

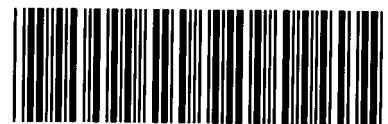
Company Registration No. 04484629

BYTEMARK LIMITED

Annual Report and Financial Statements

31 March 2020

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BYTEMARK LIMITED

REPORT AND FINANCIAL STATEMENTS 2020

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BYTEMARK LIMITED

REPORT AND FINANCIAL STATEMENTS 2020

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

A MacSween
S Cunningham

SECRETARY

A McDonald

REGISTERED OFFICE

3rd Floor
11-21 Paul Street
London
EC2A 4JU

BANKERS

Bank of Scotland Plc
110 St Vincent Street
Glasgow
G2 5ER

INDEPENDENT AUDITORS

Deloitte LLP
Level 5, 110 Queen Street
Glasgow
G1 3BX

SOLICITORS

Pinsent Masons LLP
141 Bothwell Street
Glasgow
G2 7EQ

BYTEMARK LIMITED

DIRECTORS' REPORT **Year ended 31 March 2020**

The directors present their annual report and the audited financial statements for the year ended 31 March 2020. This directors' report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was the provision of colocation and managed cloud services.

RESULTS AND DIVIDENDS

The results for the period are set out on page 9. The profit before taxation for the year ended 31 March 2020 was £1,153,457 (8 months ended 31 March 2019: loss £150,656).

The directors do not recommend the payment of a dividend for the year ended 31 March 2020 (period ended 31 March 2019: £nil).

DIRECTORS AND THEIR INTERESTS

The following directors have held office throughout the year and to the date of this report:

A MacSween
S Cunningham

The interests of the directors in the shares of the parent undertaking, iomart Group plc, are disclosed in that company's financial statements.

The Company may under the Company's Articles of Association and subject to the provisions of the Companies Act, indemnify all directors or other officers against liability incurred by them in the execution or discharge of their duties or exercise of their powers, including but not limited to any liability for the costs of legal proceedings where judgement is given in their favour. This indemnity was in place during the financial year and is ongoing up to the date of this report. In addition, the Company has purchased and maintains appropriate insurance cover against legal action brought against directors and officers.

FUTURE DEVELOPMENTS

As reported in the iomart Group plc financial statements for the year to 31 March 2020 the Group reported its twelfth consecutive year of growth with minimal impact on trading in the period from the effects of Covid-19. At the date of writing, Covid-19 continues to impact people and economies around the world. The focus of the business in the immediate is to ensure all employees are safe and supported, whilst ensuring the business continues to operating to the highest standards and enhancing the long term prospect of the business.

While visibility of sales pipeline conversion remains less clear, we believe the medium-term impact of the social distancing measures implemented across the world will prompt the acceleration in the adoption of digital transformation and remote working, both of which are long-term drivers to the cloud. Our high levels of recurring revenues, breadth of customer base, strong profit margins and strong cash generation, mean we are confident the company is well positioned to withstand the current challenges and deliver long-term growth.

DONATIONS

No political donations have been made during the year ended 31 March 2020 (2019: £nil).

RESEARCH AND DEVELOPMENT

Research and development activities are undertaken by other subsidiaries within the iomart Group, in order to improve and develop new and existing products. There was no expenditure incurred by the Company during the year (2019: £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial instruments comprise cash and liquid resources and leases together with various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations. The Company does not enter into derivative financial instruments.

BYTEMARK LIMITED

DIRECTORS' REPORT **Year ended 31 March 2020**

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Company seeks to manage financial risk to ensure sufficient liquidity is available for ongoing operations and to meet foreseeable needs and to invest cash safely and profitably.

Interest rate risk and currency risk

The Company is not exposed to movements in interest rates. The level of non-monetary and monetary assets and liabilities denominated in foreign currencies in the Company are minimal, therefore, the company is not exposed to currency movements.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company provides standard credit terms (normally 30 days) to some of its customers which has resulted in trade debtors of £114,530 (2019: £67,650) which are stated net of applicable provisions and which represent the total amount exposed to credit risk (note 9). The Company manages trade receivable balances vigilantly and takes prompt action on overdue accounts. The Company's cash at bank is held within clearing banks in the UK. In respect of trade debtors and cash at bank the directors consider the risk of exposure to credit is minimal due to the reasons given above.

EMPLOYEES

Information on our engagement with employees and our regard to this stakeholder on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement Report included within the iomart Group plc financial statements on pages 21 to 24.

Additionally, the Company regularly communicates with all staff providing information on developments within the Company including updates on the Company's strategy and details of new products and services provided by the Company.

Staff are eligible to receive share options in the Company under the iomart Group plc's share incentive schemes and it is the Board's policy to make specific awards as appropriate to attract and retain the best available people.

The Company gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities and where the requirements of the job can be adequately fulfilled by a disabled person. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

The Company encourage employees to support the community and a number of charitable organisations through staff-led initiatives. Iomart encourage employees to donate to charity through a payroll Give as You Earn Scheme.

SUPPLIERS AND CUSTOMERS

Information on our engagement with suppliers and customers and our regard to these stakeholders on the principal decisions taken by the Company during the financial year is included in the Stakeholder Engagement Report included within the iomart Group plc financial statements on pages 21 to 24.

BYTEMARK LIMITED

DIRECTORS' REPORT **Year ended 31 March 2020**

GOING CONCERN

In the months since the response to the Covid-19 pandemic was initiated in the UK, there has been a very limited impact on the Company's trading from Covid-19. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. The level of customer churn across all segments of the business has been extremely low, renewal levels high and cash collection in line with our typical profile. However, we remain vigilant to the economic impact the ongoing situation may create, particularly on the SME segment of the market.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have considered the Company budgets and the cash flow forecasts for the next three financial years, and associated risks, including the potential impact of Covid-19. After making enquiries, the directors have a reasonable expectation that the Company will be able to meet its financial obligations as they fall due and has adequate resources to continue in operational existence for the foreseeable future (being at least twelve months from the date of this report). For this reason they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

BYTEMARK LIMITED

DIRECTORS' REPORT Year ended 31 March 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the 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 enable them to ensure that the 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.

INDEPENDENT AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

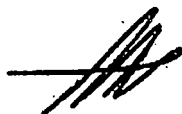
The directors confirm that each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditors on 27 August 2019 and have expressed their willingness to continue in office as auditors. A resolution to reappoint them was proposed and approved at the Annual General Meeting of iomart Group plc (ultimate parent company and controlling party of Bytemark Limited).

Approved by the Board of Directors
and signed by order of the Board



A McDonald
Company Secretary
30 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BYTEMARK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Bytemark Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

The directors are 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 respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BYTEMARK LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

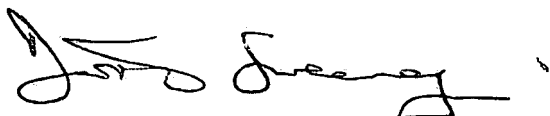
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF BYTEMARK LIMITED

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.

A handwritten signature in black ink, appearing to read 'David Sweeney', with a stylized flourish at the end.

David Sweeney, CA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
30 September 2020

BYTEMARK LIMITED

STATEMENT OF COMPREHENSIVE INCOME Year ended 31 March 2020

		Year ended 31 March 2020	8 months ended 31 March 2019
	Note	£	£
Revenue	3	3,090,000	2,225,811
Cost of sales		(438,728)	(391,400)
Gross profit		2,651,272	1,834,411
Administrative expenses		(1,487,848)	(1,956,479)
Operating profit/(loss)	4	1,163,424	(122,068)
Interest receivable		-	409
Interest payable	5	(9,967)	(28,997)
Profit/(loss) before taxation		1,153,457	(150,656)
Taxation	7	(220,579)	14,488
Profit/(loss) for the financial period		932,878	(136,168)

All of the activities of the company are classed as continuing and there are no items classed as other comprehensive income.

The accompanying accounting policies and notes form an integral part of these financial statements.

BYTEMARK LIMITED**STATEMENT OF FINANCIAL POSITION
As at 31 March 2020**

	Note	31 March 2020 £	31 March 2019 £
Non-current assets			
Property, plant and equipment	8	974,211	1,268,926
Deferred tax asset	13	52,482	-
		<u>1,026,693</u>	<u>1,268,926</u>
Current assets			
Debtors	9	1,190,925	155,499
Cash at bank and in hand		79,757	109,479
		<u>1,270,682</u>	<u>264,978</u>
Creditors: amounts falling due within one year	10	(924,963)	(1,060,804)
Net current assets/(liabilities)		<u>345,719</u>	<u>(795,826)</u>
Total assets less current liabilities		<u>1,372,412</u>	<u>473,100</u>
Creditors: amounts falling due after more than one year	11	(1,712)	(44,124)
Net assets		<u>1,370,700</u>	<u>428,976</u>
Capital and reserves			
Called up share capital	14	100	100
Share based payments reserve		12,532	3,686
Profit and loss account		1,358,068	425,190
Shareholders' funds		<u>1,370,700</u>	<u>428,976</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors and authorised for issue on 30 September 2020 and are signed on their behalf by:



A MacSween
Director

Company number: 04484629

The accompanying accounting policies and notes form an integral part of these financial statements.

BYTEMARK LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 March 2020

	Share Capital £	Profit and loss account £	Share based payments reserve £	Total £
Balance at 1 August 2018 (unaudited)	<u>100</u>	<u>561,358</u>	<u>-</u>	<u>561,458</u>
Loss for the financial year and total comprehensive income	-	(136,168)	-	(136,168)
Share based payments	-	-	3,686	3,686
Balance at 31 March 2019	<u>100</u>	<u>425,190</u>	<u>3,686</u>	<u>428,976</u>
Profit for the financial year and total comprehensive income	-	932,878	-	932,878
Share based payments	-	-	8,846	8,846
Balance at 31 March 2020	<u>100</u>	<u>1,358,068</u>	<u>12,532</u>	<u>1,370,700</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

1. COMPANY INFORMATION

Bytemark Limited is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is 3rd floor, 11-21 Paul Street, London, EC2A 4JU. The nature of the Company's operations and its principal activity is the provision of colocation and cloud based web services.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

2. ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- a statement of cash flows and related notes;
- the requirement of IAS 24 related party disclosures to disclose related party transactions entered into between two or more members of the iomart Group as they are wholly owned within the iomart Group;
- disclosure of key management personnel compensation;
- capital management disclosures;
- share based payments;
- disclosures in respect of financial instruments;
- impairment of assets;
- certain disclosure requirements in respect of leases; and
- the effect of future accounting standards not adopted.

Adoption of new and revised Standards - Amendments to IFRS that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective in the current year including:

- IFRIC 23 Uncertainty over Income Tax Treatments;
- IFRS 16 Leases; and
- Annual improvements to IFRS Standards 2015-2017 cycle.

IFRIC 23 – Uncertainty over Income Tax Treatments

The Company has adopted IFRIC 23 for the first time in the current year which had no material impact on the amounts reported, and disclosures included, in the financial statements. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the Company to:

- Determine whether uncertain tax positions are assessed separately or as a group; and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the Company should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings; and
 - If no, the Company should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards - amendments to IFRS that are mandatorily effective for the current year (continued)

IFRS 16 – Leases

In the current year, the Company has applied IFRS 16 that is effective for annual periods that begin on or after 1 January 2019. The date of initial application of IFRS 16 for the Company is 1 April 2019. IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance leases, requiring the recognition of a right-of-use asset and a lease liability at the commencement of all contracts that are, or contain a lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value (below £5,000).

Approach to transition

The Company has applied IFRS 16 using the modified retrospective adoption method, with no restatement of prior year comparatives, and has recognised leases on balance sheet as at 1 April 2019. From 1 April 2019, the Company recognises a right-of-use asset and corresponding lease liability on the balance sheet with respect of all lease arrangements in which it is a lessee, except for short-term leases and low value leases. At this date, the Company has elected to measure the right-of-use assets to an amount equal to the lease liability.

For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as leases under IAS 17 and IFRIC 4.

The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition.

Instead of performing an impairment review on the right-of-use assets for operating leases in existence at the date of transition, the Company has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of IFRS 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets, the Company has applied the optional exemptions to not recognise the right-of-use assets but to account for the lease expense on a straight line basis over the remaining lease term.

On transition to IFRS 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under IFRS 16 was 2.42%.

Judgements applied in the adoption of IFRS 16 include determining the lease term for those leases with termination or extension options and determining an incremental borrowing rate where the rate implicit in a lease could not be readily determined. The directors do not consider that there have been material judgements made.

Full details of lease liabilities are set out in note 12.

The following is a reconciliation of total operating lease commitments at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

	£
Total operating lease commitments disclosed at 31 March 2019	112,841
Discounted lessee's incremental borrowing rate at the date of initial application	(2,243)
Total lease liability recognised under IFRS 16 at 1 April 2019 (note 12)	110,598

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards - amendments to IFRS that are mandatorily effective for the current year (continued)

IFRS 16 – Leases (continued)

Leases – Accounting policy applicable from 1 April 2019 following the adoption of IFRS 16

For any new contracts entered into on or after 1 April 2019, the Company will consider whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use of an asset (the underlying asset) for a period of time in exchange for consideration. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company; the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and the Company has the right to direct the use of the identified asset throughout the period of use.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability measured at the present value of future lease payments, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company assesses the right-of-use asset for impairment under IAS 36 'Impairment of Assets' where such indicators exist.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot readily be determined, the Company applies an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the liability by payments made. The Company re-measures the lease liability (and adjusts the related right-of-use asset) whenever the lease term has changed or a lease contract is modified and the modification is not accounted for as a separate lease.

Lease payments included in the measurement of the lease liability can be made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual guarantee and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

Under IFRS 16, the Company recognises depreciation of the right-of-use asset and interest on lease liabilities in the statement of comprehensive income over the period of the lease. On the statement of financial position, right-of-use assets have been included in property, plant and equipment and software and lease liabilities have been included in borrowings due within one year and after more than one year.

In accordance with IAS 17 Leases, the economic ownership of a leased asset is deemed to have been transferred to the Company (the lessee) if the Company bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is recognised at the time of inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments plus incidental payments, if any, to be borne by the lessee. A corresponding amount is recognised as a lease liability. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to profit or loss (finance costs) over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Adoption of new and revised Standards - amendments to IFRS that are mandatorily effective for the current year (continued)

IFRS 16 – Leases (continued)

All other leases are regarded as operating leases and the payments made under them are charged to profit or loss on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

New and revised IFRSs in issue but not yet effective and have not been adopted by the Company

The Company has taken the exemption available under FRS 101 to not disclose the effect of future accounting standards effective but not yet adopted.

Going concern

In the months since the response to the Covid-19 pandemic was initiated in the UK, there has been a very limited impact on the Company's trading from Covid-19. We take great comfort from the resilience of our business model, especially the diversity and limited concentration of our customer base. We are not significantly exposed to industries that are suffering the worst effects. The level of customer churn across all segments of the business has been extremely low, renewal levels high and cash collection in line with our typical profile. However, we remain vigilant to the economic impact the ongoing situation may create, particularly on the SME segment of the market.

The Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks.

The directors have considered the Company budgets and the cash flow forecasts for the next three financial years, and associated risks, including the potential impact of Covid-19. After making enquiries, the directors have a reasonable expectation that the Company will be able to meet its financial obligations as they fall due and has adequate resources to continue in operational existence for the foreseeable future (being at least 12 months from the date of this report). For this reason they continue to adopt the going concern basis in preparing the financial statements.

Parent company

The Company is a wholly owned subsidiary of iomart Group plc which prepares publicly available consolidated financial statements in accordance with IFRS. This Company is included in the consolidated financial statements of iomart Group plc for the year ended 31 March 2020. These accounts are available from iomart Group plc, Lister Pavilion, Kelvin Campus, West of Scotland Science Park, Glasgow G20 0SP.

Property, plant and equipment

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of property, plant and equipment. The following useful lives are applied:

Property improvements	5 to 15 years
Datacentre and computer equipment	3 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (continued)

Financial assets

Financial assets include trade, other receivables, prepayments, and cash and cash equivalents.

Classification and measurement of financial assets

The Company classifies financial assets into three categories:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income ("FVTOCI"); and
- Financial assets measured at fair value through profit or loss ("FVTPL").

The classification of financial assets is based on the Company's business model for managing the financial asset and the contractual cash flow characteristics associated with the financial asset. Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cashflows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortised cost;
- Debt instruments that are held within a business model whose objective is to both collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at FVTOCI; and
- All other debt investments and equity investments are measured subsequently at FVTPL.

All financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets other than those categorised as at fair value through profit or loss are recognised at fair value plus transaction costs on initial recognition. Financial assets categorised as at fair value through profit or loss are recognised initially at fair value with transaction costs expensed through profit or loss.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within 'finance costs' or 'finance income' except for impairment of trade receivables which is presented within 'administrative expenses'.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured subsequent to initial recognition at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Impairment of financial assets

IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss ("ECL") model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss ("FVTPL"). The main financial asset that is subject to the new expected credit loss model is trade debtors, which consist of billed receivables arising from contracts.

While cash and cash equivalents and accrued income held at amortised cost are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company has applied the IFRS 9 simplified approach to measuring forward-looking expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. The ECL model reflects a probability weighted amount derived from a range of possible outcomes. To measure the ECL, trade debtors have been grouped based on shared credit risk characteristics and the days past due. The Company has established a provision matrix based on the payment profiles of sales over a twenty four month period and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information that might affect the ability of customers to settle the receivables, including macroeconomic factors as relevant.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

Provision against trade and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the assets carrying amount and the present value of estimated future cash flows. An assessment for impairment is undertaken at least at each reporting date.

Financial liabilities

Classification and measurement of financial liabilities

The changes introduced by IFRS 9 in the classification and measurement of financial liabilities do not impact the Company's financial liabilities.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities categorised as at fair value through profit or loss are recorded initially at fair value, all transaction costs are recognised immediately in profit or loss. All other financial liabilities are recorded initially at fair value, net of direct issue cost

Financial liabilities categorised as at fair value through profit or loss are re-measured at each reporting date at fair value, with changes in fair value being recognised through profit or loss. All other financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs through profit or loss. A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged, cancelled or when it expires. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Hedge accounting

Hedge accounting requirements of IFRS 9 do not apply to the Company.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, and discounts.

Revenue from the sale of cloud computing infrastructure and managed services is recognised on an over time basis over the life of the agreement and only after the service has been established. Set-up fees charged on contracts are spread over the life of the contract. Any unearned portion of revenue is included in payables as deferred revenue.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow from the transaction and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on prior experience, taking into consideration the type of customer and the type of transaction.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Revenue (continued)

The Company will typically enter multi-element contracts where more than one service is provided such as a private cloud platform combined with an online backup portal, and in such instances the delivery of these multi-element contracts are treated as a single performance obligation. Revenue is then subsequently recognised over the period of service delivery when the criteria for recognition has been met.

In both the current year and prior period all of the company's revenue has been recognised on an over time basis.

Dividends paid

Dividends paid are included in the financial statements when a final dividend is approved by the Directors.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit or loss.

Taxation

Current tax is the tax currently payable based on taxable profit for the period. Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. In addition, tax losses available to be carried forward, as well as other income tax credits to the Company, are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates and laws that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the period end.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the statement of comprehensive income, except where they relate to items that are recognised directly in other comprehensive income or equity in which case the related deferred tax is also recognised in other comprehensive income or equity accordingly.

Pensions

The Company contributes to an auto-enrolment pension scheme and also to a number of personal pension schemes on behalf of some senior employees. The pension costs charged against operating profit are the contributions payable to the schemes in respect of the accounting period.

Operating profit

Operating profit comprises the results of the Company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

Share based payments

The company operated a share based payment employee share option schemes during the year. The SAYE sharesave scheme is an in equity only and is summarised below:

Scheme Description	Vesting Period	Maximum Term	Performance Criteria	Requirement to remain in employment
Sharesave Scheme	3 years from grant	6 months after vesting date	No criteria set	Yes

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2020

2. ACCOUNTING POLICIES (CONTINUED)

Share based payments (continued)

The performance criteria as set by the Remuneration Committee of iomart Group plc (the company's parent company) are based on the achievement of annual objectives and continuous employment. Unlike the Enterprise Management Incentive and Unapproved Schemes which are for selected employees, the Sharesave Scheme is made available to all employees who have successfully passed their relevant probation period.

As disclosed in note 6, a share based payment charge of £8,846 (2019: £3,686) has been recognised in the statement of comprehensive income during the year in relation to the above scheme. The fair value of the employee services received is valued indirectly by valuing the options granted using the Black-Scholes option pricing model. The charge allocated to the company is driven by a calculation within iomart Group plc with the relevant charge being determined by the staff numbers allocated to the company. The detailed assumptions adopted in estimating this charge are outlined within note 26 of the iomart Group plc financial statements to 31 March 2020.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Capital and reserves

Capital and reserves comprise the following:

- "Called up share capital" represents the nominal value of equity shares.
- "Share based payments reserve" represents share-based remuneration plans, which are ultimately recognised as an expense through profit or loss.
- "Profit and loss account" represents all current and prior period retained profits and losses.

Key judgements and sources of estimation uncertainty

There is not considered to be any key assumptions, or levels of estimation uncertainty, which could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the past or present financial year.

3. REVENUE

	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Geographical market by destination		
United Kingdom	2,917,641	2,089,525
Rest of the World	172,359	136,286
	<u>3,090,00</u>	<u>2,225,811</u>

All turnover originates from one class of business which is the provision of colocation and managed cloud services.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

4. OPERATING PROFIT/(LOSS)

	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets – owned assets (note 8)	445,601	402,519
Depreciation of tangible assets – right-of-use assets (note 12)	199,931	-
Operating lease expenditure under IAS 17	-	16,530

Included within administrative expenses are fees paid to the Company's auditors:

	2020 £	2019 £
Audit services:		
Fees payable for the audit of the company accounts	6,000	5,000

**Fees in 2019 were payable to Grant Thornton LLP.*

There were no non-audit services undertaken in the current year. In the prior year, the cost of non-audit services in respect of taxation were borne by the ultimate parent company iomart Group plc.

5. INTEREST PAYABLE

	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Interest payable on leases (note 12)	9,967	25,439
Bank interest	-	3,558
	9,967	28,997

**Interest on lease liabilities in 2020 includes the interest on all leases following the transition to IFRS 16 'Leases' as set out in note 12. Interest in 2019 includes the interest on leases under IAS 17 'Leases'.*

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

6. DIRECTORS AND EMPLOYEES

Number of employees

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

	Year ended 31 March 2020 No	8 months ended 31 March 2019 No
Administrative staff	2	6
Sales and marketing staff	1	2
Technical & customer service staff	7	24
	<u>10</u>	<u>32</u>

Employee costs were:

	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Wages and salaries	434,282	1,063,644
Social security costs	42,944	92,320
Pension costs (note 15)	8,487	23,123
Share based payments	8,846	3,686
	<u>494,559</u>	<u>1,182,773</u>

Directors' remuneration comprised:

	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Wages and salaries	-	21,311
Pension costs	-	4,000
	<u>-</u>	<u>25,311</u>

The directors' remuneration for the previous period relates to directors who resigned in the period ended 31 March 2019. The current directors are employed and remunerated by other companies in the iomart Group. They do not receive any remuneration specifically for their services as directors of the company.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

7. TAXATION

Analysis of the tax charge/(credit)	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Corporation tax:		
Corporation tax – current year	264,585	-
Adjustments in respect of prior years	14,488	-
Total current taxation charge	279,073	-
Deferred tax:		
Origination and reversal of timing differences	(38,038)	(14,488)
Adjustment in respect of prior years	(20,866)	-
Effect of changes in tax rates	410	-
Total deferred tax credit	(58,494)	(14,488)
Total taxation charge/(credit)	220,579	(14,488)
Factors affecting the tax charge/(credit) for the current year/period	Year ended 31 March 2020 £	8 months ended 31 March 2019 £
Profit/(loss) before taxation	1,153,457	(150,656)
Tax at 19% (2019 – 19%) thereon:	219,157	(28,625)
Effects of:		
Expenses not deductible for tax purposes	189	190
Depreciation on fixed assets not eligible for capital allowances	5,520	4,815
Share based payments	1,681	700
Deferred tax on fixed assets transferred from holding company	-	41,643
Adjustments in deferred tax relating to prior periods	(20,866)	-
Adjustments in current tax relating to prior periods	14,488	-
Deferred tax relating to changes in tax rates	410	1,709
Recognition of prior year losses	-	(12,699)
Group relief	-	(22,221)
Total taxation charge/(credit) for the year/period	220,579	(14,488)

A UK corporation tax rate of 19% has been applied based on the rate substantively enacted at the balance sheet date. The Autumn Budget on 23 November 2016 announced the main rate of corporation tax was expected to be reduced to 17% from 1 April 2020, the Spring Budget on 11 March 2020 confirmed the rate would remain at 19%. Deferred tax assets and liabilities at 31 March 2020 have been calculated based on the rate of 19% enacted at the balance sheet date.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

8. PROPERTY, PLANT AND EQUIPMENT

	Property improvements	Datacentre and computer equipment	Total
	£	£	£
Cost			
At 1 April 2019	1,107,951	1,714,772	2,822,723
Additions	121,182	229,635	350,817
At 31 March 2020	<u>1,229,133</u>	<u>1,944,407</u>	<u>3,173,540</u>
Accumulated depreciation			
At 1 April 2019	(493,910)	(1,059,887)	(1,553,797)
Charge for the year	(210,467)	(435,065)	(645,532)
At 31 March 2020	<u>(704,377)</u>	<u>(1,494,952)</u>	<u>(2,199,329)</u>
Net book value			
At 31 March 2019	<u>614,041</u>	<u>654,885</u>	<u>1,268,926</u>
At 31 March 2020	<u>524,756</u>	<u>449,455</u>	<u>974,211</u>

As disclosed in note 2, on 1 April 2019, the Company adopted IFRS 16. At 31 March 2020, a total of £110,598 is recognised within additions to datacentre and computer equipment in relation to the initial recognition of right-of-use assets IFRS 16, with a corresponding depreciation charge of £69,721 (note 12).

9. DEBTORS

	2020 £	2019 £
Trade debtors	114,530	67,650
Corporation tax recoverable	-	900
Prepayments and other debtors	59,976	86,949
Amounts owed by group undertakings	1,016,419	-
	<u>1,190,925</u>	<u>155,499</u>

The Directors consider that the carrying amount of trade and other debtors is approximately equal to their fair value.

Amounts owed by group undertakings are non-interest bearing.

Since the adoption of IFRS 9 in the prior year, the Company has applied the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date, including consideration of the impact of Covid-19. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

9. DEBTORS (CONTINUED)

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer segments.

Risk profile category	2020 £	ECL rate %	2020 ECL allowance £	2019 £	ECL rate %	2019 ECL allowance £
Current	120,137	0.21%	249	57,505	0.23%	129
0-30 days	(347)	0%	-	20,939	0.56%	116
30-60 days	(929)	0%	-	3,024	2.23%	67
60-90 days	(699)	0%	-	447	5.45%	25
Over 90 days	(3,382)	0%	-	(13,927)	0%	-
Total	<u>114,779</u>		<u>249</u>	<u>67,987</u>		<u>337</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	51,149	121,206
Accruals	128,936	128,117
Deferred income	267,175	324,097
Other creditors	-	7,302
Deferred taxation (note 13)	-	6,012
Other taxation and social security	126,961	141,071
Corporation tax	264,585	-
Amounts owed to group undertakings	-	108,624
Lease liabilities (note 12)	86,157	224,375
	<u>924,963</u>	<u>1,060,804</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Lease liabilities (note 12)	-	44,124
Deferred income	1,712	-
	<u>1,712</u>	<u>44,124</u>

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2020

12. LEASES

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets	Datacentre and Computer Equipment £
Balance at 31 March 2019*	176,100
Adjustment on transition to IFRS 16	110,598
At 1 April 2019 after adoption of IFRS 16	286,698
Depreciation	(199,931)
At 31 March 2020	86,767

**existing finance leases under IAS 17*

The right-of-use assets in relation to datacentre and computer equipment are disclosed as non-current assets and are disclosed within property, plant and equipment at 31 March 2020 (note 8).

Lease liabilities

Lease liabilities are presented in the balance sheet within creditors due within one year and creditors due after more than one year as follows:

	2020 £	2019 £
Creditors: due within one year		
Lease liabilities (note 10)	86,157	224,375
Creditors: due after more than one year		
Lease liabilities (note 11)	-	44,124
	<u>86,157</u>	<u>268,499</u>

The maturity analysis of undiscounted lease liabilities are shown in the table below:

	2020 £	2019 £
Amounts payable under leases:		
Within one year	86,410	224,375
Within two to five years	-	44,124
	<u>86,410</u>	<u>268,499</u>
Unearned interest	(253)	-
Total lease liabilities	<u>86,157</u>	<u>268,499</u>

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

12. LEASES (continued)

During the year ended 31 March 2020, in relation to leases under IFRS 16, the Company recognised the following amounts in the statement of comprehensive income:

	2020 £
Depreciation charge (note 8)	199,931
Interest expense (note 5)	9,967
	<u>209,898</u>

13. DEFERRED TAX

	2020 £	2019 £
The deferred taxation included in the statement of financial position is as follows:		
Included in non-current assets	52,482	-
Included in creditors: amounts falling due within one year (note 10)	-	(6,012)
Deferred taxation asset/(liability)	<u>52,482</u>	<u>(6,012)</u>
The movement in deferred tax during the year/period was:		
Balance brought forward	(6,012)	(20,500)
Profit and loss account movement arising during the year/period (note 7)	58,494	14,488
Included in creditors: amounts falling due within one year (note 10)	<u>52,482</u>	<u>(6,012)</u>
The balance of deferred taxation consists of the tax effect of timing differences in respect of:		
Capital allowances	52,482	(17,374)
Losses carried forward	-	11,362
	<u>52,482</u>	<u>(6,012)</u>

14. SHARE CAPITAL

	2020 £	2019 £
Authorised, allotted, called up and fully paid:		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

BYTEMARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2020

15. FINANCIAL COMMITMENTS

Pension commitments

The Company contributes to an auto-enrolment pension and a defined contribution scheme on behalf of some staff members. The total pension cost which is charged against profits represents contributions payable by the company and amounted to £8,487 (2019: £23,123).

Capital expenditure commitments

Capital expenditure on fixed assets committed by the company at 31 March 2020 was £7,896 (2019: £156,862).

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent company and controlling party is iomart Group plc, a company registered in Scotland, which heads the smallest and largest group in which the results of Bytemark Limited are consolidated.

The consolidated financial statements are available from iomart Group plc, Lister Pavilion, Kelvin Campus, West of Scotland Science Park, Glasgow, G20 0SP.