

Company Registration No. 07065599 (England and Wales)

BLUE SUPPORT SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2018

THURSDAY



A7YAM9FF

A33

31/01/2019

#128

COMPANIES HOUSE

BLUE SUPPORT SERVICES LIMITED

COMPANY INFORMATION

Directors	A M Dwan A Dwan
Secretary	North Consulting Limited
Company number	07065599
Registered office	Building 1000 Kings Reach Yew Street Stockport SK4 2HG
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF

BLUE SUPPORT SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present the strategic report for the year ended 30 April 2018.

Fair review of the business

Another busy and productive year for the company has seen the continued successful provision of facilities and construction management services nationwide.

We currently deliver a wide range of services to over 1,500,000 sqft of occupied space across the country and are mature in our operational delivery to 21 buildings. Our contract control remains first-rate, with zero unavailability events or service failure points and hence no deductions across the estate. These are the principal KPIs against which the Facilities Management (FM) contracts are assessed and demonstrates the robustness of our maintenance regimes.

Turnover has decreased from £6,287,858 to £3,984,310 however profit before tax has increased from £50,978 to £216,181, taking the company's net assets to over £1m.

Adjusting for the previous write off and subsequent write back of a related party debt as well as the revaluation of a substantial stock item, profits have seen an increase of 9% despite a reduction in turnover of over 36%.

This result is due in the most part to the complete withdrawal of services to two Academy Trusts whereby services were delivered on a cost or below cost basis. The cessation of such services during the 2016/17 year has enabled the company to refocus attention onto modest expansion resulting in additional contracts, across facilities management, contracted reactive works and defect rectification, being realised within the commercial sector this year.

Although FM remains the primary focus, the year has also seen the continued development of a number of construction projects, including both the erection and refurbishment of residential dwellings. Opportunities within this area will continue to be explored with the viability of each being assessed on an individual basis.

Cash has seen an in-year decrease due to movement on related party loans however the reduction has been fully reversed following partial repayments of the outstanding balances post year end.

We remain focused on reviewing and refining our services and are continually investing a great deal of time and effort into ensuring that every aspect of service delivery is to the highest achievable standard.

Principal risks and uncertainties

FM contracts are secured for the next 10-20 years therefore the uncertainty on the longevity of operations is not of current concern.

Being RPI-linked, economic risk does play a factor with the contract fees being modelled on an assumed 2.5% inflation. However the impact of unlikely, negative fluctuations would be manageable for the most part, due somewhat to the close working relationships established with our suppliers, but mainly as a result of our continual efforts to ensure that external costs are kept to a minimum.

Investment into the up-skilling of our teams means that the use of subcontractors is kept only to specialist works. All other services are delivered in house by our own nationwide teams of skilled engineers and craft personnel, ensuring that we have control over the cost, quality and speed of our provision.

The development of land and buildings is subject to price risk however with the core business backed by long term contracts and a limited number of development projects running simultaneously, the diverse services provided hedge the potential impact of any negative returns.

Service failures and unavailability issues will always remain the key risk; however we have carefully developed strategies and financial contingencies in place, in order to deal with any matters that may arise.

BLUE SUPPORT SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

Key performance indicators

The following are considered to be the company's significant Key Performance Indicators (KPIs):

	2018	2017	%
Turnover	3,984,310	6,287,858	(36.6)
Profit before tax	216,181	50,978	324.1
Cash at bank	1,111,279	2,445,993	(54.6)
Net assets	1,020,278	845,057	20.7
Number of unavailability events	-	-	
Service failure points	-	-	

Future developments

With an increased asset base and an established level of maturity within our operations, the acquisition of new FM contracts and contracted reactive works remains the target for future progression. We will also appraise opportunities within the construction sector in a bid to continue the development of land and buildings for resale where deemed viable.

The key aim for the future continues to be the delivery of solid, reliable income to group backed by long term contracts and innovative solutions to building problems.

On behalf of the board


A Dwan

Director

Date: 31/1/19

BLUE SUPPORT SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

Principal activities

The principal activity of the company during the year was that of facilities and construction management services.

Going concern

The company forms part of the E S Management Services Limited group. The company meets its day to day working capital requirements through bank loans. The directors have prepared forecasts for the company for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business. The forecasts and projections show that the company is expected to be able to continue to operate within the level of its current facilities. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A M Dwan

A Dwan

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid in the current or previous period. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Future developments

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

BLUE SUPPORT SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

On behalf of the board

.....
A Dwan
Director

Date: 31/1/19

BLUE SUPPORT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 APRIL 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE SUPPORT SERVICES LIMITED

Opinion

We have audited the financial statements of Blue Support Services Limited (the 'company') for the year ended 30 April 2018 which comprise the statement of comprehensive income, the statement of financial position, the 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 FRS 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 company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUE SUPPORT SERVICES LIMITED (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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: <http://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.

Rsm UK Audit Ltd

Eric Solomons FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester

M33HF
31 January 2019

BLUE SUPPORT SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 APRIL 2018

	Notes	2018 £	2017 £
Turnover	3	3,984,310	6,287,858
Cost of sales		(843,680)	(2,823,576)
Gross profit		3,140,630	3,464,282
Administrative expenses		(3,083,361)	(3,326,561)
Other operating income		62,003	-
Exceptional item	4	104,507	(104,507)
Operating profit	5	223,779	33,214
Interest receivable and similar income	8	23,772	17,764
Interest payable and similar expenses	9	(31,369)	-
Other gains and losses	10	(1)	-
Profit before taxation		216,181	50,978
Tax on profit	11	(40,960)	(56,257)
Profit/(loss) for the financial year		175,221	(5,279)

BLUE SUPPORT SERVICES LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 30 APRIL 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	12	1,505,581		1,532,355	
Investments	13	1,600,000		1,600,001	
		<u>3,105,581</u>		<u>3,132,356</u>	
Current assets					
Stocks	15	1,136,020		1,135,707	
Debtors	16	8,047,062		4,262,086	
Cash at bank and in hand		1,111,279		2,445,993	
		<u>10,294,361</u>		<u>7,843,786</u>	
Creditors: amounts falling due within one year	17	<u>(4,713,500)</u>		<u>(3,906,030)</u>	
Net current assets		<u>5,580,861</u>		<u>3,937,756</u>	
Total assets less current liabilities		<u>8,686,442</u>		<u>7,070,112</u>	
Creditors: amounts falling due after more than one year	18	(7,615,002)		(5,844,393)	
Provisions for liabilities	20	(51,162)		(380,662)	
Net assets		<u>1,020,278</u>		<u>845,057</u>	
Capital and reserves					
Called up share capital	23	100		100	
Profit and loss reserves	24	1,020,178		844,957	
Total equity		<u>1,020,278</u>		<u>845,057</u>	

The financial statements were approved by the board of directors and authorised for issue on ...31/1/19...
and are signed on its behalf by:


A Dwan
Director

BLUE SUPPORT SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 APRIL 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 May 2016	100	850,236	850,336
Year ended 30 April 2017:			
Loss and total comprehensive income for the year	-	(5,279)	(5,279)
Balance at 30 April 2017	100	844,957	845,057
Year ended 30 April 2018:			
Profit and total comprehensive income for the year	-	175,221	175,221
Balance at 30 April 2018	100	1,020,178	1,020,278

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Blue Support Services Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Building 1000 Kings Reach, Yew Street, Stockport, SK4 2HG.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instruments Issues' - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Blue Support Services Limited is a wholly owned subsidiary of ES Management Services Limited and the results of Blue Support Services Limited are included in the consolidated financial statements of ES Management Services Limited which are available from Building 1000, Kings Reach, Yew Street, Stockport, SK4 2HG.

Consolidated financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

The company forms part of the E S Management Services Limited group. The company meets its day to day working capital requirements through bank loans. The directors have prepared forecasts for the company for a period of 12 months from the date of approval of these financial statements. These forecasts take account of reasonable possible changes in trading performance in all areas of the business. The forecasts and projections show that the company is expected to be able to continue to operate within the level of its current facilities. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Revenue from contracts for the provision of maintenance services and defect rectification is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the cost of work done, and that are deemed recoverable. Amounts invoiced in advance of work done are included within deferred income which is then to be released to the profit and loss account when the cost of maintenance work exceeds amounts invoiced. As the maintenance contracts related to deferred income are all long term the relevant balance is shown as a long term liability.

Profits on long term maintenance contracts are only recognised when the outcome of the contract can be estimated with reasonable certainty. Losses are provided in full as soon as they are recognised.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Buildings	50 years straight line
Plant and machinery	7 - 33% straight line
Fixtures, fittings and equipment	33% straight line

Freehold land and assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Work in progress comprises material costs incurred but not yet invoiced. Land and buildings for development comprises assets purchased for redevelopment and sale and associated development costs.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies (Continued)

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

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

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Lifecycle maintenance contracts

The company has agreed to provide long-term maintenance services on a number of buildings, at pre agreed rates over fixed periods. Management closely monitor these contracts with the assumption that a break even position is achieved but inevitably there is a degree of estimation as to the ultimate likely outcome of each contract. Two key areas of uncertainty are the rate of inflation with regards to both indexation and costs along with both the timing and frequency of renewals. It is assumed that inflation will continue at approximately 3% and that the requirement for renewals will be controlled and lessened due to high quality routine maintenance. The position for each contract will be reassessed each year with assumptions gaining a higher degree of accuracy as the contracts mature.

Categorisation of property

In categorising property as property, plant and equipment or as investment property, management makes judgements as to whether the property is held for the purpose of rental gains and/or capital appreciation. Management have concluded that all property is categorised as property, plant and equipment.

3 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Facilities management	3,827,899	6,287,858
Sale of land and buildings	156,411	-
	<u>3,984,310</u>	<u>6,287,858</u>

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

3 Turnover and other revenue (Continued)

	2018 £	2017 £
Other revenue		
Interest income	23,772	17,764

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	3,984,310	6,287,858

4 Exceptional items

	2018 £	2017 £
Bad debt expense	(104,507)	104,507

The exceptional item noted above relates to a provision against a balance owed by a related party, which was reversed in the year.

5 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	50,574	31,752
Cost of stocks recognised as an expense	617,100	407,716
Operating lease charges	1,304	1,482

Auditor's remuneration of £6,300 (2017: £6,000) is borne by a related party company.

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Admin	6	4
Helpdesk	7	7
Estates Team	66	105
	79	116

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

6 Employees (Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	2,074,947	2,567,212
Social security costs	193,379	224,554
Pension costs	30,048	55,458
	<u>2,298,374</u>	<u>2,847,224</u>

Until March 2018, the directors were not paid through this company, the remuneration was borne by a related party.

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	1,667	-
Company pension contributions to defined contribution schemes	68	-
	<u>1,735</u>	<u>-</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 0).

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	4,938	8,539
Other interest income - Directors current account	18,834	9,225
	<u>23,772</u>	<u>17,764</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	31,369	-

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

10 Other gains and losses - fixed asset investments

	2018 £	2017 £
Other gains and losses	(1)	-

The loss on fixed asset investments relates to the impairment of the investment in Equity Solutions (Moorland Road) Limited as it was dissolved after the year end.

11 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	23,855	10,024
Adjustments in respect of prior periods	(3,395)	14,828
Total current tax	20,460	24,852
Deferred tax		
Origination and reversal of timing differences	(1,454)	110
Changes in tax rates	-	(1,797)
Adjustment in respect of prior periods	21,954	33,092
Total deferred tax	20,500	31,405
Total tax charge	40,960	56,257

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	216,181	50,978
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.92%)	41,074	10,155
Tax effect of income not taxable in determining taxable profit	(22,219)	-
Adjustments in respect of prior years	(3,395)	14,828
Deferred tax adjustments in respect of prior years	21,954	33,092
Adjust deferred tax to average rate	171	(1,818)
Fixed asset differences	3,375	-
Taxation charge for the year	40,960	56,257

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

11 Taxation (Continued)

Factors affecting future tax charges

The main rate of corporation tax stands at 20% in 2016/17. This will be further reduced to 19% for financial years starting on 1 April 2017. A further reduction to 17% was substantively enacted on 6 September 2016, to become effective from 1 April 2020.

12 Tangible fixed assets

	Land and buildings	Assets under construction	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 May 2017	440,000	854,712	305,519	87,286	1,687,517
Additions	-	23,800	-	-	23,800
Transfers	878,512	(878,512)	-	-	-
At 30 April 2018	1,318,512	-	305,519	87,286	1,711,317
Depreciation and impairment					
At 1 May 2017	-	-	75,891	79,271	155,162
Depreciation charged in the year	17,750	-	29,668	3,156	50,574
At 30 April 2018	17,750	-	105,559	82,427	205,736
Carrying amount					
At 30 April 2018	1,300,762	-	199,960	4,859	1,505,581
At 30 April 2017	440,000	854,712	229,628	8,015	1,532,355

13 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	14	-	1
Unlisted investments		1,600,000	1,600,000
		1,600,000	1,600,001

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 May 2017 & 30 April 2018	1	1,600,000	1,600,001
Impairment			
At 1 May 2017	-	-	-
Impairment losses	1	-	1
At 30 April 2018	1	-	1
Carrying amount			
At 30 April 2018	-	1,600,000	1,600,000
At 30 April 2017	1	1,600,000	1,600,001

14 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct Indirect
Equity Solutions (Moorland Road) Limited	1	Dormant	Ordinary	100

Registered Office addresses:

1 Building 1000, Kings Reach. Yew Street, Stockport, SK4 2HG

Equity Solutions (Moorland Road) Limited has taken the exemption in section 480 of the Companies Act 2006 from the requirements in the Act for their individual accounts to be audited. As at 30 April 2018 the profit and net assets of the company was £Nil (2017 - £Nil). Equity Solutions (Moorland Road) Limited was dissolved after the year end on the 14 August 2018.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

15 Stocks

	2018 £	2017 £
Work in progress	81,098	-
Land and building for development	1,054,922	1,135,707
	<u>1,136,020</u>	<u>1,135,707</u>

During the year there was a stock write down of £70,936 (2017: £nil).

16 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	14,182	70,853
Amounts owed by group undertakings	4,430,810	3,563,575
Other debtors	3,558,820	627,069
Prepayments and accrued income	43,250	589
	<u>8,047,062</u>	<u>4,262,086</u>

17 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	19	342,468	-
Trade creditors		168,717	98,856
Amounts due to group undertakings		3,062,136	1,709,527
Corporation tax		23,855	8,513
Other taxation and social security		185,449	149,936
Other creditors		712,874	1,900,485
Accruals and deferred income		218,001	38,713
		<u>4,713,500</u>	<u>3,906,030</u>

Deferred income relates to amounts invoiced in advance for maintenance contracts and defect correction on properties.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

18 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	19	1,068,950	-
Deferred income		6,546,052	5,844,393
		<u>7,615,002</u>	<u>5,844,393</u>

Deferred income relates to amounts invoiced in advance for maintenance contracts on properties.

19 Borrowings

	2018 £	2017 £
Bank loans	1,146,260	-
Bank overdrafts	265,158	-
	<u>1,411,418</u>	<u>-</u>
Payable within one year	342,468	-
Payable after one year	1,068,950	-
	<u>1,411,418</u>	<u>-</u>

The bank loan is secured by a fixed and floating charge over the following property: Blue Support House, 17a Moorland Road, St Austell, Cornwall, PL25 5BS. Interest is charged on the bank loan at 2.75% above LIBOR. It is repayable by quarterly instalments over 5 years.

20 Provisions for liabilities

	Notes	2018 £	2017 £
Provision for building repair costs		-	350,000
Deferred tax liabilities	21	51,162	30,662
		<u>51,162</u>	<u>380,662</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

	Provision for building repair costs £
At 1 May 2017	350,000
Reversal of provision	(350,000)
At 30 April 2018	<u>-</u>

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

20 Provisions for liabilities (Continued)

The provision for building repair costs related to expenditure which was to be incurred in order to replace faulty materials, damaged valves and associated pipework in a property which the company is legally obliged to maintain. However following further investigation, it was concluded that due to the underlying cause of the defect, the liability for the repair work does not sit with the company and on 30 April 2018, this provision was released in full.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
Accelerated capital allowances	51,564	31,428
Short term timing differences	(402)	(766)
	<u>51,162</u>	<u>30,662</u>
Movements in the year:		2018 £
Liability at 1 May 2017		30,662
Charge to profit or loss		20,500
		<u>51,162</u>
Liability at 30 April 2018		

None of the deferred tax liability set out above is expected to reverse within the next 12 months and relates to accelerated capital allowances. All of the short-term timing differences are expected to reverse in the next 12 months.

22 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>30,048</u>	<u>55,458</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions totalling £2,364 were prepaid (2017 - £4,501 was payable) to the fund at the year end and are included in other debtors (2017 - other creditors).

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

23 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

All shares have full voting rights and full entitlement to profit and capital distribution.

24 Reserves

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

25 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	1,232	996
Between two and five years	4,620	-
	<u>5,852</u>	<u>996</u>

26 Cross guarantee

The company has given a fixed and floating charge and a cross guarantee on all property assets and undertakings in favour of AIB Group (UK) PLC in relation to a revolving loan facility in North & Partners Technical Limited, a fellow group company. The value of these loans outstanding at 30 April 2018 is £1,940,090 (2017 - £2,748,963) In addition, Equity Solutions Asset Management Limited, a related party, has given an additional guarantee in relation to these loans up to £3m.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

27 Related party transactions

Transactions with related parties

The below data is derived from transactions between the company and entities under the common control of Mr A M Dwan.

The aggregated transactions and balances due to/from these companies are as follows:

Sales of goods and services in year: £4,066,366 (2017 - £3,819,829)

Purchases of goods and services in year: £558,166 (2017 - £1,009,063)

Loans given in the year: £3,091,490 (2017 - £664,531)

Loans received in the year: £686,655 (2017 - £685,799)

Repayment of loans in the year: £4,393,649 (2017 - £1,075,267)

Allocation of sales invoices to loan balances in the year: £73,716 (2017 - £690,730)

Allocation of purchase invoices to loan balances in the year: £59,585 (2017 - £236,529)

Settlement of liabilities on behalf of related parties: £Nil (2017 - £948,420)

Settlement of liabilities by related parties: £Nil (2017 - £39,106)

Amounts provided for in relation to related party balances: £Nil (2017 - £104,507)

Amounts owed by related parties, included in other debtors at year end: £2,142,242 (2017 - £554,407)

Amounts owed to related parties, included in other creditors at year end: £693,846 (2017 - £1,404,343)

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. No guarantees have been given or received in respect of these balances.

BLUE SUPPORT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2018

28 Directors' transactions

At 30 April 2018, Mr A M Dwan, a director in the company, owed the company £1,352,477 (2017: £293,529 was owed by the company).

At 30 April 2018, the company owed Mr A Dwan, a director in the company £Nil (2017: £134,321).

Interest is charged on an overdrawn loan account balance at a rate of 3%.

Mr A M Dwan:

Balance brought forward - owed to Mr A M Dwan: £293,529
Payments made on behalf of Mr A M Dwan during the year: (£96,272)
Amounts advanced to A M Dwan during the year: (£1,530,900)
Interest charged on overdrawn during the year: (£18,834)
Balance carried forward - owed to the company: (£1,352,477)

Mr A Dwan:

Balance brought forward - owed to the company: £134,321
Amounts advanced to A Dwan during the year: (£575,539)
Payments made on behalf of A Dwan: (£128,625)
Amounts repaid by A Dwan during the year: £569,843
Balance carried forward - owed to Mr A Dwan: £Nil

29 Controlling party

The company is 100% owned by E S Management Services Limited. The ultimate controlling party is Mr A M Dwan.

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared is E S Management Services Limited. Consolidated accounts are available from the registered office as follows, Building 1000 Kings Reach, Yew Street, Stockport, SK4 2HG.