

HYBRID NEWS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	4	363,114	371,319
		<u>363,114</u>	<u>371,319</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	5	1,195,735	542,404
Cash at bank and in hand		398,156	291,901
		<u>1,593,891</u>	<u>834,305</u>
Creditors: Amounts Falling Due Within One Year	6	(949,031)	(392,038)
NET CURRENT ASSETS		<u>644,860</u>	<u>442,267</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,007,974</u>	<u>813,586</u>
Creditors: amounts falling due after more than one year	7	(80,367)	(80,367)
PROVISIONS FOR LIABILITIES			
Deferred tax		(71,267)	(61,489)
		<u>(71,267)</u>	<u>(61,489)</u>
NET ASSETS		<u><u>856,340</u></u>	<u><u>671,730</u></u>
CAPITAL AND RESERVES			
Called up share capital	8	833	944
Share premium account		99,889	99,889
Profit and loss account		755,618	570,897
		<u>856,340</u>	<u>671,730</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

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

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Craven
Director

Date: 12 February 2019

The notes on pages 5 to 12 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	944	99,889	570,897	671,730
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	796,004	796,004
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	796,004	796,004
Dividends: Equity capital	-	-	(411,394)	(411,394)
Purchase of own shares	-	-	(199,889)	(199,889)
Shares cancelled during the year	(111)	-	-	(111)
TOTAL TRANSACTIONS WITH OWNERS	(111)	-	(611,283)	(611,394)
AT 31 DECEMBER 2018	833	99,889	755,618	856,340

The notes on pages 5 to 12 form part of these financial statements.

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	944	99,889	359,665	460,498
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	566,095	566,095
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	566,095	566,095
Dividends: Equity capital	-	-	(354,863)	(354,863)
TOTAL TRANSACTIONS WITH OWNERS	-	-	(354,863)	(354,863)
AT 31 DECEMBER 2017	944	99,889	570,897	671,730

The notes on pages 5 to 12 form part of these financial statements.

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

1. GENERAL INFORMATION

Hybrid News Limited is a private company, limited by shares and registered in England within the United Kingdom. The registered number is 06993551 and address of the registered office is Level 9 Colston Tower, Colston Street, Bristol, BS1 4UX.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 Income and Retained Earnings 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

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

2. ACCOUNTING POLICIES (continued)

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

2.5 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 FINANCE COSTS

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 BORROWING COSTS

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

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

2. ACCOUNTING POLICIES (continued)

2.8 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings 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 company in independently administered funds.

2.9 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

Deferred tax 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.

2.10 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.

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

2. ACCOUNTING POLICIES (continued)

2.10 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Website development and domain names	-	10-20% reducing balance
Office equipment	-	20% reducing balance

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 Statement of Income and Retained Earnings.

2.11 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.

2.12 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.

2.13 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.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the company 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 Income and Retained Earnings in the year that the company 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.

2.15 FINANCIAL INSTRUMENTS

The company 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.

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

2. ACCOUNTING POLICIES (continued)

2.16 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 53 (2017:54).

4. TANGIBLE FIXED ASSETS

	Website development and domain names £	Office equipment £	Total £
COST			
At 1 January 2018	379,640	176,446	556,086
Additions	(2,653)	44,839	42,186
At 31 December 2018	<u>376,987</u>	<u>221,285</u>	<u>598,272</u>
DEPRECIATION			
At 1 January 2018	119,804	64,963	184,767
Charge for the year on owned assets	25,719	24,672	50,391
At 31 December 2018	<u>145,523</u>	<u>89,635</u>	<u>235,158</u>
NET BOOK VALUE			
At 31 December 2018	<u>231,464</u>	<u>131,650</u>	<u>363,114</u>
At 31 December 2017	<u>259,836</u>	<u>111,483</u>	<u>371,319</u>

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

5. DEBTORS

	2018 £	2017 £
Trade debtors	677,148	317,806
Other debtors	127,358	12,381
Prepayments and accrued income	391,229	212,217
	<u>1,195,735</u>	<u>542,404</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other loans	86,978	200,000
Trade creditors	143,888	8,449
Corporation tax	178,519	64,776
Other taxation and social security	78,316	67,401
Other creditors	42,318	46,516
Accruals and deferred income	419,012	4,896
	<u>949,031</u>	<u>392,038</u>

Secured creditors

The bank overdraft provided by HSBC Bank PLC is secured. All monies due or to become due from the company to HSBC Bank PLC on any account whatsoever is secured by way of a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant & machinery.

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Share capital treated as debt	167	167
Share premium treated as debt	80,200	80,200
	<u>80,367</u>	<u>80,367</u>

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

8. SHARE CAPITAL

	2018 £	2017 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
833 (2017:833) Ordinary shares of £1.00 each	833	833
Nil (2017:111) Ordinary B shares of £1.00 each	-	111
	<u>833</u>	<u>944</u>

During the year the company redeemed and cancelled 111 Ordinary B shares.

	2018 £	2017 £
SHARES CLASSIFIED AS DEBT		
ALLOTTED, CALLED UP AND FULLY PAID		
167 (2017:167) 8% Preference shares of £1.00 each	<u>167</u>	<u>167</u>

All share types have equal rights bar the following exceptions:

Preference shares are entitled to dividends at 8% of original subscription price.

Preference shares have preference over ordinary shares on liquidation.

9. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	89,327	99,140
Later than 1 year and not later than 5 years	1,309	78,042
	<u>90,636</u>	<u>177,182</u>

10. TRANSACTIONS WITH DIRECTORS

At 31 December 2018, an amount of £127,358 (2017 - £Nil) was due by a director to the company. The loan is interest free and repayable on demand.

11. DIRECTORS' PERSONAL GUARANTEES

Mr J Craven has provided a personal guarantee to the bank totalling £100,000.

12. RELATED PARTY TRANSACTIONS

During the year, the directors received dividends totalling £428,724 (2017 - £366,787).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.