Company Registration No. 07311921 (England and Wales)

STRATEGIC BLUE SERVICES LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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STRATEGIC BLUE SERVICES LIMITED

COMPANY INFORMATION

Directors	J C Mitchell M T Smith
Secretary	R J Mitchell
Company number	07311921
Registered office	30 Trafalgar Grove Greenwich London United Kingdom SE10 9TB
Accountants	RSM UK Tax and Accounting Limited Chartered Accountants 3rd Floor Portland 25 High Street Crawley West Sussex RH10 1BG

STRATEGIC BLUE SERVICES LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016.

Principal activities
The principal activity of the company continued to be that of buying and selling access to third party owned and operated data processing and/or storage facilities and related "cloud computing" services, together with consulting services related to these activities.

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

J C Mitchell
M T Smith

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

M T Smith
Director
30 SEPT 2016

ACCOUNTANT'S REPORT TO THE BOARD OF DIRECTORS OF STRATEGIC BLUE SERVICES LIMITED ON THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we prepared for your approval the financial statements of Strategic Blue Services Limited which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of Strategic Blue Services Limited, as a body, in accordance with the terms of our engagement letter dated 24 July 2013. Our work has been undertaken solely to prepare for your approval the financial statements of Strategic Blue Services Limited and state those matters that we have agreed to state to them in accordance with AAF 2/10 as detailed at icaew.com/compilation. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights against RSM UK Tax and Accounting Limited for any purpose or in any context. Any party other than the Board of Directors which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Tax and Accounting Limited will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representation in this report.

It is your duty to ensure that Strategic Blue Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Strategic Blue Services Limited under the Companies Act 2006. You consider that Strategic Blue Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Strategic Blue Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

RSM UK Tax and Accounting Limited

RSM UK Tax and Accounting Limited
Chartered Accountants
3rd Floor
Portland
25 High Street
Crawley
West Sussex
RH10 1BG

5/10/2016

STRATEGIC BLUE SERVICES LIMITED

UNAUDITED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Turnover	**2**	1,015,659	576,797
Cost of sales		(978,309)	(572,276)
Gross profit		37,350	4,521
Administrative expenses		(187,058)	(66,522)
Loss on ordinary activities before taxation	**3**	(149,708)	(62,001)
Tax on loss on ordinary activities	**5**	-	-
Loss for the financial year	**10**	(149,708)	(62,001)

Company Registration No. 07311921

STRATEGIC BLUE SERVICES LIMITED

UNAUDITED BALANCE SHEET
AS AT 31 MARCH 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	6		6,741		4,510
Current assets					
Stocks		31,561		62,825	
Debtors	7	229,072		139,902	
Cash at bank and in hand		1,195,402		165,013	
		1,456,035		367,740	
Creditors: amounts falling due within one year	8	(285,415)		(208,321)	
Net current assets			1,170,620		159,419
Total assets less current liabilities			1,177,361		163,929
Capital and reserves					
Called up share capital	9		1,568		1,304
Share premium account	10		2,287,276		1,124,400
Profit and loss account	10		(1,111,483)		(961,775)
Shareholders' funds			1,177,361		163,929

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and 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.

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

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements on pages 3 to 8 were approved by the board of directors and authorised for issue on 30 SEPT 2016 and are signed on its behalf by:

M T Smith
Director

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The directors have prepared forecasts for the 12 month period from the date of approval of these financial statements which indicate the company will have adequate resources to meet its liabilities as they fall due for payment in the foreseeable future and therefore the directors continue to adopt the going concern basis in the preparation of the financial statements.

Turnover

Turnover represents the invoiced value, net of VAT, of goods sold and services provided to customers.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% straight line
Fixtures, fittings and equipment	25% straight line

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Research and development

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and its amortised in line with sales from the related product. All research and other development costs are written off as incurred.

Stock

Stocks (e.g. cloud subscriptions/reservations for discounted access to computing facilities over a fixed period of time) and work in progress are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow-moving items.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 Accounting policies (Continued)

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 Turnover

In the year to 31 March 2016 9% (2015 - 16%) of the company's turnover was to markets outside the United Kingdom.

3 Loss on ordinary activities before taxation

	2016	2015
	£	£
Loss on ordinary activities before taxation is stated after charging/ (crediting):		
Depreciation of tangible fixed assets		
- owned	2,350	1,670

4 Directors' remuneration

	2016	2015
	£	£
Directors' remuneration	41,500	12,000
	41,500	12,000

5 Tax on loss on ordinary activities

The company has estimated losses of £1,011,751 (2015 - £861,518) available for carry forward against future trading profits.

6 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2015	11,516
Additions	4,581
At 31 March 2016	16,097
Depreciation	
At 1 April 2015	7,006
Charge for the year	2,350
At 31 March 2016	9,356
Net book value	
At 31 March 2016	6,741
At 31 March 2015	4,510

7 Debtors

	2016 £	2015 £
Trade debtors	157,078	50,514
Other debtors	71,994	89,388
	229,072	139,902

8 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	15,522	100,529
Taxes and social security costs	47,441	39,761
Other creditors	222,452	68,031
	285,415	208,321

9 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
156,853 Ordinary shares of 1p each	1,568	1,304

During the year 26,435 ordinary shares of £0.01 each were allotted and fully paid for a total consideration of £1,163,140.

10 Reserves

	Share premium account £	Profit and loss account £
Balance at 1 April 2015	1,124,400	(961,775)
Loss for the year	-	(149,708)
Premium on shares issued during the year	1,162,876	-
Balance at 31 March 2016	2,287,276	(1,111,483)

11 Share-based payments

The Strategic Blue Services Limited Share Option Plan was introduced by resolution of the Board of Directors on 13 May 2012. Options under the Plan may only be granted during the period of 10 years from 13 May 2012. An option may not in any event be exercised later than 13th May 2022 (tenth anniversary of the adoption of the scheme).

During the year ended 31 March 2016, 16,930 options at a price of £25 per share were granted in favour of employees and contractors. These options are only exercisable within 5 years of the date of their grant. There were no performance conditions attached to the options granted to employees, yet exercise was still subject to management discretion on cessation of employment.

The options can be exercised at the following times:

(1) Within 14 days of the date specified on the options agreement certificate.
(2) On 30 April or 31 October of each year during the term of the option.
(3) In the event of a flotation or a take over.
(4) At the discretion of the Directors.

12 Related party relationships and transactions

During the year M T Smith, one of the directors, was granted 3,722 share options at a price of £25 per share as part of the Share Option Plan (see note 11).

13 Control

The immediate parent company is Strategic Blue Limited, a company incorporated in England and Wales. The ultimate controlling party is J C Mitchell and his wife by virtue of their 100% shareholding in Strategic Blue Limited.