

COMPANY REGISTRATION NO. 06165906 (England and Wales)

INDIGO SERVICE SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

INDIGO SERVICE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr R Anderson Mr J C Smith Mr I Cole-Wilkins Ms L Gratton	(Appointed 10 July 2018)
Company number	06165906	
Registered office	C/O UHY Hacker Young Lanyon House Mission Court Newport NP20 2DW	
Auditor	UHY Hacker Young Lanyon House Mission Court Newport South Wales United Kingdom NP20 2DW	
Business address	4th Floor Suite Harlequin House 7 High Street Teddington TW11 8EE	

INDIGO SERVICE SOLUTIONS LIMITED

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INDIGO SERVICE SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

The principal activities of the group during the year were, commercial subcontracting, identity verification, AML, KYC services, supply chain assurance, outsourced payroll and other business outsourcing. These services were predominantly supplied to the construction, healthcare, estate agency, legal and accounting sectors.

The year saw the group successfully complete year one of a five-year plan. The plan will shift the business from a traditional delivery model towards a digital offering that allows a range of complimentary services to both our existing sectors and widen into several others. This significantly reduces our risk to downturn in any one sector whilst allowing us to operate in a more agile manner and produces materially higher margins.

To facilitate the plan, significant investment was made into our technology led subsidiaries further boosting our IP and consolidating our group approach. On 26 March 2019 the company acquired a further 2% stake in Credas Technologies Ltd taking its holding to 62%. The company also holds a 14% indirect stake in Credas Technologies Ltd via its interest in FRS contractors Solutions Limited which holds 25% of the equity in Credas Technologies Ltd, therefore the total effective holding in Credas Technologies Ltd is 76%. Credas Technologies Ltd is based in South Wales and provides real-time identity verification services delivered via both their own technology platform and strategic integrations.

Credas Technologies is an early stage tech development company, it has invested significantly in research and development over the past few years.

All development costs with the exception of specific development of the ISCA platform which was subsequently transferred to new group company, ISCA Tech Limited has been expensed therefore Credas has recorded a loss of £876,803 for the year (14 months to 31 March 2018: £337,944 loss); this has a significant impact on the group results shown on pages 8 - 9. Excluding Credas and the amortisation of goodwill the group made a profit before taxation of £1,432,049 after capitalising development expenditure of £618,458 (2018: £nil)

Including the results of Credas Technologies Ltd the group made an operating profit of £144,168 (2018: loss £231,864) and a profit before tax of £3,446 (2018: £26,333) after goodwill amortisation of £532,688 (2018: £213,615).

Turnover is the group's key measure of operating effectiveness; turnover grew by 30.2% to £120,052,574 (2018: £92,194,037) The company's results are presented on page 7. The company's turnover grew by 38.4% from £76,446,328 to £105,811,634. The company made a operating profit of £985,615 (2018: £43,025) and profit before tax of £844,893 (2018: £481,222).

INDIGO SERVICE SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Principal risks and uncertainties

Management consider that the principal risks and uncertainties are:

General economic conditions

The company operates in a specialised market, the demand for which depends upon the general economy. The company seeks to maintain a competitive advantage by offering an appropriate service and providing a high level of customer service.

Personnel risk

The company is a privately owned business and places great emphasis on recruiting and training high quality competent staff. The board considers succession planning on a regular basis.

Financial risk

The company is funded from retained profits and is reliant on converting retained profits into cash. Financial monitoring, forecasting and planning are continuous processes, with particular emphasis on balancing the maintenance of the gross profit margin with the delivery of a high quality service to customers. Trading uncertainty from market conditions can always impact the company's financial position and thereby its profitability which in turn impacts the company's cashflow. The company has sufficient funds available for ongoing operations.

Changes to employment laws

The company has kept abreast of changes in employment law. The company works closely with its suppliers and customers to ensure full compliance with all current and prospective laws.

Development and performance

The directors are focusing on higher margin business and expect to see turnover and profitability increase in the coming year.

Key performance indicators

A key financial indicator is turnover levels, which is an indicator of increase in market share.

A key non-financial key indicator is the number of employees required to maintain and service the client base.

On behalf of the board

Mr I Cole-Wilkins

Director

12 December 2019

INDIGO SERVICE SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company and group continued to be that of the provision of commercial subcontract services primarily to the construction sector.

Directors

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

Mr R Anderson

Mr J C Smith

Mr I Cole-Wilkins

Ms L Gratton

(Appointed 10 July 2018)

Results and dividends

The results of the group for the year are set out on pages 8 to 9. The company's results are set out on page 7. The results are discussed in the strategic report on page 1.

Ordinary dividends were paid amounting £16,500 (2018: £199,482). The directors do not recommend payment of a further dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

UHY Hacker Young were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006.

INDIGO SERVICE SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 group and company, 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 judgements 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr I Cole-Wilkins
Director

12 December 2019

INDIGO SERVICE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDIGO SERVICE SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Indigo Service Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 March 2019 and of the group's loss 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.

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 group's or the parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 our 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.

INDIGO SERVICE SOLUTIONS LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF INDIGO SERVICE SOLUTIONS LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 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.

Responsibilities of directors

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, 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 group's and the parent 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 group or the parent 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.

Mr John Griffiths (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

12 December 2019

Chartered Accountants
Statutory Auditor

Newport
South Wales
United Kingdom

INDIGO SERVICE SOLUTIONS LIMITED**PARENT COMPANY PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
Turnover	105,811,634	76,446,328
Cost of sales	(103,913,460)	(75,179,049)
Gross profit	1,898,174	1,267,279
Administrative expenses	(2,792,650)	(2,142,528)
Other operating income	1,880,091	918,274
Operating profit	985,615	43,025
Interest receivable and similar income	982	180,375
Interest payable and similar expenses	(141,704)	(53,646)
Amounts written off investments	-	311,468
Profit before taxation	844,893	481,222
Tax on profit	(67,753)	(57,803)
Profit for the financial year	777,140	423,419

INDIGO SERVICE SOLUTIONS LIMITED
GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2019

		2019	2019	2019	2018	2018	2018
	Notes	Excluding amortisation of goodwill	Amortisation of goodwill	Total	Excluding Amortisation of goodwill	Amortisation of goodwill	Total
		£	£	£	£	£	£
Turnover	3	120,052,574	-	120,052,574	92,194,037	-	92,194,037
Cost of sales		(116,477,732)	-	(116,477,732)	(89,787,114)	-	(89,787,114)
Gross profit		3,574,842	-	3,574,842	2,406,923	-	2,406,923
Administrative expenses		(4,640,905)	(532,688)	(5,173,593)	(3,160,487)	(213,615)	(3,374,102)
Other operating income		1,734,074	-	1,734,074	735,315	-	735,315
Operating profit/(loss)	5	668,011	(532,688)	135,323	(18,249)	(213,615)	(231,864)
Interest receivable and similar income	8	982	-	982	375	-	375
Interest payable and similar expenses	9	(141,704)	-	(141,704)	(53,646)	-	(53,646)
Gain arising on remeasurement of investment property	10	-	-	-	311,468	-	311,468
(Loss)/profit before taxation		527,289	(532,688)	(5,399)	239,948	(213,615)	26,333
Tax on (loss)/profit	11	(46,109)	-	(46,109)	8,896	-	8,896
(Loss)/profit for the financial year	27	481,180	(532,688)	(51,508)	248,844	(213,615)	35,229

INDIGO SERVICE SOLUTIONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

	2019	2019	2019	2018	2018	2018
	Excluding	Amortisation of	Total	Excluding	Amortisation of	Total
	amortisation of	goodwill		amortisation of	goodwill	
Notes	£	13	£	£	13	£
(Loss)/profit for the financial year is attributable to:						
- Owners of the parent company	-	-	(64,644)	-	-	(34,826)
- Non-controlling interests	13,136	-	13,136	-	-	70,055
	<u>-</u>	<u>-</u>	<u>(51,508)</u>	<u>-</u>	<u>-</u>	<u>35,229</u>
	===	===	===	===	===	===

INDIGO SERVICE SOLUTIONS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	2019	2018
	£	£
(Loss)/profit for the year	(51,508)	35,229
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(51,508)</u>	<u>35,229</u>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(64,644)	(34,826)
- Non-controlling interests	<u>13,136</u>	<u>70,055</u>
	<u>(51,508)</u>	<u>35,229</u>

INDIGO SERVICE SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		50,649		61,249
Investment properties	15		1,253,196		1,250,000
Investments	16		11,040,102		10,372,142
			<u>12,343,947</u>		<u>11,683,391</u>
Current assets					
Stocks	19	-		963,522	
Debtors	20	12,456,701		5,570,006	
Cash at bank and in hand		1,129,945		278,002	
		<u>13,586,646</u>		<u>6,811,530</u>	
Creditors: amounts falling due within one year	21	(13,794,262)		(7,764,938)	
Net current liabilities			<u>(207,616)</u>		<u>(953,408)</u>
Total assets less current liabilities			<u>12,136,331</u>		<u>10,729,983</u>
Creditors: amounts falling due after more than one year	22		(587,414)		-
Provisions for liabilities	24		<u>(115,068)</u>		<u>(56,774)</u>
Net assets			<u><u>11,433,849</u></u>		<u><u>10,673,209</u></u>
Capital and reserves					
Called up share capital	26		6,555		6,555
Share premium account	27		9,994,145		9,994,145
Profit and loss reserves	27		1,433,149		672,509
Total equity			<u><u>11,433,849</u></u>		<u><u>10,673,209</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 12 December 2019 and are signed on its behalf by:

Mr I. Cole-Wilkins
Director

Company Registration No. 06165906

INDIGO SERVICE SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Goodwill	13	10,093,558		10,395,266	
Other intangible assets	13	620,567		8,212	
Total intangible assets		10,714,125		10,403,478	
Tangible assets	14	93,271		97,826	
Investment properties	15	1,253,196		1,250,000	
		12,060,592		11,751,304	
Current assets					
Stocks	19	-		963,522	
Debtors	20	11,152,417		5,921,431	
Cash at bank and in hand		1,738,722		687,062	
		12,891,139		7,572,015	
Creditors: amounts falling due within one year					
	21	(14,936,756)		(9,217,103)	
Net current liabilities		(2,045,617)		(1,645,088)	
Total assets less current liabilities		10,014,975		10,106,216	
Creditors: amounts falling due after more than one year	22	(587,414)		-	
Provisions for liabilities	24	(117,372)		(61,612)	
Net assets		9,310,189		10,044,604	
Capital and reserves					
Called up share capital	26	6,555		6,555	
Share premium account	27	9,994,145		9,994,145	
Profit and loss reserves	27	(328,515)		206,680	
Equity attributable to owners of the parent company		9,672,185		10,207,380	
Non-controlling interests		(361,996)		(162,776)	
		9,310,189		10,044,604	

The financial statements were approved by the board of directors and authorised for issue on 12 December 2019 and are signed on its behalf by:

Mr I Cole-Wilkins
Director

INDIGO SERVICE SOLUTIONS LIMITED

**GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

		Share capital	Share premium account	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	Notes	£	£	£	£	£	£
Balance at 1 April 2017		700	-	440,988	441,688	8,822	450,510
Year ended 31 March 2018:							
Profit and total comprehensive income for the year		-	-	(34,826)	(34,826)	70,055	35,229
Issue of share capital	26	5,855	9,994,145	-	10,000,000	-	10,000,000
Dividends	12	-	-	(199,482)	(199,482)	(155,000)	(354,482)
Acquisition of subsidiary		-	-	-	-	(86,653)	(86,653)
Balance at 31 March 2018		6,555	9,994,145	206,680	10,207,380	(162,776)	10,044,604
Year ended 31 March 2019:							
Loss and total comprehensive income for the year		-	-	(64,644)	(64,644)	13,136	(51,508)
Dividends	12	-	-	(16,500)	(16,500)	(229,428)	(245,928)
Acquisition of subsidiary		-	-	-	-	17,072	17,072
Purchase of shares in subsidiary from non-controlling interest		-	-	(454,051)	-	-	-
Balance at 31 March 2019		6,555	9,994,145	(328,515)	9,672,185	(361,996)	9,310,189

INDIGO SERVICE SOLUTIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 April 2017		700	-	448,572	449,272
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	423,419	423,419
Issue of share capital	26	5,855	9,994,145	-	10,000,000
Dividends	12	-	-	(199,482)	(199,482)
Balance at 31 March 2018		6,555	9,994,145	672,509	10,673,209
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	777,140	777,140
Dividends	12	-	-	(16,500)	(16,500)
Balance at 31 March 2019		6,555	9,994,145	1,433,149	11,433,849

INDIGO SERVICE SOLUTIONS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019**

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	31	(556,235)	(1,968,752)
Interest paid		(141,704)	(53,646)
Income taxes refunded/(paid)		67,146	(108,468)
Net cash outflow from operating activities		(630,793)	(2,130,866)
Investing activities			
Purchase of intangible assets		(849,438)	-
Purchase of tangible fixed assets		(27,722)	(1,006,283)
Proceeds on disposal of tangible fixed assets		20	750
Purchase of investment property		(3,196)	-
Interest received		982	375
Net cash used in investing activities		(879,354)	(1,005,158)
Financing activities			
Repayment of borrowings		2,668,920	1,844,460
Repayment of bank loans		628,550	-
Purchase of shares in subsidiary from non-controlling interest		(454,051)	-
Dividends paid to equity shareholders		(16,500)	(199,482)
Dividends paid to non-controlling interests		(229,428)	(155,000)
Net cash generated from financing activities		2,597,491	1,489,978
Net increase/(decrease) in cash and cash equivalents		1,087,344	(1,646,046)
Cash and cash equivalents at beginning of year		550,420	2,212,561
Cash and cash equivalents at end of year		1,637,764	566,515
Relating to:			
Cash at bank and in hand		1,738,722	687,062
Bank overdrafts included in creditors payable within one year		(100,958)	(136,642)

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Indigo Service Solutions Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is C/O UHY Hacker Young, Lanyon House, Mission Court, Newport, United Kingdom, NP20 2DW and its principal place of business is Harlequin House, 7 High Street, Teddington, TW11 8EE.

The group consists of Indigo Service Solutions Limited and all of its subsidiaries.

1.1 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.

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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument 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 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies (Continued)

The consolidated financial statements incorporate those of Indigo Service Solutions Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents total recharged direct labour costs and associated administration fee, net of value added tax.

The company operates as a principal and therefore records its income gross, without the deduction of associated direct labour costs.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies (Continued)

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

Licences	10-25% straight line
Development costs	Over 10 years from commercial launch

1.8 Tangible fixed assets

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

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

Leasehold improvements	10% straight line
Software development	25% straight line from date of development
Fixtures and fittings	20%-33.33% straight line or 25% reducing balance
Computers	20% straight line
Motor vehicles	25% straight line
Website	

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 recognised in the profit and loss account.

1.9 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies

(Continued)

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

1.13 Financial instruments

The group 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 in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 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.

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

1 Accounting policies (Continued)

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Valuation of investment properties

The company carries its investment property at fair value in accordance with FRS 102. The investment property was acquired in the prior year for £938,532; the carrying value at the year end was estimated to be £1,250,000. Changes in the fair value of investment properties are recognised in profit or loss. The valuation have been carried out by the directors based on comparable market data based on prices of similar properties in the surrounding area. Clearly this involves significant judgement from the directors.

Goodwill

The company acquired an additional interest in FRS Contractor Solutions Limited during the prior year via a share for share exchange, taking the groups stake to 60%. The company's shareholders and the shareholders of FRS Contractor Solutions Limited jointly agreed that the fair value of the share consideration was £1,000,000. The value was determined based on valuation techniques and the estimation of future cashflows to be generated over a number of years. The estimation of fair value requires a combination of assumptions including future revenue and profitability.

The company acquired 60% of Credas Technologies Ltd during the prior year via a share for share exchange. The company's shareholders and the shareholders of Credas jointly agreed that the fair value of Credas at the date was £15,000,000 on the basis that Credas is at the advanced stages of developing software that is expected to be commercially successful. The value of the software is not recognised in the books of Credas as this is an internally generated intangible asset. The value was determined based on valuation techniques and the estimation of future cashflows to be generated over a number of years. The estimation of fair value requires a combination of assumptions including future revenue and profitability. An additional 2% was acquired during the year for cash consideration of £454,051.

INDIGO SERVICE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019****3 Turnover and other revenue**

	2019	2018
	£	£
Turnover analysed by class of business		
Rendering of services	118,984,086	92,027,037
Management charges	1,068,488	150,000
Commission	-	17,000
	<u>120,052,574</u>	<u>92,194,037</u>

	2019	2018
	£	£
Other significant revenue		
Interest income	982	375
Management fees received	1,655,752	735,315
Gain on sale of property held in stock	160,867	-
	<u>1,656,801</u>	<u>735,690</u>

4 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	22,000	24,750
Audit of the financial statements of the company's subsidiaries	20,250	9,650
	<u>42,250</u>	<u>34,400</u>

5 Operating profit/(loss)

	2019	2018
	£	£
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	301	-
Depreciation of owned tangible fixed assets	32,257	29,805
Profit on disposal of tangible fixed assets	(10,148)	-
Amortisation of intangible assets	538,791	219,990
Operating lease charges	237,953	164,884
	<u>798,153</u>	<u>414,679</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £301 (2018 - £0).

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

6 Directors' remuneration

	2019	2018
	£	£
Remuneration for qualifying services	258,555	191,373
Company pension contributions to defined contribution schemes	1,142	391
	<u>259,697</u>	<u>191,764</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 1).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019	2018
	£	£
Remuneration for qualifying services	182,994	-

7 Employees

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

	Group	2018	Company	2018
	2019	Number	2019	Number
	Number		Number	
Subcontractors	426	526	126	151
Administrative staff	38	28	14	13
Management staff	2	1	2	1
	<u>466</u>	<u>555</u>	<u>142</u>	<u>165</u>

Their aggregate remuneration comprised:

	Group	2018	Company	2018
	2019	2018	2019	2018
	£	£	£	£
Wages and salaries	15,483,169	15,920,796	3,599,921	3,636,567
Social security costs	379,799	349,713	295,316	295,746
Pension costs	16,494	6,705	9,932	6,113
	<u>15,879,462</u>	<u>16,277,214</u>	<u>3,905,169</u>	<u>3,938,426</u>

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

8 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	982	375
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	20,871	-
Other interest on financial liabilities	120,833	53,646
	<u> </u>	<u> </u>
Total finance costs	141,704	53,646
	<u> </u>	<u> </u>

10 Gains/(losses) arising on remeasurement of investment properties

	2019	2018
	£	£
Changes in the fair value of investment properties	-	311,468
	<u> </u>	<u> </u>

11 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	(56,564)	(8,098)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	106,078	(798)
Changes in tax rates	170	-
Adjustment in respect of prior periods	(3,575)	-
	<u> </u>	<u> </u>
Total deferred tax	102,673	(798)
	<u> </u>	<u> </u>
Total tax charge/(credit)	46,109	(8,896)
	<u> </u>	<u> </u>

INDIGO SERVICE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019****11 Taxation****(Continued)**

The actual charge/(credit) for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
(Loss)/profit before taxation	<u>(5,399)</u>	<u>26,333</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 0% (2018: 19.00%)	-	5,003
Tax effect of expenses that are not deductible in determining taxable profit	(96,452)	(76,472)
Tax effect of income not taxable in determining taxable profit	-	2,850
Tax effect of utilisation of tax losses not previously recognised	1,554	-
Group relief	1,680	-
Permanent capital allowances in excess of depreciation	35	(1,474)
Depreciation on assets not qualifying for tax allowances	(715)	-
Amortisation on assets not qualifying for tax allowances	101,211	71,937
Research and development tax credit	20,490	(60,840)
Other non-reversing timing differences	-	52,950
Other permanent differences	9,459	(2,850)
Deferred tax	21,269	-
Change in deferred tax rate	<u>(12,422)</u>	<u>-</u>
Taxation charge/(credit)	<u>46,109</u>	<u>(8,896)</u>

12 Dividends

	2019	2018
	£	£
Final paid	<u>16,500</u>	<u>199,482</u>

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

13 Intangible fixed assets

Group	Goodwill	Licences	Development costs	Total
	£	£	£	£
Cost				
At 1 April 2018	10,629,388	24,750	-	10,654,138
Additions	230,980	-	618,458	849,438
At 31 March 2019	10,860,368	24,750	618,458	11,503,576
Amortisation and impairment				
At 1 April 2018	234,122	16,538	-	250,660
Amortisation charged for the year	532,688	6,103	-	538,791
At 31 March 2019	766,810	22,641	-	789,451
Carrying amount				
At 31 March 2019	10,093,558	2,109	618,458	10,714,125
At 31 March 2018	10,395,266	8,212	-	10,403,478

The company had no intangible fixed assets at 31 March 2019 or 31 March 2018.

Additional goodwill relates to deferred consideration of £230,980 paid in respect of the initial investment of FRS Contractor Solutions Limited.

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

14 Tangible fixed assets

Group	Leasehold improvements	Software development	Fixtures and fittings	Computer	Motor vehicles	Website	Total
	£	£	£	£	£	£	£
Cost							
At 1 April 2018	43,335	5,863	181,553	3,205	48,471	12,700	295,127
Additions	1,798	-	21,150	4,774	-	-	27,722
Disposals	-	-	(5,756)	-	(48,471)	-	(54,227)
At 31 March 2019	45,133	5,863	196,947	7,979	-	12,700	268,622
Depreciation and impairment							
At 1 April 2018	7,048	-	132,414	253	48,469	9,117	197,301
Depreciation charged in the year	4,335	-	23,327	1,012	-	3,583	32,257
Eliminated in respect of disposals	-	-	(5,738)	-	(48,469)	-	(54,207)
At 31 March 2019	11,383	-	150,003	1,265	-	12,700	175,351
Carrying amount							
At 31 March 2019	33,750	5,863	46,944	6,714	-	-	93,271
At 31 March 2018	36,287	5,863	49,139	2,952	2	3,583	97,826

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

Company	Leasehold improvements	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2018	43,335	148,787	48,471	240,593
Additions	1,798	7,313	-	9,111
Disposals	-	(5,756)	(48,471)	(54,227)
At 31 March 2019	45,133	150,344	-	195,477
Depreciation and impairment				
At 1 April 2018	7,048	123,827	48,469	179,344
Depreciation charged in the year	4,335	15,356	-	19,691
Eliminated in respect of disposals	-	(5,738)	(48,469)	(54,207)
At 31 March 2019	11,383	133,445	-	144,828
Carrying amount				
At 31 March 2019	33,750	16,899	-	50,649
At 31 March 2018	36,287	24,960	2	61,249

15 Investment property

	Group 2019 £	Company 2019 £
Fair value		
At 1 April 2018	1,250,000	1,250,000
Additions through external acquisition	3,196	3,196
At 31 March 2019	1,253,196	1,253,196

Investment property comprises properties held by the company for capital appreciation. The fair value of the investment property has been arrived at on the basis of a valuation carried out by the directors at the year end. The valuation was made on an open market value basis, this is discussed further in critical accounting judgements and estimation uncertainty in the accounting policies.

16 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	17	-	-	11,040,102	10,372,142

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

16 Fixed asset investments (Continued)

Movements in fixed asset investments
Company

**Shares in group
undertakings**

£

Cost or valuation

At 1 April 2018	10,372,142
Additions	667,960
At 31 March 2019	11,040,102

Carrying amount

At 31 March 2019	11,040,102
At 31 March 2018	10,372,142

On 21 March 2019 Indigo Service Solutions Limited acquired 100% holding of Indigo Tech Holdings Limited at a cost of £1.

The carrying value of investments includes £9,436,979 in Credas Technologies Ltd. 60% of Credas Technologies Ltd was acquired in 2018 via a share for share exchange where by the company issued 58% shares in exchange for 60% of Credas. As part of the exchange the directors and shareholders of the company and Credas Technologies Ltd determined the fair value of Credas was £15,000,000 accordingly the company recognised its investments at a fair value of £9,000,000 and recorded a share premium of £8,994,179. An additional 2% was acquired for cash consideration of £436,979 during the year.

Investments also include £1,603,122 in FRS Contractor Solutions Limited. £1,000,000 of this related to the fair value of investment acquired via a share for share exchange in 2018 in which the company issued 34 shares in exchange for 9% of FRS Contractors Solutions Limited recording a share premium of £999,966. The remainder of the investment relates to the company's initial investment in FRS including deferred consideration: additional deferred consideration recorded in the year was £230,980 which includes £97,500 paid in cash in the year and £133,480 accrued.

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Credas Technologies Ltd	1	Real-time identity verification	Ordinary	62.00	14.00
FRS Contractor Solutions Limited	1	Provision of subcontract services	Ordinary A	60.00	
Indigo Tech Holdings Limited	2	Holding company	Ordinary	100.00	
ISCA Tech Limited	2	Software development	Ordinary		100.00
Indigo Central Services Limited	2	Software development	Ordinary		100.00

INDIGO SERVICE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

17 Subsidiaries

(Continued)

Registered office addresses (all UK unless otherwise indicated):

- 1 Tec Marina, Terra Nova Way, Penarth, Wales, CF64 1SA
- 2 C/O Uhy Hacker Young Lanyon House, Mission Court, Newport, NP20 2DW

All companies registered office are within England and Wales.

During the year the company acquired 100% of Indigo Tech Holdings Limited by issuing 1 Ordinary share.

During the year Indigo Tech Holdings Limited acquired 100% of ISCA Tech Limited by issuing 1 Ordinary share.

During the year Indigo Tech Holdings Limited acquired 100% of Indigo Central Services Limited by issuing 1 Ordinary share.

18 Financial instruments

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	7,732,336	3,897,051	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities				
Measured at amortised cost	10,777,239	5,593,893	n/a	n/a
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

19 Stocks

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Stock	-	963,522	-	963,522
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Stock held in the prior year related to a property which was sold in the year.

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

20 Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	3,420,369	2,074,051	2,585,919	1,367,992
Unpaid share capital	700	700	700	700
Corporation tax recoverable	81,397	79,081	-	-
Amounts owed by group undertakings	-	-	2,933,912	923,786
Other debtors	4,311,267	1,837,666	3,628,530	1,442,364
Prepayments and accrued income	3,325,786	1,870,122	3,307,640	1,835,164
	<u>11,139,519</u>	<u>5,861,620</u>	<u>12,456,701</u>	<u>5,570,006</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 24)	12,898	59,811	-	-
	<u>11,152,417</u>	<u>5,921,431</u>	<u>12,456,701</u>	<u>5,570,006</u>
Total debtors				

21 Creditors: amounts falling due within one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	23	142,094	136,642	142,094	136,642
Other borrowings	23	6,070,833	3,401,913	6,070,833	3,401,913
Trade creditors		381,641	246,687	308,768	186,197
Corporation tax payable		-	-	-	1,029
Other taxation and social security		4,746,931	3,623,210	4,191,514	2,739,238
Other creditors		2,840,733	1,365,735	2,790,079	1,198,433
Accruals and deferred income		754,524	442,916	290,974	101,486
		<u>14,936,756</u>	<u>9,217,103</u>	<u>13,794,262</u>	<u>7,764,938</u>

22 Creditors: amounts falling due after more than one year

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	23	587,414	-	587,414	-
		<u>587,414</u>	<u>-</u>	<u>587,414</u>	<u>-</u>
Amounts included above which fall due after five years are as follows:					
Payable by instalments		422,870	-	422,870	-
		<u>422,870</u>	<u>-</u>	<u>422,870</u>	<u>-</u>

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

23 Loans and overdrafts

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	628,550	-	628,550	-
Bank overdrafts	100,958	136,642	100,958	136,642
Other loans	6,070,833	3,401,913	6,070,833	3,401,913
	<u>6,800,341</u>	<u>3,538,555</u>	<u>6,800,341</u>	<u>3,538,555</u>
	<u><u>6,800,341</u></u>	<u><u>3,538,555</u></u>	<u><u>6,800,341</u></u>	<u><u>3,538,555</u></u>
Payable within one year	6,212,927	3,538,555	6,212,927	3,538,555
Payable after one year	587,414	-	587,414	-
	<u><u>6,800,341</u></u>	<u><u>3,538,555</u></u>	<u><u>6,800,341</u></u>	<u><u>3,538,555</u></u>

The loan is repayable on demand and interest is charged at 2.5% per annum.

24 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£	£	£	£
Group				
Accelerated capital allowances	6,216	61,612	(1,141)	59,811
Tax losses	-	-	55,407	-
Other	111,156	-	(41,368)	-
	<u>117,372</u>	<u>61,612</u>	<u>12,898</u>	<u>59,811</u>
	<u><u>117,372</u></u>	<u><u>61,612</u></u>	<u><u>12,898</u></u>	<u><u>59,811</u></u>
	Liabilities	Liabilities	Assets	Assets
	2019	2018	2019	2018
	£	£	£	£
Company				
Accelerated capital allowances	3,912	56,774	-	-
Other	111,156	-	-	-
	<u>115,068</u>	<u>56,774</u>	<u>-</u>	<u>-</u>
	<u><u>115,068</u></u>	<u><u>56,774</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

24 Deferred taxation **(Continued)**

	Group	Company
	2019	2019
	£	£
Movements in the year:		
Liability at 1 April 2018	1,801	56,774
Charge to profit or loss	102,673	58,294
	<u>104,474</u>	<u>115,068</u>
Liability at 31 March 2019	<u><u>104,474</u></u>	<u><u>115,068</u></u>

25 Retirement benefit schemes

	2019	2018
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	16,494	6,705
	<u><u>16,494</u></u>	<u><u>6,705</u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

26 Share capital

	Group and company	2018
	2019	2018
	£	£
Ordinary share capital		
Issued and not fully paid		
334 Ordinary shares of £1 each	334	334
100 Ordinary 'A' shares of £1 each	100	100
100 Ordinary 'B' shares of £1 each	100	100
100 Ordinary 'C' shares of £1 each	100	100
100 Ordinary 'D' shares of £1 each	100	100
5,821 Ordinary 'E' shares of £1 each	5,821	5,821
	<u>6,555</u>	<u>6,555</u>
	<u><u>6,555</u></u>	<u><u>6,555</u></u>

Ordinary shares carry a right to attend meetings, to vote at meetings, to distributions on a wind-up and an entitlement to receive dividends. Other classes of shares have no rights, other than an entitlement to receive dividends.

INDIGO SERVICE SOLUTIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019****27 Reserves****Share premium**

The fair value of Credas Technologies Ltd was determined to be £15,000,000, therefore the company has recorded the fair value of its investment at £9,000,000 and has recognised a share premium of £8,994,179.

The fair value of the shares issued to acquire shares in FRS Contractor Solutions Limited was determined to be £1,000,000, therefore the company has recorded the fair value of its investment at £1,000,000 and has recognised a share premium of £999,966.

28 Operating lease commitments**Lessee**

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	198,122	179,778	104,506	82,246
Between two and five years	328,605	274,386	141,241	42,178
	<u>526,727</u>	<u>454,164</u>	<u>245,747</u>	<u>124,424</u>

29 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2019	2018
	£	£
Aggregate compensation	<u>319,703</u>	<u>266,599</u>

The directors operate a current loan account with the group. The balance outstanding at the year end amounted to £286,753 owed from the directors (2018: £120,663) and is included in debtors falling due within one year.

Mr R Anderson is a director and shareholder. During the year Mr R Anderson received dividends of £nil (2018: £29,922) from the group.

Mr I Cole-Wilkins is a director and shareholder. During the year Mr I Cole-Wilkins received dividends of £100,664 (2018: £39,00) from the group.

Mr J Smith is a director and shareholder. During the year Mr J Smith received dividends of £16,500 (2018: £nil) from the group. LL Smith Services Ltd is a company which is controlled by Mr J Smith. During the year LL Smith Services Ltd provided consultancy services to the group for which the amount charged in these financial statement was £nil (2018: £23,700). The amount due to LL Smith Services Ltd at 31 March 2019 was £nil (2018: £nil).

INDIGO SERVICE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019

30 Controlling party

There is deemed to be no controlling party.

31 Cash absorbed by group operations

	2019	2018
	£	£
Loss for the year after tax	(51,508)	(276,239)
Adjustments for:		
Taxation charged/(credited)	46,109	(8,896)
Finance costs	141,704	53,646
Investment income	(982)	(375)
Amorisation and impairment of intangible assets	538,791	219,990
Depreciation and impairment of tangible fixed assets	32,257	29,805
Movements in working capital:		
Decrease/(increase) in stocks	963,522	(1)
Increase in debtors	(5,273,481)	(1,692,668)
Increase/(decrease) in creditors	3,047,353	(294,014)
Cash absorbed by operations	(556,235)	(1,968,752)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.