

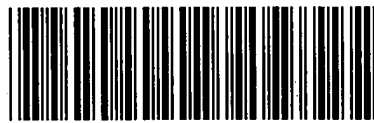
Bite Communications Limited

Annual Report and Financial statements

For the year ended 31 January 2016

Registered Number 03023521

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Bite Communications Limited

Report and financial statements for the year ended 31 January 2016

Contents

Page:

2	Officers and professional advisers
3	Strategic report
5	Report of the Directors
6	Directors' responsibilities statement
7	Independent auditor's report
9	Profit and loss account
10	Statement of other comprehensive income
11	Balance sheet
12	Statement of changes in equity
13	Notes to the financial statements

Bite Communications Limited

**Officers and professional advisers
Report and financial statements
for the year ended 31 January 2016**

Directors

R Gilley
K Easthope
P Harris
P Bath

Registered office

The Character Building
41b Beavor Lane
London
W6 9BL

Registered number

03023521

Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Bite Communications Limited

Strategic report for the year ended 31 January 2016

The Directors present their strategic report together with the audited financial statements of Bite Communications Limited (the "Company") for the year ended 31 January 2016.

The purpose of the strategic report is to inform members of the Company and help them to assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the Company).

Principal activity, review of business and future prospects

Principal activity

The principal activity of the Company during the year was the provision of international content, communications and social services, dealing principally with clients in the high-technology sector across Consumer and Business Practice.

Financial performance

This is the first year in which the business has operated as a streamlined entity, as trading in Sweden was transferred to Text Sweden, another Next 15 Communications Group plc (Next 15) entity, during the year. The Company recognised a gain on disposal of trade and assets of £747,000.

Net profit after tax for the year is £1,093,000 (2015 – loss of £236,000). Operating Profit from continuing operations is £453,000 (2015 – loss of £14,000), showing that considerable progress has been made to streamline the business and realise efficiency synergies.

Future Prospects

No further significant costs from the Sweden branch closure are expected next year therefore we expect the UK office to continue its drive for growth and profitability without the distractions of the past.

The continuing board of Directors are strong. They have managed and stabilised the UK business through this period of change and are well placed to drive the business forward.

Bite Communications Limited

Strategic report for the year ended 31 January 2016 (continued)

Principal risks and uncertainties

The ongoing risks that the Company faces are the possible loss of senior staff and the possible loss of clients in excess of new business. The fee type continues to move more to projects from retainers. This has meant that fluctuations in monthly fee can be seen, as projects are less certain than retainers.

The key metric that the Directors monitor carefully is the staff cost to fee income ratio and this is managed sensibly using flexible freelance resources where possible to allow this key element of the cost base to reflect fluctuations in fees. Other overheads will continue to be closely managed.

The Company places considerable importance on the motivation and retention of its people and regularly reviews its HR policies and staff training to this end.

The Company monitors its cash position daily and its cash flow projections on a monthly basis as part of its control procedures, taking action as appropriate.

Key performance indicators

The principal financial indicators which the Company uses to monitor performance throughout the year are fee income (turnover less external charges) normalised EBITDA (profit before exceptional costs, depreciation, amortisation, interest and tax) and net assets. It also monitors the total staff costs as a percentage of fee income.

The principal non-financial indicators are the level of new business won from both existing clients and new clients, and the level of staff turnover.

The key performance indicators for the year were as follows:

	31 January 2016 £'000	31 January 2015 £'000
Fee income	4,441	4,600
Normalised EBITDA	649	174
Normalised EBITDA to fee income margin (%)	15%	4%
Staff costs to fee income (%)	60%	68%
Net current assets / (liabilities)	1,366	79

Charitable donations

During the year the Company made charitable donations of £1,153 (2015 - £722).

Approval

This strategic report was approved, and signed on behalf of the Board, on 25 October 2016



P Bath
Director

Bite Communications Limited

Report of the Directors for the year ended 31 January 2016

The Directors present their report together with the audited financial statements of Bite Communications Limited ("the Company") for the year ended 31 January 2016.

The Company has chosen, in accordance with section 414C(11) of Companies Act 2006, to include such matters of strategic importance to the Group in the Strategic Report which otherwise would be required to be disclosed in the Directors' Report.

Directors

The Directors who served during the year and up to the date of signing are shown below.

R Gilley	
K Easthope	
M Harvey	(resigned 18 May 2015)
J Silk	(resigned 28 October 2015)
P Harris	
P Bath	

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Results and dividends

The state of the Company's affairs at the balance sheet date was in line with management's expectation following a period of restructure. The Directors report a profit after tax of £1,093,000 (2015 - loss after tax of £236,000) for the year.

No dividends were declared or paid during the year (2015 - £Nil).

Going Concern

At the balance sheet date the Company had net current assets of £1,366,000 a significant improvement on the prior period. The business is forecast to be profitable going forwards. After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Charitable donations

During the year the Company made charitable donations of £1,153 (2015: £722).

Auditor

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the auditor is unaware.

Deloitte LLP is the auditor of the Company. The Company has dispensed with the obligation to appoint an auditor annually.

On behalf of the Board



P Bath

Director

25 October 2016

Bite Communications Limited

Directors' responsibilities statement for the year ended 31 January 2016 (*continued*)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the accounts 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Bite Communications Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BITE COMMUNICATIONS LIMITED

We have audited the financial statements of Bite Communications Limited for the year to 31 January 2016 which comprise the profit and loss account, the statement of other comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 20. 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), including FRS 101 "reduced disclosure framework".

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.

Respective responsibilities of Directors and auditor's

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. 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.

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 January 2016 and of its profit for the year;
- 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Bite Communications Limited

Independent auditor's report (*continued*)

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.

Andrew Evans

Andrew Evans
(Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

25 October 2016

Bite Communications Limited

Profit and loss account for the year ended 31 January 2016

	Note	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Turnover	3	5,112	5,904
Continuing Operations		5,112	5,556
Discontinuing Operations		-	348
External charges		(671)	(1,304)
Turnover less external charges		4,441	4,600
Other operating income		230	59
Administrative expenses		(4,196)	(4,987)
Operating profit/(loss)	4	475	(328)
Continuing Operations		453	(14)
Discontinuing Operations		22	(314)
Profit on disposal of trade and assets	4	747	-
Interest payable and similar charges	7	(9)	(26)
Profit/(loss) on ordinary activities before tax		1,213	(354)
Tax (charge)/credit on profit/(loss) on ordinary activities	8	(120)	118
Profit/(loss) for the financial year	15	1,093	(236)

The accompanying notes on pages 13 to 25 form an integral part of these financial statements.

Bite Communications Limited

Statement of other comprehensive income for the year ended 31 January 2016

	Note	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Profit/(loss) for the year	15	1,093	(236)
Translation differences on foreign currency net investments	15	24	80
Total comprehensive income for the year attributable to the owners of the Company	15	1,117	(156)

The accompanying notes on pages 13 to 25 form an integral part of these financial statements.

Bite Communications Limited

Balance sheet at 31 January 2016

		31 January	31 January	31 January	31 January
	Note	2016	2016	2015	2015
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9		216		345
			<u>216</u>		<u>345</u>
Current assets					
Debtors	10	2,818		3,782	
Cash at bank and in hand		3,949		1,604	
		<u>6,767</u>		<u>5,386</u>	
Creditors: amounts falling due within one year	11	(5,401)		(5,307)	
Net current assets			<u>1,366</u>		<u>79</u>
Total assets less current liabilities			<u>1,582</u>		<u>424</u>
Creditors: amounts falling due after more than one year	12		(50)		(50)
Provision for liabilities	13		(164)		(123)
			<u>1,368</u>		<u>251</u>
Capital and reserves					
Called up share capital	14		50		50
Profit and loss account	15		1,318		201
Shareholders' funds			<u>1,368</u>		<u>251</u>

The financial statements of Bite Communications Limited (registered number 03023521) were approved by the board of directors and authorised for issue on 25 October 2016. They were signed on its behalf by:

P Bath

P Bath
Director

The accompanying notes on pages 13 to 25 form an integral part of these financial statements.

Bite Communications Limited

Statement of changes in equity at 31 January 2016

	Share capital (note 14) £'000	Profit and Loss Account (note 15) £'000	Total £'000
Balance as at 1 February 2014 (as restated under FRS 101 – see note 20)	50	357	407
Loss for the period	-	(236)	(236)
Other comprehensive income for the period	-	80	80
Total comprehensive loss for the period	-	(156)	(156)
Balance at 31 January 2015	50	201	251
Profit for the period	-	1,093	1,093
Other comprehensive income for the period	-	24	24
Total comprehensive income for the period	-	1,117	1,117
Balance at 31 January 2016	50	1,318	1,368

The accompanying notes on pages 13 to 25 form an integral part of these financial statements.

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016

1 General Information

Bite Communications Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 3 to 4.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Next Fifteen Communications Group plc (Next Fifteen). The group accounts of Next Fifteen are available to the public and can be obtained as set out in note 17.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 other than those relating to legal changes and has not applied the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 that are effective for accounting periods beginning on or after 1 January 2016.

2 Significant Accounting policies

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 January 2016 the Company has changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current year. See note 20 for further information.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related-party transactions.

The Company has early adopted the July 2015 amendments to FRS 101 in relation to the exemption from presenting a statement of financial position and related notes as at 1 February 2014, the date of transition to FRS 101.

The financial statements are prepared under the historical cost convention.

Adoption of new and revised standards

As explained above, the Company has adopted FRS 101 for the first time in the current year. As part of this adoption, there have been no new and revised standards and interpretations which have been adopted in the current year.

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (*continued*)

2 Significant accounting policies (*continued*)

Going concern

The financial statements have been prepared using the going concern basis of accounting. After making enquiries, the Directors have formed a judgement at the time of approving the financial statements that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation. Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Short leasehold property	-	Depreciated over minimum length of the lease
Office equipment	-	33% per annum straight line
Office furniture	-	20% per annum straight line
Motor vehicles	-	25% per annum straight line

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting).

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (continued)

2 Significant accounting policies (continued)

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 balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Bite Communications Limited

**Notes forming part of the financial statements
for the year ended 31 January 2016 (*continued*)**

2 Significant accounting policies (*continued*)

Leases

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

The Company as lessee

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Investments

Fixed asset investments and investments in Group undertakings are stated at cost less provisions for impairment in value.

Share-Based Payments

The Next 15 Group issues equity-settled share-based payments to certain employees via the Group's Long-Term Incentive Plan. The share-based payments are measured at fair value at the date of the grant and expensed on a straight-line basis over the vesting period. The cumulative expense is adjusted for failure to achieve non-market performance vesting conditions.

Fair value is measured by use of the Black-Scholes model on the grounds that there are no market-related vesting conditions. The expected life used in the model has been adjusted, based on the Board's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (continued)

Critical accounting judgements and key sources of estimation uncertainty

Revenue Recognition

Management considers the detailed criteria for the recognition of revenue from the sale of services set out in IAS 18 Revenue. Billings represent amounts receivable from clients, exclusive of VAT, sales taxes and trade discounts in respect of charges for fees, commission and rechargeable expenses incurred on behalf of clients. Revenue is billings less amounts payable on behalf of clients to external suppliers where they are retained to perform part of a specific client project or service, and represents fees, commissions and mark-ups on rechargeable expenses. Revenue is recognised on the following basis:

- Retainer and other non-retainer fees are recognised as the services are performed, in accordance with the terms of the contractual arrangement.
- Project fees are recognised on a percentage of completion basis as contract activity progresses, if the final outcome can be assessed with reasonable certainty. The stage of completion is generally measured on the basis of the services performed to date as a percentage of the total services to be performed.
- Expenses are recharged to clients at cost plus an agreed mark-up when the services are performed.

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Turnover and revenue

	2016	2015
	£'000	£'000

An analysis of the Company's turnover is as follows:

Rendering of Services	4,271	4,662
Mechanical Income	841	1,242
	5,112	5,904
Other Operating Income	230	59
	5,342	5,963

All of the Company's turnover arises from the provision of public relations consultancy services within the UK: 68% (2015: 64%), North America: 21% (2015: 29%), EMEA 11% (2015: 4%), and APAC Nil % (2015: 3%),

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (continued)

4 Profit for the financial year

	2016 £'000	2015 £'000
Profit/(loss) for the year has been arrived at after charging/(crediting):		
Depreciation	174	183
Amortisation	-	38
Operating lease rentals - land and buildings	262	348
Operating lease income - land and buildings	(230)	(59)
Foreign exchange loss	72	158
Staff costs (Note 6)	2,662	3,029
Growth share remuneration charge	17	-
<i>Exceptional items:</i>		
Profit on disposal of trade and assets	(747)	
Restructuring costs	-	281

Exceptional items

During the current year the Company sold its trade and assets to Text 100 Sweden, another Next 15 entity. The resulting gain on disposal was £747,000.

During the prior year the Company provided for £217,000 of restructuring costs relating to the office closure of the Sweden branch. Expected costs included payment in lieu of notice for employees that were put on gardening leave; redundancy costs; onerous lease rental costs; miscellaneous office costs for suppliers still in contract and legal fees associated with the closure.

5 Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the Company's annual accounts were £15,000 (2015: £31,000).

Fees payable to Deloitte and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

6 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	2,334	2,602
Social security costs	284	345
Pension contributions	44	82
	<u>2,662</u>	<u>3,029</u>

The average monthly number of full time employees during the year was as follows:

	Number	Number
Directors	4	4
Other	49	45
	<u>53</u>	<u>49</u>

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (continued)

Total remuneration of all Directors:	2016 £'000	2015 £'000
Aggregate emoluments	488	481
Company contributions to defined contribution schemes	16	5
	<u>504</u>	<u>486</u>

The Directors have 110,000 (2015: 110,000) share options outstanding at the end of the reporting period.

Remuneration of highest paid director:	2016 £'000	2015 £'000
Aggregate emoluments	235	220
Company contributions to defined contribution scheme	6	4
	<u>241</u>	<u>224</u>

The number of Directors to whom retirement benefits are accruing is:	Number	Number
Defined contribution schemes	4	4

P Harris and P Bath are Directors of more than one group company. P Harris is a Director of the ultimate parent Next Fifteen Communications Group Plc. They received emoluments from other entities within the Next Fifteen Communications Group during the year, but it is not practicable to allocate this between their services as Directors of the group and as Directors of other group companies. Included within this amount are amounts accruing under individual pension schemes for their services to the group.

7 Interest payable and similar charges

	2016 £'000	2015 £'000
Interest payable on bank overdrafts and loans	-	11
Interest payable to group companies	9	15
	<u>9</u>	<u>26</u>

Bite Communications Limited

Notes forming part of the financial statements
for the year ended 31 January 2016 (continued)

8 Taxation

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
a) Analysis of charge/(credit) in the year		
<i>Current tax</i>		
Current tax charge for the year	26	24
<i>Deferred tax</i>		
Deferred taxation	94	(142)
Tax charge/(credit)	120	(118)
b) Factors affecting current tax charge		
Profit/(Loss) on ordinary activities before taxation	1,213	(354)
Tax on profit/(loss) on ordinary activities at the standard rate of tax in the UK of 20.17% (31 January 2015 - 21.33%)	245	(75)
Effects of:		
(Non-taxable income)/disallowed expenses	(1)	44
Depreciation in excess of capital allowances	(5)	36
Prior period adjustment	(153)	24
Other timing differences	(90)	(5)
Group relief surrendered for no consideration	30	-
Current tax charge for the year (note 8a)	26	24

The UK income tax expense is based on a blended rate of the UK statutory rates of corporation tax during the year to 31 January 2016 of 20.17% (2015: 21.89%) and reflects the reduction in the UK corporation tax rate from 21% to 20% from 1 April 2015.

Deferred tax asset

	Year ended 31 January 2016 £'000	Year ended 31 January 2015 £'000
Tax Losses	-	84
Accelerated capital allowances	152	162
Total (note 10)	152	246

Bite Communications Limited

Notes forming part of the financial statements
for the year ended 31 January 2016 (*continued*)

8 Taxation (continued)

The movement in the deferred taxation account during the year was:	£'000
Balance at 1 February 2014	104
Credit to the profit and loss account for the year (note 8a)	142
Balance at 31 January 2015	246
Charge to the profit and loss account for the year (note 8a)	(94)
Balance at 31 January 2016	152

9 Tangible fixed assets

	Short leasehold property £'000	Office equipment £'000	Office furniture £'000	Motor Vehicles £'000	Total £'000
<i>Cost</i>					
At 1 February 2015	1,046	1,168	267	16	2,497
Additions	4	40	1	-	45
Disposals	(449)	(752)	(208)	(16)	(1,425)
At 31 January 2016	601	456	60	-	1,117
<i>Depreciation</i>					
At 1 February 2015	747	1,124	265	16	2,152
Charge for the year	135	37	2	-	174
Disposals	(449)	(752)	(208)	(16)	(1,425)
At 31 January 2016	433	409	59	-	901
<i>Net book value</i>					
At 31 January 2016	168	47	1	-	216
At 1 February 2015	299	44	2	-	345

Bite Communications Limited

Notes forming part of the financial statements
for the year ended 31 January 2016 (continued)

10 Debtors	31 January	31 January
	2016	2015
Amounts falling due within one year	£'000	£'000
Trade debtors	861	1,443
Amounts owed by group undertakings	1,519	1,747
Other debtors	11	80
Prepayments and accrued income	275	244
Corporation tax recoverable	-	22
Deferred tax asset (note 8)	152	246
	2,818	3,782
11 Creditors	31 January	31 January
	2016	2015
Amounts falling due within one year	£'000	£'000
Trade creditors	136	183
Amounts owed to group undertakings	4,651	4,086
Other taxes and social security	209	160
Other creditors	33	144
Accruals and deferred income	372	410
Bank loan	-	100
	5,401	5,323
12 Creditors	31 January	31 January
	2016	2015
Amounts falling due after more than one year	£'000	£'000
Bank loan	50	50
13 Provisions	31 January	31 January
	2016	2015
	£'000	£'000
Provisions	164	363

The provision covers the cost of rent, rates and dilapidations on the UK leasehold property. In the prior year it relates to the provision made to cover costs of the Sweden branch closure.

Bite Communications Limited

Notes forming part of the financial statements
for the year ended 31 January 2016 (*continued*)

14 Share capital

	31 January 2016 Number	Allotted, called up and fully paid 31 January 2015 Number	31 January 2016 £'000	31 January 2015 £'000
Ordinary shares of 5p each	1,000,000	1,000,000	50	50

15 Profit and loss account

	£'000
Opening balance at 1 February 2014	357
Net loss for the year for the year	(236)
Other comprehensive income	80
Closing balance at 31 January 2015	201
Net Profit for the year	1,093
Other comprehensive income for the year	24
Closing balance at 31 January 2015	1,318

16 Operating lease arrangements

	2016 £'000	2015 £'000
Lease payments under operating leases recognised as an expense in the year	262	348

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £'000	2015 £'000
Within one year	262	-
In the second to fifth years inclusive	65	294
After five years	-	-
	327	294

Bite Communications Limited

Notes forming part of the financial statements for the year ended 31 January 2016 (continued)

16 Operating lease arrangements (continued)

The Company as lessor

As set out in note 3, property rental income earned during the year was £230,000 (2015: £59,000).

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2016 £'000	2015 £'000
Within one year	84	-
In the second to fifth years inclusive	21	82
After five years	-	-

17 Controlling party

The ultimate and immediate parent undertaking, controlling party and parent of the smallest and largest group which this company is consolidated is Next Fifteen Communications Group Plc, which is incorporated in Great Britain and registered in England and Wales. The consolidated financial statements of Next Fifteen Communications Group Plc are available to the public and can be obtained from 75 Bermondsey Street, London, SE1 3XF.

18 Contingent liabilities

The Company participates in a multilateral guarantee with HSBC Bank Plc (2015: HSBC Bank Plc) relating to the overdraft facilities of the parent and certain group companies. The maximum amount of the contingent liability which could arise from this guarantee is limited to £20,000,000 (2015 - £20,000,000). The Group amended and extended this facility in March 2016 and as a result the guarantee has increased to £30,000,000 post year-end.

19 Share-Based Payments

The Next 15 Group has issued options over its shares to employees at Bite UK that remain outstanding as follows:

Performance shares	Number of shares	Performance period start date	Performance period end date	Performance share grant date
Long-Term Incentive Plan	75,000	1 August 2012	31 July 2016	7 January 2013
Long-Term Incentive Plan	35,000	1 August 2013	31 July 2017	21 January 2014

No options were exercised in the period.

For all awards under the LTIP, performance will be measured over a period of four consecutive financial years of the Group, commencing with the financial year in which the award was granted. The conditions are based upon two measures – an adjusted earnings per share ('EPS') measure and a budgeted profit measure. The level of vesting will be determined using the best three of the four years' performance for each performance measure. The growth of adjusted EPS of the Group must exceed the UK Consumer Price Index ('CPI') by an average of 10% or more per annum over the performance period for 50% of the award to vest. If the growth of adjusted EPS over CPI is between an average of 3% and 10% per annum over the performance period, between 10% and 50% of the award will vest on a straight-line basis. The remaining 50% of an award may vest if the profit of the particular business in which a participant is employed meets its budgeted profit targets over the performance period. To the extent that the budgeted profit targets are not met, for every 1% below budget, 5% of the award will lapse on a straight-line basis. Employees who work in Group roles will be measured by reference to whole Group performance, rather than any particular business unit.

Bite Communications Limited

Notes forming part of the financial statements
for the year ended 31 January 2016 (*continued*)

20 Transitioning from old UK GAAP to FRS 101

Basis of accounting

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. Accordingly, in the year ended 31 January 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101. These financial statements have been prepared in accordance with FRS 101.

The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current year. For more information see note below.

Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the period ended 31 January 2015 and the date of transition to FRS 101 was therefore 1 August 2013.

Reconciliation of equity

	At 1 February 2014 £'000	At 31 January 2015 £'000
Equity reported under previous UK GAAP	357	235
Adjustments to equity on transition to FRS 101		
Vacation accruals	50	16
Equity reported under FRS 101	407	251

Vacation accrual

As required under FRS 101 an accrual has been recognised for vacation owed to employees but not yet taken at the balance sheet date.