

Company Registration No. 06305962 (England and Wales)

**Binary IS Limited**  
**Financial Statements**  
**For The Period Ended 31 December 2018**

# **BINARY IS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr A R Birch Mr M Fergusson Mr J M Townson	(Appointed 27 October 2017)
<b>Secretary</b>	Ms B S F Townson	
<b>Company number</b>	06305962	
<b>Registered office</b>	Suite B First Floor 30 Victoria Avenue Harrogate HG1 5PR	
<b>Auditor</b>	Garbutt & Elliott Audit Limited Triune Court Monks Cross Drive York YO32 9GZ	

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**BINARY IS LIMITED**

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# BINARY IS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	3	124,228		131,952	
Investments	4	84,818		-	
		<u>209,046</u>		<u>131,952</u>	
<b>Current assets</b>					
Debtors	5	344,924		309,520	
Cash at bank and in hand		207,719		512,941	
		<u>552,643</u>		<u>822,461</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(276,127)</u>		<u>(374,724)</u>	
<b>Net current assets</b>		<u>276,516</u>		<u>447,737</u>	
<b>Total assets less current liabilities</b>		<u>485,562</u>		<u>579,689</u>	
<b>Creditors: amounts falling due after more than one year</b>	7	(58,223)		(72,062)	
<b>Provisions for liabilities</b>		<u>(21,000)</u>		<u>(22,000)</u>	
<b>Net assets</b>		<u>406,339</u>		<u>485,627</u>	
<b>Capital and reserves</b>					
Called up share capital	8	3		3	
Profit and loss reserves		406,336		485,624	
<b>Total equity</b>		<u>406,339</u>		<u>485,627</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 25 September 2019 and are signed on its behalf by:

Mr A R Birch  
**Director**

**Company Registration No. 06305962**

# **BINARY IS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **Company information**

Binary IS Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite B, First Floor, 30 Victoria Avenue, Harrogate, HG1 5PR.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Reporting period**

These financial statements have been prepared for the 17 month period to 31 December 2018. The comparative amounts presented are for a 12 month period and may therefore not be entirely comparable.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### **1.5 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# **BINARY IS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018**

### **1 Accounting policies**

**(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years
Motor vehicles	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.6 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### **1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# **BINARY IS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.9 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### ***Basic financial assets***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# **BINARY IS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### **1.11 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



## **BINARY IS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018**

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#### **1 Accounting policies**

**(Continued)**

##### **1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.14 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

##### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### **2 Employees**

The average monthly number of persons (including directors) employed by the company during the period was 9 (2017 - 5).

## BINARY IS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

#### 3 Tangible fixed assets

	Plant and machinery etc
	£
<b>Cost</b>	
At 1 August 2017	141,705
Additions	46,538
	<u>188,243</u>
At 31 December 2018	<u>188,243</u>
<b>Depreciation and impairment</b>	
At 1 August 2017	9,753
Depreciation charged in the period	54,262
	<u>64,015</u>
At 31 December 2018	<u>64,015</u>
<b>Carrying amount</b>	
At 31 December 2018	124,228
	<u><u>131,952</u></u>
At 31 July 2017	<u><u>131,952</u></u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Fixtures, fittings and equipment	60,500	86,000
Motor vehicles	17,578	-
	<u>78,078</u>	<u>86,000</u>
	<u><u>78,078</u></u>	<u><u>86,000</u></u>
Depreciation charge for the year in respect of leased assets	26,672	4,000
	<u>26,672</u>	<u>4,000</u>
<b>4 Fixed asset investments</b>		
	2018 £	2017 £
Investments	84,818	-
	<u>84,818</u>	<u>-</u>
	<u><u>84,818</u></u>	<u><u>-</u></u>

# BINARY IS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

### 4 Fixed asset investments (Continued)

#### Movements in fixed asset investments

#### Shares in group undertakings

£

#### Cost or valuation

At 1 August 2017

-

Additions

84,818

At 31 December 2018

84,818

#### Carrying amount

At 31 December 2018

84,818

At 31 July 2017

-

### 5 Debtors

2018

2017

#### Amounts falling due within one year:

£

£

Trade debtors

243,063

255,835

Amounts owed by group undertakings

71,018

-

Other debtors

30,843

53,685

344,924

309,520

### 6 Creditors: amounts falling due within one year

2018

2017

£

£

Trade creditors

83,781

192,844

Corporation tax

63,286

103,167

Other taxation and social security

51,754

1,825

Other creditors

77,306

76,888

276,127

374,724

Included within other creditors are hire purchase agreements with a value of £20,691 (2017 - £14,878) which are secured against the assets that they relate to.

### 7 Creditors: amounts falling due after more than one year

2018

2017

£

£

Other creditors

58,223

72,062

## BINARY IS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

#### 7 Creditors: amounts falling due after more than one year (Continued)

Other creditors relate to hire purchase agreements which are secured against the assets that they relate to.

#### 8 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3 Ordinary shares of £1 each	-	3
100 Ordinary 'A' shares of 1p each	1	-
100 Ordinary 'B' shares of 1p each	1	-
100 Ordinary 'C' shares of 1p each	1	-
	<u>3</u>	<u>3</u>
	<u><u>3</u></u>	<u><u>3</u></u>

During the period, three Ordinary shares of £1 each were sub-divided into 100 Ordinary 'A' shares of 1p each, 100 Ordinary 'B' shares of 1p each and 100 Ordinary 'C' shares of 1p each. Each new Ordinary share is entitled to one vote in any circumstance; redeemable at the option of the company.

#### 9 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	198,418	197,034
	<u><u>198,418</u></u>	<u><u>197,034</u></u>

#### 10 Directors' transactions

Interest free loans (and advances) have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr A R Birch	-	(15,413)	(180,783)	174,955	(21,241)
Mr J M Townson	-	33,916	(107,678)	90,745	16,983
		<u>18,503</u>	<u>(288,461)</u>	<u>265,700</u>	<u>(4,258)</u>
		<u><u>18,503</u></u>	<u><u>(288,461)</u></u>	<u><u>265,700</u></u>	<u><u>(4,258)</u></u>

## **BINARY IS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018**

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#### **11 Subsidiaries**

Details of the company's subsidiaries at 31 December 2018 are as follows:

<b>Name of undertaking</b>	<b>Registered office</b>	<b>Nature of business</b>	<b>Class of shares held</b>	<b>% Held</b>	
				<b>Direct</b>	<b>Indirect</b>
Axponential Inc.	United States	Software development	Ordinary share capital	100	

The registered office of Axponential Inc. is 222 Merchandise Mart Plaza, Suite 1225, Chicago, IL 60654, United States.

#### **12 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Matthew Grant.

The auditor was Garbutt & Elliott Audit Limited.

The audit report was signed on 25 September 2019

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.