

Byte London Limited

Annual Report and Financial Statements

For the year ended 31 December 2019

Company Registration No. 08782065 (England and Wales)

Byte London Limited

Company Information

Directors	J Kenny A Miller
Company number	08782065
Registered office	Charlotte Building 17 Gresse Street London W1T 1QL
Auditor	Moore Kingston Smith LLP Charlotte Building 17 Gresse Street London W1T 1QL

Byte London Limited

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Byte London Limited

Strategic Report

For the year ended 31 December 2019

The directors present the strategic report for the year ended 31 December 2019.

Introduction

Byte is a fast-growing independent marketing technology agency that combines technology with creativity, data and paid media to help scale brands' returns across digital platforms. Byte achieves this through a variety of marketing solutions like ad campaigns, content production, AR lenses, automation and chatbots.

Fair Review of the Business

2019 has been an exceptional year for growth at Byte.

This significant growth has been recognised externally with Byte being ranked number 33 in the FT 1000: Europe's Fastest Growing Companies 2019, and featured at number 35 in the prestigious 2019 Sunday Times 'Tech Track 100' list.

Turnover for London has grown by £1.3m to £16.4m in 2019, an increase of 8.7% from 2018.

Gross profit, which internally we refer to as 'net income', has grown by £1.2m in 2019, which is a rise of 18% from 2018.

Administrative expenses over the year have increased by £1m from 2018, an increase of 20%. This reflects the increased investment in the London team including new hires, as the team has grown by 10 to 92 employees. Part of this expansion has included an operations team to better support the Group as it continues to grow.

The London office also increased its office space during 2019 with the addition of a second floor to support the growing team.

Byte brought on an impressive list of new clients in 2019 including Facebook, Trainline and Ovo Energy amongst others. Byte also retained and extended its scope with key clients including Spotify, Just Eat and ASOS.

Byte has continued to invest in R&D, developing in-house tools which drive performance and margin, as well as bespoke external products for key clients.

Overall, the profit before tax over gross profit (net income) is 26%, compared to 27% in 2018.

Byte has also maintained a strong cash flow position and operates with no debt, other than trade creditors. This has been supported partly by our debtor days reducing from 45 days in 2018 to 20 days in 2019.

Byte London Limited

Strategic Report (Continued)

For the year ended 31 December 2019

Principal Risks & Uncertainties

Currency Risk

As London operates across the UK, EMEA & USA London operates with multiple currencies and is subject to the volatility of the exchange rates between them. We attempt to manage this by keeping transactions invoiced & paid in the same currency, as well as managing when we make inter-currency transfers.

Brexit

How Brexit will ultimately impact Byte is still unknown, however the board continues to monitor the situation and the potential difficulties faced by the business, as well as for our clients. Brexit has also led to increased fluctuations in exchange rates which the board continues to monitor.

COVID-19

The outbreak of COVID-19 in the UK in early 2020 has required immediate action around the business' cost base and how Byte can continue to service its clients in these uncertain times. However, the board is satisfied that the business has sufficient reserves and a strong client mix to continue trading.

Key Performance Indicators

Byte London uses several key performance indicators across the financial statements. These include but are not limited to; turnover, net income, staff costs and adjusted EBITDA. The group refers to net income as all income after media spend and production costs.

Future Developments

2020 was initially forecast to be a year of further growth for London, with London performing well at the start of the year. However, due to the outbreak of COVID-19 the year is now likely to be a smaller scale growth, if any.

On behalf of the board

.....
A Miller
Director

.....

Byte London Limited

Directors' Report

For the year ended 31 December 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the company continued to be that of operating as a marketing technology agency.

Directors

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

J Kenny
A Miller

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,090,000. The directors do not recommend payment of a final dividend.

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 law). 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 of the company and of the 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Byte London Limited

Directors' Report (Continued)

For the year ended 31 December 2019

On behalf of the board

A Miller

Director

5 October 2020

Byte London Limited

Independent Auditor's Report

To the Members of Byte London Limited

Opinion

We have audited the financial statements of Byte London Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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 this regard.

Byte London Limited

Independent Auditor's Report (Continued)

To the Members of Byte London Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

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.

Byte London Limited

Independent Auditor's Report (Continued)

To the Members of Byte London Limited

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

The financial statements of the company for the year ended 31 December 2018 were not audited.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Francesca Robe (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

5 October 2020

Chartered Accountants
Statutory Auditor

Charlotte Building
17 Gresse Street
London
W1T 1QL

Byte London Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2019

		2019	2018
	Notes	£	as restated £
Turnover	3	16,402,444	15,095,550
Cost of sales		(8,617,678)	(8,500,873)
		<hr/>	<hr/>
Gross profit		7,784,766	6,594,677
Administrative expenses		(5,775,767)	(4,810,317)
Other operating income		36,285	-
		<hr/>	<hr/>
Operating profit		2,045,284	1,784,360
Interest receivable and similar income	6	7,109	306
		<hr/>	<hr/>
Profit before taxation		2,052,393	1,784,666
Taxation	7	(50,959)	(406,911)
		<hr/>	<hr/>
Profit for the financial year		2,001,434	1,377,755
Retained earnings brought forward		1,747,380	1,459,625
Dividends	8	(1,090,000)	(1,090,000)
		<hr/>	<hr/>
Retained earnings carried forward		2,658,814	1,747,380
		<hr/> <hr/>	<hr/> <hr/>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Byte London Limited

Balance Sheet

As at 31 December 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	9		257,057		184,445
Current assets					
Debtors	10	2,113,759		2,764,451	
Cash at bank and in hand		2,779,403		1,458,803	
		<u>4,893,162</u>		<u>4,223,254</u>	
Creditors: amounts falling due within one year	11	<u>(2,304,658)</u>		<u>(2,633,984)</u>	
Net current assets			<u>2,588,504</u>		<u>1,589,270</u>
Total assets less current liabilities			2,845,561		1,773,715
Creditors: amounts falling due after more than one year	12		(75,252)		-
Provisions for liabilities	13		<u>(111,284)</u>		<u>(26,124)</u>
Net assets			<u>2,659,025</u>		<u>1,747,591</u>
Capital and reserves					
Called up share capital	16		211		211
Profit and loss reserves			<u>2,658,814</u>		<u>1,747,380</u>
Total equity			<u>2,659,025</u>		<u>1,747,591</u>

The financial statements were approved by the board of directors and authorised for issue on 5 October 2020 and are signed on its behalf by:

A Miller
Director

Company Registration No. 08782065

Byte London Limited

Notes to the Financial Statements

For the year ended 31 December 2019

1 Accounting policies

Company information

Byte London Limited is a private company limited by shares incorporated in England and Wales. The registered office is Charlotte Building, 17 Gresse Street, London, W1T 1QL.

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.

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 pound.

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 Exemptions for qualifying entities under FRS 102

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Byte Club Limited. These consolidated financial statements are available from its registered office, 6th Floor, Charlotte Building, 17 Gresse Street, London, United Kingdom, W1T 1QL.

1.3 Going concern

At the balance sheet date, the company made a profit for the year of £2,001,434, and had net assets at that date of £2,659,025. Subsequent to the year-end, the company has continued to make a profit to date however, as a result of the impact of coronavirus and the measures taken in the UK, they are anticipating that profit levels will reduce in the coming months. The company has sufficient cash reserves at the date of approval of the financial statements, and therefore the directors believe that the company will be able to continue in business and meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements.

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.5 Tangible fixed assets

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

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

Leasehold improvements	Straight line over life of lease
Fixtures, fittings & equipment	20% Straight line
Computer equipment	33% Straight line

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

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.8 Equity instruments

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

1.9 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.

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

1 Accounting policies

(Continued)

1.14 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 are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In the year, a provision has been made for property dilapidations. This provision is a estimate and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Sales of services	7,838,035	6,596,663
Sales of media	8,055,643	8,125,984
Management charge	508,766	372,903
	<u>16,402,444</u>	<u>15,095,550</u>
	<u>2019</u>	<u>2018</u>
	£	£
Other significant revenue		
Interest income	<u>7,109</u>	<u>306</u>

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

3 Turnover and other revenue (Continued)

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	11,944,831	10,907,012
US	557,596	1,650,416
Ireland & Europe	2,998,805	1,571,181
Rest of world	901,212	966,941
	<u>16,402,444</u>	<u>15,095,550</u>

4 Employees

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

2019	2018
<u>86</u>	<u>71</u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	3,319,043	2,963,074
Social security costs	349,818	303,662
Pension costs	163,657	149,018
	<u>3,832,518</u>	<u>3,415,754</u>

5 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	<u>16,848</u>	<u>16,320</u>

6 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	<u>7,109</u>	<u>306</u>

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

7 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	247,488	403,944
Adjustments in respect of prior periods	(203,249)	-
	<u>44,239</u>	<u>403,944</u>
Deferred tax		
Origination and reversal of timing differences	6,720	2,967
	<u>50,959</u>	<u>406,911</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	2,052,393	1,784,666
	<u>2,052,393</u>	<u>1,784,666</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)</i>	389,955	339,087
Tax effect of expenses that are not deductible in determining taxable profit	34,439	75,824
Adjustments in respect of prior years	(203,249)	-
Permanent capital allowances in excess of depreciation	(23,846)	(12,308)
Research and development tax credit	(130,355)	-
Deferred tax	6,720	2,967
Balancing charges	475	1,341
Provision tax adjustment	(22,974)	-
Fixed asset profit on disposal	(206)	-
	<u>50,959</u>	<u>406,911</u>
Taxation charge for the year	50,959	406,911

8 Dividends

	2019	2018
	£	£
Interim paid	1,090,000	1,090,000
	<u>1,090,000</u>	<u>1,090,000</u>

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

9 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	136,516	31,469	147,888	315,873
Additions	127,237	28,118	60,980	216,335
Disposals	-	-	(2,246)	(2,246)
At 31 December 2019	263,753	59,587	206,622	529,962
Depreciation and impairment				
At 1 January 2019	39,328	12,904	79,197	131,429
Depreciation charged in the year	80,334	9,755	52,221	142,310
Eliminated in respect of disposals	-	-	(834)	(834)
At 31 December 2019	119,662	22,659	130,584	272,905
Carrying amount				
At 31 December 2019	144,091	36,928	76,038	257,057
At 31 December 2018	97,188	18,565	68,692	184,445

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	847,299	1,859,167
Corporation tax recoverable	196,440	-
Amounts due from group undertakings	335,670	282,249
Other debtors	183,211	143,195
Prepayments and accrued income	551,139	479,840
	2,113,759	2,764,451

11 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	211,202	442,583
Corporation tax	-	214,260
Other taxation and social security	342,140	184,259
Other creditors	79,173	66,542
Accruals and deferred income	1,672,143	1,726,340
	2,304,658	2,633,984

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

12 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Other creditors	75,252	-

13 Provisions for liabilities

	Notes	2019 £	2018 £
Dilapidations		78,440	-
Deferred tax liabilities	14	32,844	26,124
		111,284	26,124

14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	32,844	26,124

There were no deferred tax movements in the year.

15 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	163,657	149,018

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

16 Share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
21,076 Ordinary shares of 1p each	211	211
	<u>211</u>	<u>211</u>
	<u><u>211</u></u>	<u><u>211</u></u>

17 Operating lease commitments

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

	2019	2018
	£	£
Within one year	368,529	224,466
Between two and five years	184,161	333,157
	<u>552,690</u>	<u>557,623</u>
	<u><u>552,690</u></u>	<u><u>557,623</u></u>

18 Directors' transactions

During the year the directors' received £16,848 (2018: 16,320) in remuneration.

19 Controlling party

The immediate parent company is Byte Club Limited, a company incorporated in England and Wales.

Byte London Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2019

20 Prior period adjustment

The prior year comparatives have been restated to reflect the following adjustments to the comparative year figures:

During the year ended 31 December 2017, the profit and loss account was restated for the following adjustments:

- £102,273 increase in foreign exchange losses relating to a other creditors balance.
- £19,684 being the decrease to the tax charge as a result of the above adjustment.
- £352,049 of production expenses have been moved from administrative expenses to direct costs.

Changes to the balance sheet

	At 31 December 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Creditors due within one year			
Taxation	(418,203)	19,684	(398,519)
Other creditors	(2,125,843)	(102,273)	(2,228,116)
	<u> </u>	<u> </u>	<u> </u>
Net assets	1,830,180	(82,589)	1,747,591
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Profit and loss	1,829,969	(82,589)	1,747,380
	<u> </u>	<u> </u>	<u> </u>

Changes to the profit and loss account

	Period ended 31 December 2018		
	As previously reported	Adjustment	As restated
	£	£	£
Cost of sales	(8,148,824)	(352,049)	(8,500,873)
Administrative expenses	(5,162,366)	352,049	(4,810,317)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	1,377,755	-	1,377,755
	<u> </u>	<u> </u>	<u> </u>

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