

ASK4 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

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ASK4 LIMITED

COMPANY INFORMATION

Directors	Mr J J Burrows Mr M W G Collins Mr M P Cox (appointed 3 December 2018) Mr R M Crowther (appointed 8 October 2018) Mr O A G Riddle Mr S J Day Mr J Thornhill
Company secretary	Mr M W G Collins
Registered number	03980594
Registered office	Devonshire Green House 14 Fitzwilliam Street Sheffield South Yorkshire S1 4JL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1 Holly Street Sheffield South Yorkshire S1 2GT
Solicitors	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH

ASK4 LIMITED

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ASK4 LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

Introduction

The directors present their strategic report on Ask4 Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 October 2018.

The Group's principal activity continues to be the provision of managed telecommunications services in the United Kingdom and Europe. The service is provided principally to multi-tenanted buildings with a particular focus on student accommodation.

Business review

The turnover of the Group was £14.9 million in the year to 31 October 2018 (2017: £13.5 million) increasing by 10.4% with continued growth in the student service business and important contracts being secured from both existing and new clients.

Gross profit of £10.2 million (2017: £8.9 million) increased by 14.4%. Gross margins in the UK have remained stable, despite increased competitive pressure.

Administrative expenses, excluding depreciation and amortisation charges, increased to £5.1 million (2017: £4.6 million) as the Group continued to strengthen its workforce enabling it to more efficiently manage the increased levels of business being won.

Capital expenditure of £4.0 million (2017: £3.7 million) has been invested during the period to service both new and existing clients' sites.

Earnings before interest, depreciation, amortisation and exceptional items increased by 19.4% to £5.1 (2017 £4.3 million).

Financial key performance indicators

	Year ended 31 October 2018	Year ended 31 October 2017
Turnover	£14,878,657	£13,474,064
Gross profit	£10,188,239	£8,906,362
Gross margin	68.5%	66.1%
Earnings before interest, depreciation and amortisation (‘EBITDA’)	£2,736,575	£4,229,730
EBITDA excluding exceptional items	£5,077,497	£4,251,513
Number of beds served	179,612	157,233

ASK4 LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Principal risks and uncertainties

The trading environment remains challenging, with clients continuing to seek the best possible value and competitors aggressively bidding for new business. We expect this environment to continue and accordingly there is a risk that we will not be able to maintain our rate of growth.

There is an increasing demand for bandwidth amongst users, and we have to meet that demand in order to maintain our position. Historically our costs of supply have fallen faster than the increase in demand, such that our costs of bandwidth as a percentage of revenue have fallen over time. There is the risk that increased demand will outstrip falls in cost, impacting profitability of the business. However, given our scale and negotiating position with suppliers we feel that we are able to manage this risk in the foreseeable future.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that only customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures are granted credit terms.

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection measures throughout the Group.

On 29 March 2017, the government invoked Article 50, initiating the process of leaving the European Union within two years. This could cause disruptions and uncertainties which could have an adverse effect on the principal activity, financial results and operations of the Group.

This report was approved by the board on 27 March 2019 and signed on its behalf.



Mr J J Burrows
Director

ASK4 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

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

Directors

The directors who served during the year were:

Mr J J Burrows
Mr M W G Collins
Mr R M Crowther (appointed 8 October 2018)
Mr S J Day
Mr J P Hudson (resigned 8 February 2018)
Mr O A G Riddle
Mr J Thornhill

Results and dividends

The loss for the year, after taxation, amounted to £35,163 (2017 - profit £1,568,259).

Future developments

The board will continue to focus on securing new contracts for its subsidiaries with both existing and new clients and remains confident for the Group's future development and success.

Post balance sheet events

Subsequent to the year end the Company completed the acquisition of Birchenallhowden Ltd.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ASK4 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018**

Going concern

The directors have considered the Company's and Group's cash position, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the Group bank and other borrowing facilities currently available to the Company and Group.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company and Group have sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

Disclosure of information to auditor

The directors confirm that: at the time when this is approved has confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- each director has taken all the steps that ought to have been taken as a directors in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 March 2019 and signed on its behalf.



Mr J J Burrows
Director



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASK4 LIMITED

Opinion

We have audited the financial statements of Ask4 Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 October 2018, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. 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 Group's and of the Company's affairs as at 31 October 2018 and of the Group's loss 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 Group 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASK4 LIMITED (CONTINUED)

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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by the Companies Act 2006

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASK4 LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ASK4 LIMITED (CONTINUED)

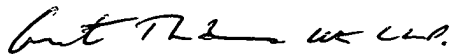
Auditor's responsibilities for the audit of the financial statements

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 on the Financial Reporting Council's website at: 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.



Paul Houghton
Senior statutory auditor

for and on behalf of Grant Thornton UK LLP
, Chartered Accountants & Statutory Auditor

1 Holly Street
Sheffield
South Yorkshire
S1 2GT

27 March 2019

ASK4 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 £	2017 £
Turnover	4	14,878,657	13,474,064
Cost of sales		(4,690,418)	(4,567,702)
Gross profit		10,188,239	8,906,362
Administrative expenses (including exceptional costs - see note 12)		(10,192,189)	(6,972,007)
Operating (loss)/profit	5	(3,950)	1,934,355
Interest receivable and similar income	9	1,931	1,672
Interest payable and expenses	10	-	(4,377)
(Loss)/profit before taxation		(2,019)	1,931,650
Tax on (loss)/profit	11	(33,144)	(363,391)
(Loss)/profit for the financial year		(35,163)	1,568,259
Currency translation differences		821	-
Other comprehensive income for the year		821	-
Total comprehensive income for the year		(34,342)	1,568,259
(Loss)/profit for the year attributable to:			
Owners of the parent company		(35,163)	1,568,259
		(35,163)	1,568,259
Total comprehensive income for the year attributable to:			
Owners of the parent company		(34,342)	1,568,259
		(34,342)	1,568,259

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED
REGISTERED NUMBER: 03980594

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	1,134,569	979,001
Tangible assets	15	8,988,068	7,434,127
		<u>10,122,637</u>	<u>8,413,128</u>
Current assets			
Stocks	17	128,143	74,266
Debtors: amounts falling due within one year	18	7,504,515	3,281,327
Cash at bank and in hand		2,401,679	6,338,824
		<u>10,034,337</u>	<u>9,694,417</u>
Creditors: amounts falling due within one year	19	(12,461,950)	(10,305,747)
Net current liabilities		<u>(2,427,613)</u>	<u>(611,330)</u>
Total assets less current liabilities		<u>7,695,024</u>	<u>7,801,798</u>
Provisions for liabilities			
Deferred tax	21	(22,434)	(114,454)
		<u>(22,434)</u>	<u>(114,454)</u>
Net assets		<u>7,672,590</u>	<u>7,687,344</u>
Capital and reserves			
Called up share capital	22	436,227	436,227
Share premium account	23	734,656	734,656
Profit and loss account	23	6,501,707	6,516,461
		<u>7,672,590</u>	<u>7,687,344</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2019.



Mr J J Burrows
Director

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED
REGISTERED NUMBER:03980594

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	989,957	818,136
Tangible assets	15	8,139,009	7,100,152
Investments	16	50,647	50,647
		<u>9,179,613</u>	<u>7,968,935</u>
Current assets			
Stocks	17	121,068	69,928
Debtors: amounts falling due within one year	18	7,087,080	5,511,422
Cash at bank and in hand		1,759,858	5,566,156
		<u>8,968,006</u>	<u>11,147,506</u>
Creditors: amounts falling due within one year	19	(11,783,735)	(12,217,820)
Net current liabilities		<u>(2,815,729)</u>	<u>(1,070,314)</u>
Total assets less current liabilities		<u>6,363,884</u>	<u>6,898,621</u>
Provisions for liabilities			
Deferred taxation	21	(28,966)	(108,846)
		<u>(28,966)</u>	<u>(108,846)</u>
Net assets		<u><u>6,334,918</u></u>	<u><u>6,789,775</u></u>

ASK4 LIMITED
REGISTERED NUMBER:03980594

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2018

	Note	31 October 2018 £	31 October 2017 £
Capital and reserves			
Called up share capital	22	436,227	436,227
Share premium account	23	734,656	734,656
Profit and loss account brought forward		5,618,892	4,400,586
Loss/(profit) for the year		(474,444)	1,184,585
Other changes in the profit and loss account		19,588	33,721
		<u>5,164,035</u>	<u>5,618,892</u>
Profit and loss account carried forward		<u>6,334,918</u>	<u>6,789,775</u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 March 2019.


Mr J J Burrows
 Director

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Shareholder's funds
	£	£	£	£
At 1 November 2017	436,227	734,656	6,516,461	7,687,344
Comprehensive income for the year				
Loss for the year	-	-	(35,163)	(35,163)
Currency translation differences	-	-	821	821
Total comprehensive income for the year	-	-	(34,342)	(34,342)
Contributions by and distributions to owners				
Share based payment transactions	-	-	19,588	19,588
Total transactions with owners	-	-	19,588	19,588
At 31 October 2018	436,227	734,656	6,501,707	7,672,590

The notes on pages 17 to 40 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Shareholder's funds
	£	£	£	£
At 1 November 2016	436,227	734,656	4,914,481	6,085,364
Comprehensive income for the year				
Profit for the year	-	-	1,568,259	1,568,259
Total comprehensive income for the year	-	-	1,568,259	1,568,259
Contributions by and distributions to owners				
Share based payment transactions	-	-	33,721	33,721
Total transactions with owners	-	-	33,721	33,721
At 31 October 2017	436,227	734,656	6,516,461	7,687,344

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Shareholder's funds
	£	£	£	£
At 1 November 2017	436,227	734,656	5,618,892	6,789,775
Comprehensive income for the year				
Loss for the year	-	-	(474,444)	(474,444)
Total comprehensive income for the year	-	-	(474,444)	(474,444)
Contributions by and distributions to owners				
Share based payment transactions	-	-	19,588	19,588
Total transactions with owners	-	-	19,588	19,588
At 31 October 2018	436,227	734,656	5,164,036	6,334,919

The notes on pages 17 to 40 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Shareholder's funds
	£	£	£	£
At 1 November 2016	436,227	734,656	4,400,586	5,571,469
Comprehensive income for the year				
Profit for the year	-	-	1,184,585	1,184,585
Total comprehensive income for the year	-	-	1,184,585	1,184,585
Contributions by and distributions to owners				
Share based payment transactions	-	-	33,721	33,721
Total transactions with owners	-	-	33,721	33,721
At 31 October 2017	436,227	734,656	5,618,892	6,789,775

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(35,163)	1,568,259
Adjustments for:		
Amortisation of intangible assets	244,942	195,041
Depreciation of tangible assets	2,480,945	2,071,488
Share based payments	19,588	33,721
Interest paid	-	4,377
Interest received	(1,931)	(1,672)
Taxation charge	33,144	363,391
(Increase) in stocks	(53,877)	(23,981)
(Increase) in debtors	(2,883,647)	(546,276)
(Increase)/decrease in amounts owed by group and related undertakings	(1,611,302)	-
(Decrease)/increase in creditors	(967,809)	1,149,736
Increase/(decrease) in amounts owed to group and related undertakings	3,360,993	(1,110,270)
Corporation tax (paid)	(89,565)	(100,661)
Foreign exchange on translation	(2,832)	5,125
Net cash generated from operating activities	493,486	3,608,278
Cash flows from investing activities		
Purchase of intangible fixed assets	(400,511)	(174,692)
Purchase of tangible fixed assets	(4,032,051)	(3,518,248)
Interest received	1,931	1,672
Net cash from investing activities	(4,430,631)	(3,691,268)

ASK4 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 £	2017 £
Cash flows from financing activities		
Repayment of finance leases	-	(85)
Interest paid	-	(4,377)
Net cash used in financing activities	-	(4,462)
Net (decrease) in cash and cash equivalents	(3,937,145)	(87,452)
Cash and cash equivalents at beginning of year	6,338,824	6,426,276
Cash and cash equivalents at the end of year	2,401,679	6,338,824
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,401,679	6,338,824
	2,401,679	6,338,824

The notes on pages 17 to 40 form part of these financial statements.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. General information

Ask4 Limited is a private limited company incorporated in the UK.

The principal activity of the Company and the Group in the period under review was that of the provision of managed telecommunications services to multi-tenanted buildings, with a particular focus on student accommodation buildings.

The Registered Office is Devonshire Green House, 14 Fitzwilliam Street, Sheffield, South Yorkshire, S1 4JL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

Parent company disclosure exemptions

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The directors have considered the Company's and Group's cash position and net current liabilities, making appropriate enquiries and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the Group bank and other borrowing facilities currently available to the Company and Group.

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company and Group have sufficient resources to continue in operation for the foreseeable future. For this reason the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.4 Revenue

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

Rendering of services

Services are invoiced in advance, and amounts relating to future periods are taken to deferred income in the balance sheet and released to turnover as the service is delivered.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Domains	-	5 % straight line
Development costs	-	4 % straight line
Goodwill on consolidation	-	5 % straight line
Purchased goodwill	-	20 % straight line

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long leasehold property	- 2% straight line
Plant & machinery	- 20% straight line
Motor vehicles	- 20% straight line
Office equipment	- 20% straight line
Leased computer equipment	- 20% straight line
Installation costs	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investments in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any consideration paid.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change 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.

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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions around the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The items in the financial statements where these judgements, estimates and assumptions have been made include:

Bad debt provision

The Group provides services to business customers on credit terms and a small number of customers may default on payment. Judgements are required in assessing the recoverability of overdue trade debtors and whether a provision for doubtful debt is required. The trade debtors of £3,966,426 are net of a provision for doubtful debts.

Share based payments

A share based payment charge is recognised in respect of share awards based on the Directors' best estimate of the number of shares that will vest in future years.

Installation costs

Costs associated with the installation of new or upgraded systems to clients' locations are capitalised. The costs of installation include external connection and cabling costs together with internal labour costs. The nature and amount of labour and other costs involves significant judgement and the appropriateness of our capitalisation policies are monitored and updated when necessary to respond to changes in the manner in which installations are performed.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	13,728,847	12,887,638
Rest of Europe	1,149,810	586,426
	<u>14,878,657</u>	<u>13,474,064</u>

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

5. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	2,480,945	2,071,487
Amortisation of intangible assets, including goodwill	244,942	195,041
Exchange differences	14,637	(4,879)
Other operating lease rentals	162,570	156,131
Defined contribution pension cost	88,513	72,898
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	41,000	41,000
	<u> </u>	<u> </u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	11,700	9,800
All other accounting services	11,500	2,750
	<u>23,200</u>	<u>12,550</u>

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

7. Employees

	Group 2018	Group 2017	Company 2018	Company 2017
	£	£	£	£
Wages and salaries	3,295,772	3,160,411	3,142,133	3,061,319
Social security costs	359,679	332,362	341,718	321,444
Costs of defined contribution scheme	89,759	72,898	88,513	72,019
	<u>3,745,210</u>	<u>3,565,671</u>	<u>3,572,364</u>	<u>3,454,782</u>

Included within wages and salaries cost is a £19,588 (2017: £33,721) share based payment charge.

The average monthly number of employees, including the directors, during the year was as follows:

2018	2017
No.	No.
<u>119</u>	<u>115</u>

8. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	593,159	544,075
	<u>593,159</u>	<u>544,075</u>

The highest paid director received remuneration of £190,770 (£181,414).

9. Interest receivable and similar income

	2018	2017
	£	£
Other interest receivable	1,931	1,672
	<u>1,931</u>	<u>1,672</u>

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

10. Interest payable and similar expenses

	2018 £	2017 £
Finance leases and hire purchase contracts	-	4,377
	<u>-</u>	<u>4,377</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	125,069	408,114
Adjustments in respect of previous periods	(688)	(25,525)
Total current tax	<u>124,381</u>	<u>382,589</u>
Deferred tax		
Origination and reversal of timing differences	(91,237)	(19,198)
Total deferred tax	<u>(91,237)</u>	<u>(19,198)</u>
Taxation on profit on ordinary activities	<u>33,144</u>	<u>363,391</u>

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.4137%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	(2,019)	1,931,650
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.4137%)	(384)	375,005
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	18,791	17,641
Adjustments to tax charge in respect of prior periods	(688)	(25,525)
Other differences leading to an increase/(decrease) in taxation	601	(10)
Non-taxable income	-	(58)
Other differences relating to tax rates in individual companies	(95)	70
Non-tax deductible amortisation of goodwill and impairment	2,018	1,799
Adjustment for change in deferred tax to average rate	12,465	1,654
Group relief	(125,069)	(318,213)
Payment for group relief	125,069	318,213
Deferred tax not recognised	436	(7,185)
Total tax charge for the year	33,144	363,391

Factors that may affect future tax charges

A reduction in the standard rate of corporation tax from 20% to 19% was effective from 1 April 2017. The Group's losses for the financial period are therefore taxed at a rate of 19% (2017 - 19.41%). The Finance Act 2015 provided for a further reduction in the standard rate of tax from 19% to 18% with effect from 1 April 2020. This rate is reduced further to 17% by the Finance Act 2016.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

12. Exceptional items

	2018 £	2017 £
European set up costs	15,210	21,783
Restructuring costs	2,325,712	-
	<u>2,340,922</u>	<u>21,783</u>

Exceptional items disclosed on the face of the Consolidated Statement of Comprehensive Income comprise £15,210 (2017: £21,783) in relation to costs associated with establishing trading activities in Europe and £2,325,712 (2017: £nil) in relation to the group restructuring in the period.

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £474,444 (2017 - profit £1,184,585).

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

14. Intangible assets

Group

	Domains £	Development Costs £	Purchased Goodwill £	Goodwill on Consolidation £	Total £
Cost					
At 1 November 2017	191,651	1,119,491	264,054	212,418	1,787,614
Additions	-	193,277	207,234	-	400,511
At 31 October 2018	191,651	1,312,768	471,288	212,418	2,188,125
Amortisation					
At 1 November 2017	112,894	394,878	224,043	76,799	808,614
Charge for the year	9,543	197,395	27,383	10,621	244,942
At 31 October 2018	122,437	592,273	251,426	87,420	1,053,556
Net book value					
At 31 October 2018	69,214	720,495	219,862	124,998	1,134,569
At 31 October 2017	78,757	724,614	40,011	135,619	979,001

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

14. Intangible assets (continued)

Company

	Domains £	Development costs £	Purchased goodwill £	Total £
Cost				
At 1 November 2017	182,852	1,119,491	216,556	1,518,899
Additions	-	193,277	207,234	400,511
At 31 October 2018	182,852	1,312,768	423,790	1,919,410
Amortisation				
At 1 November 2017	111,134	394,878	194,751	700,763
Charge for the year	8,663	197,395	22,633	228,691
At 31 October 2018	119,797	592,273	217,384	929,454
Net book value				
At 31 October 2018	63,055	720,495	206,406	989,956
At 31 October 2017	71,718	724,614	21,805	818,137

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

15. Tangible fixed assets

Group

	Long term leasehold property £	Office equipment £	Installed equipment £	Total £
Cost or valuation				
At 1 November 2017	1,096,773	2,665,678	13,854,289	17,616,740
Additions	145,061	852,156	3,034,834	4,032,051
Exchange adjustments	-	-	2,940	2,940
At 31 October 2018	1,241,834	3,517,834	16,892,063	21,651,731
Depreciation				
At 1 November 2017	144,072	1,856,723	8,181,818	10,182,613
Charge for the year on owned assets	23,507	329,278	2,128,160	2,480,945
Exchange adjustments	-	-	105	105
At 31 October 2018	167,579	2,186,001	10,310,083	12,663,663
Net book value				
At 31 October 2018	1,074,255	1,331,833	6,581,980	8,988,068
At 31 October 2017	952,701	808,955	5,672,471	7,434,127

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

15. Tangible fixed assets (continued)

Company

	Long term Leasehold Property £	Office equipment £	Installed equipment £	Total £
Cost or valuation				
At 1 November 2017	1,096,773	2,355,219	13,324,976	16,776,968
Additions	145,061	397,875	2,813,042	3,355,978
At 31 October 2018	1,241,834	2,753,094	16,138,018	20,132,946
Depreciation				
At 1 November 2017	144,072	1,597,694	7,935,050	9,676,816
Charge for the year on owned assets	23,507	265,504	2,028,110	2,317,121
At 31 October 2018	167,579	1,863,198	9,963,160	11,993,937
Net book value				
At 31 October 2018	1,074,255	889,896	6,174,858	8,139,009
At 31 October 2017	952,701	757,525	5,389,926	7,100,152

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

16. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Held directly:			
Ask4 Business Limited	Ordinary	100 %	Internet service provider
Ask4 Data Centres Limited	Ordinary	100 %	Telecommunications services
Ask4 Europe Limited	Ordinary	100 %	Holding company
SM20091 Limited	Ordinary	100 %	Dormant
Held via Ask4 Europe Limited:			
Ask4 Spain Limited	Ordinary	100 %	Internet service provider
Ask4 Ireland Limited	Ordinary	100 %	Internet service provider
Ask4 Germany Limited	Ordinary	100 %	Internet service provider
Ask4 Poland Limited	Ordinary	100 %	Internet service provider
Ask4 Portugal Limited	Ordinary	100 %	Internet service provider
Held via Ask4 Business Limited:			
Metronap Limited	Ordinary	100 %	Internet connectivity and associated services

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2017	50,647
At 31 October 2018	50,647
Net book value	
At 31 October 2018	50,647
At 31 October 2017	50,647

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

17. Stocks

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Finished goods and goods for resale	128,143	74,266	121,068	69,928
	128,143	74,266	121,068	69,928

Stock recognised in cost of sales during the year as an expense was £621,020 (2017 - £476,106).

18. Debtors

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade debtors	3,966,426	1,503,612	2,990,087	1,057,152
Amounts owed by group undertakings	-	-	3,106,979	2,915,761
Amounts owed by related parties	2,393,858	782,556	-	782,556
Other debtors	46,018	441,343	3,193	402,221
Prepayments and accrued income	1,098,213	553,815	986,821	353,730
	7,504,515	3,281,326	7,087,080	5,511,420

Amounts owed by group and related party undertakings are interest free and repayable on demand.

Trade debtors are stated after a provision for impairment of £145,895 (2017: £101,705) at Group level and £119,576 (2017: £93,359) at Company level.

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

19. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade creditors	1,744,907	1,861,305	1,517,384	1,655,317
Amounts owed to group undertakings	-	-	3,951,346	2,712,152
Amounts owed to related parties	3,588,409	102,205	-	65,717
Corporation tax	-	66,948	-	15,747
Other taxation and social security	248,945	717,991	248,945	717,991
Other creditors	15,829	39,998	15,829	39,998
Accruals and deferred income	6,863,860	7,517,300	6,050,231	7,010,898
	<u>12,461,950</u>	<u>10,305,747</u>	<u>11,783,735</u>	<u>12,217,820</u>

Amounts owed by group and related party undertakings are interest free and repayable on demand.

20. Financial instruments

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial assets measured at amortised cost				
Trade debtors	3,966,426	1,503,612	2,990,087	1,057,152
Amounts owed by group and related party undertakings	2,393,858	3,698,217	3,106,979	3,698,217
Other debtors	46,018	4,980	3,193	4,980
	<u>6,406,302</u>	<u>5,206,809</u>	<u>6,100,259</u>	<u>4,760,349</u>
Financial liabilities measured at amortised cost				
Trade creditors	1,744,907	1,822,183	1,517,384	1,655,317
Amounts owed to group and related party undertakings	3,588,409	2,700,107	3,951,346	2,492,666
Other creditors	15,829	39,998	15,829	39,998
Accruals	6,863,860	7,242,888	6,050,231	6,810,522
	<u>12,213,005</u>	<u>11,805,176</u>	<u>11,534,790</u>	<u>10,998,503</u>

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

21. Deferred taxation

Group

	2018 £	2017 £
At beginning of year	(114,454)	(133,589)
Charged to profit or loss	92,020	19,135
At end of year	(22,434)	(114,454)

Company

	2018 £	2017 £
At beginning of year	(108,846)	(127,020)
Charged to profit or loss	79,880	18,174
At end of year	(28,966)	(108,846)

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Accelerated capital allowances	(107,883)	(116,900)	(72,220)	(110,360)
Tax losses carried forward	80,500	-	39,719	-
Other	4,949	2,446	3,535	1,514
	(22,434)	(114,454)	(28,966)	(108,846)

ASK4 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
24,800 (2017 - 24,800) Ordinary shares of £0.01 each	248	248
175,000 (2017 - 175,000) Redeemable ordinary shares of £1.00 each	175,000	175,000
260,979 (2017 - 260,979) B Redeemable ordinary shares of £1.00 each	260,979	260,979
	<hr/>	<hr/>
	436,227	436,227
	<hr/>	<hr/>

The holders of Ordinary shares are entitled to full voting rights, whereas the holders of the two classes of Redeemable ordinary shares have no voting rights. In respect of dividends, all classes of shares are entitled to full participation in any distribution (including on a winding up). The Ordinary shares are not redeemable, whereas both classes of Redeemable ordinary shares are redeemable on three months' notice by the Company.

23. Reserves

Share premium

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior year retained profits and losses.

ASK4 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

24. Share based payments

In 2015, employees were offered the option to purchase shares in Stream Topco Limited:

The beneficial ownership of the shares transferred to the employee on the grant date. The terms of the Share Subscription Plan included 'good leaver' and 'bad leaver' clauses, and so the vesting period is deemed to be the period from the date of grant to the future sale of the Group.

The fair values of shares granted were determined by an independent party. The basis of valuation is a UK tax 'market value' within the meaning of Section 272 Taxation of Chargeable Gains Act 1992 ("TCGA") which requires us to arrive at the price likely to be paid for the C Shares on the statutory open market assuming a sale between a hypothetical willing vendor and a hypothetical prudent purchaser acting at arm's length. The following principal assumptions were used in the valuation:

	ESS	EBT	ESS
Grant date	22 December 2014	23 March 2015	23 December 2015
Vesting period ends	8 February 2018	8 February 2018	8 February 2018
Share price at date of grant	£0.91	£0.91	£0.91
Exercise price at date of grant	£0.01	£0.01	£0.01
Charge for period	£12,415	£5,048	£2,125

Management have assumed that all those who exercised the option to purchase shares would remain employed within the business until the vesting period ends. In total, £19,588 (2017: £33,721) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss and credited to the profit and loss account.

25. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £Use of our report (2017: £72,898). Contributions totalling £12,775 (2017: £8,454) were payable to the fund at the balance sheet date.

ASK4 LIMITED

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26. Commitments under operating leases

At 31 October 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Not later than 1 year	166,831	<i>168,140</i>	166,831	<i>168,140</i>
Later than 1 year and not later than 5 years	318,468	<i>442,481</i>	318,468	<i>442,481</i>
	485,299	<i>610,621</i>	485,299	<i>610,621</i>

27. Post balance sheet events

On 20 March 2019, Ask4 Integrated Services Limited, a newly formed subsidiary of the Company, acquired IT service provider, BirchenallHowden Limited. On an annualised basis, this acquisition is expected to add approximately £3m turnover to the Group.

28. Controlling party

The Company's immediate parent undertaking is Stream Acquisitions Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Bowmark Capital LLP, a limited liability partnership registered in England and Wales, by virtue of shareholding held by funds under its management.

The largest group undertaking in which the results of the Company are consolidated is Ask4 (Midco1) Limited. The consolidated financial statements of Ask4 (Midco1) Limited are available from Devonshire Green House, 14 Fitzwilliam Street, Sheffield, South Yorkshire, United Kingdom, S1 4JL.

29. Liability limitation agreement with auditor

The Company has entered into a limited liability agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the period ended 31 October 2018. The proportionate liability agreement follows the terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Audit Liability Agreements, and was approved by the shareholders by written resolution dated 27 March 2019.