

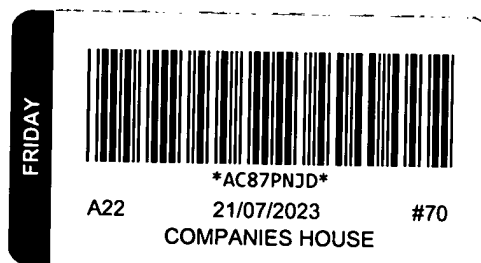
## Bytes Technology Limited

Annual Report and Financial Statements

Year ended

28 February 2023

Company Number 03643194



Bytes Technology Limited

Company Information

---

Directors	N R Murphy A J Holden
Company secretary	W K Groenewald
Registered number	03643194
Registered office	Bytes House Randalls Way Leatherhead Surrey KT22 7TW
Independent auditor	Ernst & Young LLP Grosvenor House Grosvenor Square Southampton SO15 2BE

Bytes Technology Limited

Contents

---

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 9
Statement of profit or loss	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13 - 20

# Bytes Technology Limited

## Strategic report For the year ended 28 February 2023

---

### Introduction

The directors present their strategic report together with the audited financial statements for the year ended 28 February 2023 for Bytes Technology Limited ("the Company").

### Business review

The principal activity of the Company is that of an investment company. Consequently, the income received by the Company is dividends from its subsidiary undertakings. During the year the Company received total dividends of £33.3 million (2022: £56.3 million) from its subsidiaries and paid out total dividends of £33.3 million (2022: £48.0 million) to its immediate parent undertaking, Bytes Technology Holdco Limited.

The Company's statement of profit or loss is set out on page 10 and shows a profit for the year of £33.3 million (2022: £48.0 million). The Company had net assets as at 28 February 2023 of £3.2 million (2022: £3.2 million). The Company performed an impairment review of its investments at the end of the financial year and no impairment was considered necessary.

### Section 172 statement

Large companies must publish a statement setting out how their directors have complied with Section 172(1) of the Companies Act 2006. This requires directors to act in the way they consider would be most likely to promote the success of the Company as well as the Group for the benefit of its members as a whole and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term
- b) The interests of the Company's employees
- c) The need to foster the Company's business relationships with suppliers, customers, and others
- d) The impact of the Company's operations on the community and the environment
- e) The desirability of the Company maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly between members of the Company.

As an intermediate holding company, holding investments in other companies within the Group, the Company's success is dependent on the ability of its subsidiaries to generate and preserve value. Therefore, during the year, the directors have had regard to the best long-term interest of the Group as a whole when making decisions regarding the investments held by the Company.

### *Customers, suppliers and employees*

The Company holds investments in other companies with the Group. As such it has no employees, no customers external to the Group and only a small number of external suppliers. However, the Company continues to engage with the Group undertakings and adheres to the Group policies with regards to engagement with key stakeholders including customers, suppliers and employees of the Group.

## Bytes Technology Limited

**Strategic report (continued)**  
**For the year ended 28 February 2023**

---

### **Principal risks and uncertainties**

The directors believe the principal risk and uncertainty facing the Company is the carrying value of its investments. The Company tests for impairment annually or more frequently if there are indications of impairment and the directors are actively involved in the operations of its subsidiaries in order to mitigate this risk as far as possible.

The directors monitor the liquidity and cash flow risk of the Company carefully. Cash flow is monitored by the directors on a regular basis and any working capital requirement is funded by inter-company borrowings from Bytes Software Services Limited, its 100% subsidiary undertaking.

### **Financial key performance indicators**

The Company is a holding company and, as such, the directors do not use key performance indicators to monitor its performance.

This report was approved by the board on 10 July 2023 and signed on its behalf.

DocuSigned by:  
  
B0E1FDD9BC214DF...  
**N R Murphy**  
Director

# Bytes Technology Limited

## Directors' report For the year ended 28 February 2023

---

The directors present their report together with the audited financial statements for the period ended 28 February 2023.

### Principal activity

The Company's principal activity during the year was that of an investment holding company.

### Business Review

A review of the business and its principal risks and uncertainties is set out in the strategic report on pages 1 and 2 of this Annual Report.

### Results and dividends

The profit for the year amounted to £33.3 million (2022: £48.0 million). The net assets of the Company were £3.2 million (2022: £3.2 million).

The Company has paid ordinary dividends of £33.3 million (2022: 48.0 million) to the Company's immediate parent company during the year.

### Directors

The directors who served during the period were:

N R Murphy  
A J Holden

### Financial risk management

The directors monitor the liquidity and cash flow risk of the Company carefully. Cash flow is monitored by the directors on a regular basis and any working capital requirement is funded by inter-company borrowings from Bytes Software Services Limited, its 100% owned subsidiary undertaking. The Company itself does not typically hold large quantities of cash.

### Future developments

The Company intends to continue to successfully manage its current investments and will seek new investments if the right opportunities arise.

### Post balance sheet events

With effect from 18 April 2023 the Company acquired 25.1% interest in Cloud Bridge Technologies Limited for £3.0 million. In May 2023 the Company's ultimate parent company, Bytes Technology Group plc, replaced its current Revolving Credit Facility (RCF) with a new RCF. These events have no impact on the Company's results reported for the year ended 28 February 2023. There are no other significant events affecting the Company since the year end.

### Qualifying indemnity provision

The Company maintains appropriate directors' and officers' liability insurance on behalf of the directors, general counsel and company secretary. In addition, individual qualifying third party indemnities are given to the directors, general counsel and company secretary which comply with the provisions of Section 234 of the Companies Act 2006 and were in force throughout the year and up to the date of signing the directors' report.

## Bytes Technology Limited

### Directors' report (continued) For the year ended 28 February 2023

---

#### Going concern

The Company is part of the Bytes Technology Group plc and the going concern of the Group as a whole has already been assessed in detail for the period to 31 August 2024 in the preparation of the Annual Report and Accounts of the Group for the year ended 28 February 2023 and whereby the directors of the Group concluded it to be appropriate that the consolidated financial statements be prepared on a going concern basis. Further details of the assessment and stress testing undertaking by the Group are set out in note 2.4 to the financial statements below.

The Company itself is a holding company and reliant upon the support of its subsidiary undertakings, Bytes Software Services Limited and Phoenix Software Limited, to operate as a going concern. The directors have considered the period up to 31 August 2024 for their assessment of going concern, together with a number of key dependencies which are set out in the Company's financial risk management section, specifically the Company's exposure to liquidity and cash flow risk.

The Company has £3.2 million of net assets at the statement of financial position date. Included within the net assets is £3.0 million of cash used after the year end to acquire an interest in Cloud Bridge Technologies Limited, and an intercompany loan of £45.2 million payable to Bytes Software Services Limited. The Company's trading subsidiaries, Bytes Software Services Limited and Phoenix Software Limited, will assist the Company in meeting any of its liabilities as and when they fall due within the going concern assessment period, both being under the Company's control. As at 28 February 2023, Bytes Software Services Limited had £21.1 million of cash at bank and in hand and net assets of £30.4 million and Phoenix Software Limited had £21.0 million of cash at bank and in hand and net assets of £5.6 million. The Group also currently has access to up to a further £30 million via a revolving credit facility.

Accordingly, the directors conclude it to be appropriate that the financial statements be prepared on a going concern basis.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### Auditor

The auditor, Ernst and Young LLP was appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 10 July 2023 and signed on its behalf.

DocuSigned by:  
  
B0E1FDD9BC214DF...  
**N R Murphy**  
Director

## **Bytes Technology Limited**

### **Directors' responsibilities statement For the year ended 28 February 2023**

---

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;
- state whether applicable 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.



## Bytes Technology Limited

### Independent auditor's report to the members of Bytes Technology Limited

---

#### Opinion

We have audited the financial statements of Bytes Technology Limited for the year ended 28 February 2023 which comprise the Statement of Profit or Loss, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, 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 company's affairs as at 28 February 2023 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period until 31 August 2024, being the going concern period.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

## **Bytes Technology Limited**

### **Independent Auditor's Report to the Members of Bytes Technology Limited (continued)**

---

#### **Other information (continued)**

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 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 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 or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 5, 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.

## Bytes Technology Limited

### Independent Auditor's Report to the Members of Bytes Technology Limited (continued)

---

#### **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.

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice, FRS 102), the Companies Act 2006 and the relevant tax compliance regulations in the UK.
- We understood how Bytes Technology Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. We corroborated our enquiries through our review of board minutes and discussions with those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with senior finance personnel and those charged with governance as to the rationale behind the specific accounting transactions. Our procedures involved testing journals identified by specific risk criteria. We tested specific transactions to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions as well as understanding the rationale behind the specific accounting transactions. Due to the nature of the company, as a group investment holding company, the risk of material misstatement is deemed to be low.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures included a focus on compliance with the accounting and regulatory frameworks and other relevant legislations through obtaining sufficient audit evidence in line with the level of risk identified, in conjunction with compliance with relevant legislation including tax computations and returns and corroborated that dividend payments complied with the relevant legal requirements.

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

## Bytes Technology Limited

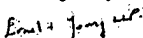
### Independent Auditor's Report to the Members of Bytes Technology Limited (continued)

---

#### 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.

DocuSigned by:



CCDF49D9AE9A4DC...

**James Harris** (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Southampton

10 July 2023

## Bytes Technology Limited

### Statement of profit or loss For the year ended 28 February 2023

	Note	2023 £'000	2022 £'000
Administrative expenses		-	(8,250)
<b>Operating profit / (loss)</b>	4	-	(8,250)
Dividend income	7	<b>33,250</b>	56,273
<b>Profit before tax</b>		<b>33,250</b>	48,023
Tax on profit	8	-	-
<b>Profit and total comprehensive income for the financial year</b>		<b>33,250</b>	48,023

There was no other comprehensive income for 2023 or 2022 and therefore no separate statement of comprehensive income has been prepared.

The notes on pages 13 to 20 form part of these financial statements.

**Bytes Technology Limited**  
Registered number: 12525335

**Statement of financial position**  
**As at 28 February 2023**

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Investments	10	55,901	55,901
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	790	-
Cash at bank and in hand		3,027	31,015
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(56,517)	(83,715)
<b>Net current liabilities</b>		(52,700)	(52,700)
<b>Net assets</b>		3,201	3,201
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Profit and loss account	14	3,201	3,201
<b>Total equity</b>		3,201	3,201

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 10 July 2023.

DocuSigned by:  
  
 B0E1FDD9BC214DF...  
**N R Murphy**  
 Director

The notes on pages 13 to 20 form part of these financial statements.

## Bytes Technology Limited

### Statement of changes in equity For the year ended 28 February 2023

	Note	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 March 2021		-	3,214	3,214
Comprehensive income for the year		-	48,023	48,023
Dividends paid	9	-	(48,036)	(48,036)
At 28 February 2022		-	3,201	3,201
Comprehensive income for the year		-	33,250	33,250
Dividends paid	9	-	(33,250)	(33,250)
<b>At 28 February 2023</b>		<b>-</b>	<b>3,201</b>	<b>3,201</b>

The notes on pages 13 to 20 form part of these financial statements.

# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

---

### 1. General information

Bytes Technology Limited is a private Company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page, and the nature of the Company's operations and its principal activities are set out in the directors' report.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The comparatives are for the year ended 28 February 2022.

#### 2.2 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under UK law and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Bytes Technology Group Plc for the year ended 28 February 2023 and these financial statements may be obtained from Bytes House, Randalls Way, Leatherhead, Surrey, United Kingdom, KT22 7TW.



# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

### 2. Accounting policies (continued)

#### 2.4 Going concern

The Company is part of the Bytes Technology Group plc and the going concern position of the Group as a whole has already been assessed in detail for the period to 31 August 2024 in the preparation of the Annual Report and Accounts of the Group for the year ended 28 February 2023 and whereby the directors of the Group concluded it to be appropriate that the consolidated financial statements be prepared on a going concern basis.

In making their assessment of going concern for the Group, the Group directors considered the potential impact of a generalised economic downturn which may result from a combination of factors including general inflation, wage inflation, the conflict in Ukraine, and climate change. If any of these factors leads to a reduction in spending by the Group's customers, there may be an adverse effect on the Group future turnover, gross profit, operating profit, and debtor collection periods. Under such downsides the Group's directors factored in the extent to which they might be offset by savings in headcount, salaries, commissions and bonuses and discretionary areas of spend. Full details of the assessment and stress testing undertaken are set out in note 1.3 to the financial statements in the Annual Report and Accounts of the Group for the year ended 28 February 2023.

The Company itself is a holding company and reliant upon the support of its two trading subsidiary undertakings, Bytes Software Services Limited and Phoenix Software Limited, to operate as a going concern. The directors have considered the period up to 31 August 2024 for their assessment of going concern, together with a number of key dependencies which are set out in the Company's financial risk management section, specifically the Company's exposure to liquidity and cash flow risk.

The Company has £3.2 million of net assets at the statement of financial position date. Included within the net assets is £3.0 million of cash used after the year end to acquire an interest in Cloud Bridge Technologies Limited, and an intercompany loan of £45.2 million payable to Bytes Software Services Limited. The Company's trading subsidiaries, Bytes Software Services Limited and Phoenix Software Limited, will assist the Company in meeting any of its liabilities as and when they fall due within the going concern assessment period, both being under the Company's control. As at 28 February 2023, Bytes Software Services Limited had £21.1 million of cash at bank and in hand and net assets of £30.4 million and Phoenix Software Limited had £21.0 million of cash at bank and in hand and net assets of £5.6 million. The Group also currently has access to up to a further £30 million via a revolving credit facility.

Accordingly, the directors conclude it to be appropriate that the financial statements be prepared on a going concern basis.

#### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

---

### 2. Accounting policies (continued)

#### 2.7 Creditors

Short term creditors are measured at the transaction price and subsequently at amortised cost using the effective interest method.

#### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

#### 2.9 Taxation

Tax is recognised in the statement of profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

#### 2.10 Dividends

Dividends paid on ordinary shares are classified as equity and are recognised as distributions in equity.

# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following estimates:

#### *Impairment of investments*

The investments in subsidiaries are assessed annually to determine if there is any indication that any of the investments might be impaired. The recoverable amounts are determined based on a value-in-use calculation and compared to the carrying value of the investment. The value-in-use calculation is based on discounted cash flow forecasts using estimated long-term growth rates.

### 4. Operating profit / (loss)

The operating profit / (loss) is stated after charging:

	2023 £'000	2022 £'000
Impairment of investment	-	(8,237)

The payment to the auditor in respect of audit services in the current year has been borne by another Company in the group.

### 5. Employees

The Company does not have any employees in either year presented.

### 6. Directors' remuneration

Directors' remuneration is borne by a fellow group company. The time spent by the directors on the Company in both the current and prior year is considered to be immaterial.

### 7. Dividend income

	2023 £'000	2022 £'000
Dividend income from investments	33,250	56,273

Dividend income was received from subsidiaries of the Company.

# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

### 8. Tax on profit

	2023 £'000	2022 £'000
<b>Corporation tax</b>		
Current tax on profit / (loss) for the year	-	-
<b>Total current tax</b>	-	-

### Factors affecting tax charge for the year

The tax assessed for the year is different than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	33,250	48,023
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00%	6,318	9,124
<b>Effects of:</b>		
Income not taxable for tax purposes	(6,318)	(10,692)
Non-deductible expenses	-	1,565
Group relief surrendered for £nil consideration	-	3
<b>Total tax charge for the year</b>	-	-

### Factors affecting the future tax charge

Effective from 1 April 2023 the UK corporate tax rate increases to 25%.

### 9. Dividends paid

	2023 £'000	2022 £'000
Interim dividend	-	17,036
Final dividend	33,250	31,000
	<b>33,250</b>	<b>48,036</b>

## Bytes Technology Limited

### Notes to the financial statements For the year ended 28 February 2023

#### 10. Fixed asset investments

	Investments in subsidiary companies £'000
<b>Cost</b>	
At 1 March 2021	55,937
Additions	8,237
At 28 February 2022	64,174
Additions	-
<b>At 28 February 2023</b>	<b>64,174</b>
<b>Impairment</b>	
At 1 March 2021	36
At 28 February 2022	8,273
<b>At 28 February 2023</b>	<b>8,273</b>
<b>Net book value</b>	
At 1 March 2021	55,901
At 28 February 2022	55,901
<b>At 28 February 2023</b>	<b>55,901</b>

In February 2022 the Company acquired 100% of the A ordinary shares in Phoenix Services Limited by way of an in-specie dividend of £8.2 million. Since the Company already had an indirect investment in this entity the investment was impaired.

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Nature of business
Bytes Software Services Limited	Ordinary	100%	IT Services
Phoenix Software Limited	Ordinary	100%	IT Services
Blenheim Group Limited	Ordinary	100%	Dormant <sup>2</sup>
Bytes Technology Group Holdings Limited <sup>1</sup>	Ordinary	100%	Dormant
Bytes Security Partnership Limited	Ordinary	100%	Dormant
Bytes Technology Training Limited <sup>1</sup>	Ordinary	100%	Dormant
Elastabytes Limited <sup>1,3</sup>	Ordinary	50%	Dormant
License Dashboard Limited <sup>1</sup>	Ordinary	100%	IT Services

<sup>1</sup> Indirect holdings

<sup>2</sup> Investment holding in prior year, became dormant in current year.

<sup>3</sup> Elastabytes Limited was dissolved as a company on 7<sup>th</sup> March 2023 by the directors.

The registered office address of all of the above subsidiary undertakings is Bytes House, Randalls Way, Leatherhead, Surrey, KT22 7TW.

# Bytes Technology Limited

## Notes to the financial statements For the year ended 28 February 2023

### 11. Debtors: Amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed by group undertakings	790	-
	<u>790</u>	<u>-</u>

### 12. Creditors: Amounts falling due within one year

	2023 £'000	2022 £'000
Amounts owed to group undertakings	56,476	83,673
Accruals	41	42
	<u>56,517</u>	<u>83,715</u>

Included in amounts owed to group undertakings in the prior year was £31.0 million due to Bytes Technology Holdco Limited for the final dividends declared. This was settled immediately following year end.

The Company has provided a guarantee against a revolving credit facility (RCF) held by its ultimate parent company but which all entities within the Group have access to. The Group has so far not drawn down any amount on this facility. Full details on the RCF are provided in note 24 to the financial statements in the Annual Report and accounts of Bytes Technology Group plc for the year ended 28 February 2023.

### 13. Share capital

	2023 £'000	2022 £'000
<b>Allotted, called up and fully paid</b>		
10,000 ordinary A shares of £0.0001 each	-	-
1,000 ordinary B shares of £0.0001 each	-	-
	<u>-</u>	<u>-</u>

### 14. Reserves

The Company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

## Bytes Technology Limited

### Notes to the financial statements For the year ended 28 February 2023

---

#### 15. Share-based payments

There are no expenses relating to share-based payments in the current year or prior year for the Company.

For more information on share-based payments in the Group, see the annual consolidated financial statements of Bytes Technology Group plc for the year ended 28 February 2023.

#### 16. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### 17. Ultimate parent company and controlling party

The immediate parent undertaking is Bytes Technology Holdco Limited. Bytes Technology Group plc headed up the largest group in which the results of the Company are consolidated. The consolidated financial statements are available to the public and may be obtained from Bytes House, Randalls Way, Leatherhead, Surrey, KT22 7TW. They are also available to view and download on the Bytes website at [www.bytesplc.com/investors](http://www.bytesplc.com/investors).

#### 18. Post balance sheet events

With effect from 18 April 2023 the Company acquired 25.1% interest in Cloud Bridge Technologies Limited for £3.0 million. In May 2023 the Company's ultimate parent company, Bytes Technology Group plc, replaced its current Revolving Credit Facility (RCF) with a new RCF. These events have no impact on the Company's results reported for the year ended 28 February 2023. There are no other significant events affecting the Company since the year end.