

**Eight Technology Limited**  
**Annual Report and Unaudited Financial Statements**  
**Year Ended 31 July 2020**

**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  
Mr S L Thomas  
Mr G G Page-Morris

**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 2020

	Note	2020 £	(As restated) 2019 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	1,938,364	984,549
Tangible assets	<u>5</u>	212,024	241,753
		<u>2,150,388</u>	<u>1,226,302</u>
<b>Current assets</b>			
Debtors	<u>6</u>	2,028,579	1,700,813
Cash at bank and in hand		1,371,169	792,618
		3,399,748	2,493,431
<b>Creditors: Amounts falling due within one year</b>	<u>7</u>	<u>(3,078,045)</u>	<u>(2,357,391)</u>
<b>Net current assets</b>		<u>321,703</u>	<u>136,040</u>
<b>Total assets less current liabilities</b>		2,472,091	1,362,342
<b>Creditors: Amounts falling due after more than one year</b>	<u>7</u>	<u>(62,963)</u>	<u>(124,068)</u>
<b>Provisions for liabilities</b>		<u>(158,000)</u>	<u>(55,000)</u>
<b>Net assets</b>		<u>2,251,128</u>	<u>1,183,274</u>
<b>Capital and reserves</b>			
Called up share capital	<u>9</u>	180,002	180,002
Profit and loss account		2,071,126	1,003,272
Shareholders' funds		<u>2,251,128</u>	<u>1,183,274</u>

# Eight Technology Limited

## Balance Sheet

31 July 2020

For the financial year ending 31 July 2020 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 27 April 2021 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 Unaudited Financial Statements

Year Ended 31 July 2020

### 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

These financial statements were authorised for issue by the Board on 27 April 2021.

### 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.

#### Going concern

The company has been impacted by the Covid 19 pandemic and the wider implications for the UK economy are as yet unknown. The company has continued to operate throughout the pandemic, whilst complying with government guidelines and protecting the health and safety of the workforce. The directors have reviewed the impact of Covid 19 on the performance of the company and budgets and forecasts and are satisfied, based on the information available to date, that the company is able to continue to operate within available resources for a period of at least 12 months from the date of approval of the accounts.

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

### Year Ended 31 July 2020

#### Prior period errors

During the year ended 31 July 2019 and 31 July 2018 deferred income was understated by £1,134,073 (2018: 1,023,324) due to errors in calculating amounts remaining on prior year contracts.

	Relating to the current period £	Relating to the prior period £	Relating to earlier period which affects the comparative period £
Turnover	-	(110,749)	(1,023,324)
Deferred tax charge	-	(185,000)	-
Profit and loss reserves	-	(949,074)	(1,023,324)
Accruals	-	1,134,073	1,023,324
Deferred tax provision	-	(185,000)	-

#### 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 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.

#### Government grants

Government grants are recognised in other income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

#### 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.

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

### Year Ended 31 July 2020

#### 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.

#### 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Motor Vehicles	25% straight line
Fixtures and fittings	10%-20% 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.

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

### Year Ended 31 July 2020

#### 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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Development expenditure	10%-20% when brought into use
Trademarks and patents	straight line over 2 years

#### 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.

#### 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 5 to 10 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.

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

### Year Ended 31 July 2020

#### Financial instruments

##### **Classification**

The company holds the following financial instruments:

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

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.

Except for bank loans, 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.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

#### 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.

#### 3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 34 (2019 - 34).

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

Year Ended 31 July 2020

### 4 Intangible assets

	Trademarks, patents and licenses £	Development costs £	Total £
<b>Cost or valuation</b>			
At 1 August 2019	-	1,150,742	1,150,742
Additions internally developed	-	987,897	987,897
Additions acquired separately	205,833	-	205,833
At 31 July 2020	205,833	2,138,639	2,344,472
<b>Amortisation</b>			
At 1 August 2019	-	166,193	166,193
Amortisation charge	15,833	224,082	239,915
At 31 July 2020	15,833	390,275	406,108
<b>Carrying amount</b>			
At 31 July 2020	190,000	1,748,364	1,938,364
At 31 July 2019	-	984,549	984,549

## Eight Technology Limited

### Notes to the Unaudited Financial Statements

Year Ended 31 July 2020

#### 5 Tangible assets

	Furniture and fittings £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 August 2019	214,105	41,667	45,954	301,726
Additions	3,386	-	11,010	14,396
At 31 July 2020	217,491	41,667	56,964	316,122
<b>Depreciation</b>				
At 1 August 2019	23,641	10,417	25,915	59,973
Charge for the year	21,709	10,417	11,999	44,125
At 31 July 2020	45,350	20,834	37,914	104,098
<b>Carrying amount</b>				
At 31 July 2020	172,141	20,833	19,050	212,024
At 31 July 2019	190,464	31,250	20,039	241,753

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

Year Ended 31 July 2020

### 6 Debtors

	2020 £	2019 £
Trade debtors	1,649,898	1,459,321
Amounts due from group undertakings	276,855	178,711
Other debtors	68,848	33,483
Prepayments	32,978	29,298
	<u>2,028,579</u>	<u>1,700,813</u>

### 7 Creditors

	Note	2020 £	(As restated) 2019 £
<b>Due within one year</b>			
Loans and borrowings	<u>8</u>	60,559	60,013
Trade creditors		430,432	203,562
Taxation and social security		411,282	113,103
Accruals and deferred income		2,161,486	1,960,896
Other creditors		14,286	19,817
		<u>3,078,045</u>	<u>2,357,391</u>

### Due after one year

	Note	2020 £	2019 £
Loans and borrowings	<u>8</u>	<u>62,963</u>	<u>124,068</u>

# Eight Technology Limited

## Notes to the Unaudited Financial Statements

Year Ended 31 July 2020

### 8 Loans and borrowings

	2020 £	2019 £
<b>Current loans and borrowings</b>		
Hire purchase liabilities	6,559	6,013
Other borrowings	54,000	54,000
	<u>60,559</u>	<u>60,013</u>
	2020 £	2019 £
<b>Loans and borrowings due after one year</b>		
Hire purchase liabilities	26,963	34,068
Other borrowings	36,000	90,000
	<u>62,963</u>	<u>124,068</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.

### 9 Share capital

#### Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary Shares of £1 each	2	2	2	2
Irredeemable participating preference share of £1 each	180,000	180,000	180,000	180,000
	<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 £648,246 (2019 - £696,971). This figure includes a lease commitment for premises rented over 10 years that was entered into during the prior year.

# **Eight Technology Limited**

## Notes to the Unaudited Financial Statements

Year Ended 31 July 2020

### **11 Related party transactions**

The company has taken advantage of the exemption under FRS 102 not to disclose transactions between wholly owned group companies.

During the year the group underwent a reorganisation and the trade and assets of 8 Tech Limited were transferred to Eight Technology Limited. The majority of the assets transferred were intangible assets and the net book value of the assets transferred can be seen in note 4.

### **12 Parent and ultimate parent undertaking**

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

The registered office of 8 Technology Group Limited is that of Eight Technology Limited which is disclosed in Note 1.

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