

BIS Limited

Directors' report and Financial Statements

Registered number 04037250

The fifteen month period to
31 March 2013

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BIS Limited

DIRECTORS AND ADVISORS

DIRECTORS

Alastair Mills
Ronnie Smith

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

BANKERS

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

SOLICITOR

HRO Grant Dawe LLP
1 Hammersmith Grove
London
W6 0NB

REGISTERED OFFICE

33 King William Street
London
EC4R 9AS

DIRECTORS' REPORT

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2013

The directors present their annual report and the audited financial statements of the Company for the fifteen months period ended 31 March 2013. On the 26th March 2013 100% of the share capital of the Company was acquired by Six Degrees Investment Limited a subsidiary of Six Degrees Technology Group Limited. The Company changed its year end to the 31 March in order to be aligned with the Six Degrees Company Limited's accounting reference date.

PRINCIPAL ACTIVITIES

The company's principal activity is the provision of managed data services including global network connectivity, online data backup, managed hosting and co-location services.

RESULTS AND DIVIDENDS

The loss for the period ended 31 March 2013 amounted to £278,837 (2011 profit of £64,423) and the directors do not recommend the payment of an ordinary dividend for the period (2011 £ nil). These financial statements have been prepared on a going concern basis as described in note 1.

BUSINESS REVIEW

BIS has successfully implemented Information Technology solutions to corporate customers across sectors as varied as insurance, legal, shipping, finance, local government and media.

The Company's key performance indicators for 2013 are detailed in the table below.

	2013 £'000	2011 £'000
Turnover	18,108	14,767
Gross profit	7,142	5,704
EBITDA	2,664	2,425

The Company has a high proportion of contracted recurring revenue, with only 9% (2011 12%) of non-recurring revenue in the period.

The Company is expected to continue to grow as customers seek cost savings and outsource their business critical infrastructure. In addition, the Company is planning to offer additional managed service products to its client base.

The Directors are confident of the outlook for BIS Limited within the new Group. The Company will have access to Six Degrees Technology Group Limited's market leading products and strong industry leadership and marketing capabilities.

DIRECTORS' REPORT

RISK AND UNCERTAINTIES

The Company policy for managing risk involves regular discussions covering all aspects of the business, including safety, environmental, legal, financial and employee related. Any material risks are evaluated as they arise and these are tracked and monitored until the risk has been mitigated.

The pressure of increased competition is a risk for the Company which means that key accounts could be lost to competitors. The risk is minimised by ensuring that clients are offered value adding services, competitive pricing and a first class level of customer service focused on long term relationships.

The market the Company trades in is subject to rapid technological change which may represent both opportunities and/or risks. However, it is not possible to predict with any certainty the effect of any changes on the Company's business.

Environmental Policy

The Company recognises that it does have an impact on the environment and is committed to managing and improving the way in which its activities affect the environment.

- Optimising the use of energy
- Encouraging re-use and recycling

DIRECTORS

The directors of the company who were in office during the period and up to the date of signing the financial statements were as follows:

Alastair Mills - appointed on 26 March 2013
Ronnie Smith - appointed on 26 March 2013
David Pyemont - resigned on 26 March 2013
Samantha Pyemont - resigned on 26 March 2013
Ferdinand de Lisser - resigned on 26 March 2013
Antony Grant - resigned on 26 March 2013

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

CHARITABLE CONTRIBUTIONS AND POLITICAL DONATIONS

There were no charitable contributions, grants or political donations made during the period (2011 £nil)

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 prepared 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,
- 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.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board



Ronnie Smith
Director

29 October 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIS LIMITED

We have audited the financial statements of BIS Limited for the fifteen month period ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the period 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BIS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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



Nigel Reynolds (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 Oct 2013

BIS Limited

PROFIT AND LOSS ACCOUNT

For the period ended 31 March 2013

	Notes	15 Months 2013 £000	Year 2011 £000
Turnover	1	18,108	14,767
Cost of sales		<u>(10,966)</u>	<u>(9,063)</u>
Gross profit		7,142	5,704
Administrative expenses		<u>(7,334)</u>	<u>(4,804)</u>
OPERATING (LOSS)/PROFIT		(192)	900
Analysed as			
EBITDA		2,664	2,425
Depreciation	3	(1,934)	(1,525)
Exceptional items	3	<u>(922)</u>	-
OPERATING (LOSS)/PROFIT		(192)	900
Profit on disposal of subsidiary undertaking	10	950	-
Interest receivable and similar income		4	-
Interest payable and similar charges	6	<u>(918)</u>	<u>(763)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(156)	137
Taxation on (loss)/profit on ordinary activities	7	<u>(123)</u>	<u>(73)</u>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	19	<u>(279)</u>	<u>64</u>

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the period stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented

All results derive from continuing operations

The notes on pages 11 to 21 form part of these financial statements

BIS Limited

BALANCE SHEET at 31 March 2013

	Notes	2013 £000	2011 £000
FIXED ASSETS			
Tangible assets	9	12,395	11,167
Investments	10	<u>1,402</u>	<u>1,402</u>
		13,797	12,569
CURRENT ASSETS			
Debtors	11	6,717	6,099
Cash at bank and in hand		<u>743</u>	<u>290</u>
		7,460	6,389
CREDITORS: amounts falling due within one year	13	<u>(7,625)</u>	<u>(5,902)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(165)</u>	<u>487</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,632	13,056
CREDITORS: amounts falling due after more than one year	14	(12,722)	(11,975)
NET ASSETS		<u>910</u>	<u>1,081</u>
CAPITAL AND RESERVES			
Called up share capital	16	414	414
Share premium account	17	6,248	6,248
Profit and loss account	17	<u>(5,752)</u>	<u>(5,581)</u>
TOTAL SHAREHOLDERS' FUNDS		<u>910</u>	<u>1,081</u>

These financial statements on pages 8 to 21 were approved by the Board of Directors on 29 October 2013 and were signed on its behalf by



Ronnie Smith

Director

Registered number - 04037250

BIS Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS for the period ended 31 March 2013

		<i>15 Months</i>	<i>Year</i>
		<i>2013</i>	<i>2011</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
(Loss)/profit for the financial period		(279)	64
FRS 20 reserve movement	8	108	-
Net (decrease)/increase in shareholders' funds		(171)	64
Opening shareholders' funds		1,081	1,017
Closing shareholders' funds		910	1,081

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the provisions of the Companies Act 2006. The primary accounting policies adopted by the directors, which have been consistently applied, are described below.

The financial statements contain information about BIS Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its ultimate parent undertaking, Six Degrees Technology Group Limited.

Going concern

The Directors believe that they have a reasonable basis for concluding that the Company has adequate resources to continue in operational existence for the foreseeable future and the Company has received a letter of support from its ultimate parent undertaking. Accordingly the financial statements have been prepared on a going concern basis.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at costs less any provision for permanent impairment.

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation.

Depreciation is provided on tangible fixed assets on a straight-line basis from the time they are available for use, so as to write off their costs over their estimated useful lives taking into account any expected residual values.

The useful lives assigned to tangible fixed assets are:

Land and buildings (short leasehold)	Over the lease term
Network equipment	3 to 5 years
Office fixtures and equipment	3 years
Software licences	1 to 3 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. The Company's depreciation policies are reviewed on a regular basis against the background of rapidly changing technology.

Debtors

Debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debts. Provisions are made specifically against debts where there is evidence of dispute or an inability to pay.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Leases

Assets acquired under finance lease are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

1. ACCOUNTING POLICIES (continued)***Cash flow statement***

The company is a wholly owned subsidiary included in the consolidated financial statements of Six Degrees. Consequently, the company has taken advantage of the exemption from the requirement to prepare a cash flow statement permitted within Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements (Revised 1996)".

Equity compensation plan

In accordance with FRS 20, fair value calculations are derived using the Black-Scholes model. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. This is recognised as an expense over the vesting period, with a corresponding increase in other reserves. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to the original estimate, if any, in the profit and loss account, with a corresponding adjustment to other reserves.

Taxation

The charge for taxation is based on the profit or loss for the financial period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised without discounting, in respect of timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Turnover

Company turnover, which excludes Value Added Tax, comprises the value of services provided. Turnover from rentals is recognised evenly over the customer rental period. Turnover from installation and connection activities is recognised evenly over the customer contract or life of the asset. Turnover from calls is recognised in the consolidated profit and loss account at the time the call is made.

2. SEGMENTAL INFORMATION

No segmental information has been presented as the directors believe that the Company operates within one class of business, which is based entirely in the United Kingdom.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £000	2011 £000
Profit on ordinary activities before tax is stated after charging		
Depreciation of owned fixed assets	672	530
Depreciation of assets under finance leases	1,262	995
Exceptional items	922	-
Operating lease rentals - other	8,275	6,837
- land and buildings	236	96
	<u> </u>	<u> </u>

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION (continued)

Auditors' remuneration

Amounts receivable by the auditors in respect of

Audit of financial statements	43	37
Other services	312	12
	<u>355</u>	<u>49</u>

Exceptional items

Expenses related to the sale of the Company	532	-
Legal case	240	-
Consultancy costs	150	-
	<u>922</u>	<u>-</u>

4. DIRECTORS' EMOLUMENTS

	<i>2013</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Aggregated emoluments	<u>249</u>	<u>248</u>

The Company did not contribute to a pension scheme or long term incentive scheme on behalf of any director during the period (2011 £ nil). The aggregate of emoluments of the highest paid director was £156,000 (2011 £124,000), and Company pension contributions of £nil (2011 £nil) were made to a money purchase scheme.

5. STAFF COSTS

	<i>2013</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Wages and salaries	2,837	2,001
Social security costs	387	264
Share base payments	159	-
	<u>3,383</u>	<u>2,265</u>

The average number of employees during the period was as follows

	<i>2013</i>	<i>2011</i>
	<i>£000</i>	<i>£000</i>
Administration	5	5
Sales and marketing	6	7
Operations	25	25
	<u>36</u>	<u>37</u>

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2011 £000
Finance charges payable under finance leases	918	735
Bank interest payable	-	28
	<u>918</u>	<u>763</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

	2013 £000	2011 £000
<i>UK corporation tax</i>		
Deferred tax (see note 12)	<u>123</u>	<u>73</u>
Tax on loss from ordinary activities	<u>123</u>	<u>73</u>
<i>Factors affecting the tax credit for the period</i>		

The tax assessed for the period is lower (2011 lower) than the standard effective rate of corporation tax in the UK for the period ended 31 March 2013 of 24.4% (2011 26.5%). The differences are explained below

	2013 £000	2011 £000
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before taxation	<u>(156)</u>	<u>137</u>
Current tax at 24.4% (2011 26.5%)	<u>(38)</u>	<u>36</u>
Effects of		
Expenses not deductible for tax purposes	209	3
Depreciation for the period in excess of capital allowances	104	117
Utilisation of tax losses	(140)	(156)
Share base payments charged for tax purposes	<u>(135)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors affecting current and future tax charges

Tax losses will be carried forward and will be offset against the future profits of the Company

A number of changes to the UK corporation tax system were announced in the March 2012 Budget Statement, whereby from 1 April 2012 the main rate of corporation tax was reduced to 24%. The impact of this change has been recognised in calculating the effective rate of tax for the period ended 31 March 2013. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 was included in the Finance Act 2012, which received Royal Assent on 17 July 2012 and is therefore taken into account in these financial statements, as and when a deferred tax asset or liability is included. Further reductions to the main rate are proposed to reduce the rate by 2% to 21% by 1 April 2014 and reduce the rate by 1% to 20% by 1 April 2015.

NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2013

7. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Beyond the reduction to 23%, the changes have not been substantively enacted at the balance sheet date and, therefore, are not included in the financial statements. The changes are not expected to have a material impact on the financial statements.

8. SHARE OPTIONS

The Company EMI stock option scheme was ended with all remaining options were vested and acquired by Six Degrees Investment Limited part of the Six Degrees Technology Company Limited.

The total expense recognised for the period arising from equity compensation plans was £108,000 (2011: £nil).

At 31 March 2013, options to subscribe for Ordinary X shares of 1 pence each in the Company were outstanding as follows:

Date of grant of option	Vesting date of option	Option Exercise Price (p)	Market Price (p)	2013 Number of shares	2011 Number of shares
2003 to 2006	2004 to 2009	1	1	-	16,407
2007 to 2008	2008 to 2011	1	375	-	13,891
2010	2011 to 2013	1	375	-	6,505
				<u>-</u>	<u>36,803</u>

A summary of the status of the option plan as at 31 March 2013 and changes during the period is shown below:

	2013 Number of options	2013 Weighted average exercise price (p)	2011 Number of options	2011 Weighted average exercise price (p)
Outstanding at the start of the year	36,803	1	42,318	1
Granted	11,887	1	-	1
Terminations	(11,165)	1	(5,515)	1
Exercised	(37,525)	1	-	1
Outstanding at the end of the year	-	1	36,803	1
Exercisable at the end of the year	<u>-</u>	<u>1</u>	<u>32,466</u>	<u>1</u>

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

8 SHARE OPTIONS (continued)

The weighted average fair value of share options, granted during the current period was £11.99 (2011: £3.74) per share. This was calculated by applying the Black Scholes Merton option pricing model. The model inputs were the share price at grant date, the appropriate exercise price, expected volatility of 100% (2011: 100%), expected dividend yield of nil, contractual life of ten years and a risk-free interest rate of 0.5% (2011: 0.5%). The volatility of 100% (2011: 100%) was estimated with reference to the average of the volatility of a range of listed companies which operate in the same or similar sector as this company.

9. TANGIBLE ASSETS

	Land and buildings (short leasehold) £000	Network equipment £000	Office fixtures and equipment £000	Software licences £000	Total £000
Cost					
At 1 January 2012	13,600	7,596	374	631	22,201
Additions	2,634	291	226	11	3,162
At 31 March 2013	16,234	7,887	600	642	25,363
Depreciation					
At 1 January 2012	3,514	6,551	347	622	11,034
Charged during the period	1,232	609	85	8	1,934
At 31 March 2013	4,746	7,160	432	630	12,968
Net book value at 31 March 2013	11,488	727	168	12	12,395
Net book value at 31 December 2011	10,086	1,045	27	9	11,167

Included in the amounts above are the following amounts relating to assets held under finance leases

	2013 £000	2011 £000
Costs	19,749	17,082
Depreciation	(8,172)	(6,811)
Net book value	11,577	10,271

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2013

10. FIXED ASSETS INVESTMENTS

Investment in subsidiary undertaking

2013 and 2011
£000

Cost

At beginning and end of period

1,402

The Company owns 100% of the ordinary share capital of Baltic Internet Services Limited and BIS Datacentres Limited, both companies are incorporated in England and Wales. The principal activity of BIS Datacentres Limited is the supply of telecommunications services.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

Baltic Internet Services Limited is a dormant company. The investment in Baltic Internet Services Limited has been accounted for using merger relief. This means that the investment in Baltic Internet Services Limited has been included at the nominal value of shares issued by the Company.

Sale of subsidiary undertaking

On 26th March 2013 the Company sold its 100% interest in the ordinary share capital of BIS Estates Limited to David Pyemont. The breakdown of the proceeds figure noted above was made up sale of shares valued at £950,000 and the purchase of a loan note at market value of £1,072,000.

11. DEBTORS

	2013 £000	2011 £000
Trade debtors	1,548	1,806
Amounts owed by Group undertakings	2,872	1,742
Other debtors	744	557
Deferred tax (see note 12)	1,247	1,370
Prepayments and accrued income	306	624
	<u>6,717</u>	<u>6,099</u>

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

12 DEFERRED TAX

	<i>2013</i> <i>£000</i>
At 1 January 2012	1,370
Debit to the profit and loss for the period	(123)
At 31 March 2013	<u>1,247</u>

The elements of the deferred tax asset are as follows

	<i>2013</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Difference between accumulated depreciation and capital allowances	1,146	1,069
Tax losses	101	301
	<u>1,247</u>	<u>1,370</u>

A deferred tax asset is recognised in BIS Limited because the directors believe that the future taxable profits are more likely than not to be in excess of those arising from the reversal of the deferred tax asset. The amount of the deferred tax asset of £1,247,000 (2011 £1,370,000) expected to be recovered after more than 12 months is £616,000 (2011 £616,000).

13. CREDITORS: amounts falling due within one year

	<i>2013</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Obligations under finance leases	2,143	855
Trade creditors	1,569	1,300
Amounts owed to Group undertakings	243	-
Taxation and social security	64	319
Other creditors	11	-
Accruals and deferred revenue	3,595	3,428
	<u>7,625</u>	<u>5,902</u>

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

14. CREDITORS: amounts falling due after more than one year

	2013 £000	2011 £000
Obligations under finance leases	12,662	11,975
Other creditors	60	-
	<u>12,722</u>	<u>11,975</u>

15. OBLIGATIONS UNDER FINANCE LEASE LIABILITIES

The maturity of obligations under finance lease contracts is as follows

	2013 £000	2011 £000
<i>Amounts payable</i>		
Within one year	2,392	1,588
In the second to fifth years	6,156	5,538
Later than five years	10,324	9,619
	<u>18,872</u>	<u>16,745</u>
Less future finance charges	<u>(4,067)</u>	<u>(3,915)</u>
	<u>14,805</u>	<u>12,830</u>

16. CALLED UP SHARE CAPITAL

	2013 £000	2011 £000
<i>Authorised</i>		
847,380 (2011 847,380) Ordinary A shares of £0.01 each	847	847
3,000,000 (2011 3,000,000) Ordinary X shares of £0.01 each	30	30
	<u>877</u>	<u>877</u>
<i>Allotted, called up and fully paid</i>		
408,727 (2011 408,727) Ordinary A shares of £1.00 each	409	409
543,633 (2011 543,633) Ordinary X shares of £0.01 each	5	5
	<u>414</u>	<u>414</u>

Both ordinary A and X shares rank equally and each ordinary share gives the holder one vote at a general meeting of the Company and the rights to participate in the profits of the Company by way of a dividend

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

17. RESERVES

	Share premium account £000	Profit and loss account £000
At 1 January 2012	6,248	(5,581)
FRS 20 reserve movement		108
Loss for the financial period	-	(279)
At 31 March 2013	6,248	(5,752)

18. FINANCIAL COMMITMENTS

The Company has no capital commitments at the end of the financial period

At 31 March 2013 the Company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings		Other	
	2013 £000	2011 £000	2013 £000	2011 £000
Operating leases which expire				
Within one year	-	41	4,556	3,267
Between two and five years	153	-	2,141	2,821
Total	153	41	6,697	6,088

BIS Limited

NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 March 2013

19. RELATED PARTIES TRANSACTIONS

During the period the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into during the period, and trading balances outstanding at 31 March 2013 and 31 December 2011, are as follows:

	Sales to related party £000	Purchases from related party £000	Amounts due from related party £000	Amounts owed to related party £000
<i>Grant Dawe LLP</i>				
31 December 2011	1	4	-	-
31 March 2013	-	53	-	2
<i>Mervey Bay Limited</i>				
31 December 2011	8	1,429	-	414
31 March 2013	85	1,785	-	413
<i>John Newbery Limited</i>				
31 December 2011	-	1	-	-
31 March 2013	-	-	-	-

David Pyemont, ex-chairman of BIS Limited, is the chairman and a shareholder of John Newbery Limited. During the period the company loan David Pyemont £850,000 which was paid back in full. In addition the Company paid him £150,000 for consultancy services. On 26th March 2013 the Company sold its 100% interest in the ordinary share capital of BIS Estates Limited to David Pyemont, see note 10 for further details.

At 31 December 2011 Antony Grant is a shareholder in BIS Limited and a partner of Grant Dawe LLP.

The Company has taken advantage of the exemption granted by FRS8 "Related Party Transactions" not to disclose details of transactions with other Group companies as the Company's financial statements are presented together with the consolidated financial statements.

No amounts due or from related parties were written off in the period. BIS Limited provides managed services solutions to Grant Dawe LLP. Grant Dawe LLP performed legal services during the period and in the prior year. Amphone Telecommunications Limited received commission on business they refer to BIS Limited.

BIS Limited has a lease with Mervey Bay Limited for the data centre in Greenwich. John Newbery Limited supplied cricket equipment for a BIS Limited sponsored event.

20. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Six Degrees Investment Limited, which is registered in England and Wales. Copies of the financial statements are available on payment of the appropriate fee from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.

The Directors consider the Company's ultimate parent company to be Six Degrees Technology Group Limited, which is registered in England and Wales. Copies of the Company financial statements are available on payment of the appropriate fee from Companies House, Crown Way, Maundy, Cardiff, CF14 3UZ.