

Company Registration No. 05743110 (England and Wales)

SYSGROUP (DIS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

THURSDAY



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SYSGROUP (DIS) LIMITED

CONTENTS

	Page
Company Information	2
Directors' report	3
Statement of Directors responsibilities	4
Independent auditor's report	5 – 7
Statement of Total Comprehensive Income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 15

SYSGROUP (DIS) LIMITED

COMPANY INFORMATION

Directors	A Binks M Audcent
Company number	05743110
Registered office	Walker House, Exchange Flags, Liverpool, L2 3YL
Auditors	BDO LLP 3 Hardman Street, Spinningfields Manchester, M3 3AT

SYSGROUP (DIS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and financial statements for the year ended 31 March 2018.

Principal activities and review of the business

The company is non-trading. The principal activity of the company was previously web hosting and domain name registration, however the company ceased to trade during the prior year and sold all of its trade and assets to Paragon Internet Group Limited with the remaining trade transferring to other parts of the wider SysGroup. The company changed its name from Daily Internet Services Limited to SysGroup (DIS) Limited on 15 July 2016.

Results and dividends

The results for the year are set out on page 8. The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office during the year, and subsequent to the year end:

- C N Evans (resigned 30 November 2017)
- A Binks
- J Llewellyn (appointed 23 January 2017, resigned 27 June 2018)
- M Audcent (appointed 16 July 2018)

Auditor

BDO LLP has expressed their willingness to continue in office as auditors. A resolution to re-appoint BDO LLP as auditors of the company will be put to the Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small Companies Exemption

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006 which provide limited application of the exemption of section 417 (1) of the Companies Act 2006 for smaller companies in producing a Strategic Report.

On behalf of the Board



M Audcent

Director

Date:

10 December 2018

SYSGROUP (DIS) LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2018

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 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 discussed 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. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis. However, this decision has had no impact on the figures reported in these financial statements.

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.

SYSGROUP (DIS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP (DIS) LIMITED

Opinion

We have audited the financial statements of SysGroup (DIS) Limited for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result 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.

Financial statements prepared on a basis other than that of a going concern

We draw your attention to note 1 of the financial statements, which explains that, as a consequence of the decision taken by the Board to dispose of the trade and assets of the business, the company has ceased operating. The company is no longer a going concern and the financial statements have therefore been prepared on a basis other than that of a going concern. Our opinion is not qualified in that respect.

SYSGROUP (DIS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP (DIS) LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Director's 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.; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

SYSGROUP (DIS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SYSGROUP (DIS) LIMITED (CONTINUED)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

BDO LLP

Gary Harding (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
Manchester

12 December 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SYSGROUP (DIS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Turnover	2	-	699,301
Cost of sales		-	(263,272)
Gross profit		-	436,029
Administrative expenses		-	(265,987)
Sale of discontinuing operations	4	-	2,299,296
Operating profit	3	-	2,469,338
Interest payable and similar charges	5	-	(2,999)
Profit on ordinary activities before taxation		-	2,466,339
Tax on profit on ordinary activities	6	-	(23,927)
Profit for the year		-	2,442,412
Other comprehensive income		-	-
Total comprehensive income for the year		-	2,442,412

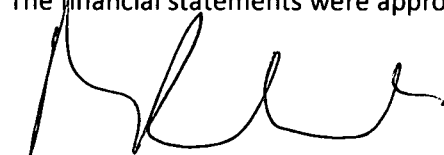
All amounts relate to discontinued activities.
The notes on pages 11 - 15 form part of these financial statements.

SYSGROUP (DIS) LIMITED**BALANCE SHEET****AS AT 31 MARCH 2018**

			2018	2017
	Notes	£	£	£
Current assets				
Debtors	7	9,822	8,002	
Cash at bank and in hand		-	-	
		<u>9,822</u>	<u>8,002</u>	
Creditors: amounts falling due within one year	8	<u>(652,899)</u>	<u>(651,079)</u>	
Net current liabilities		<u>(643,077)</u>	<u>(643,077)</u>	
Total assets less current liabilities		<u>(643,077)</u>	<u>(643,077)</u>	
		<u>(643,077)</u>	<u>(643,077)</u>	
Capital and reserves				
Called up share capital	9	80,000	80,000	
Share premium account		320,000	320,000	
Profit and loss account		<u>(1,043,077)</u>	<u>(1,043,077)</u>	
Shareholders' funds		<u>(643,077)</u>	<u>(643,077)</u>	

The financial statements have been prepared in accordance with the provisions applicable to company's subject to the small company's regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements were approved by the Board of Directors and authorised for issue on 10/12/18


M Audcent
Director

Company Registration No. 05743110

The notes on pages 11 -15 form part of these financial statements.

SYSGROUP (DIS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Attributable to equity holders of the Company			
	Share capital	Share premium reserve	Profit and loss account	Total
	£	£	£	£
At 1 April 2016	80,000	320,000	(3,485,489)	(3,085,489)
Profit and total comprehensive income for the period	-	-	2,442,412	2,442,412
At 31 March 2017	80,000	320,000	(1,043,077)	(643,077)
Profit and total comprehensive income for the period	-	-	-	-
At 31 March 2018	80,000	320,000	(1,043,077)	(643,077)

SYSGROUP (DIS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Accounting convention

SysGroup (DIS) Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activities are set out in the director's report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Basis of preparation

As required by FRS 102 and as permitted by SI 2008/420 Schedule 1(10)(2), the directors have prepared the financial statements on the basis that the Company is no longer a going concern following the disposal of the trade and assets and the decision to cease trading. As such, all assets have been written down to their recoverable amount and provision has been made for liabilities known at the date of the statement of financial position. There has been no impact on the results as a result of this basis of preparation.

This information is included in the consolidated financial statements of SysGroup Plc as at 31 March 2018 and these financial statements may be obtained from the company's registered office.

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 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied:

Turnover

Revenue from the sale of domain name registrations is recognised when the domain name is registered or renewed. Revenue from value added services is recognised as these services are delivered. Revenue from hosting services is recognised over the life of each contract.

SYSGROUP (DIS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

Research and development

Research expenditure is written off to the profit and loss account in the period in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

Current and deferred tax

The current 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. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Analysis of turnover

Turnover all relates to the company's principal activity of web hosting and company domain name registration and all relates to UK customers.

3 Profit on ordinary activities before taxation	2018	2017
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	-	12,674
Rentals paid under operating leases	-	17,648
Finance charges - finance leases	-	2,999
Auditors' remuneration *	-	3,400
Loss on foreign exchange transactions	-	2,980
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*Auditors remuneration is paid by the parent company

SYSGROUP (DIS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2018****4 Sale of trade and assets**

In the prior year, the company disposed of its trade and assets to Paragon Internet Group Limited and to other fellow SysGroup plc companies.

The profit on disposal is calculated as follows:

	2018	2017
	£	£
Consideration received	-	2,270,203
Net liabilities disposed of	-	346,428
Costs incurred	-	(317,335)
	<u>-</u>	<u>2,299,296</u>

5 Interest payable

	2018	2017
	£	£
Hire purchase interest	-	2,999
	<u>-</u>	<u>2,999</u>

6 Taxation

The tax assessed for the year is the same (2017 – lower than) as than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2018	2017
	£	£
Profit on ordinary activities before taxation	-	2,466,339
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2017: 20%)	-	493,267
Effects of		
Losses	-	(494,340)
Timing differences	-	25,000
Total tax charge	<u>-</u>	<u>23,927</u>

7 Debtors	2018	2017
	£	£
Prepayments	-	5,161
Other Debtors	9,822	2,841
	<u>9,822</u>	<u>8,002</u>
	<u><u>9,822</u></u>	<u><u>8,002</u></u>
8 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	5,497	6,172
Amounts owed to group undertakings	647,402	456,943
Accruals and deferred income	-	187,964
	<u>652,899</u>	<u>651,079</u>
	<u><u>652,899</u></u>	<u><u>651,079</u></u>
9 Share capital	2018	2017
	£	£
Allotted, called up and fully paid		
16,000,000 Ordinary shares of 0.5p each	80,000	80,000
	<u>80,000</u>	<u>80,000</u>
	<u><u>80,000</u></u>	<u><u>80,000</u></u>
10 Directors' emoluments	2018	2017
	£	£
Emoluments for qualifying services	-	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The company does not operate a final salary pension scheme. Executive directors who are entitled to receive pension contributions may nominate a defined contribution scheme into which the company makes payments on their behalf. From 1 April 2014 the Directors were paid by the Parent Company.

11 Related party transactions

The company has taken advantage of the exemption available in accordance with section 33 of FRS102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group. There are no other related party transactions.

SYSGROUP (DIS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12 Employees

Number of employees

The average number of full-time persons, including executive directors during the year was:

	2018	2017
Research and Development	-	1
Technical Support	-	3
Executive and Administration	-	6
	<hr/>	<hr/>
	-	10
	<hr/>	<hr/>

Employment costs	2018	2017
	£	£
Wages and salaries	-	106,829
Social security costs	-	12,274
Costs of share option scheme	-	(1,079)
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	-	118,024
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13 Ultimate control

The ultimate parent company is SysGroup PLC, a company registered in England and Wales. SysGroup PLC prepares group financial statements and copies can be obtained from Sixth Floor Walker House, Exchange Flags, Liverpool, L2 3YL. This is the smallest and largest group of which the company is a member.