

Company Registration No. 08150076 (England and Wales)

Bytemark Holdings Limited
Annual Report And Unaudited Financial Statements
For The Year Ended 31 July 2017

BYTEMARK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr P R Taphouse Mr M E Bloch
Company number	08150076
Registered office	Unit 2 Novus Business Park Opus Avenue York YO26 6BL
Accountants	Garbutt & Elliott LLP Arabesque House Monks Cross Drive York YO32 9GW

BYTEMARK HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 13

BYTEMARK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

The year end 31 July 2017 is the company's first year in which it has complied with the requirements of FRS 102. Transitional adjustments arose from the transition to this new accounting standard and can be seen in note 13 of the financial statements.

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

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

Mr P R Taphouse

Mr M E Bloch

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

.....

Mr P R Taphouse

Director

Date:

BYTEMARK HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 £
Turnover		85,093	178,667
Administrative expenses		(74,174)	(77,406)
Operating profit		<u>10,919</u>	<u>101,261</u>
Interest receivable and similar income	3	170,315	676,477
Interest payable and similar expenses		(12,298)	(11,544)
Amounts written off investments		(1,995)	10,795
Profit before taxation		<u>166,941</u>	<u>776,989</u>
Tax on profit		-	9,945
Profit for the financial year		<u><u>166,941</u></u>	<u><u>786,934</u></u>

BYTEMARK HOLDINGS LIMITED

BALANCE SHEET AS AT 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	4		406,174		456,946
Investment properties	5		898,182		507,386
Investments	6		485,100		485,100
			<u>1,789,456</u>		<u>1,449,432</u>
Current assets					
Debtors	8	38,887		432	
Cash at bank and in hand		10,007		1,894	
		<u>48,894</u>		<u>2,326</u>	
Creditors: amounts falling due within one year	9	<u>(115,355)</u>		<u>(69,293)</u>	
Net current liabilities			<u>(66,461)</u>		<u>(66,967)</u>
Total assets less current liabilities			<u>1,722,995</u>		<u>1,382,465</u>
Creditors: amounts falling due after more than one year	10		<u>(638,599)</u>		<u>(295,010)</u>
Net assets			<u>1,084,396</u>		<u>1,087,455</u>
Capital and reserves					
Called up share capital	11		100		100
Share premium account			485,000		485,000
Profit and loss reserves	12		599,296		602,355
Total equity			<u>1,084,396</u>		<u>1,087,455</u>

For the financial year ended 31 July 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

BYTEMARK HOLDINGS LIMITED

BALANCE SHEET (CONTINUED) *AS AT 31 JULY 2017*

The financial statements were approved by the board of directors and authorised for issue on
and are signed on its behalf by:

.....
Mr P R Taphouse
Director

Company Registration No. 08150076

BYTEMARK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Bytemark Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2 Novus Business Park, Opus Avenue, York, North Yorkshire, YO26 6BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £1.

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.

These financial statements for the year ended 31 July 2017 are the first financial statements of Bytemark Holdings Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 August 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note .

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

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

1.3 Turnover

Turnover represents rental income, which is recognised on an accruals basis across the period of each lease agreement.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Fixtures, fittings and equipment 10 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BYTEMARK HOLDINGS LIMITED

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

1 Accounting policies (Continued)

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 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.

BYTEMARK HOLDINGS LIMITED

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

1 Accounting policies (Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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.

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 company 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 company after deducting all of its liabilities.

BYTEMARK HOLDINGS LIMITED

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

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company 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 company.

1.11 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 company'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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BYTEMARK HOLDINGS LIMITED

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

1 Accounting policies (Continued)

1.12 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2016 - 2).

3 Interest receivable and similar income

	2017 £	2016 £
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	170,000	676,477
	<u>170,000</u>	<u>676,477</u>

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2016 and 31 July 2017	507,718
Depreciation and impairment	
At 1 August 2016	50,772
Depreciation charged in the year	50,772
At 31 July 2017	101,544
Carrying amount	
At 31 July 2017	406,174
At 31 July 2016	456,946

BYTEMARK HOLDINGS LIMITED

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

4 Tangible fixed assets (Continued)

Included within plant and machinery are assets which have reclassified from freehold property at the date of transition to FRS 102. These assets within plant and machinery have been revalued on transition to FRS 102 using the deemed cost exemptions of Section 35.10.c. This exemption permits the company to revalue classes of property, plant and equipment at fair value and for that fair value to be used as a deemed cost for the item going forward. Under this, the directors have elected that all assets within the plant and machinery category have a fair value equal to their historic cost, which has been taken to be the new deemed cost as at 1 August 2015, the company's date of transition to FRS 102. There has been no revaluation reserve created on this transitional adjustment.

5 Investment property

	2017 £
Fair value	
At 1 August 2016	507,386
Additions	392,791
Revaluations	(1,995)
	<u> </u>
At 31 July 2017	<u>898,182</u>

The fair value of the investment property has been arrived at on the basis of valuations carried out by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	919,968	527,177
Accumulated depreciation	(19,356)	(12,916)
	<u> </u>	<u> </u>
Carrying amount	<u>900,612</u>	<u>514,261</u>

6 Fixed asset investments

	Notes	2017 £	2016 £
Investments	7	<u>485,100</u>	<u>485,100</u>

BYTEMARK HOLDINGS LIMITED

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

7 Subsidiaries

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

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bytemark Limited	England and Wales	Internet service provider	Ordinary	100	

The registered office of Bytemark Limited is Unit 2 Novus Business Park, Opus Avenue, York, YO26 6BL.

8 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	2,638	-
Amounts owed by group undertakings	35,517	-
Other debtors	732	432
	<u>38,887</u>	<u>432</u>

9 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	112,198	21,828
Trade creditors	-	45,965
Other creditors	3,157	1,500
	<u>115,355</u>	<u>69,293</u>

The bank loans are secured.

10 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Bank loans and overdrafts	<u>638,599</u>	<u>295,010</u>

The bank loans are secured.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>479,755</u>	<u>198,574</u>
------------------------	----------------	----------------

BYTEMARK HOLDINGS LIMITED

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

11 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	-	100
40 Ordinary A shares of £1 each	40	-
40 Ordinary B shares of £1 each	40	-
10 Ordinary C shares of £1 each	10	-
10 Ordinary D shares of £1 each	10	-
	<u>100</u>	<u>100</u>
	<u><u>100</u></u>	<u><u>100</u></u>

During the year, the 100 Ordinary shares were redesignated as 40 Ordinary A shares, 40 Ordinary B shares, 10 C Ordinary shares and 10 D Ordinary shares, which have equal voting rights and equal rights to dividends and capital distributions.

12 Profit and loss reserves

Included within retained earnings are unrealised losses of £21,786 (2016 - £19,791) which relate to cumulative fair value losses made on investment properties. As these losses are unrealised, they are not to be allocated against the available reserves for distribution to shareholders.

13 Reconciliations on adoption of FRS 102

The freehold property within the company is rented to Bytemark Limited and has been reclassified as an investment property. The property was revalued to market value of £496,591 at the date of transition by the directors. The total impact on the profit and loss reserves at the date of transition was £30,586.

Also as part of the transition to FRS 102, the Data Centre assets which were previous categorised as freehold property have been reclassified to plant and machinery, being that they are integral features. These assets within plant and machinery have been revalued on transition to FRS 102 using the deemed cost exemptions of Section 35.10.c. Full details of this transitional adjustment have been given in note 4.