit is stated after charging: | | |
| Depreciation of tangible assets | 372,888 | 281,714 |
| Directors' remuneration | 40,454 | 11,400 |
| | <u> </u> | <u> </u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2010 - 0).

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

| | | | |
|----------|----------------------------------|-------------|-------------|
| 3 | Investment income | 2011 | 2010 |
| | | £ | £ |
| | Bank interest | 66 | 28 |
| | | <hr/> | <hr/> |
| | | 66 | 28 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | | |
| 4 | Taxation | 2011 | 2010 |
| | | £ | £ |
| | Domestic current year tax | | |
| | U.K. corporation tax | 38,119 | 46,801 |
| | | <hr/> | <hr/> |
| | Total current tax | 38,119 | 46,801 |
| | | | |
| | Deferred tax | | |
| | Deferred tax | (12,432) | 666 |
| | | <hr/> | <hr/> |
| | | 25,687 | 47,467 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| | | | |
| 5 | Dividends | 2011 | 2010 |
| | | £ | £ |
| | Ordinary final paid | 150,400 | 128,500 |
| | | <hr/> <hr/> | <hr/> <hr/> |

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

6 Tangible fixed assets

| | Computer equipment | Fixtures fittings and equipment | Total |
|-----------------------|-----------------------|---------------------------------------|-------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 August 2010 | 1,487,478 | - | 1,487,478 |
| Additions | 582,160 | 13,693 | 595,853 |
| | <hr/> | <hr/> | <hr/> |
| At 31 July 2011 | 2,069,638 | 13,693 | 2,083,331 |
| | <hr/> | <hr/> | <hr/> |
| Depreciation | | | |
| At 1 August 2010 | 828,206 | - | 828,206 |
| Charge for the year | 369,250 | 3,638 | 372,888 |
| | <hr/> | <hr/> | <hr/> |
| At 31 July 2011 | 1,197,456 | 3,638 | 1,201,094 |
| | <hr/> | <hr/> | <hr/> |
| Net book value | | | |
| At 31 July 2011 | 872,182 | 10,055 | 882,237 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| At 31 July 2010 | 659,272 | - | 659,272 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Included above are assets held under finance leases or hire purchase contracts as follows:

| | Fixtures fittings and equipment |
|---|---------------------------------------|
| | £ |
| Net book values | |
| At 31 July 2011 | 63,049 |
| | <hr/> <hr/> |
| At 31 July 2010 | 45,452 |
| | <hr/> <hr/> |
| Depreciation charge for the year | |
| At 31 July 2011 | 12,610 |
| | <hr/> <hr/> |
| At 31 July 2010 | 38,292 |
| | <hr/> <hr/> |

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

| 7 Debtors | 2011 | 2010 |
|------------------|----------------|---------------|
| | £ | £ |
| Trade debtors | 114,938 | 4,000 |
| Other debtors | 7,695 | 12,391 |
| | <u>122,633</u> | <u>16,391</u> |

| 8 Creditors: amounts falling due within one year | 2011 | 2010 |
|---|----------------|----------------|
| | £ | £ |
| Net obligations under hire purchase contracts | 38,115 | 20,890 |
| Trade creditors | 78,953 | 56,789 |
| Taxation and social security | 74,151 | 64,066 |
| Amounts invoiced in advance | 511,240 | 181,678 |
| Other creditors | 13,627 | 8,781 |
| | <u>716,086</u> | <u>332,204</u> |

The net obligations under hire purchase are secured on the assets of the company.

| 9 Creditors: amounts falling due after more than one year | 2011 | 2010 |
|--|-------------|--------------|
| | £ | £ |
| Other creditors | - | 4,500 |
| | <u>-</u> | <u>4,500</u> |

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

10 Provisions for liabilities

| | Deferred tax liability £ |
|--------------------------|-----------------------------|
| Balance at 1 August 2010 | 21,375 |
| Profit and loss account | (12,432) |
| | <hr/> |
| Balance at 31 July 2011 | 8,943 |
| | <hr/> <hr/> |

The deferred tax liability is made up as follows:

| | 2011 £ | 2010 £ |
|--------------------------------|-------------|-------------|
| Accelerated capital allowances | 8,943 | 21,375 |
| | <hr/> <hr/> | <hr/> <hr/> |

11 Pension costs

Defined contribution

| | 2011 £ | 2010 £ |
|---|-------------|-------------|
| Contributions payable by the company for the year | 35,440 | - |
| | <hr/> <hr/> | <hr/> <hr/> |

12 Share capital

Allotted, called up and fully paid

| | 2011 £ | 2010 £ |
|--------------------------------|-------------|-------------|
| 100 Ordinary shares of £1 each | 100 | 100 |
| | <hr/> <hr/> | <hr/> <hr/> |

BYTEMARK COMPUTER CONSULTING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2011

13 Statement of movements on profit and loss account

| | Profit and loss account £ |
|--------------------------|------------------------------------|
| Balance at 1 August 2010 | 452,279 |
| Profit for the year | 182,753 |
| Dividends paid | (150,400) |
| | <hr/> |
| Balance at 31 July 2011 | 484,632 |
| | <hr/> <hr/> |

14 Control

The company was under the control of Mr P Taphouse and Mr M Bloch throughout the current and previous periods by virtue of their ownership of 100% of the issued share capital.

15 Related party relationships and transactions

Advances and credits to directors

The director's loans from the company during the period were as follows:

| | % | Opening | Amounts | Interest | Amounts | Closing |
|-----------------|------|-------------|-------------|-------------|-------------|-------------|
| | Rate | Balance | Advanced | Charged | Repaid | Balance |
| | | £ | £ | £ | £ | £ |
| Mr M E Bloch | - | 2,652 | 1,208 | - | (4,000) | (140) |
| Mr P R Taphouse | - | 593 | - | - | (4,000) | (3,407) |
| | | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | | 3,245 | 1,208 | - | (8,000) | (3,547) |
| | | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Dividends to Directors

Dividends were paid to the director's during the year as follows:

| | 2011 | 2010 |
|--------------|-------------|-------------|
| | £ | £ |
| M E Bloch | 75,200 | 64,250 |
| P R Taphouse | 75,200 | 64,250 |
| | <hr/> | <hr/> |
| | 150,400 | 128,500 |
| | <hr/> <hr/> | <hr/> <hr/> |

BYTEMARK COMPUTER CONSULTING LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2011

| | 2011 | 2010 |
|---|-----------|-----------|
| | £ | £ |
| Turnover | | |
| Sales | 1,906,343 | 1,543,612 |
| Cost of sales | | |
| Purchases | 826,776 | 690,115 |
| | (826,776) | (690,115) |
| Gross profit | 1,079,567 | 853,497 |
| Administrative expenses | (864,671) | (626,251) |
| | 214,896 | 227,246 |
| Other operating income | | |
| Sundry income | - | 75 |
| Operating profit | 214,896 | 227,321 |
| Other interest receivable and similar income | | |
| Bank interest | 42 | 28 |
| Corporation tax interest received | 24 | - |
| | 66 | 28 |
| Interest payable | | |
| Hire purchase interest | 4,741 | 5,902 |
| Loan interest paid | 1,781 | - |
| Corporation tax interest | - | 99 |
| | (6,522) | (6,001) |
| Profit before taxation | 208,440 | 221,348 |
