Digital Fibre Limited

Annual Report and Financial Statements

Registered Number 04972186

For the year ended 31 December 2016

Contents

Company Information

Directors	A Sidbury T Sorlid
Registered office	179 Great Portland Street London England W1W5PL
Registered number	04972186
Accountants	KPMG LLP 15 Canada Square London E14 5GL

Balance Sheet
At 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	4		**995**		-
			995		-
Current assets					
Debtors	5	**91,475**		78,631	
Cash at bank and in hand		**16,692**		57,876	
		108,167		136,507	
Creditors : amounts falling due within one year	6	**(133,281)**		(139,227)	
Net current liabilities			**(25,114)**		(2,720)
Total assets less current liabilities			**(24,119)**		(2,720)
Net liabilities			**(24,119)**		(2,720)
Capital and reserves					
Called up share capital	7		**97**		100
Capital redemption reserve			**3**		-
Profit and loss account			**(24,219)**		(2,820)
Shareholders' funds			**(24,119)**		(2,720)

For the year ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. In accordance with the special provisions applicable to companies subject to the small companies regime as permitted by section 444(5) of the Companies Act 2006, the entity profit and loss account and directors' report is not included as part of these filed financial statements.

Approved by the Board of directors and authorised for issue by: 29. 9. 17

TS

T Sorlid - Director
Company Registration No: 04972186

The notes on pages 4 to 8 form part of these financial statements.

Statement of Changes in Equity

	Called up share capital (Note 7)	Capital redemption reserve	Profit and loss account	Total
	£	£	£	£
Balance at 1 January 2015	100	-	(43,493)	(43,393)
Comprehensive income for the year				
Profit for the year	-	-	40,673	40,673
Total comprehensive income for the year	-	-	40,673	40,673
Balance at 31 December 2015	100	-	(2,820)	(2,720)

	Called up share capital (Note 7)	**Capital redemption reserve**	**Profit and loss account**	**Total**
	£	**£**	**£**	**£**
Balance at 1 January 2016	**100**	**-**	**(2,820)**	**(2,720)**
Comprehensive income for the year				
Loss for the year	**-**	**-**	**(21,396)**	**(21,396)**
Total comprehensive income for the year	**-**	**-**	**(21,396)**	**(21,396)**
Transactions with owners, recorded directly in equity				
Share buy back	**(3)**	**3**	**(3)**	**(3)**
Total contributions by and distributions to owners	**(3)**	**3**	**(3)**	**(3)**
Balance at 31 December 2016	**97**	**3**	**(24,219)**	**(24,119)**

The notes on pages 4 to 8 form part of these financial statements.

Notes

(Forming part of the financial statements)

1 Accounting policies

Digital Fibre Limited (the "company") is a private company, incorporated, domiciled and registered in England in the UK.

These financial statements were prepared in accordance with Section 1A of the Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

These financial statements for the year ended 31 December 2016 are the first financial statements of Digital Fibre Limited prepared in accordance with FRS 102. The date of transition to FRS 102 was 1 January 2015. In the transition to FRS102 from old UK GAAP, the company has made no measurement and recognition adjustments.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Lease arrangements - in order to determine whether an arrangement contains a lease, the company has analysed facts and circumstances existing at 1 January 2015 rather than commencement date of the arrangement.
- Lease incentives - for leases commenced before 1 January 2015 the company continued to account for lease incentives under previous UK GAAP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies. The directors are of the opinion that due to the nature of the business, there are no critical accounting estimates or judgments used in the preparation of these financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except in the instance where assets and liabilities are stated at their fair value.

1.2 Going concern

The directors believe that notwithstanding current year losses of £21,396, net current liabilities of £25,114 and net liabilities of £24,119, the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support from investors will be adequate to meet the company's needs for a period of at least 12 months from the date of approval of these financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes *(Continued)*

1 Accounting policies *(continued)*

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Plant and equipment	25% on straight line basis
Fixtures & fittings	25% on straight line basis

1.6 Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Turnover

Turnover represents amounts receivable for goods and services net of VAT. The total turnover of the company for the year has been derived from its principal activities. Turnover is recognised when the service is provided.

1.9 Expenses

Operating lease

Payments (excluding costs for services an insurance) made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Staff numbers

The average number of persons employed by the company (including directors) during the year was 7 *(2015: 10)*.

3 Taxation

Total tax recognised in the profit and loss account

	2016	2015
	£	£
Current tax		
Current tax on income for the year	**-**	-
Adjustment in respect of prior year	**(13,876)**	(31,151)
Total current tax	**(13,876)**	(31,151)

Notes *(continued)*

4 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Total £
Cost			
At 1 January 2016	4,475	-	4,475
Additions	569	593	1,162
At 31 December 2016	**5,044**	**593**	**5,637**
Depreciation			
At 1 January 2016	4,475	-	4,475
Charge for year	83	84	167
At 31 December 2016	**4,558**	**84**	**4,642**
Net Book Value			
As at 31 December 2016	**486**	**509**	**995**
At 31 December 2015	-	-	-

5 Debtors

	2016 £	2015 £
Trade debtors	**63,950**	76,599
Other debtors	**17,000**	2,032
Prepayments and accrued income	**10,525**	-
	91,475	78,631

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	**2,322**	21,311
Taxation and social security	**30,898**	(32,394)
Other creditors	**100,062**	150,310
	133,281	139,227

Notes *(Continued)*

7 Called up share capital

Allotted, issued and fully paid:

	2016	2015
	£	£
9,700 Ordinary shares of £0.01 each	**97**	100
	97	100

On 9 December 2016, the company repurchased 300 Ordinary shares at their nominal value of £0.01.

8 Employee benefits

Defined contribution plans

The company operates a defined contribution plan. The total expense relating to these plans in the current year was £1,615 *(2015: £nil)*. As at 31 December 2016, the balance owing to the plan was £926 *(2015: £nil)*

9 Operating leases

Non-cancellable operating leases are payable as follows:

	2016	2015
	£	£
Less than one year	**3,016**	
Between one and 5 years	**3,016**	8,492
More than 5 years	**212**	
	6,244	8,492

10 Related party transactions

As at 31 December 2016, T Sorlid owed the company £17,000 *(2015: The company owed T Sorlid £3,230)*. T Sorlid is a director of the company.

As at 31 December 2016, the company owed £99,135 *(2015: £143,296)* to A Sidbury. A Sidbury is a director of the company.