

financial statements group

Blue Chip Customer Engineering Limited and its subsidiaries

For the year ended 31 March 2015

Company registration number: 02146732



MHA MacIntyre Hudson
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE*

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

COMPANY INFORMATION

DIRECTORS	Brian Meredith Roy Burke Sadie Nesbitt Andrew Rounding Alan Ferguson
COMPANY SECRETARY	Andrew Rounding
REGISTERED NUMBER	02146732
REGISTERED OFFICE	Franklin Court Priory Business Park Bedford MK44 3JZ
INDEPENDENT AUDITORS	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Equipoise House Grove Place Bedford MK40 3LE
BANKERS	Santander UK Plc Santander House 201 Grafton Gate East Milton Keynes MK9 1AN
SOLICITORS	Shakespeares LLP Chancery House 199 Silbury Boulevard Milton Keynes MK9 1JL

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

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BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

BUSINESS REVIEW

The Group continues to enjoy growth across all revenue streams. The prior years have seen significant investment in infrastructure which is supporting the now significant growth in Data Centre Services revenues.

The Directors are committed to ensuring the customers receive the very best service across its portfolio of IT services and this growth and levels of service are sustainable for the foreseeable future.

Turnover from Continuing Operations grew strongly by 17.6% in the year on the back of this investment (2014 – 7%).

The company constantly strives for operational efficiency and development of its processes which has resulted in the increase in Operating Profits by 52%. The Directors are confident that the ongoing investment and culture of continual improvements will see further growth in the ensuing years.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are satisfied that there are no significant risks or uncertainties beyond those of normal market conditions.

KEY PERFORMANCE INDICATORS

The Group's key performance indicators are those of customer service satisfaction, revenue growth and profitability. The directors are satisfied that all measures are being met and they will continue to do so.

FUTURE DEVELOPMENTS

The Group has invested heavily in the previous years to provide a firm basis for substantial growth. The directors are confident that no further significant development is required to achieve its growth targets.

This report was approved by the board and signed on its behalf.



.....
Andrew Rounding
Director

Date: 11 May 2015

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company and group during the year was the provision of IT services, including Managed Services, Maintenance, Data availability, Disaster recovery and the supply of and consultancy for computer hardware.

Itheon Limited, one of the company's subsidiaries, develops and sells computer software licences and maintenance agreements.

During the year the Group disposed of two subsidiaries: Blue Chip Customer Engineering Nordic AB and Blue Chip Services AB, both companies incorporated in Sweden. Both companies were dormant during the year.

RESULTS

The profit for the year, after taxation, amounted to £3,049,000 (2014 - £1,769,000).

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

DIRECTORS

The directors who served during the year were:

Brian Meredith
Roy Burke
Sadie Nesbitt
Andrew Rounding
Alan Ferguson

During the year, the company operated an Enterprise Management Incentive Share Option Scheme (EMI Scheme) for certain eligible directors and employees. The director stated below has the following interests in the scheme:

Andrew Rounding - 11,239 shares (2014: 11,239 shares)
Weighted average exercise price - £0.01
Date from which exercisable - 3 January 2012

FUTURE DEVELOPMENTS

See entry in the Strategic Report

FINANCIAL INSTRUMENTS

Treasury operations

The group operates a centralised treasury function which is responsible for managing the liquidity, interest and credit risks associated with the group's activities.

Liquidity risk

The group manages its cash and borrowing requirements centrally to maximise interest income and minimise interest expense, whilst ensuring that the group has sufficient resources to meet the operating needs of its businesses.

Interest rate risk

The group is not significantly exposed to interest rate risk as it arranges borrowings on fixed rate terms as appropriate.

Foreign currency risk

The group makes some sales to and purchases from foreign countries. The level of spend is not enough to expose the group to significant foreign currency risk.

Credit risk

The group operates a highly effective credit policy which minimises its credit risk. Levels of credit are monitored regularly to ensure that the exposure is low.

EMPLOYEE INVOLVEMENT

Monthly meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well-informed about the progress and position of the group by means of regular departmental meetings, newsletters and journals.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

DISABLED EMPLOYEES

The group's policy is to give full and fair consideration to application for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Andrew Rounding
Director

Date: 11 May 2015

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

We have audited the financial statements of Blue Chip Customer Engineering Limited and its subsidiaries for the year ended 31 March 2015, which comprise the group Profit and Loss Account, the group and company Balance Sheets, the group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

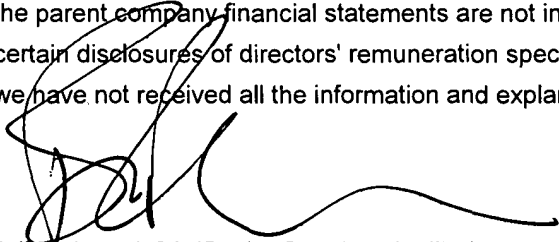
BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLUE CHIP CUSTOMER ENGINEERING
LIMITED AND ITS SUBSIDIARIES**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Brian Neil Richens FCA (Senior Statutory Auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Equipoise House
Grove Place
Bedford
MK40 3LE

Date: 11 May 2015

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
TURNOVER	1,2		
Continuing operations		34,611	29,553
Discontinued operations		-	1,945
		34,611	31,498
Cost of sales	3	(8,477)	(8,775)
GROSS PROFIT		26,134	22,723
Administrative expenses	3	(21,897)	(19,740)
Gain /(loss) on disposal of operations	3	15	(268)
OPERATING PROFIT	4		
Continuing operations	3	4,492	3,051
Discontinued operations	3	(240)	(336)
		4,252	2,715
Amounts written off investments		-	(6)
Interest payable and similar charges	8	(227)	(243)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,025	2,466
Tax on profit on ordinary activities	9	(976)	(697)
PROFIT FOR THE FINANCIAL YEAR	19	3,049	1,769

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.

The notes on pages 12 to 32 form part of these financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTE OF CONSOLIDATED HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £000	2014 £000
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,025	2,466
Realisation of valuation gains of previous periods	57	57
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4,082	2,523
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	3,106	1,826


The notes on pages 12 to 32 form part of these financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES
REGISTERED NUMBER: 02146732

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Intangible assets	10		2,099		2,253
Tangible assets	11		18,895		15,035
			<u>20,994</u>		<u>17,288</u>
CURRENT ASSETS					
Stocks	13	4,760		4,549	
Debtors	14	17,504		14,321	
Cash at bank		532		30	
		<u>22,796</u>		<u>18,900</u>	
CREDITORS: amounts falling due within one year	15	(21,756)		(19,105)	
NET CURRENT ASSETS/(LIABILITIES)			<u>1,040</u>		<u>(205)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,034</u>		<u>17,083</u>
CREDITORS: amounts falling due after more than one year	16		(7,316)		(5,522)
PROVISIONS FOR LIABILITIES					
Deferred tax	17		(671)		(563)
NET ASSETS			<u>14,047</u>		<u>10,998</u>
CAPITAL AND RESERVES					
Called up share capital	18		5		5
Share premium account	19		94		94
Revaluation reserve	19		2,392		2,449
Capital redemption reserve	19		5		5
Profit and loss account	19		11,551		8,445
SHAREHOLDERS' FUNDS	20		<u>14,047</u>		<u>10,998</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2015.



Andrew Rounding
 Director

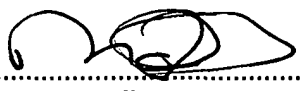
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BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES
REGISTERED NUMBER: 02146732

COMPANY BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£000	2015 £000	£000	2014 £000
FIXED ASSETS					
Tangible assets	11		18,895		15,035
Investments	12		3,095		3,095
			<u>21,990</u>		<u>18,130</u>
CURRENT ASSETS					
Stocks	13	4,760		4,549	
Debtors	14	17,334		14,089	
Cash at bank		519		28	
		<u>22,613</u>		<u>18,666</u>	
CREDITORS: amounts falling due within one year	15	(23,211)		(20,196)	
NET CURRENT LIABILITIES			<u>(598)</u>		<u>(1,530)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,392</u>		<u>16,600</u>
CREDITORS: amounts falling due after more than one year	16		(7,303)		(5,472)
PROVISIONS FOR LIABILITIES					
Deferred tax	17		(675)		(567)
NET ASSETS			<u>13,414</u>		<u>10,561</u>
CAPITAL AND RESERVES					
Called up share capital	18		5		5
Share premium account	19		94		94
Revaluation reserve	19		2,392		2,449
Capital redemption reserve	19		5		5
Profit and loss account	19		10,918		8,008
SHAREHOLDERS' FUNDS	20		<u>13,414</u>		<u>10,561</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 May 2015.



Andrew Rounding
 Director

The notes on pages 12 to 32 form part of these financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	22	6,807	2,199
Returns on investments and servicing of finance	23	(227)	(243)
Taxation		(902)	(445)
Capital expenditure and financial investment	23	(2,226)	(2,301)
Acquisitions and disposals	23	-	240
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		3,452	(550)
Financing	23	(1,180)	(351)
INCREASE/(DECREASE) IN CASH IN THE YEAR		2,272	(901)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 MARCH 2015**

	2015 £000	2014 £000
Increase/(Decrease) in cash in the year	2,272	(901)
Cash outflow from decrease in debt and lease financing	1,180	352
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	3,452	(549)
New finance leases	(3,681)	(371)
Other non-cash changes	2	(1)
MOVEMENT IN NET DEBT IN THE YEAR	(227)	(921)
Net debt at 1 April 2014	(7,542)	(6,621)
NET DEBT AT 31 MARCH 2015	(7,769)	(7,542)

The notes on pages 12 to 32 form part of these financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The financial statements consolidate the accounts of the company and its subsidiary undertakings made up to the balance sheet date and its share of the results and post-acquisition reserves of associated undertakings.

The profits and losses of subsidiary and associated undertakings are consolidated from the date of acquisition to the date of disposal. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as goodwill and amortised through the profit and loss account in equal instalments over its estimated useful life.

The results of subsidiaries sold are included up to the effective date of disposal.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts due during the year, exclusive of Value Added Tax.

Maintenance in advance relates to income that has been deferred over the life of its maintenance contract. The value of the maintenance in advance included within creditors is effectively the income due to the company if no more contracts were sold after the year end date. As each month of the contract continues sales are credited to the profit and loss account. Contracts can be cancelled in the last 90 days remaining on the contract, however they are non-refundable.

1.4 Intangible fixed assets and amortisation

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

Amortisation is provided at the following rates:

Goodwill	-	over 20 years straight line
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	over 50 years straight line
Leasehold property	-	over 50 years straight line
Motor vehicles	-	over 4 years straight line
Fixtures and fittings	-	over 5 years straight line
Office equipment	-	over 3 to 50 years straight line

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and Loss Account.

1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment.

1.8 Leasing and hire purchase

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

1.9 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and directors' best estimate of net realisable value. Net realisable value is based on estimated selling price less the estimated cost of disposal.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.14 Research and development expenditure

Research and development expenditure is written off in the profit and loss account in the period in which it is incurred except development expenditure incurred on individual projects. Where the recoverability of this development expenditure can be foreseen with reasonable assurance it is capitalised and amortised in line with sales from the relevant projects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.15 Share based payments

The cost of equity-settled transactions with Directors and employees is measured by reference to the fair value at the date at which the options are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions number of equity instruments that will ultimately vest or in the case of an instrument subject to market condition, be treated as vesting as described above.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if the difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation of settlement date is deducted from equity, with any excess over fair value being treated as an expense in the profit and loss account.

The company has taken advantage of the transitional provisions of Financial Reporting Standard 20 in respect of equity-settled awards so as to apply Financial Reporting Standard 20 only to those equity-settled granted after 7 November 2002 that had not vested before 1 January 2006.

1.16 Employee Benefit Trust

The group operates an Employee Benefit Trust over which it has no de facto control. Accordingly, the Employee Benefit Trust is not recognised or consolidated in these financial statements.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.17 Financial instruments

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.

2. TURNOVER

The turnover and profit before tax are attributable to the principal activities of the Group.

An analysis of turnover by class of business is as follows:

	2015 £000	2014 £000
United Kingdom	34,468	29,533
Overseas	143	1,965
	<u>34,611</u>	<u>31,498</u>

The turnover and profit before taxation derived from both continuing and discontinuing activities are derived from the principal activities of the Group. The discontinuing activities in the previous year relate to overseas operations.

3. ANALYSIS OF OPERATING PROFIT

	2015 Continuing £000	2015 Discontinued £000	2014 Continuing £000	2014 Discontinued £000
Turnover	34,611	-	29,553	1,945
Cost of sales	(8,477)	-	(7,419)	(1,356)
Gross profit	26,134	-	22,134	589
Administrative expenses	(21,642)	(255)	(19,083)	(657)
Gain/(Loss) on disposal of operations	-	15	-	(268)
	<u>4,492</u>	<u>(240)</u>	<u>3,051</u>	<u>(336)</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015	2014
	£000	£000
Amortisation - intangible fixed assets	154	154
Depreciation of tangible fixed assets:		
- owned by the group	1,327	1,148
- held under finance leases	693	348
Operating lease rentals:		
- plant and machinery	668	691
Difference on foreign exchange	(19)	(1)
Profit/loss on sale of tangible assets	-	(117)
	<u> </u>	<u> </u>

5. AUDITORS' REMUNERATION

	2015	2014
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	18	21
	<u> </u>	<u> </u>

6. STAFF COSTS

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	12,379	11,365
Social security costs	1,624	1,427
Other pension costs	670	516
	<u> </u>	<u> </u>
	14,673	13,308
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015	2014
	No.	No.
Number of sales staff	12	39
Number of engineers	110	160
Number of administrative staff	61	49
Number of management staff	15	14
	<u> </u>	<u> </u>
	198	262
	<u> </u>	<u> </u>

The 2014 average monthly number of employees include employees from subsidiaries which were sold during the previous year. The actual employees of Blue Chip Customer Engineering Limited increased from 2014 to 2015 by an average of 5.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

7. DIRECTORS' REMUNERATION

	2015	2014
	£000	£000
Remuneration	<u>875</u>	<u>739</u>
Company pension contributions to defined contribution pension schemes	<u>19</u>	<u>9</u>

During the year retirement benefits were accruing to 3 directors (2014 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £259,000 (2014 - £249,000).

8. INTEREST PAYABLE

	2015	2014
	£000	£000
On bank loans and overdrafts	212	243
On other loans	15	-
	<u>227</u>	<u>243</u>

9. TAXATION

	2015	2014
	£000	£000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	830	772
Adjustments in respect of prior periods	38	(3)
Total current tax	<u>868</u>	<u>769</u>
Deferred tax (see note 17)		
Origination and reversal of timing differences	108	(72)
Tax on profit on ordinary activities	<u>976</u>	<u>697</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

9. TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - *higher than*) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015	2014
	£000	£000
Profit on ordinary activities before tax	4,025	2,466
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	845	567
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	70	273
Depreciation for year in (deficit)/excess of capital allowances	(134)	50
Utilisation of tax losses	-	(67)
Adjustments to tax charge in respect of prior periods	38	(3)
Short term timing difference leading to a (decrease)/increase in taxation	(3)	5
Other timing differences leading to an increase in taxation	52	42
Non-taxable income	-	(98)
	<hr/>	<hr/>
Current tax charge for the year (see note above)	868	769
	<hr/>	<hr/>

10. INTANGIBLE FIXED ASSETS

	Goodwill
	£000
Group	
Cost	
At 1 April 2014 and 31 March 2015	3,375
Amortisation	
At 1 April 2014	1,122
Charge for the year	154
	<hr/>
At 31 March 2015	1,276
	<hr/>
Net book value	
At 31 March 2015	2,099
	<hr/>
At 31 March 2014	2,253
	<hr/>

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

11. TANGIBLE FIXED ASSETS

Group	Freehold and L/Term Leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Plant and IT equipment £000	Total £000
Cost or valuation					
At 1 April 2014	7,040	139	260	11,602	19,041
Additions	-	129	1	5,777	5,907
Disposals	(20)	-	-	(140)	(160)
At 31 March 2015	7,020	268	261	17,239	24,788
Depreciation					
At 1 April 2014	471	108	141	3,286	4,006
Charge for the year	150	22	34	1,841	2,047
On disposals	(20)	-	-	(140)	(160)
At 31 March 2015	601	130	175	4,987	5,893
Net book value					
At 31 March 2015	6,419	138	86	12,252	18,895
At 31 March 2014	6,569	31	119	8,316	15,035

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

Group	2015 £000	2014 £000
Plant and IT equipment	4,426	1,509

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

11. TANGIBLE FIXED ASSETS (continued)

Assets held at valuation

The company's freehold and leasehold properties were last valued in the year to 31 March 2011 on the basis of an open market value for existing use by Aitchison Raffety and DTZ, qualified valuers. The valuation amounted to £7,020,000, which gave rise to a surplus of £2,611,000, which was credited to the revaluation reserve. The latest subsequent revaluation took place in January 2013, again by Aitchison Raffety and DTZ, which confirmed that the valuation above was still appropriate.

The directors believe the net book values of the properties are not significantly different from the open market value at 31 March 2015.

No provision has been made for additional corporation tax which would arise if the land and buildings were disposed of at their revalued amount.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

Group	2015 £000	2014 £000
Cost	4,646	4,646
Accumulated depreciation	(614)	(521)
Net book value	4,032	4,125

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

11 TANGIBLE FIXED ASSETS (continued)

Company	Freehold and L/Term Leasehold property £000	Fixtures and fittings £000	Motor vehicles £000	Plant and IT equipment £000	Total £000
Cost or valuation					
At 1 April 2014	7,020	139	260	11,462	18,881
Additions	-	129	1	5,777	5,907
At 31 March 2015	7,020	268	261	17,239	24,788
Depreciation					
At 1 April 2014	451	108	141	3,146	3,846
Charge for the year	150	22	34	1,841	2,047
At 31 March 2015	601	130	175	4,987	5,893
Net book value					
At 31 March 2015	6,419	138	86	12,252	18,895
At 31 March 2014	6,569	31	119	8,316	15,035

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

Company	2015 £000	2014 £000
Plant and IT equipment	4,426	1,509

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

11. TANGIBLE FIXED ASSETS (continued)

Assets held at valuation

The company's freehold and leasehold properties were valued in the year to 31 March 2011 on the basis of an open market value for existing use by Aitchison Raffety and DTZ, qualified valuers. The valuation amounted to £7,020,000, which gave rise to a surplus of £2,611,000, which was credited to the revaluation reserve. The latest subsequent revaluation took place in January 2013, again by Aitchison Raffety and DTZ, which confirmed that the valuation above was still appropriate.

The directors believe the net book values of the properties are not significantly different from the open market value at 31 March 2015.

No provision has been made for additional corporation tax which would arise if the land and buildings were disposed of at their revalued amount.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2015	2014
Company	£000	£000
Cost	4,646	4,646
Accumulated depreciation	(614)	(521)
	<hr/>	<hr/>
Net book value	4,032	4,125
	<hr/>	<hr/>

12. FIXED ASSET INVESTMENTS

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Ittheon Limited	Ordinary	100%
Icon IPX Limited	Ordinary	100%
Blue Chip Parts Limited	Ordinary	100%
Blue Chip Limited	Ordinary	100%

Name	Business	Registered office
Ittheon Limited	Software licences and maintenance	England
Icon IPX Limited	Dormant	England
Blue Chip Parts Limited	Dormant	England
Blue Chip Limited	Dormant	England

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

12. FIXED ASSET INVESTMENTS (continued)

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(loss) £000
Itheon Limited	1,633	321
Icon IPX Limited	-	-
Blue Chip Parts Limited	-	-
Blue Chip Limited	-	-
	<u>1,633</u>	<u>321</u>

All subsidiary undertakings have a year end of 31 March 2015.

Icon IPX Limited, Blue Chip Parts Limited and Blue Chip Limited were all dormant during the year.

Blue Chip Customer Engineering Nordic AB and its wholly owned subsidiary company Blue Chip Services AB did not trade during the year and were wound up during January 2015, having previously been 100% subsidiaries.

Company	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2014	3,730
Disposals	(606)
At 31 March 2015	<u>3,124</u>
Impairment	
At 1 April 2014	635
Impairment on disposals	(606)
At 31 March 2015	<u>29</u>
Net book value	
At 31 March 2015	<u>3,095</u>
At 31 March 2014	<u>3,095</u>

For full details see Group section above.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

13. STOCKS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
IT equipment and parts	4,760	4,549	4,760	4,549

14. DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Trade debtors	10,455	8,001	10,292	7,812
Amounts owed by undertakings in which the company has a participating interest	-	237	-	237
Director's current account	3,603	2,701	3,603	2,701
Other debtors	996	871	996	867
Prepayments and accrued income	2,450	2,511	2,443	2,472
	17,504	14,321	17,334	14,089

**15. CREDITORS:
Amounts falling due within one year**

	Group		Company	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans and overdrafts	316	2,086	316	2,086
Net obligations under finance leases and hire purchase contracts	1,220	531	1,220	531
Trade creditors	2,966	1,764	2,956	1,746
Amounts owed to group undertakings	-	-	1,702	1,419
Amounts owed to other participating interest	-	21	-	-
Corporation tax	948	981	867	927
Other taxation and social security (see below)	806	1,078	790	1,046
Other creditors	62	104	60	100
Accruals and deferred income	15,438	12,540	15,300	12,341
	21,756	19,105	23,211	20,196

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

15. CREDITORS:
Amounts falling due within one year (continued)

Other taxation and social security

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
PAYE/NI	493	431	493	431
VAT	313	647	297	615
	<u>806</u>	<u>1,078</u>	<u>790</u>	<u>1,046</u>

The group's main bank has a cross guarantee between the company and a subsidiary, Itheon Limited.

The bank loan and bank overdraft are secured on a fixed charge on the group's freehold property.

Liabilities under finance lease and hire purchase agreements are secured upon the assets concerned.

16. CREDITORS:
Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Bank loans	4,043	4,367	4,043	4,367
Net obligations under finance leases and hire purchase contracts	2,722	587	2,722	587
Accruals and deferred income	551	568	538	518
	<u>7,316</u>	<u>5,522</u>	<u>7,303</u>	<u>5,472</u>

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and two years				
Bank loans	<u>4,043</u>	<u>4,367</u>	<u>4,043</u>	<u>4,367</u>

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

16. CREDITORS:

Amounts falling due after more than one year (continued)

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Between one and five years	2,722	587	2,722	587

The group's main bank has a cross guarantee between the company and a subsidiary, Itheon Limited.

The bank loan and bank overdraft are secured on a fixed charge on the group's freehold property.

Liabilities under finance lease and hire purchase agreements are secured upon the assets concerned.

17. DEFERRED TAXATION

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
At beginning of year	563	635	567	671
Charged/(released) during the year	108	(72)	108	(104)
At end of year	671	563	675	567

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Accelerated capital allowances	706	599	710	603
Tax losses brought forward	(27)	(27)	(27)	(27)
Other timing differences	(8)	(9)	(8)	(9)
	671	563	675	567

18. SHARE CAPITAL

	2015	2014
	£000	£000
Allotted, called up and fully paid		
525,749 (2014 - 525,749) Ordinary Shares shares of £0.01 each	5	5

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

19. RESERVES

Group	Share premium account £000	Capital redempt'n reserve £000	Revaluation reserve £000	Profit and loss account £000
At 1 April 2014	94	5	2,449	8,445
Profit for the financial year				3,049
Transfer between Revaluation reserve and P/L account			(57)	57
At 31 March 2015	<u>94</u>	<u>5</u>	<u>2,392</u>	<u>11,551</u>

Company	Share premium account £000	Capital redempt'n reserve £000	Revaluation reserve £000	Profit and loss account £000
At 1 April 2014	94	5	2,449	8,008
Profit for the financial year				2,853
Transfer between Revaluation reserve and P/L account			(57)	57
At 31 March 2015	<u>94</u>	<u>5</u>	<u>2,392</u>	<u>10,918</u>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2015 £000	2014 £000
Opening shareholders' funds	10,998	9,229
Profit for the financial year	3,049	1,769
Closing shareholders' funds	<u>14,047</u>	<u>10,998</u>

Company	2015 £000	2014 £000
Opening shareholders' funds	10,561	8,520
Profit for the financial year	2,853	2,041
Closing shareholders' funds	<u>13,414</u>	<u>10,561</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss Account.

The profit for the year dealt with in the accounts of the company was £2,853,000 (2014 - £2,041,000).

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

21. ACQUISITIONS AND DISPOSALS

During the current year the Group disposed of two subsidiaries: Blue Chip Customer Engineering Nordic AB and Blue Chip Services AB, both incorporated in Sweden. The two companies were dormant during the year and were struck off the company register in January 2015.

The disposal gave rise to a gain on disposal in the current year of £15,000 and this has been disclosed as current year discontinuing activities in these financial statements.

At 31 March 2014 the Group disposed of two subsidiary companies: Blue Chip Technical Services (Private) Limited and its subsidiary Blue Chip Group (Private) Limited, both incorporated in Sri Lanka, for deferred consideration of 50,000,000 Sri Lankan Rupees (£240,000).

The results of these subsidiaries during the previous year have been disclosed as prior year discontinuing activities in these financial statements. The disposal gave rise to a loss on disposal in the prior year of £268,000.

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015	2014
	£000	£000
Operating profit	4,252	2,715
(Gain)/Loss on disposal of operations	240	268
Amortisation of intangible fixed assets	154	154
Depreciation of tangible fixed assets	2,020	1,497
Profit on disposal of tangible fixed assets	-	(117)
Increase in stocks	(211)	(556)
Increase in debtors	(3,421)	(3,017)
Increase in creditors	3,773	1,255
	<hr/>	<hr/>
Net cash inflow from operating activities	6,807	2,199
	<hr/>	<hr/>

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015	2014
	£000	£000
Returns on investments and servicing of finance		
Interest paid	(227)	(243)
	<hr/>	<hr/>
	2015	2014
	£000	£000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,226)	(2,367)
Sale of tangible fixed assets	-	66
	<hr/>	<hr/>
Net cash outflow from capital expenditure	(2,226)	(2,301)
	<hr/>	<hr/>

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2015 £000	2014 £000
Acquisitions and disposals		
Sale of fixed asset investments	-	240
	<u> </u>	<u> </u>
	2015 £000	2014 £000
Financing		
Repayment of loans	(323)	(392)
Repayment of finance leases	(857)	41
	<u> </u>	<u> </u>
Net cash outflow from financing	<u>(1,180)</u>	<u>(351)</u>

24. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2014 £000	Cash flow £000	Other non-cash changes £000	31 March 2015 £000
Cash at bank and in hand	30	502	-	532
Bank overdraft	(1,770)	1,770	-	-
	<u>(1,740)</u>	<u>2,272</u>	<u>-</u>	<u>532</u>
Debt:				
Finance leases	(1,119)	857	(3,680)	(3,942)
Debts due within one year	(316)	-	-	(316)
Debts falling due after more than one year	(4,367)	323	1	(4,043)
	<u>(7,542)</u>	<u>3,452</u>	<u>(3,679)</u>	<u>(7,769)</u>
Net debt	<u>(7,542)</u>	<u>3,452</u>	<u>(3,679)</u>	<u>(7,769)</u>

25. CAPITAL COMMITMENTS

At 31 March 2015 the group and company had capital commitments as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	337	-	337	-

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

26. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £670,000 (2014: £516,000).

In other creditors, there is an outstanding pension contribution of £62,000 (2014: £52,000) at the year end.

27. OPERATING LEASE COMMITMENTS

At 31 March 2015 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
Group	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	159	-
Between 2 and 5 years	-	-	-	237
After more than 5 years	60	60	-	-
	<u>60</u>	<u>60</u>	<u>-</u>	<u>-</u>

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
Company	£000	£000	£000	£000
Expiry date:				
Within 1 year	-	-	159	-
Between 2 and 5 years	-	-	-	237
After more than 5 years	60	60	-	-
	<u>60</u>	<u>60</u>	<u>-</u>	<u>-</u>

28. RELATED PARTY TRANSACTIONS

Amounts due from participating interests at the balance sheet date amounted to £nil (2014: £226,000) due from Asia 400 (Private) Limited and £nil (2014: £11,000) from Blue Chip Customer Engineering (Portugal) Lda, two subsidiaries disposed of in the prior year. During the year outstanding balances of £252,000 and £3,000 respectively were written off from the balances owing from these companies.

During the year the Group rented a property in Caxton Road, Bedford from the directors' pensions scheme. Total rentals during the year amounted to £60,000 (2014: £60,000).

At the year end, Brian Meredith had an overdrawn directors current account with the Group and the company amounting to £3,603,000 (2014: £2,701,000). During the year a total of £902,000 was advanced to Brian Meredith. No interest is charged on this loan.

BLUE CHIP CUSTOMER ENGINEERING LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

29. CONTROLLING PARTY

The company was under the control of Brian Meredith throughout the current and previous year by virtue of his shareholding in the company.

30. SHARE BASED PAYMENTS

The company operates an Enterprise Management Incentive Share Option Scheme (EMI scheme) for certain eligible Directors and employees. The options will vest if the Director or employee remains in service for a period agreed with the management from the date of grant. There are no other market or non-market conditions imposed on the options granted. The exercise price of the options is equal to the market price of the shares on the date of grant. The contractual life of the options is a maximum of ten years and there are no cash settlement alternatives.

The expense recognised for share-based payments in respect of employee services received during the year ended 31 March 2015 is £nil (2014: £nil).

	2015 No.	2015 WAEP £	2014 No.	2014 WAEP £
Outstanding as at 1 April	11,239	0.01	11,239	0.01
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	11,239	0.01	11,239	0.01

The share options outstanding at the end of the year have a weighted average remaining contractual life of 1.7 years (2014: 2.7 years) and all have an exercise price of £0.01. As the company is not publicly traded, it does not have a weighted average share price at the date the share options were exercised.