

GTUK LLP
SIGNED

IndigoBlue Consulting Limited
Annual Report for the year ended 31 March 2018

Registered Number 04484635

IndigoBlue Consulting Limited

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IndigoBlue Consulting Limited

Directors' Report for the year ended 31 March 2018

The Directors present their report and the audited financial statements of IndigoBlue Consulting Limited ("the Company") for the year ended 31 March 2018.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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 2018 and the financial position of the Company are shown in the financial statements.

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

During 2017/18 IndigoBlue increased its alignment as a service line within its parent Mastek (UK) Limited targeting its strategic focus on consultancy and directing delivery opportunities to its parent. As such revenues dropped and the company has a registered turnover decrease of 12%. Profits have been below expectations following a poor second half to the year.

IndigoBlue continues to be registered on a number of government procurement frameworks and has seen a number of significant successes including new projects at a tier-one retail bank, Vocalink and the global fitness app provider Freeletics. The company also continues its work in a number of major accounts including Ministry of Justice, Department of Work and Pensions, the Office of National Statistics and a tier-one insurance provider.

The outlook remains positive with a strong market for IndigoBlue's core propositions of Digital, Agile and Lean Consulting, and its emerging propositions relating to DevOps. IndigoBlue's current orderbook and pipeline are both extremely positive.

Results and Dividends

The company's loss for the financial year was £173,659 (2017: profit of £13,046 (restated)).

The Directors do not recommended the payment of an interim or final dividend (2017: £Nil).

Directors

The Directors who held office during the year under review and up to the date of this report were:

Directors

R P Smith

W H J Yoxall

R Venkataraman

P Koti

A Singh (resigned 01 June 2017)

J T Owen (appointed 01 June 2017)

IndigoBlue Consulting Limited

Directors' report for year ended 31 March 2018 (continued)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 directors confirm that there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appointment of Auditors

The Auditors, Grant Thornton UK LLP, were appointed as auditors during the year and will be proposed for reappointment at the forthcoming Annual General Meeting.

Approved on behalf of the Board


.....
R Smith – Director 13/06/18

IndigoBlue Consulting Limited

Independent Auditor's report to the members of IndigoBlue Consulting Limited

Opinion

We have audited the financial statements of IndigoBlue Consulting Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its 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.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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.

IndigoBlue Consulting Limited

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2 and 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

GRANT THORNTON UK LLP

Pinkesh Patel
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading

13/06/2018

IndigoBlue Consulting Limited

Statement of comprehensive income for the year ended 31 March 2018

	Notes	2018 £	(Restated)* 2017 £
Turnover	1	6,226,503	7,080,164
Cost of sales		<u>(5,026,201)</u>	<u>(5,860,285)</u>
Gross profit		1,200,302	1,219,879
Administrative expenses		<u>(1,391,613)</u>	<u>(1,199,654)</u>
Operating (loss)/profit and (loss)/profit on ordinary activities before taxation	3	(191,311)	20,225
Tax on profit on ordinary activities	5	<u>17,652</u>	<u>(7,179)</u>
(Loss)/Profit for the financial year		<u>(173,659)</u>	<u>13,046</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(173,659)</u>	<u>13,046</u>

All results relate to continuing operations.

The notes on pages 9 to 21 form part of these financial statements.

*Refer Note No. 17 for details of the restatement of 2017.

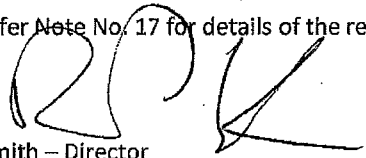
IndigoBlue Consulting Limited

Balance sheet as at 31 March 2018

	Notes	2018 £	(Restated)* 2017 £
Fixed Assets			
Tangible assets	6	<u>13,982</u>	<u>13,823</u>
		13,982	13,823
Current Assets			
Debtors	7	1,209,054	1,763,687
Cash at bank and in hand		<u>132,362</u>	<u>245,353</u>
		1,341,416	2,009,040
Creditors: Amounts falling due within one year	8	<u>(1,183,641)</u>	<u>(1,704,650)</u>
		157,775	304,390
Net current assets		<u>157,775</u>	<u>304,390</u>
Total assets less current liabilities		<u>171,757</u>	<u>318,213</u>
Net assets		<u>171,757</u>	<u>318,213</u>
Capital and Reserves			
Called up share capital	12	9,925	9,925
Share premium		6,175	6,175
Retained Earnings		128,454	302,113
Excess tax benefit on share based payments		27,203	-
Total equity		<u>171,757</u>	<u>318,213</u>

The financial statements were approved by the Board of Directors on 13/06/18 and were signed on its behalf by:

*Refer Note No. 17 for details of the restatement of 2017.


R Smith – Director

Registered number: 04484635

The notes on pages 9 to 21 form part of these financial statements.

IndigoBlue Consulting Limited

Statement of changes in equity for the year ended 31 March 2018

	Called up share capital	Share premium	Excess tax benefits on share based payments	Retained earnings	Total equity
	£	£	£	£	£
Balance as at 1 April 2016	9,925	6,175	-	300,059	316,159
Restatement – Refer Note 17	-	-	-	(10,992)	(10,992)
Balance as at 1 April 2016(Restated)	9,925	6,175	-	289,067	305,167
Total comprehensive income for the year					
Profit for the financial year	-	-	-	13,046	13,046
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	13,046	13,046
Balance as at 31 March 2017	9,925	6,175	-	302,113	318,213
Total comprehensive income for the year					
Profit/(Loss) for the financial year	-	-	-	(173,659)	(173,659)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(173,659)	(173,659)
Excess tax benefits on share based payments	-	-	27,203	-	27,203
Balance as at March 31, 2018	9,925	6,175	27,203	128,454	171,757

The notes on pages 9 to 21 form part of these financial statements.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies

IndigoBlue Consulting Limited is 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, United Kingdom.

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:

- IFRS 7, 'Financial Instrument Disclosure;
- Comparative period reconciliations for share capital;
- Disclosure of the cash flow statement;
- Disclosures in respect of capital management;
- 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.
- Capital management disclosure
- Certain share based payment disclosure
- Disclosures in relation to impairment of assets

The ultimate parent company (Mastek Limited) runs a Stock Option scheme under which it grants options to the employees of the subsidiary company (IndigoBlue Consulting Limited). The ultimate Company had previously in error accounted for share based payments at intrinsic value instead of fair value per IFRS 2. The Company has corrected the error and restated opening balance as at April 1, 2016 to give effect to fair value accounting and restated the Stock option charge for the financial year ended March 31, 2017. (Refer Note 17)

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 is dependent on-going financial support from its parent company, Mastek (UK) Limited. The directors have obtained confirmation from the parent company that financial support will be made available if required for the company to meet its obligations for the foreseeable future. The directors are therefore of the opinion that in all reasonably foreseeable circumstances the company will remain a going concern for at least twelve months from the date on which the financial statements have been approved. Accordingly, the going concern basis has been adopted in the preparation of these financial statements.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies (continued)

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 & Current Tax

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 the future is uncertain. Deferred tax assets and liabilities recognised are not discounted.

Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws.

Share Based Payment

The ultimate parent company (Mastek Limited) runs a Stock Option scheme under which it grants options to the employees of the fellow subsidiary company (Indigo Blue Consulting Limited). Stock options are vested over the period of time as stated in the terms of the option. Once vested, employees are entitled to receive shares of the ultimate parents at the time of exercise of options. The scheme is identified as Equity settled and the ultimate parent determines the compensation cost based on the fair value method and which is cross charged to Indigo Blue Consulting Limited. The company records the fair value as cost to Profit & Loss account with a corresponding adjustment to capital contribution. However, since the ultimate parent recharges the fair value to the company, the corresponding amount is reduced from the Capital contribution resulting in a net nil impact to capital contribution.

Provisions

Provisions are recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

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.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

1. Accounting policies (continued)

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.

Cash and cash equivalent:

Cash and cash equivalents include cash in hand, demand deposits with banks and other short term highly liquid investments with original maturities of three months or less.

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.

Reserves

Share Premium: Amount received (on issue of shares) in excess of the par value has been classified as share premium.

Excess tax benefits from share-based options: Future tax benefits expected to arise from difference in tax base and accounting base as per tax laws of the respective countries where the company operates.

Retained Earnings: Retained earnings comprises of the prior year's the undistributed earnings after taxes.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

Capital Management

The Company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The company monitors the return on capital as well as the level of dividends on its equity shares. The company objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

2. Staff costs

	2018	Restated 2017
	£	£
Wages and salaries	2,254,401	1,862,225
Social security costs	268,363	223,836
Pension Cost	24,536	17,486
	<u>2,547,300</u>	<u>2,103,547</u>

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

	2018 Number	2017 Number
Administrative and consultants	23	19
Directors	2	2
	<u>25</u>	<u>21</u>

3. Operating (loss)/profit and (loss)/profit on ordinary activities before taxation

	2018 £	2017 £
The operating (loss)/profit is stated after charging:		
Depreciation – owned assets	5,908	3,840
Services provided by the Company's Auditor – audit fee*	-	21,500

*Audit fee is incurred by parent, Mastek (UK) Limited, in 2018

4. Directors' emoluments

	2018 £	Restated 2017 £
Aggregate emoluments	203,119	205,265
Pension contributions to money purchase schemes	7,159	6,395
	<u>210,278</u>	<u>211,660</u>
Within the year, no director exercised share options (2017 - Nil).		
	2018 £	2017 £
Information regarding the highest paid Director is as follows:		
Aggregate emoluments	101,776	102,361
Pension contributions to money purchase schemes	2,229	4,167
	<u>104,005</u>	<u>106,528</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 2018

5. Taxation

a) Analysis of tax charge in the year:

	2018	Restated 2017
	£	£
Current Tax:		
UK Corporation tax on (loss)/profits for the year	-	8,216
Adjustment in respect of prior year	(17,564)	-
	<u>(17,564)</u>	<u>-</u>
Deferred Tax:		
Origination and reversal of timing differences	(88)	(1,037)
Tax on (loss)/profit on ordinary activities	<u>(17,652)</u>	<u>7,179</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 19% (2017: 20%) and the differences are explained below:

	2018	Restated 2017
	£	£
(Loss)/Profit on ordinary activities before tax	(191,311)	20,225
(Loss)/Profit on ordinary activities before tax at 19% (2017 – 20%)	(36,349)	4,045
Effects of:		
- Expenses not deductible for tax purposes	-	5,752
- Capital allowances for period in excess of depreciation	-	(1,599)
- Origination and reversal of timing differences	(89)	(1,019)
- Loss on which credit not taken	36,349	-
- Adjustment in respect of prior year	(17,564)	-
	<u>(17,652)</u>	<u>7,179</u>
Total current tax charge for the year	<u>(17,652)</u>	<u>7,179</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. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

Total tax losses carried forward of £36,349 (2017: £Nil) give rise to a potential deferred tax asset of £6,906 (2017: £Nil) which is not being recognised as it does not satisfy the recognition criteria of IAS 12 as management do not expect the company to make a taxable profit in the foreseeable future against which to utilise this asset.

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

6. Tangible fixed assets

	Computer Equipment £	Total £
Cost:		
At 1 April 2017	26,278	26,278
Additions	6,067	6,067
At 31 March 2018	32,345	32,345
Depreciation:		
At 1 April 2017	12,455	12,455
Charge for the year	5,908	5,908
At 31 March 2018	18,363	18,363
Net Book Value:		
At 31 March 2018	13,982	13,982
At 31 March 2017	13,823	13,823

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

7. Debtors

	2018 £	2017 £
Trade debtors	700,423	1,066,512
Prepayments and accrued income	443,871	697,175
Other Debtors (Rent Deposit)	37,495	-
Deferred Tax Assets (Refer Note 10)	27,265	-
	<u>1,209,054</u>	<u>1,763,687</u>

8. Creditors: amounts falling due within one year

	2018 £	Restated 2017 £
Trade creditors	233,757	551,260
Amounts due to group undertakings	500,000	584,851
Social security and other taxes	225,996	301,419
Corporation taxation	-	8,190
Accruals and deferred income	223,888	258,904
Deferred Tax Liability (see note 10)	-	26
	<u>1,183,641</u>	<u>1,704,650</u>

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

10. Deferred taxation

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

	£
At 1 April 2017	(26)
Credited to the Profit and loss account	88
Tax benefit from share based option	27,203
At 31 March 2018	<u>27,265</u>

The deferred taxation assets comprises:

	2018 £	2017 £
Tax benefit from share based option	27,203	-
Accelerated capital allowances	62	(26)
	<u>27,265</u>	<u>(26)</u>

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

11. Obligations under leasing agreements

At 31 March 2018, the company had commitments under non-cancellable operating leases expiring as follows:

	Operating leases Land and buildings	
	2018	2017
	£	£
Within one year	-	47,788

12. Called up share capital

Allotted, issued and fully paid:			2018	2017
Number:	Class:		£	£
£9,925 (2017: 9,925)	Ordinary	£1	9,925	9,925

During the year no shares were issued.

13. Ultimate parent company

The immediate holding company is Mastek (UK) Limited. The ultimate parent of IndigoBlue Consulting Limited is Mastek Limited, a company registered in India. The consolidated financial statements of Mastek Limited can be obtained from Mastek Limited, 804/805 President House, C.N. Vidyalaya, Near Ambawadi Circle, Ahmedabad – 380 006.

14. Control relationships

IndigoBlue Consulting Limited 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% (2017: 49.22%) of the share capital of Mastek Limited.

15. Dividends

The Directors do not recommend the payment of a final dividend (2017: Nil).

IndigoBlue Consulting Limited

Notes to the financial statements for the year ended 31 March 2018

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.

Share Based Payment:

In determining the fair value of equity settled share-based payments and the related charge to the Income Statement, the Company makes assumptions about future events and market conditions; in particular, estimates must be made as to the likely number of shares that will vest, and the fair value of each award granted. The fair value is determined using a valuation model which is dependent on further estimates, including the Company's future dividend policy, the timing with which options will be exercised and the future volatility in the price of the Company's shares. These assumptions are disclosed in note 18.

Such assumptions are based on management's best estimate of the respective parameters. Different assumptions about these factors to those made by the Company could materially affect the reported value of share-based payments.

Recognition of deferred tax assets:

Deferred income tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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Notes to the financial statements for the year ended 31 March 2018

17. Correction of prior year error

Restatement of Statement of Comprehensive Income for the year ended 31 March 2017

		(As previously reported)		Restated
	Note	2017 £	Adjustments	2017 £
Turnover		7,080,164	-	7,080,164
Cost of sales		(5,860,285)	-	(5,860,285)
Gross profit		1,219,879		1,219,879
Administrative expenses	1	(1,180,795)	(18,859)	(1,199,654)
Operating profit		39,084	(18,859)	20,225
Profit on ordinary activities before taxation		39,084	(18,859)	20,225
Tax on profit on ordinary activities		(7,179)	-	(7,179)
Profit for the financial year		31,905	(18,859)	13,046
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		31,905	(18,859)	13,046

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Notes to the financial statements for the year ended 31 March 2018

17. Correction of prior year error (continued)

Restatement of Balance Sheet as at 31 March 2017

	Notes	(As previously		Restated
		Reported)	Adjustments	
		2017		2017
		£		£
Fixed Assets				
Intangible assets		-	-	-
Tangible assets		13,823	-	13,823
		<u>13,823</u>		<u>13,823</u>
Current Assets				
Debtors		1,763,687	-	1,763,687
Cash at bank and in hand		245,353	-	245,353
		<u>2,009,040</u>		<u>2,009,040</u>
Creditors: Amounts falling due within one year	1	(1,674,799)	(29,851)	(1,704,650)
Net current assets		<u>334,241</u>	<u>(29,851)</u>	<u>304,390</u>
Total assets less current liabilities		<u>348,064</u>	<u>(29,851)</u>	<u>318,213</u>
Net assets		<u>348,064</u>	<u>(29,851)</u>	<u>318,213</u>
Capital and Reserves				
Called up share capital		9,925	-	9,925
Share premium		6,175	-	6,175
Retained earnings	1	331,964	(29,851)	302,113
Total equity		<u>348,064</u>	<u>(29,851)</u>	<u>318,213</u>

Notes

- The ultimate parent company (Mastek Limited) runs a Stock Option scheme under which it grants options to the employees of the subsidiary company (IndigoBlue Consulting Limited). The Company had previously in error accounted for share based payments at intrinsic value instead of fair value per IFRS 2. The Company has corrected the error and restated the stock option charge for the financial year ended 31 March 2017 to reflect fair value.

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Notes to the financial statements for year ended 31 March 2018

18. Share options

Share options are granted to directors and to selected employees. Options are conditional on the employee completing in range of 3-4 years' service (the vesting period). The options are exercisable within a period of seven years from the date of vesting. The group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options outstanding, and their related weighted average exercise prices, are as follows:

	2018		2017	
	Number of Options	Weighted Average Exercise Price £	Number of Options	Weighted Average Exercise Price £
Outstanding at beginning of period	47,500	2.0	52,500	1.8
Granted during the period	-	-	-	-
Forfeited during the period	-	-	5,000	2.0
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	47,500	2.0	47,500	2.0
Exercisable at the end of the period	23,750	2.0	11,875	2.0

The weighted average remaining contractual life in years is 7.04 years (2017: 8.04 years)

Note:

No grants were made during the financial year 2018 & 2017