

Eight Technology Limited

**Annual Report and Unaudited Financial Statements
Year Ended 31 July 2019**

Registration number: 04760989



Eight Technology Limited

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Eight Technology Limited

Company Information

Directors	Mr J R Hill Mr M R J Hill Mr M Bennett
Registered office	Centenary House Peninsula Park Rydon Lane Exeter Devon EX2 7XE
Accountants	Francis Clark LLP Centenary House Peninsula Park Rydon Lane Exeter Devon EX2 7XE

Eight Technology Limited

Balance Sheet

31 July 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	984,549	131,787
Tangible assets	5	<u>241,753</u>	<u>55,877</u>
		<u>1,226,302</u>	<u>187,664</u>
Current assets			
Debtors	6	1,700,813	1,935,178
Cash at bank and in hand		<u>792,618</u>	<u>494,181</u>
		2,493,431	2,429,359
Creditors: Amounts falling due within one year	7	<u>(1,223,317)</u>	<u>(1,043,276)</u>
Net current assets		<u>1,270,114</u>	<u>1,386,083</u>
Total assets less current liabilities		2,496,416	1,573,747
Creditors: Amounts falling due after more than one year	7	(124,068)	(32,941)
Provisions for liabilities		<u>(240,000)</u>	<u>(49,000)</u>
Net assets		<u>2,132,348</u>	<u>1,491,806</u>
Capital and reserves			
Called up share capital		180,002	180,002
Profit and loss account		<u>1,952,346</u>	<u>1,311,804</u>
Total equity		<u>2,132,348</u>	<u>1,491,806</u>

Eight Technology Limited

Balance Sheet

31 July 2019

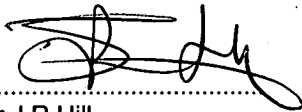
For the financial year ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

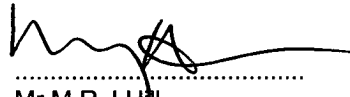
- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 6/2/20 and signed on its behalf by:



.....
Mr J R Hill
Director



.....
Mr M R J Hill
Director

Company Registration Number: 04760989

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Centenary House
Peninsula Park
Rydon Lane
Exeter
Devon
EX2 7XE

The principal place of business is:

Turing Building
7 Babbage Way
Science Park
Exeter
EX5 2FN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A and the Companies Act 2006. There are no material departures.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of Eight Technology Limited is considered to be pounds sterling because this is the currency of the primary economic environment in which the company operates.

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration of received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied: the amount of turnover can be measured reliably, it is probable that the company will receive the consideration due under the contract, the stage of completion of the contract at the end of the reporting period can be measured reliably and the costs incurred and the costs to complete the contract can be measured reliably.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Motor Vehicles	25% straight line
Fixtures and fittings	10% straight line
Office equipment	25% straight line

Intangible assets

Intangible assets are originally recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Development expenditure	10%-20% when brought into use

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

Research and Development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2018 - 31).

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

4 Intangible assets

	Development costs £	Total £
Cost or valuation		
At 1 August 2018	172,682	172,682
Additions acquired separately	<u>978,060</u>	<u>978,060</u>
At 31 July 2019	<u>1,150,742</u>	<u>1,150,742</u>
Amortisation		
At 1 August 2018	40,895	40,895
Amortisation charge	<u>125,298</u>	<u>125,298</u>
At 31 July 2019	<u>166,193</u>	<u>166,193</u>
Carrying amount		
At 31 July 2019	<u>984,549</u>	<u>984,549</u>
At 31 July 2018	<u>131,787</u>	<u>131,787</u>

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

5 Tangible assets

	Furniture and fittings £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 August 2018	14,819	48,500	76,252	139,571
Additions	211,219	41,667	14,016	266,902
Disposals	<u>(11,933)</u>	<u>(48,500)</u>	<u>(44,314)</u>	<u>(104,747)</u>
At 31 July 2019	<u>214,105</u>	<u>41,667</u>	<u>45,954</u>	<u>301,726</u>
Depreciation				
At 1 August 2018	7,776	17,177	58,741	83,694
Charge for the year	21,373	10,417	11,488	43,278
Eliminated on disposal	<u>(5,508)</u>	<u>(17,177)</u>	<u>(44,314)</u>	<u>(66,999)</u>
At 31 July 2019	<u>23,641</u>	<u>10,417</u>	<u>25,915</u>	<u>59,973</u>
Carrying amount				
At 31 July 2019	<u>190,464</u>	<u>31,250</u>	<u>20,039</u>	<u>241,753</u>
At 31 July 2018	<u>7,043</u>	<u>31,323</u>	<u>17,511</u>	<u>55,877</u>

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

6 Debtors

	2019 £	2018 £
Trade debtors	1,459,321	1,457,398
Amounts due from group undertakings	178,711	445,771
Other debtors	33,483	2,480
Prepayments	29,298	29,529
	<u>1,700,813</u>	<u>1,935,178</u>

7 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	8	60,013	4,369
Trade creditors		203,562	111,204
Corporation tax		-	34,700
Social security and other taxes		113,103	128,071
Outstanding defined contribution pension costs		10,108	7,559
Other creditors		9,709	9,759
Accrued expenses & deferred income		826,822	747,614
		<u>1,223,317</u>	<u>1,043,276</u>

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	8	<u>124,068</u>	<u>32,941</u>

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

8 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Hire purchase liabilities	6,013	4,369
Other borrowings	<u>54,000</u>	<u>-</u>
	<u>60,013</u>	<u>4,369</u>
	2019 £	2018 £
Loans and borrowings due after one year		
Hire purchase liabilities	34,068	32,941
Other borrowings	<u>90,000</u>	<u>-</u>
	<u>124,068</u>	<u>32,941</u>

Included within loans and borrowings are liabilities in respect of hire purchase commitments and a loan. The hire purchase commitments are secured on the assets to which they relate. The loan is secured on the assets of the company and is guaranteed by other companies within the group.

9 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary Shares of £1 each	2	2	2	2
Irredeemable participating preference share of £1 each	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>	<u>180,000</u>
	<u>180,002</u>	<u>180,002</u>	<u>180,002</u>	<u>180,002</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £696,971 (2018 - £41,682). This figure includes a lease commitment over 10 years that was entered into during the year.

Eight Technology Limited

Notes to the Financial Statements

Year Ended 31 July 2019

11 Related party transactions

The ultimate parent company holds 5% loan notes which are secured by the way of a fixed charge over all intellectual property rights of the group companies and a floating charge over the group companies. The loan notes are repayable in quarterly tranches of £200,000 for the first two years and £150,000 thereafter, with the first payment being 30 September 2017. The total amount paid during the year end was £600,000 (2018: £800,000) and total balance outstanding at the balance sheet date is £1,830,000 (2018: £2,600,000). After the year end, the loan notes were repaid in full.

The company has taken advantage of the exemption under FRS 102 to disclose transactions between wholly owned group companies.

12 Parent and ultimate parent undertaking

The company's immediate parent is 8 Holdings Limited, incorporated in England and Wales.

The ultimate parent is 8 Technology Group Ltd, incorporated in England and Wales.

The registered office of both companies is that of Eight Technology Limited which is disclosed in Note 1.