

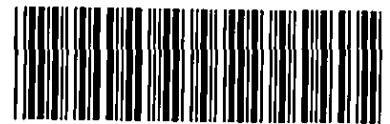
BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

COMPANY NUMBER: 09229739

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BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

DIRECTORS' REPORT

Bluestone Administrative Services (UK) Limited, "the Company", was incorporated on 22 September 2014. The Directors' present their annual report on the affairs of the Company, together with the unaudited financial statements, for the financial year ended 30 June 2016.

Directors

The names of the Directors of the Company who served during the financial year and up to the date of signing the financial statements were:

A. Jeffery
A. Voss
P. McGuinness

No Director had a material interest at any time during the year in any contract of significance with the Company.

Business review and principal activities

Bluestone Administrative Services (UK) Limited is a subsidiary of Bluestone Consolidated Holdings Limited, a company registered in England and Wales. The Company's principal activity is the provision of support services to the businesses within the Bluestone Consolidated Holdings Limited group.

Going Concern

The financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Company will be able to continue in operation and meet its debts as they fall due for the foreseeable future.

Directors and Officers Liability Insurance

The Company has arranged Directors and Officers' liability insurance which cover all the Directors and Officers of the Company against certain liabilities they may incur in carrying out their duties.

Employees

Details of the average number of employees during the year are shown in note 3. The average number of employees in the year to 30 June 2016 was 122 an increase of 103 (542%) from the previous year.

The Company is committed to employment policies based on equal opportunities for all employees. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The Company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The Company encourages the involvement of employees by means of whole office meetings where employees have the opportunity to hear from management on the Company's developments and ask questions. These can also be submitted anonymously beforehand should employees prefer.

Financial results and dividends

Bluestone Administrative Services (UK) Limited made a loss of £-662,787 (2015: £49,853 profit) in the financial year ended 30 June 2016. All revenue was earned from other group companies.

The Directors are not proposing any dividend in respect of the financial year ending 30 June 2016 (2015: nil).

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors' responsibilities statement

The Directors are responsible for preparing 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

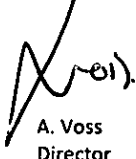
The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audit Exemption

Bluestone Administrative Services (UK) Limited has claimed audit exemption under Companies Act 2006 Section 479A with respect to the year ended 30 June 2016. The group parent company, Bluestone Consolidated Holdings Limited, has given a statement of guarantee under Companies Act 2006 Section 479C, whereby Bluestone Consolidated Holdings Limited will guarantee all outstanding liabilities to which the respective subsidiary companies are subject as at 30 June 2016.

Signed in accordance with a resolution of the Directors made on 24 March 2017.

On behalf of the board



A. Voss
Director



P. McGuinness
Director

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	The year ended 30 June 2016 £	10 months ended 30 June 2015 £
Revenue		9,534,735	1,314,142
Administrative expenses		<u>(8,583,978)</u>	<u>(1,299,847)</u>
Profit from operations	5	950,757	14,295
Finance costs		<u>(63,465)</u>	<u>(527)</u>
Profit before income taxes		887,292	13,768
Tax credit	6	(224,505)	36,085
Profit and total comprehensive income for the year/period		<u>662,787</u>	<u>49,853</u>

All of the results derive from continuing operations.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	Note	2016 £	2015 £
ASSETS			
Fixed assets			
Property, plant and equipment	7	778,123	335,411
Current assets			
Trade and other receivables	8	350,016	217,265
Cash and cash equivalents		<u>16,489</u>	<u>739,695</u>
		<u>366,506</u>	<u>956,960</u>
Current liabilities			
Trade and other payables	10	(527,056)	(1,129,230)
Interest bearing liabilities	11	(41,717)	(87,161)
Deferred tax liability	9	(190,807)	-
Bank overdraft		<u>-</u>	<u>(26,126)</u>
Total current liabilities		<u>(759,580)</u>	<u>(1,242,517)</u>
Net current liabilities		<u>(393,074)</u>	<u>(285,557)</u>
NET ASSETS		<u>385,049</u>	<u>49,854</u>
EQUITY			
Share capital		1	1
Retained (deficit)/earnings		<u>712,640</u>	<u>49,853</u>
Total Equity		<u>712,641</u>	<u>49,854</u>

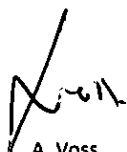
For the year ending 30 June 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The above statement of financial position should be read in conjunction with the accompanying notes.

The financial statements on pages 5 to 13 were approved by the Board of Directors and signed on its behalf by:



A. Voss
Director



P. McGuinness
Director

Date: 24 March 2017

Bluestone Administrative Services (UK) Limited
Registered number: 09229739

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Share capital £	Retained (deficit)/ earnings £	Total equity £
Balance on incorporation	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the year	<u>-</u>	<u>49,853</u>	<u>49,853</u>
Profit and total comprehensive income for the financial period	<u>-</u>	<u>49,853</u>	<u>49,853</u>
Transactions with owners in their capacity as owners			
Issue of share capital	1	-	1
Balance at 30 June 2015	<u>1</u>	<u>49,853</u>	<u>49,854</u>
Loss for the year	<u>-</u>	<u>662,787</u>	<u>662,787</u>
Loss and total comprehensive expense for the financial year	<u>-</u>	<u>662,787</u>	<u>662,787</u>
Balance at 30 June 2016	<u>1</u>	<u>712,640</u>	<u>712,641</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

1. General Information

Bluestone Administrative Services (UK) Limited ('the Company') is a private company incorporated in England and Wales under the Companies Act 2006. The address of its registered office is Newnham Mill, Newnham Road, Cambridge, CB3 9EY, United Kingdom. The Company is a wholly-owned subsidiary of Bluestone Consolidated Holdings Limited.

2. Summary of significant accounting policies

The principal accounting policies adopted in the financial statements are set out below. These policies have been consistently applied to all the periods of presentation unless otherwise stated.

(a) Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU adopted IFRS.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities measured at fair value through profit and loss and in accordance with the Companies Act 2006 (the Act).

The Company is a qualifying entity for the purpose of FRS 101. The results of the Company are included within the consolidated financial statements of its ultimate parent. Note 13 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- not presenting a Statement of cash flows; and
- not disclosing details of related party transactions entered into between two or more members of a group; and
- not disclosing new and amended standards in issue but not yet effective; and
- capital management disclosures.

The Company has not elected to apply any standards or pronouncements before their operative date in the reporting year beginning 1 July 2015.

Going Concern

Bluestone Administrative Services (UK) Limited has sufficient cash resources, and access to amounts due from group companies, to meet its obligations as they fall due for a period of at least twelve months from the date the financial statements are signed, and therefore the financial statements have been prepared on a going concern basis.

(b) Property, plant and equipment

Property, plant and equipment is stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated using the straight line method so as to write off the net cost over its estimated useful economic life. The following estimated useful lives are used in the calculation of depreciation:

Leasehold improvements	Shorter of lease term and 5 years
Equipment under finance lease	3 years
Plant and equipment	3 - 5 years

The Directors periodically review estimates of useful lives and realisable values of assets. All assets are depreciated from the date that they are brought into use.

(c) Employee entitlements

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised as liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2. Summary of significant accounting policies (continued)

(c) Employee entitlements (continued)

(ii) Retirement benefit obligations

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Pension costs charged in the year represent contributions payable by the Company to the fund.

(iii) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Other employee related items

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(d) Taxation

The income tax expense or revenue for the period is the tax payable/receivable on the current period's taxable profit based on the corporation tax rate in the UK adjusted by changes in deferred tax assets and liabilities attributable to timing differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for the deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and liability simultaneously.

(e) Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(f) Revenue Recognition

Revenue is generally measured at fair value of the consideration received or receivable. The principal source of revenue is:

(i) Management fees

Management and fees are brought into account as the amounts become irrevocably due and payable.

(g) Financial instruments

Financial instruments are measured initially at cost, which is fair value of whatever was paid or received to acquire or incur them. After initial recognition, financial assets and liabilities may be classified into the following categories: financial assets or liabilities at fair value through profit and loss, held to maturity investments, available for sale financial assets, loans and receivables and other financial liabilities at amortised cost. The Company has the following categories of assets and liabilities:

(i) Receivables

Receivables are included in the loans and receivables category. They are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment is accounted for when management deems there is sufficient evidence that the amount recoverable is less than the carrying value of the receivable.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of 3 months or less at acquisition. Cash and cash equivalents include amounts collected on behalf of clients. There is a corresponding balance held within trade and other payables.

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

2. Summary of significant accounting policies (continued)

(g) Financial instruments (continued)

(iii) Interest bearing loans and borrowings

Interest bearing loans and borrowings are included in the other financial liabilities category. They are initially measured at fair value, net of direct issue costs, and subsequently measured at amortised cost, using the effective interest method. Interest is recognised in the income statement and is added to the carrying amount of the financial investment to the extent that it is not settled in the period in which it arises. Interest-bearing loans and borrowings are classified as non-current liabilities where there is an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position. All other borrowings are classified as current liabilities.

(iv) Trade Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3. Employee information

	2016	2015
	Number	Number
The average monthly number of employees (excluding executive Directors) was:	<u>122</u>	<u>19</u>
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	6,090,568	624,389
Recruitment costs	161,354	51,900
Social security costs	650,332	53,755
Pension costs	22,269	2,317
Employee share scheme	53,771	-
Total	<u>6,978,294</u>	<u>732,361</u>

4. Directors' emoluments and key management

No emoluments or other benefits were received by the Directors from the Company during the year ended 30 June 2016 for their services to Bluestone Administrative Services (UK) Limited.

Management considers the Directors to be the only members of key management.

5. (Loss)/Profit from operations

	2016	2015
	£	£
This is stated after charging:		
Depreciation	182,642	28,457
Operating lease rentals	390,602	22,000

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

6. Tax credit

	2016	2015
	£	£
(a) Income tax credit		
Current tax	215,211	(36,085)
Prior year adjustment	9,294	-
	<u>224,505</u>	<u>(36,085)</u>
 (b) Reconciliation of income tax (credit)/expense to theoretical tax payable		
The tax on the Company's loss before tax differs from the theoretical amount would arise using the weighted average tax rate applicable in the UK as follows:		
(Loss)/Profit before tax	<u>887,292</u>	<u>13,768</u>
 Tax (credit)/charge calculated at the weighted average rate of corporation tax in the UK 20.00% (2015: 20.76%)	 177,458	 2,858
Effects of		
- Expenses not deductible for tax purposes	37,752	5,765
- Additional deduction for research and development	-	(44,708)
- Prior year adjustments	9,294	-
Total tax credit	<u>224,505</u>	<u>(36,085)</u>

No amounts have been recognised directly in equity during the year.

(c) Factors affecting future tax changes

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the date of the statement of financial position, its effects are not included in these financial statements. There would however be no material effect to these financial statements.

7. Property, plant and equipment

	Leasehold improvements	Plant and equipment	Equipment under finance lease	Total
	£	£	£	£
Cost				
At 1 July 2015	123,465	123,997	116,406	363,868
Additions	-	675,300	-	675,300
Disposals	(14,883)	-	(27,809)	(42,692)
Balance at 30 June 2016	<u>108,582</u>	<u>799,297</u>	<u>88,597</u>	<u>996,476</u>
 Accumulated depreciation				
At 1 July 2015	8,231	16,181	4,045	28,457
Charge for the period	24,693	118,934	39,015	182,642
Disposals	(2,057)	13,354	(4,043)	7,254
Balance at 30 June 2016	<u>30,867</u>	<u>148,469</u>	<u>39,017</u>	<u>218,353</u>
 Carrying amount				
At 1 July 2015	<u>115,234</u>	<u>107,816</u>	<u>112,361</u>	<u>335,411</u>
At 30 June 2016	<u>77,715</u>	<u>650,828</u>	<u>49,580</u>	<u>778,123</u>

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

8. Trade and other receivables

	2016	2015
	£	£
Amounts falling due within one year:		
Prepayments	43,053	13,898
Current tax receivable	2,387	-
Other	304,904	203,367
Total	350,016	217,265

9. Deferred tax assets

	2016	2015
	£	£
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income:		
Tax losses	(190,807)	-

10. Trade and other payables

	2016	2015
	£	£
Trade and other payables	416,322	7,379
Amounts owed to Group companies	-	796,303
Other tax and social security costs	349,396	213,761
Accruals	238,663	111,787
Total	527,056	1,129,230

11. Interest-bearing liabilities

Finance leases

Interest-bearing liabilities comprise finance leases relating to equipment with lease terms of 3 years. Commitments in relation to finance leases are payable as follows:

	2016	2015
	£	£
No later than 1 year	32,483	-
Later than 1 year and not later than 5 years	14,697	128,000
Minimum finance lease payments	47,180	128,000
Less: future finance charges	(5,463)	(40,839)
	41,717	87,161

12. Commitments

The following amounts have been committed to but not recognised in the financial statements:

	2016	2015
	£	£
Operating leases		
Commitments under non-cancellable operating leases expiring:		
No later than 1 year	228,138	1,000
Later than 1 year and not later than 5 years	607,683	4,000
After 5 years	-	980,000
	835,821	985,000

Operating lease commitments relate to office equipment and office rent. Lease terms are between 1 and 5 years.

BLUESTONE ADMINISTRATIVE SERVICES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

13. Controlling parties

The immediate and ultimate parent undertaking and controlling party is Bluestone Consolidated Holdings Limited, incorporated in the United Kingdom.

Bluestone Consolidated Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 June 2016. The consolidated financial statements of Bluestone Consolidated Holdings Limited are available from Newnham Mill, Newnham Road, Cambridge, CB3 9EY.