

Company Registration No. 11066357 (England and Wales)

4SYTE CONSTRUCTION FINANCE LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR

4SYTE CONSTRUCTION FINANCE LTD

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4SYTE CONSTRUCTION FINANCE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|-----------------|------------------|------------------|
| Current assets | | | | | |
| Debtors | 3 | 5,169,556 | | 4,296,362 | |
| Cash at bank and in hand | | 677,920 | | 1,460,190 | |
| | | <u>5,847,476</u> | | <u>5,756,552</u> | |
| Creditors: amounts falling due within one year | 4 | (3,146,989) | | (3,767,936) | |
| Net current assets | | | 2,700,487 | | 1,988,616 |
| Creditors: amounts falling due after more than one year | 5 | | (2,800,000) | | (2,118,745) |
| Net liabilities | | | <u>(99,513)</u> | | <u>(130,129)</u> |
| Capital and reserves | | | | | |
| Called up share capital | | | 100 | | 100 |
| Profit and loss reserves | | | (99,613) | | (130,229) |
| Total equity | | | <u>(99,513)</u> | | <u>(130,129)</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 9 June 2022 and are signed on its behalf by:

Mr N A Sellars
Director

Company Registration No. 11066357

4SYTE CONSTRUCTION FINANCE LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Share capital | Profit and loss reserves | Total |
|--|----------------------|-------------------------------------|--------------|
| | £ | £ | £ |
| Balance at 1 January 2020 | 100 | (19,637) | (19,537) |
| Year ended 31 December 2020: | | | |
| Loss and total comprehensive income for the year | - | (110,592) | (110,592) |
| Balance at 31 December 2020 | 100 | (130,229) | (130,129) |
| Year ended 31 December 2021: | | | |
| Profit and total comprehensive income for the year | - | 30,616 | 30,616 |
| Balance at 31 December 2021 | 100 | (99,613) | (99,513) |

4SYTE CONSTRUCTION FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

4Syte Construction Finance Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Second Floor Steeple House, Church Lane, Chelmsford, Essex, CM1 1NH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "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 £.

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.

1.2 Going concern

Going concern at the time of approving the financial statements, the directors are confident 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 accounts. The directors have considered the outlook for the company and do believe the company will continue being a going concern. The Company continues to trade profitably. In the event of a further reduction in cashflow in the coming months, the company has sufficient reserves, principally in cash, to enable it to continue in business for the foreseeable future.

1.3 Turnover

Turnover arises from asset based lending and financial services to clients, representing arrangement fees, factoring fees, service charges, discount income and other charges and is shown net of VAT and other sales related taxes.

Arrangement fees, factoring fees, and service charges are measured at the fair value of the consideration received or receivable and is recognised when services are delivered, when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

Other charges are recognised at the earlier of the time of receipt or once clients have complied with all other standard contractual obligations.

Discount income is recognised in the statement of comprehensive income for all financial assets measured at fair value. Discount income is calculated and applied to clients' accounts on a daily basis.

1.4 Cash and cash equivalents

Cash and cash equivalents 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.

4SYTE CONSTRUCTION FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4SYTE CONSTRUCTION FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

4SYTE CONSTRUCTION FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2021 Number | 2020 Number |
|-------|----------------|----------------|
| Total | 4 | 4 |

The directors received no direct remuneration for their services to the company in either the current or preceding year. The directors are remunerated for their services to the group as a whole.

3 Debtors

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 5,036,371 | 4,124,972 |
| Amounts owed by group undertakings | 111,246 | 118,607 |
| Other debtors | 21,939 | 52,783 |
| | <u>5,169,556</u> | <u>4,296,362</u> |

4 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 3,069,297 | 3,668,537 |
| Corporation tax | 7,181 | - |
| Other taxation and social security | 26,188 | 28,734 |
| Other creditors | 44,323 | 70,665 |
| | <u>3,146,989</u> | <u>3,767,936</u> |

5 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|---------------------------|-----------|-----------|
| Bank loans and overdrafts | 2,800,000 | 2,118,745 |

Bank loans are secured by way of a fixed and floating charge over the assets of the company.

4SYTE CONSTRUCTION FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Rose and the auditor was CBW Audit Limited.

7 Related party transactions

The company has taken advantage of the exemption, under the terms of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

8 Parent company

The ultimate parent company is 4Syte Limited, a company registered in England & Wales and the registered office is at Second Floor, Steeple House, Church Lane, Chelmsford, Essex, CM1 1NH.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.