

COMPANY REGISTRATION NUMBER: 06851327

Megablue Technologies Limited
Filleted Unaudited Financial Statements
30 June 2017

Megablue Technologies Limited

Financial Statements

Period from 1 April 2016 to 30 June 2017

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Megablue Technologies Limited

Statement of Financial Position

30 June 2017

		30 Jun 17	31 Mar 16
	Note	£	£
Fixed assets			
Tangible assets	6	101,470	22,185
Current assets			
Stocks		38,075	55,750
Debtors	7	217,387	171,316
Cash at bank and in hand		5,854	17,919
		261,316	244,985
Creditors: amounts falling due within one year	8	114,624	239,645
Net current assets		146,692	5,340
Total assets less current liabilities		248,162	27,525
Creditors: amounts falling due after more than one year	9	46,575	—
Provisions			
Taxation including deferred tax		16,293	424
Net assets		185,294	27,101
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		185,194	27,001
Shareholders funds		185,294	27,101

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the period ending 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476 ;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

Megablue Technologies Limited
Statement of Financial Position *(continued)*

30 June 2017

These financial statements were approved by the board of directors and authorised for issue on 19 June 2018 , and are signed on behalf of the board by:

Mr M G Foster

Director

Company registration number: 06851327

Megablue Technologies Limited

Notes to the Financial Statements

Period from 1 April 2016 to 30 June 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Sycamore House, Sutton Quays Business Park, Sutton Weaver, Runcorn, Cheshire, WA7 3EH, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances .

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	5% straight line
Manufacturing licence	-	5% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Equipment	-	33% straight line / 15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units .

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity .

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.

Creditors

Short term trade 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.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 6 (2016: 7).

5. Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 April 2016 and 30 June 2017	5,000	100,000	105,000
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Amortisation			
At 1 April 2016 and 30 June 2017	5,000	100,000	105,000
	-----	-----	-----
Carrying amount			
At 30 June 2017	—	—	—
	-----	-----	-----
At 31 March 2016	—	—	—
	-----	-----	-----

6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 April 2016	3,136	754	26,240	25,774	55,904
Additions	85,193	559	—	3,042	88,794
	-----	-----	-----	-----	-----
At 30 June 2017	88,329	1,313	26,240	28,816	144,698
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Depreciation					
At 1 April 2016	94	271	14,248	19,106	33,719
Charge for the period	3,896	166	3,747	1,700	9,509
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At 30 June 2017	3,990	437	17,995	20,806	43,228
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Carrying amount					
At 30 June 2017	84,339	876	8,245	8,010	101,470
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At 31 March 2016	3,042	483	11,992	6,668	22,185
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7. Debtors

	30 Jun 17 £	31 Mar 16 £
Trade debtors	104,252	70,120
Other debtors	113,135	101,196
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	217,387	171,316
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8. Creditors: amounts falling due within one year

	30 Jun 17	31 Mar 16
	£	£
Trade creditors	45,693	152,367
Corporation tax	—	11,857
Social security and other taxes	5,566	31,560
Other creditors	63,365	43,861
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	114,624	239,645
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9. Creditors: amounts falling due after more than one year

	30 Jun 17	31 Mar 16
	£	£
Other creditors	46,575	—
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10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	30 Jun 17	31 Mar 16
	£	£
Included in provisions	16,293	424
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The deferred tax account consists of the tax effect of timing differences in respect of:

	30 Jun 17	31 Mar 16
	£	£
Accelerated capital allowances	16,293	424
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11. Called up share capital**Issued, called up and fully paid**

	30 Jun 17		31 Mar 16	
	No.	£	No.	£
Ordinary shares of £ 1 each	100	100	100	100
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12. Events after the end of the reporting period

Megablue Technologies Limited ('the Company') entered into a Framework Agreement with Commercial Link Limited on 1 September 2011 for the provision of Bluetooth Technology and support services to Commercial Link Limited. This Framework Agreement was updated on 1 May 2012. Under the aforementioned Framework Agreements the Company received £3,249,021 from Commercial Link Limited for the provision of technologies and support services. Commercial Link Limited appointed an Administrator on 11 July 2013 and on the same day the Administrator sold the business and assets of Commercial Link Limited to the Company. Commercial Link Limited subsequently went into liquidation on 26 March 2014. The Liquidators of Commercial Link Limited brought legal proceedings for £4.4 million against a number of related parties which did not include the Company but however included allegations in respect of monies paid by Commercial Link Limited to the Company. These proceedings were set down for trial in January 2018. Before trial, a settlement of the proceedings was reached with those related parties with no admission of liability on their part. As these legal proceedings referred to allegations in respect of monies received by the Company, it was resolved that the Company should underwrite the settlement by being party to the settlement and provide security. There was no admittance of any liability by the Company and all potential claims were resolved. The Liquidators £4.4 million claim was settled in the sum of £450,000 over a period of 3 years or £400,000 if that sum was paid within 2 years. The security for the settlement was given by the Company by way of a debenture over all the assets of the Company signed on 20 April 2018.

13. Director's advances, credits and guarantees

During the period the director entered into the following advances and credits with the company:

30 Jun 17

	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M J Stevens	25,457	—	(25,457)	—
Mr C D Stevens	36,050	—	(36,050)	—
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	61,507	—	(61,507)	—
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31 Mar 16

	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
Mr M J Stevens	(9,619)	35,076	—	25,457
Mr C D Stevens	—	36,050	—	36,050
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	(9,619)	71,126	—	61,507
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14. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.

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.