
BLUE FRONTIER IT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

BLUE FRONTIER IT LIMITED
REGISTERED NUMBER: 05569666

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 5 | 142,873 | 94,488 |
| | | <u>142,873</u> | <u>94,488</u> |
| Current assets | | | |
| Stocks | 6 | 85,428 | 15,640 |
| Debtors: amounts falling due within one year | 7 | 700,661 | 476,879 |
| Cash at bank and in hand | 8 | 329,324 | 151,273 |
| | | <u>1,115,413</u> | <u>643,792</u> |
| Creditors: amounts falling due within one year | 9 | (432,744) | (307,350) |
| Net current assets | | <u>682,669</u> | <u>336,442</u> |
| Total assets less current liabilities | | <u>825,542</u> | <u>430,930</u> |
| Creditors: amounts falling due after more than one year | 10 | (53,164) | (19,237) |
| Net assets | | <u><u>772,378</u></u> | <u><u>411,693</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2,000 | 2,000 |
| Share premium account | | 11,989 | 11,989 |
| Capital redemption reserve | | 25 | 25 |
| Profit and loss account | | 758,364 | 397,679 |
| | | <u><u>772,378</u></u> | <u><u>411,693</u></u> |

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.

BLUE FRONTIER IT LIMITED
REGISTERED NUMBER: 05569666

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2017

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 on 18 April 2018.

.....
James Fry
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

1. General information

The principal activity of the Company is that of a full, end-to-end digital, IT and development agency working in web, mobile and application design and development, digital and content marketing, e-strategy and IT infrastructure implementation and support. The trading address is Unit 1 The Woodford Centre, Lysander Way, Old Sarum, Salisbury, Wiltshire, SP4 6BU. The Company was incorporated in England and Wales and is a private company limited by share capital.

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 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.

2.3 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 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.3 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:

| | |
|-----------------------|------------------------|
| Integral features | - 25% reducing balance |
| Software | - 25% reducing balance |
| Motor vehicles | - 25% reducing balance |
| Fixtures and fittings | - 25% reducing balance |
| Office equipment | - 25% 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.

2.4 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 balance sheet 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.

2.5 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.

2.6 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.

2.7 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 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 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.

2.11 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.15 Taxation

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 balance sheet date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 29 (2016 - 23).

4. Taxation

| | 2017 £ | 2016 £ |
|--|-----------------|------------------|
| Corporation tax | | |
| Current tax on profits for the year | (50,425) | (46,600) |
| Adjustments in respect of previous periods | (46,731) | (89,685) |
| Total current tax | (97,156) | (136,285) |

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 20% to 31 March 2017 and 19% from 1 April 2017 (2016 - 20 %).

BLUE FRONTIER IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. Tangible fixed assets

| | Integral features £ | Software £ | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ |
|---|---------------------------|---------------|---------------------|-------------------------------|--------------------------|
| Cost or valuation | | | | | |
| At 1 October 2016 | 8,548 | 2,290 | 30,359 | 78,404 | 66,707 |
| Additions | 15,276 | - | 51,616 | 4,918 | 39,163 |
| Disposals | (8,548) | - | - | (28,403) | - |
| At 30 September 2017 | 15,276 | 2,290 | 81,975 | 54,919 | 105,870 |
| Depreciation | | | | | |
| At 1 October 2016 | 4,941 | 2,290 | 13,282 | 28,921 | 42,386 |
| Charge for the year on owned assets | 3,819 | - | - | 10,135 | 15,872 |
| Charge for the year on financed assets | - | - | 17,173 | - | - |
| Disposals | (4,941) | - | - | (16,421) | - |
| At 30 September 2017 | 3,819 | 2,290 | 30,455 | 22,635 | 58,258 |
| Net book value | | | | | |
| At 30 September 2017 | 11,457 | - | 51,520 | 32,284 | 47,612 |
| At 30 September 2016 | 3,607 | - | 17,077 | 49,483 | 24,321 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. Tangible fixed assets (continued)

| | Total £ |
|--|----------------|
| Cost or valuation | |
| At 1 October 2016 | 186,308 |
| Additions | 110,973 |
| Disposals | (36,951) |
| | <hr/> |
| At 30 September 2017 | 260,330 |
| | <hr/> |
| Depreciation | |
| At 1 October 2016 | 91,820 |
| Charge for the year on owned assets | 29,826 |
| Charge for the year on financed assets | 17,173 |
| Disposals | (21,362) |
| | <hr/> |
| At 30 September 2017 | 117,457 |
| | <hr/> |
| Net book value | |
| At 30 September 2017 | <u>142,873</u> |
| At 30 September 2016 | <u>94,488</u> |

The net book value of land and buildings may be further analysed as follows:

| | 2017 £ | 2016 £ |
|-----------------|---------------|--------------|
| Short leasehold | 11,457 | 3,607 |
| | <hr/> | <hr/> |
| | <u>11,457</u> | <u>3,607</u> |

BLUE FRONTIER IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

5. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2017 £ | 2016 £ |
|----------------|---------------|---------------|
| Motor vehicles | 51,520 | 17,077 |
| | <u>51,520</u> | <u>17,077</u> |

6. Stocks

| | 2017 £ | 2016 £ |
|------------------|---------------|---------------|
| Work in progress | 85,428 | 15,640 |
| | <u>85,428</u> | <u>15,640</u> |

7. Debtors

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade debtors | 619,216 | 403,241 |
| Amounts owed by group undertakings | 120 | - |
| Other debtors | 50,425 | 46,600 |
| Prepayments and accrued income | 30,900 | 27,038 |
| | <u>700,661</u> | <u>476,879</u> |

8. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 329,324 | 151,273 |
| | <u>329,324</u> | <u>151,273</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|----------------|----------------|
| Bank loans | - | 45,000 |
| Trade creditors | 117,689 | 51,276 |
| Amounts owed to group undertakings | - | 239 |
| Other taxation and social security | 97,194 | 80,366 |
| Obligations under finance lease and hire purchase contracts | 9,867 | 3,437 |
| Other creditors | 125,449 | 90,622 |
| Accruals and deferred income | 82,545 | 36,410 |
| | <u>432,744</u> | <u>307,350</u> |

Secured loans

Obligations due under hire purchase contracts are secured on the relevant assets.

10. Creditors: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Net obligations under finance leases and hire purchase contracts | 53,164 | 19,237 |
| | <u>53,164</u> | <u>19,237</u> |

Secured loans

Obligations due under hire purchase contracts are secured on the relevant assets.

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2017 £ | 2016 £ |
|-------------------|---------------|---------------|
| Within one year | 9,867 | 3,437 |
| Between 1-5 years | 53,164 | 19,238 |
| | <u>63,031</u> | <u>22,675</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. Financial instruments

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 329,324 | 151,273 |
| | <u>329,324</u> | <u>151,273</u> |

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,680 (2016 - £10,587). Contributions totalling £2,898 (2016 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

During the year transactions totalling £359 (2016 - £919) were made at arm's length with Blue Frontier Limited, a company in which directors James Fry and Luke Harrington are directors and shareholders. At the year end Blue Frontier Limited owed the Company £120 (2016 - £239 owed to Blue Frontier Limited).

15. Controlling party

There is no overall controlling party.

16. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.