

Company Registration No. 04484629 (England and Wales)

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

BYTEMARK LIMITED

COMPANY INFORMATION

Directors	Mr P R Taphouse Mr M E Bloch Mr P J Cherry Ms J Gronnow	(Appointed 24 April 2017)
Secretary	Mr M E Bloch	
Company number	04484629	
Registered office	Unit 2 Novus Business Park Opus Avenue York North Yorkshire YO26 6BL	
Accountants	Garbutt & Elliott LLP Arabesque House Monks Cross Drive York YO32 9GW	

BYTEMARK LIMITED

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BYTEMARK 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 ended 31 July 2017 is the company's first year in which it has complied with the requirements of FRS 102. No transitional adjustments arose from the transition to this new accounting standard.

Principal activities

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

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

Mr P J Cherry

Mr G B Davies

Ms J Gronnow

(Resigned 10 October 2017)

(Appointed 24 April 2017)

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

15 February 2018

BYTEMARK LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF BYTEMARK LIMITED FOR THE YEAR ENDED 31 JULY 2017

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 Limited for the year ended 31 July 2017 set out on pages 3 to 12 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 (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Bytemark Limited, as a body, in accordance with the terms of our engagement letter dated 4 August 2015. Our work has been undertaken solely to prepare for your approval the financial statements of Bytemark Limited and state those matters that we have agreed to state to the Board of Directors of Bytemark Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Bytemark Limited and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Bytemark Limited 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 Limited. You consider that Bytemark Limited 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 Limited. 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.

Garbutt & Elliott LLP

23 February 2018

Chartered Accountants

Arabesque House
Monks Cross Drive
York
YO32 9GW

BYTEMARK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2017

	2017 £	2016 £
Turnover	3,222,672	3,172,267
Cost of sales	(705,151)	(682,255)
	<hr/>	<hr/>
Gross profit	2,517,521	2,490,012
Administrative expenses	(2,440,915)	(2,239,976)
	<hr/>	<hr/>
Operating profit	76,606	250,036
Interest receivable and similar income	15	7
Interest payable and similar expenses	(26,518)	(24,696)
	<hr/>	<hr/>
Profit before taxation	50,103	225,347
Tax on profit	98,998	(4,028)
	<hr/>	<hr/>
Profit for the financial year	<u>149,101</u>	<u>221,319</u>

BYTEMARK LIMITED

BALANCE SHEET AS AT 31 JULY 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	3		2,416		2,899
Tangible assets	4		1,149,438		1,149,403
			<u>1,151,854</u>		<u>1,152,302</u>
Current assets					
Debtors	5	321,083		197,042	
Cash at bank and in hand		340,146		245,390	
		<u>661,229</u>		<u>442,432</u>	
Creditors: amounts falling due within one year	6	<u>(1,069,005)</u>		<u>(1,096,277)</u>	
Net current liabilities			<u>(407,776)</u>		<u>(653,845)</u>
Total assets less current liabilities			<u>744,078</u>		<u>498,457</u>
Creditors: amounts falling due after more than one year	7		(289,341)		(61,121)
Provisions for liabilities			<u>(38,300)</u>		-
Net assets			<u>416,437</u>		<u>437,336</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			416,337		437,236
Total equity			<u>416,437</u>		<u>437,336</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 LIMITED

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

The financial statements were approved by the board of directors and authorised for issue on 15 February 2018 and are signed on its behalf by:

Mr P R Taphouse
Director

Company Registration No. 04484629

BYTEMARK LIMITED

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

1 Accounting policies

Company information

Bytemark 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 Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The ultimate parent company is Bytemark Holdings Limited. The registered office of Bytemark Holdings Limited is Unit 2 Novus Business Park, Opus Avenue, York, YO26 6BL. The company and its parent comprise a small group and as such are exempt from preparing group accounts.

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

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trademarks

Over expected useful lives

BYTEMARK LIMITED

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

1 Accounting policies (Continued)

1.6 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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Property improvements	15% reducing balance
Plant and machinery	15% reducing balance and 3 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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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.

BYTEMARK LIMITED

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

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the 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.

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.

BYTEMARK LIMITED

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

1 Accounting policies

(Continued)

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.

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

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.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 34 (2016 - 29).

BYTEMARK LIMITED

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

3 Intangible fixed assets

	Trademark £
Cost	
At 1 August 2016 and 31 July 2017	4,835
Amortisation and impairment	
At 1 August 2016	1,936
Amortisation charged for the year	483
At 31 July 2017	2,419
Carrying amount	
At 31 July 2017	2,416
At 31 July 2016	2,899

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 August 2016	271,274	4,284,394	4,555,668
Additions	79,760	509,421	589,181
Disposals	(1,008)	(3,474,871)	(3,475,879)
Transfers	186,566	(186,566)	-
At 31 July 2017	536,592	1,132,378	1,668,970
Depreciation and impairment			
At 1 August 2016	102,148	3,304,117	3,406,265
Depreciation charged in the year	56,102	531,735	587,837
Eliminated in respect of disposals	(173)	(3,474,397)	(3,474,570)
At 31 July 2017	158,077	361,455	519,532
Carrying amount			
At 31 July 2017	378,515	770,923	1,149,438
At 31 July 2016	169,126	980,277	1,149,403

BYTEMARK LIMITED

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

4 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Fixtures, fittings and equipment	663,766	122,835
	<u>663,766</u>	<u>122,835</u>
Depreciation charge for the year in respect of leased assets	189,811	97,641

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	133,832	132,730
Corporation tax recoverable	120,600	-
Other debtors	66,651	64,312
	<u>321,083</u>	<u>197,042</u>

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	159,526	419,956
Amounts due to group undertakings	35,517	-
Other taxation and social security	49,799	83,029
Other creditors	824,163	593,292
	<u>1,069,005</u>	<u>1,096,277</u>

Net obligations under hire purchase contracts are secured.

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Other creditors	289,341	61,121

Net obligations under hire purchase contracts are secured.

BYTEMARK LIMITED

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

8 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
65,970	98,955
<u>65,970</u>	<u>98,955</u>