

Company Registration No. 04730521 (England and Wales)

INTO THE BLUE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
PAGES FOR FILING WITH REGISTRAR

INTO THE BLUE LIMITED

COMPANY INFORMATION

Directors	Ms J Grindley Mr S Morgan
Secretary	Mr S Morgan
Company number	04730521
Registered office	One The Parade Cowes Isle of Wight PO31 7QJ
Accountants	Moore Stephens (South) LLP 9 St Johns Place Newport Isle of Wight PO30 1LH

INTO THE BLUE LIMITED

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INTO THE BLUE LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Property, plant and equipment	3	508,271		516,953	
Investment properties	4	220,000		225,000	
			728,271		741,953
Current assets					
Trade and other receivables	5	101,735		133,798	
Investments	6	250,000		250,000	
Cash at bank and in hand		479,649		312,784	
		831,384		696,582	
Current liabilities	7	(195,398)		(130,439)	
Net current assets			635,986		566,143
Total assets less current liabilities			1,364,257		1,308,096
Provisions for liabilities			(1,606)		(1,912)
Net assets			1,362,651		1,306,184
Equity					
Called up share capital	8	1,000		1,000	
Retained earnings	9	1,361,651		1,305,184	
Total equity			1,362,651		1,306,184

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

INTO THE BLUE LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2016

The financial statements were approved by the board of directors and authorised for issue on 22 September 2017 and are signed on its behalf by:

Ms J Grindley
Director

Company Registration No. 04730521

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Into The Blue Limited is a private company limited by shares incorporated in England and Wales. The registered office is One The Parade, Cowes, Isle of Wight, PO31 7QJ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Into The Blue Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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:

Land and buildings Freehold	2% Straight line per annum
Land and buildings Leasehold	2% Straight line per annum
Boats	25% Reducing balance per annum
Fixtures, fittings & equipment	25% Reducing balance per annum
Computer equipment	33.33% Straight line per annum

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 credited or charged to profit or loss.

1.4 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. The surplus or deficit on revaluation is recognised in the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as property, plant and equipment.

1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.7 Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 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 income statement 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 income statement, 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 when the company has 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.

1.10 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 non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2015 - 12).

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

3 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	537,726	113,280	651,006
Additions	-	7,297	7,297
Disposals	-	(13,403)	(13,403)
At 31 December 2016	537,726	107,174	644,900
Depreciation and impairment			
At 1 January 2016	34,613	99,440	134,053
Depreciation charged in the year	9,317	6,101	15,418
Eliminated in respect of disposals	-	(12,842)	(12,842)
At 31 December 2016	43,930	92,699	136,629
Carrying amount			
At 31 December 2016	493,796	14,475	508,271
At 31 December 2015	503,113	13,840	516,953

4 Investment property

	2016 £
Fair value	
At 1 January 2016	225,000
Revaluations	(5,000)
At 31 December 2016	220,000

The fair value of the investment properties has been arrived at on the basis of a valuation carried out at 31 December 2016 by the Director. The valuation was made on the basis of the commercial sale of the property post year-end. No depreciation is provided in respect of these properties.

On a historical cost basis these would have been included at an original cost of £215,392.

5 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	79,611	41,794
Corporation tax recoverable	4,993	4,993
Other receivables	17,131	87,011
	101,735	133,798

INTO THE BLUE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Current asset investments

	2016 £	2015 £
Other investments	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

7 Current liabilities

	2016 £	2015 £
Trade payables	14,480	22,852
Corporation tax	62,384	14,827
Other taxation and social security	31,081	21,290
Other payables	87,453	71,470
	<u>195,398</u>	<u>130,439</u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
750 Ordinary 'A' shares of £1 each	750	750
250 Ordinary 'B' shares of £1 each	250	250
	<u>1,000</u>	<u>1,000</u>

9 Retained earnings

Included in the income and expenditure reserve is £4,608 (2015 - £8,892) of non distributable profits relating to the revaluation (net of deferred tax) of the investment property.

10 Events after the reporting date

Since the year end dividends totalling £51,000 have been paid.
Additionally the investment property was sold at fair value.

11 Related party transactions

The following amounts were outstanding at the reporting end date:

	2016 £	2015 £
Amounts owed to related parties		
Directors' loan account	29,393	-
	<u>29,393</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Directors' transactions

Dividends totalling £180,000 (2015 - £92,000) were paid in the year in respect of shares held by the company's directors.

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
J Grindley and S Morgan - directors' loan	-	72,498	(72,498)	-
		<u>72,498</u>	<u>(72,498)</u>	<u>-</u>

13 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 January 2015 £	31 December 2015 £
Equity as reported under previous UK GAAP		1,320,822	1,306,900
Adjustments arising from transition to FRS 102:			
Tax on investment property revaluation	(a)	-	(716)
Equity reported under FRS 102		<u>1,320,822</u>	<u>1,306,184</u>

Reconciliation of profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		48,078
Adjustments arising from transition to FRS 102:		
Tax on investment property revaluation	(a)	(716)
Revaluation on investment property	(b)	30,000
Profit reported under FRS 102		<u>77,362</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

(a) Deferred tax on investment property

Deferred tax of £716.47 has been recognised at 19% of the estimated capital gains that would arise on the sale of the investment property at its stated fair value as at 31 December 2015. There was no capital gain on the investment property as at 31 December 2014 therefore no deferred tax liability existed in relation to the properties.

(b) Revaluation on investment property

Prior to FRS102 the changes to the fair value of investment properties were recognised in the Statement of Total Recognised Gains and Losses. FRS102 requires these adjustments to be entered in the Income Statement therefore the £30,000 revaluation in the year ended 31 December 2015 has been reallocated to the Income Statement.

Also, as FRS102 requires the fair value adjustments to investment properties to be entered in the Income Statement the balance on the revaluation reserve as at 31 December 2015 has been transferred to the retained earnings reserve.

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.