



IndigoBlue Consulting Limited
Annual Report for the year ended 31 March 2017

Registered Number 04484635

IndigoBlue Consulting Limited

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IndigoBlue Consulting Limited

Directors' Report for the year ended 31 March 2017

The Directors present their report and the audited financial statements of IndigoBlue Consulting Limited ("the Company") for the year ended 31 March 2017.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. On this basis a strategic report has not been prepared.

Company Registration Number

The Company is registered in England and Wales under company number 04484635.

Business Review and Future Developments

The results for year ended 31 March 2017 and the financial position of the Company are shown in the financial statements.

IndigoBlue Consulting Limited is a consultancy that specialises in Agile project management and programme delivery. It assures software application development and enables its customers to improve their technology delivery capability.

During 2016/17 the Company had a turnover increase of 14%. Profits have been below expectations following a poor start to the year but a number of steps, including the restructuring of the management team, have been taken to resolve this. We have also increased the number of permanent consultants by 100%, which will drive further increases in margin through 2017/18.

The Company continues to be registered on the G-Cloud and DOS government procurement frameworks, and has seen a number of significant successes including new projects at DWP, the Ministry of Justice, and the Office of National Statistics. The company is also seeing renewed growth in the private sector with significant wins at a tier-1 insurance provider and a global retail bank.

The outlook for the new financial year is positive with revenue and profit forecast to grow. The Company's order book and pipeline are strong in both the Public and Private sectors, and new opportunities have been identified in the United States, which could further accelerate growth.

Results and Dividends

The company's profit for the financial year was £31,903 (2016: profit of £29,374).

The Directors do not recommend a final dividend (2016: Nil).

IndigoBlue Consulting Limited

Directors' report for year ended 31 March 2017 (continued)

Directors

The Directors who held office during the year under review were:

Directors

R P Smith

W H J Yoxall

R Venkataraman

S K S Ram (resigned 19 September 2016)

A Thakrar (resigned 19 September 2016)

P.Koti (appointed 19 September 2016)

A.Singh (appointed 13 December 2016)

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

In the case of each of the persons who are directors at the time when this report is approved, the following applies:

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

Approved on behalf of the Board



Rob Smith – Director

18 April 2017

IndigoBlue Consulting Limited

Independent Auditors' report to the members of IndigoBlue Consulting Limited

Report on the financial statements

Our opinion

In our opinion, IndigoBlue Consulting Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its 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.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 March 2017;
- the profit and loss account and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

IndigoBlue Consulting Limited

Independent Auditors' report to the members of IndigoBlue Consulting Ltd (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Sam Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
18 April 2017

IndigoBlue Consulting Limited

Profit and loss account and other comprehensive income for the year ended 31 March 2017

	Notes	2017 £	2016 £
Turnover	1	7,080,164	6,226,841
Cost of sales		<u>(5,860,285)</u>	<u>(4,176,116)</u>
Gross profit		1,219,879	2,050,725
Administrative expenses		<u>(1,180,795)</u>	<u>(2,010,010)</u>
Operating profit and profit on ordinary activities before taxation	3	39,084	40,715
Tax on profit on ordinary activities	5	<u>(7,179)</u>	<u>(11,341)</u>
Profit for the financial year		31,905	29,374
Other comprehensive income for the year			
Total comprehensive income for the year		<u>31,905</u>	<u>29,374</u>

The notes on pages 9 to 16 form part of these financial statements.

IndigoBlue Consulting Limited

Balance sheet as at 31 March 2017

	Notes	2017 £	2016 £
Fixed Assets			
Intangible assets	6	-	-
Tangible assets	7	<u>13,823</u>	<u>6,087</u>
		13,823	6,087
Current Assets			
Debtors	8	1,763,687	1,577,741
Cash at bank and in hand		<u>245,353</u>	<u>134,574</u>
		2,009,040	1,712,315
Creditors: Amounts falling due within one year	9	(1,674,799)	(1,402,243)
Net current assets		<u>334,241</u>	<u>310,072</u>
Total assets less current liabilities		348,064	316,159
Net assets		<u>348,064</u>	<u>316,159</u>
Capital and Reserves			
Called up share capital	12	9,925	9,925
Share premium		6,175	6,175
Profit and loss account		331,964	300,059
Total equity		<u>348,064</u>	<u>316,159</u>

The financial statements on pages 6 to 16 were approved by the Board of Directors on 18 April 2017 and were signed on its behalf by:



Rob Smith – Director

Registered number: 04484635

IndigoBlue Consulting Limited

Statement of changes in equity for the year ended 31 March 2017

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
Balance as at 1 April 2015	9,600	-	270,685	280,285
Total comprehensive income for the year				
Profit for the financial year	-	-	29,374	29,374
Total comprehensive income for the year	-	-	29,374	29,374
Transactions with owners, recognised directly in equity				
Dividends	-	-	-	-
Share Premium	-	6,175	-	6,175
Share capital issued	325	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 31 March 2016	9,925	6,175	300,059	316,159
Total comprehensive income for the year				
Profit for the financial year	-	-	31,905	31,905
Total comprehensive income for the year	-	-	31,905	31,905
Transactions with owners, recognised directly in equity				
Share premium	-	-	-	-
Share capital issued	-	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	-
Balance as at 31 March 2017	9,925	6,175	331,964	348,064

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies

IndigoBlue Consulting Ltd is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 3-4A Little Portland Street, London, W1W 7JB.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

The Company's ultimate parent undertaking, Mastek Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Mastek Limited are publicly available from its registered office, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Disclosure of the cash flow statement;
- IFRS 7, 'Financial Instruments: Disclosures';
- Comparative information requirements in respect of tangible assets and investments;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- The requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

The company meets its day-to-day working capital requirements through its cash reserves and borrowings. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and borrowings. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Tangible fixed assets

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off the cost of each asset less the estimated residual value, over its estimated useful life.

Computer equipment	-	25% straight line
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Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to a liability to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised are not discounted.

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies (continued)

Turnover

Turnover is the total amount estimated to be receivable for services rendered and out of pocket expenses and disbursements charged to clients during the year excluding VAT. Turnover is recognised in accordance with the terms of the contracts with customers. Turnover on time and materials contracts are recognised when services are rendered and the related costs incurred. Turnover on fixed price contracts are recognised over the life of the contract based on a percentage complete method. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the changes become known. Provisions for estimated losses on such contracts are made during the period in which a loss becomes probable and can be reasonably estimated. Turnover relates to one class of business, all within the UK.

Leasing commitments

Rental paid under operating leases are charged to the profit and loss account as incurred.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors:

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, with the charge being recognised in the profit and loss account. Balances are written off when the probability of recovery is assessed as being remote.

Trade and other creditors:

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Derivative financial instruments

The company does not use any derivative financial instruments and hence its financial assets and financial liabilities are accounted for at cost.

Computer software and software in development

Computer software consists of all software that is not an integral part of the related hardware and is stated at the lower of cost or recoverable value. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software platforms controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria together with costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

2. Staff costs

	2017	2016
	£	£
Wages and salaries	1,843,367	1,203,974
Social security costs	223,836	146,068
Pension cost	17,486	-
	<u>2,084,689</u>	<u>1,350,042</u>

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

	2017	2016
	Number	Number
Administrative and consultants	19	12
Directors	2	5
	<u>21</u>	<u>17</u>

3. Operating profit and profit on ordinary activities before taxation

	2017	2016
	£	£
The operating profit is stated after charging:		
Depreciation – owned assets	3,840	3,173
Impairment of Intangible Assets	-	38,797
Services provided by the Company's Auditor – fees payable for the audit	21,500	21,000
	<u>21,500</u>	<u>21,000</u>

4. Directors' emoluments

	2017	2016
	£	£
Aggregate emoluments	<u>211,660</u>	<u>282,600</u>
	<u>211,660</u>	<u>282,600</u>

Within the year, no director exercised share options (2016 - Nil).

	2017	2016
	£	£
Information regarding the highest paid Director is as follows:		
Aggregate emoluments	<u>106,528</u>	<u>106,027</u>
	<u>106,528</u>	<u>106,027</u>

During both current and prior years, the highest paid Director did not exercise share options.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

5. Taxation

a) Analysis of tax charge in the year:

	2017 £	2016 £
Current Tax:		
UK Corporation tax on profits of the period	<u>8,216</u>	<u>19,100</u>
Deferred Tax :		
Origination and reversal of timing differences	<u>(1,037)</u>	<u>(7,759)</u>
Tax on profit on ordinary activities	<u>7,179</u>	<u>11,341</u>

b) Factors affecting the tax charge for the year:

The tax assessed for the year is different to the standard rate of UK Corporation tax of 20% (2016: 20%) and the differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	39,085	40,715
Profit on ordinary activities before tax at 20% (2016 – 20%)	7,817	8,143
Effects of:		
- Expenses not deductible for tax purposes	1,980	3,166
- Capital allowances for period in excess of depreciation	(1,599)	7,791
- Origination and reversal of timing differences	<u>(1,019)</u>	<u>(7,759)</u>
Total current tax charge for the year	<u>7,179</u>	<u>11,341</u>

c) Factors that may affect future charges:

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015 and Finance Bill 2016 on 7 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

6. Intangible fixed assets

	Development Expenditure £	Total £
Cost:		
At 1 April 2016	58,195	58,195
At 31 March 2017	58,195	58,195
Amortisation:		
At 1 April 2016	58,195	58,195
Impairment	-	-
At 31 March 2017	58,195	58,195
Net Book Value:		
At 31 March 2017	-	-
At 31 March 2016	-	-

Following an impairment review by the directors, the intangible asset was impaired to £nil to reflect its underlying value to the business.

7. Tangible fixed assets

	Computer Equipment £	Total £
Cost:		
At 1 April 2016	14,702	14,702
Additions	11,576	11,576
At 31 March 2017	26,278	26,278
Depreciation:		
At 1 April 2016	8,615	8,615
Charge for the year	3,840	3,840
At 31 March 2017	12,455	12,455
Net Book Value:		
At 31 March 2017	13,823	13,823
At 31 March 2016	6,087	6,087

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

8. Debtors

	2017	2016
	£	£
Trade debtors	1,066,512	879,797
Prepayments and accrued income	697,175	697,892
Other debtors	-	52
	<u>1,763,687</u>	<u>1,577,741</u>

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	551,260	303,164
Amounts due to group undertakings	555,000	597,136
Social security and other taxes	301,419	196,255
Corporation taxation	8,190	19,074
Accruals and deferred income	258,904	285,551
Deferred Tax Liability (see note 10)	26	1,063
	<u>1,674,799</u>	<u>1,402,243</u>

Amounts due to group undertakings are interest free, unsecured and repayable on demand.

10. Deferred taxation

The full liability for deferred tax has been recognised in the accounts as follows:

	£
At 1 April 2016	(1,063)
Credited to the Profit and loss account	1,037
At 31 March 2017	<u>(26)</u>

The deferred taxation liability comprises:

	2017	2016
	£	£
Accelerated capital allowances	<u>(26)</u>	<u>(1,063)</u>

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2017

11. Obligations under leasing agreements

At 31 March 2017, the company had commitments under non-cancellable operating leases expiring as follows:

	Operating leases Land and buildings	
	2017	2016
	£	£
Within one year	47,788	7,360

12. Called up share capital

Allotted, issued and fully paid:		2017	2016
Number:	Class:	£	£
9,925 (2016: 9,925)	Ordinary	£1	9,925

During the year no shares were issued (2016: 325 £1 Ordinary shares were issued for £20 each).

13. Ultimate parent company

The immediate holding company is Mastek (UK) Limited. The ultimate parent of IndigoBlue Consulting Ltd is Mastek Limited, a company registered in India. The consolidated financial statements of Mastek Limited can be obtained from Mastek Limited, Unit Number 106, SDF IV, Seepz, Andheri East, Mumbai, 400 096, India.

14. Control relationships

IndigoBlue Consulting Ltd is controlled by Mastek Limited, a company incorporated in India, which owns 100% of the issued share capital. The consolidated financial statements of Mastek Limited are available from its registered office, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006. The ultimate controlling partners of Mastek Limited are A Desai, K Mehta, S Ram and R Sundar who together own 49.22% (2016 : 50.03%) of the share capital of Mastek Limited.

15. Dividends

The Directors do not recommend the payment of a final dividend (2016: Nil).

Notes to the financial statements for the year ended 31 March 2017

16. Critical accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Revenue recognition on long term contracts and related work in progress balances:

Revenue derived from long term contracts is recognised by reference to a contract's stage of completion at the balance sheet date, only when the outcome of the contract can be measured reliably and it is probable that the economic benefits will flow to the company. Any losses on contracts are recognised when foreseen. The stage of completion of a contract is determined by using the percentage of completion method, based on the proportion of costs incurred for work performed to date, compared to the estimated total cost of the contract. The estimated total cost of the contract is based on management's budgeting processes using their historic budgeting processes and experience.