



**Blue Technologies Limited**  
**Annual Report and Consolidated Financial Statements**  
**For the year ended 31 December 2017**

Company Registration No. 04260927 (England and Wales)

WEDNESDAY



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COMPANIES HOUSE

**Blue Technologies Limited**  
Company Information



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<b>Directors</b>	B Zanghi T M Godber E J Howson B J Whitaker S Menashy E J Talbot J P Goodwin
<b>Company number</b>	04260927
<b>Registered office</b>	37 Bevendens Street London N1 6BH
<b>Auditors</b>	BDO LLP 55 Baker Street London W1 7EU

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The Directors present their strategic report together with the audited financial statements for the year ended 31 December 2017.

**Principal activities**

The principal activity of the group continued to be that of the development and application of mobile ticketing and fare collection solutions. The principal activity of the company continued to be that of a holding company. No change in the nature of the group and company's activities is expected in the foreseeable future.

**Business review**

The consolidated income statement is set out on page 8 shows group turnover for the year of £6,738k (2016 - £4,745k) and a loss before taxation for the year of £6,301k (2016 loss - 3,877k).

Turnover for the year has increased by 42% compared to 2016. This increase is due mainly to the continued expansion of operations and new projects won during the period of existing customer deployments and the addition of new customer revenues.

In the year ended 31 December 2017 the group made an operating loss of £6,025k compared to an operating loss of £3,824k in the year ended 31 December 2016. The operating loss has increased by 58% from the prior period due to increased investment in product research and development and associated expenses to facilitate future recurring revenues in North American markets and beyond. At 31 December 2017 the group had cash reserves of £1,509k compared to cash reserves of £3,584k at 31 December 2016, due to the factors described above. Further, the group's share premium has increased by £4,095k during the year as a result of equity funding completed, as detailed in note 12 (2016 - nil).

As disclosed in note 15, there have been two series of convertible debt arrangements, and an equity raise issued post year end. There have been no other events since the balance sheet date which materially affect the position of the group.

**Principal risks and uncertainties**

The Group continues to be reliant on external investment to fund ongoing product research and development activities. The level of investment to be made in product research and development for each period, together with discussion regarding funding options is discussed and approved with the Board at quarterly meetings. The groups activities expose it to a number of financial risks. Details of these and how the group mitigates these risks are set out below.

**Credit Risk**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The group is mainly exposed to credit risk from credit sales. It is group policy, implemented locally, to assess the credit risk of customers before entering contracts. Each new customer is analysed individually.

**Liquidity risk**

Liquidity risk arises from the group's management of working capital and the finance charges on its debt instruments. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The board receive regular cash flow projections as well as information regarding cash balances. At the end of the financial year, these projections indicated the group expected to have sufficient liquidity.

**Market risk**

Market risk arises from the groups use of interest bearing foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risks) or foreign exchange rates (currency risk).

**Foreign exchange risk**

Foreign exchange risk arises when individual group entities enter into transactions denominated in a currency other than their functional currency. The groups policy, where possible, is to allow group entities to settle liabilities denominated in their functional currency (primarily US Dollar or Pound Sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the group.

**Key performance indicators**

The group uses a number of performance indicators to monitor and manage the business effectively. These are both financial and non-financial. These are the key financial metrics most commonly reported to the board and considered of most relevant to the continued development of the groups operations, as disclosed in the business review above.

The key performance indicators for the year ended 31 December 2017, with comparatives for the year ended 31 December 2016, are set out below:

**Financial**

	2017	2016
Turnover (£'000)	6,738	4,745
Gross Margin (%)	74%	88%
Turnover Increase (%)	42%	114%

**Non-financial**

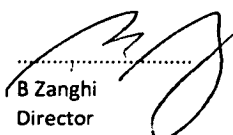
	2017	2016
Average number of employees	85	64

**Charitable and political contributions**

During the year the group made no charitable or political contributions (2016 - £Nil).

**Approval**

This strategic report was approved on behalf of the Board on 26 September 2018.

  
B Zanghi  
Director

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The Directors present their report and financial statements for the year ended 31 December 2017.

**Principal activities**

The principal activity of the group continued to be that of the development and application of mobile ticketing technology solutions.

**Directors**

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

B Zanghi  
T M Godber  
E J Howson  
B J Whitaker  
S Menashy  
J S Neale (Resigned: 01 June 2018)  
E J Talbot (Appointed: 01 June 2018)  
J P Goodwin

**Results and Dividends**

The group made a loss after tax for the year of 31 December 2017 of £4,251k (2016: £3,880k).

During the year a dividend of *£nil* was paid (2016: *£nil*). The directors do not recommend a payment of a final dividend (2016: *£nil*).

**Prior Year Adjustment**

The 2016 consolidated income statement has been restated to reflect an amendment to the exchange rate used in translating the profit and loss account of subsidiaries, whose functional currency is not sterling, in line with the requirements of FRS102 section 30 'Foreign Currency Translation'. This increases the loss in the prior period by £107k.

More information is given in note 20.

**Auditors**

Kingston Smith LLP resigned and BDO LLP were appointed as auditor during the year. A resolution to reappoint BDO LLP as auditors will be proposed at the next annual general meeting.

**Statement of disclosure to auditors**

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

**Going concern**

The financial statements at 31 December 2017 show that the group generated a loss for the year of £4,251k (2016: loss of £3,880k), and with cash used in operating activities of £6,178k (2016: £3,520k), and a net decrease in cash for the year of £2,075k (2016: decrease of £2,683k). The group balance sheet also showed cash reserves at 31 December 2017 of £1,509k (2016: £3,584k). As at 31 August 2018, the group held cash reserves of £3,028k. The parent company generated a loss for the year of £88k (2016: loss of £108k) and showed cash reserves at 31 December 2017 of £450k (2016: £1,007k).

**Going concern (continued)**

The directors have reviewed the group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, and include the group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

The directors have prepared cash flow forecasts covering a period of at least 15 months from the date of these results. The group is confident in the budgets and market forecasts, and in the ability to secure continued financing required to settle obligations as they fall due. In addition, the group has secured the issue of two series of convertible debt arrangements and an equity raise in 2018, as disclosed in note 15. However, in the directors opinion, in order to extend the ability of the group to fulfil its obligations and continue as a going concern, the group will need to seek additional sources of finance. The directors are currently in discussions with a number of existing and potential investors with the objective to secure funding for the group for at least the following 12 months. Whilst there can be no guarantee that the discussions will lead to the funding targeted, the directors have confidence of a successful outcome.

This matter indicates that a material uncertainty exists that may cast significant doubt on the group and parent's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern. The directors believe that taken as a whole, the factors described above enable the group to continue as a going concern for the foreseeable future.

**Directors responsibilities**

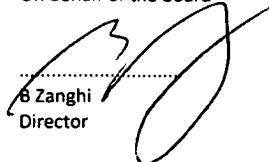
The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on a 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.

On behalf of the board



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G Zanghi  
Director

26 September 2018

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**Opinion**

We have audited the financial statements of Blue Technologies Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2017 which comprise the consolidated income statement and statement of comprehensive income, consolidated and company balance sheet, consolidated and company statement of changes in equity, consolidated cash flow statement 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 102' The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2017 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent 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.

**Material uncertainty related to going concern**

We draw attention to note 1.4 in the financial statements, which indicates that the group requires additional finance to fulfil its obligations which is yet to be agreed.

As stated in note 1.4, these events or conditions, along with other matters as set out in note 1.4, indicate that a material uncertainty exists that may cast significant doubt on the group and the parent company's ability to continue as a going concern.. Our opinion is not modified in respect of this matter.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

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

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

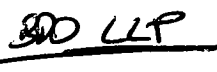
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read "BDO LLP", with a horizontal line drawn underneath it.

**David Butcher (Senior Statutory Auditor)**  
For and on behalf of BDO LLP, statutory auditor  
London  
26 September 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Blue Technologies Limited**Consolidated income statement and statement of comprehensive income  
For the year ended 31 December 2017

		2017	2016
	Notes	£'000	£'000
Turnover	2	6,738	4,745
Cost of Sales		(1,784)	(555)
<b>Gross Profit</b>		<b>4,954</b>	<b>4,190</b>
Administrative expenses		(10,979)	(8,014)
<b>Operating Loss</b>	<b>4</b>	<b>(6,025)</b>	<b>(3,824)</b>
Interest receivable and similar income		2	12
Interest payable and similar expenses	19	(278)	(65)
<b>Loss before taxation</b>		<b>(6,301)</b>	<b>(3,877)</b>
Tax credit/(charge)	5	2,050	(3)
<b>Loss for the financial year</b>		<b>(4,251)</b>	<b>(3,880)</b>
<b>Other comprehensive income/(loss)</b>			
Foreign currency translation		106	(215)
<b>Total comprehensive income/(loss)</b>		<b>106</b>	<b>(215)</b>
<b>Total comprehensive loss for the year</b>		<b>(4,145)</b>	<b>(4,095)</b>

The notes on pages 14 to 29 are an integral part of these financial statements

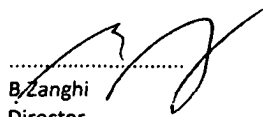
**Blue Technologies Limited**  
 Consolidated Balance Sheet  
 For the year ended 31 December 2017



		2017	2017	2016	2016
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	6		-		1
Tangible assets	7		225		310
			225		311
<b>Current assets</b>					
Debtors	8	4,949		2,227	
Cash at bank and in hand		1,509		3,584	
		6,458		5,811	
<b>Creditors: amounts falling due within one year</b>	9	(3,259)		(2,509)	
<b>Net current assets</b>			3,199		3,302
<b>Total assets less current liabilities</b>			3,424		3,613
<b>Creditors: amounts falling due after one year</b>	9		(1,507)		(1,646)
<b>Total assets and liabilities</b>			1,917		1,967
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Share premium account			21,419		17,324
Profit and loss reserves			(19,503)		(15,358)
<b>Total equity</b>			1,917		1,967

The notes on pages 14 to 29 are an integral part of these financial statements

The financial statements were approved by the board of directors and authorised for issue on 26/09/2018 and are signed on its behalf by:

  
 B. Zanghi  
 Director

Company Registration No. 04260927 (England and Wales)

**Blue Technologies Limited**  
 Company Balance Sheet  
 For the year ended 31 December 2017

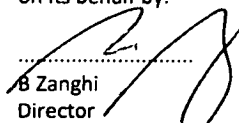


		2017	2017	2016	2016
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Investments	18		10		10
			<u>10</u>		<u>10</u>
<b>Current assets</b>					
Debtors	8	19,936		14,550	
Cash at bank and in hand		450		1,007	
		<u>20,386</u>		<u>15,557</u>	
<b>Creditors: amounts falling due within one year</b>	9	(560)		(39)	
<b>Net current assets</b>			<u>19,826</u>		<u>15,519</u>
<b>Total assets less current liabilities</b>			19,836		15,529
<b>Creditors: amounts falling due after one year</b>	9		(300)		-
<b>Total assets and liabilities</b>			<u>19,536</u>		<u>15,529</u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Share premium account			21,419		17,324
Profit and loss reserves			(1,884)		(1,796)
<b>Total equity</b>			<u>19,536</u>		<u>15,529</u>

The notes on pages 14 to 29 are an integral part of these financial statements

The directors of the company have elected not to include a copy of the parent company profit and loss account within the financial statements. The loss for the year was £88,178 (2016: £107,750).

The financial statements were approved by the board of directors and authorised for issue on 26/09/2018 and are signed on its behalf by:

  
 B Zanghi  
 Director

Company Registration No. 04260927 (England and Wales)

**Blue Technologies Limited**  
 Consolidated Statement of Changes in Equity  
 For the year ended 31 December 2017



	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 01 January 2016 (As previously stated)</b>		<u>1</u>	<u>17,324</u>	<u>(11,263)</u>	<u>6,062</u>
<b>Comprehensive loss for the year</b>					
Loss for the year (as restated)	20	-	-	(3,880)	(3,880)
Foreign Exchange Adjustments (as restated)	20	-	-	(215)	(215)
<b>Total comprehensive loss for the year</b>		-	-	<u>(4,095)</u>	<u>(4,095)</u>
<b>Balance ended 31 December 2016 (As restated)</b>		<u>1</u>	<u>17,324</u>	<u>(15,358)</u>	<u>1,967</u>
<b>Period ended 31 December 2017</b>					
<b>Comprehensive loss for the year</b>					
Loss for the year		-	-	(4,251)	(4,251)
Foreign Exchange Adjustments		-	-	106	106
<b>Total comprehensive loss for the year</b>		-	-	<u>(4,145)</u>	<u>(4,145)</u>
<b>Transactions with Shareholders</b>					
Issue of share capital	12	-	4,095	-	4,095
<b>Total transactions with shareholders</b>		-	<u>4,095</u>	-	<u>4,095</u>
<b>Balance ended 31 December 2017</b>		<u>1</u>	<u>21,419</u>	<u>(19,503)</u>	<u>1,917</u>

The notes on pages 14 to 29 are an integral part of these financial statements

**Blue Technologies Limited**  
 Company Statement of Changes in Equity  
 For the year ended 31 December 2017



	Share capital	Share premium account	Profit and loss reserves	Total
Notes	£'000	£'000	£'000	£'000
<b>Balance at 01 January 2016</b>	<u>1</u>	<u>17,324</u>	<u>(1,688)</u>	<u>15,637</u>
<b>Comprehensive loss for the year</b>				
Loss and total comprehensive income for the year	-	-	(108)	(108)
<b>Balance ended 31 December 2016</b>	<u>1</u>	<u>17,324</u>	<u>(1,796)</u>	<u>15,529</u>
<b>Period ended 31 December 2017</b>				
<b>Comprehensive loss for the year</b>				
Loss and total comprehensive income for the year	-	-	(88)	(88)
<b>Total comprehensive loss for the year</b>	<u>-</u>	<u>-</u>	<u>(88)</u>	<u>(88)</u>
<b>Transactions with Shareholders</b>				
Issue of share capital	12	4,095	-	4,095
<b>Total transactions with shareholders</b>	<u>-</u>	<u>4,095</u>	<u>-</u>	<u>4,095</u>
<b>Balance ended 31 December 2017</b>	<u>1</u>	<u>21,419</u>	<u>(1,884)</u>	<u>19,536</u>

The notes on pages 14 to 29 are an integral part of these financial statements

**Blue Technologies Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 December 2017**



	2017	2016
	£'000	£'000
<b>Cash flow from operating activities</b>		
Loss for the financial year	(4,251)	(3,880)
Adjustments for:		
Depreciation of fixed assets	133	117
Amortisation of intangible assets	1	1
Interest paid and other finance costs	278	52
Interest received and other finance credits	(2)	(13)
Corporation tax expense	(2,050)	3
Increase in trade and other debtors	(672)	(709)
Increase in trade and other creditors	385	909
<b>Cash used in operations</b>	<b>(6,178)</b>	<b>(3,520)</b>
Tax paid	-	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(6,178)</b>	<b>(3,520)</b>
Purchase of property, plant and equipment	(48)	(298)
Interest received	2	13
Proceeds from sale of fixed assets	-	9
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(46)</b>	<b>(276)</b>
Interest paid	(289)	(52)
Proceeds from other loans	638	1,382
Loans repaid - other	(401)	-
Proceeds from issued share capital	4,095	-
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	<b>4,043</b>	<b>1,330</b>
Net decrease in cash and cash equivalents	(2,181)	(2,466)
Cash and cash equivalents at beginning of period	3,584	6,267
Effect of Exchange Rate Differences	106	(217)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,509</b>	<b>3,584</b>

The notes on pages 14 to 29 are an integral part of these financial statements

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**1 Accounting policies**

**Company information**

Blue Technologies Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is given on the contents page and the nature of the group's operations and its principal activities are set out in the directors' report.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102 ") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1.2 Critical estimates and judgements**

In preparing these financial statements, the directors have had to make the following judgements:

*Treatment of financing activities*

Attached to a loan agreement held by a subsidiary entity is a warrant agreement, incorporating a feature for a fixed value conversion into equity units of the group. Management have exercised judgement in the review of this financial instrument in the determination that it is a financial liability.

*Lease determination*

Determine whether leases entered into by the group are operating or financing leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

*Tangible fixed assets (note 7)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**1 Accounting policies (Continued)**

**1.3 Basis of consolidation**

The consolidated financial statements incorporate those of Blue Technologies Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2017.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

**1.4 Going Concern**

The financial statements at 31 December 2017 show that the group generated a loss for the year of £4,251k (2016: loss of £3,880k), and with cash generated used in operating activities of £6,178k (2016: £3,520k), and a net decrease in cash for the year of £2,075k (2016: decrease of £2,683k). The group balance sheet also showed cash reserves at 31 December 2017 of £1,509k (2016: £3,584k). As at 31 August 2018, the group held cash reserves of £3,028k. The parent company generated a loss for the year of £88k (2016: loss of £108k) and showed cash reserves at 31 December 2017 of £450k (2016: £1,007k).

The directors have reviewed the group's going concern position taking account of its current business activities, budgeted performance and the factors likely to affect its future development, and include the group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit and liquidity risks.

**1 Accounting policies (Continued)**

The directors have prepared cash flow forecasts covering a period of at least 15 months from the date of these results. The group is confident in the budgets and market forecasts, and in the ability to secure continued financing required to settle obligations as they fall due. In addition, the Group has secured the issue of two series of convertible debt arrangements and an equity raise in 2018, as disclosed in note 15. However, in the directors opinion, in order to extend the ability of the group to fulfil its obligations and continue as a going concern, the group will need to seek additional sources of finance. The directors are currently in discussions with a number of existing and potential investors with the objective to secure funding for the group for at least the following 12 months. Whilst there can be no guarantee that the discussions will lead to the funding targeted, the directors have confidence of a successful outcome.

This matter indicates that a material uncertainty exists that may cast significant doubt on the group and parent's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group and the company were unable to continue as a going concern. The directors believe that taken as a whole the factors described above enable the Group to continue as a going concern for the foreseeable future.

**1.5 Turnover**

Turnover represents amounts receivable for services rendered during the year, excluding value added tax. Turnover in respect of consultancy services is recognised as the contract progresses by reference to the value of work performed. Turnover in respect of ticket sales and deliveries is recognised on the date of sale.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, 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.

**1.6 Tangible fixed assets**

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

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

Land and buildings Leasehold	Over the remaining term of the lease
Plant and machinery	15% - 33.3% on cost

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.

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**1 Accounting policies (Continued)**

**1.7 Impairment of fixed assets**

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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 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 prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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**1 Accounting policies (Continued)**

**1.8 Cash and cash equivalents**

Cash and cash equivalents 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.

**1.9 Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statement 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.

*Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

*Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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**1 Accounting policies (Continued)**

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

*Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

*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 group after deducting all of its 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.

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. Accounts 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.

*Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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**1 Accounting policies (Continued)**

*Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

**1.10 Equity instruments**

Equity comprises the following:

- *Share capital* represents the nominal value of equity shares;
- *Profit and Loss reserves* represents retained profits and losses and includes translation differences arising on the consolidation of investments in overseas subsidiaries.
- *Share premium* represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;

**1.11 Taxation**

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

*Current tax*

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

*Deferred tax*

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

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

**1.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

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

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**1 Accounting policies (Continued)**

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.

**1.13 Retirement benefits**

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

**1.14 Share-based payments**

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest.

**1.15 Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Where the Group has a legal obligation, a dilapidations provision is created on inception of a lease. These provisions are a best estimate of the cost required to return leased properties to their original condition upon termination of the lease. Where the obligation arises from 'wear and tear', the provision is accrued as the 'wear and tear' occurs.

**1.16 Foreign exchange**

Transactions in currencies other than the functional currency of each subsidiary are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated to the presentation currency of the group at the rates prevailing on the balance sheet date. Gains and losses arising on the translation of subsidiaries are recorded in the statement of other comprehensive income.

**1.17 Compound Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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 analysed by geographical market**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Europe	2,074	2,119
United States of America	4,664	2,626
	<u>6,738</u>	<u>4,745</u>

**Turnover analysed by business operation**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
UK Rail Retail Platform	1,052	1,478
Justride Platform	5,686	3,267
	<u>6,738</u>	<u>4,745</u>

**3 Employees and Directors remuneration**

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Average Employees, including Directors	85	64

Their aggregate remuneration comprised:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Employee remuneration:		
Wages and salaries	5,634	4,274
Social security costs	481	385
Pension costs	38	28
	<u>6,153</u>	<u>4,687</u>
Director remuneration:		
Wages and salaries	503	489
Social security costs	30	28
Pension costs	2	2
<b>Total Remuneration</b>	<u><b>6,688</b></u>	<u><b>5,206</b></u>

The emoluments of the highest paid director amounted to £286k (2016: £307k).

<b>4 Operating loss</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Operating loss for the year is stated after charging:		
Depreciation and amortisation	134	146
Operating Lease Rental Costs	537	495
Fees payable to the group's auditors for the following services:		
Audit of the group's and company's financial statements; and	32	15
Tax compliance and other non-audit services	11	3
<b>5 Taxation</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<i>Current year tax</i>		
UK corporation tax	(800)	-
Foreign tax	4	(3)
Adjustments in respect of prior periods (current & inter-co)	(1,254)	-
Total current tax credit	<u>(2,050)</u>	<u>(3)</u>
<i>The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below.</i>		
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Loss on ordinary activities before tax	(6,301)	(3,877)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(1,213)	(775)
<i>Effects of:</i>		
Fixed asset differences	9	-
Expenses not deductible for tax purposes	2	(3)
Foreign tax difference	4	-
Additional deduction for R&D expenditure	(600)	-
Surrender of tax losses for R&D tax credit refund	262	-
Adjustments in respect of prior periods	(1,254)	-
Deferred tax not recognised	740	775
<b>Total Tax Credit</b>	<b><u>(2,050)</u></b>	<b><u>(3)</u></b>

A deferred tax asset relating to trading losses carried forward has not been recognised in the current or prior period as there is not sufficient certainty of future profit making operations to demonstrate recoverability of the asset.

<b>6 Intangible Fixed Assets</b>	<b>Group Intangible Assets £'000</b>
<b>Cost</b>	
At 01 January 2017 and 31 December 2017	7
<b>Amortisation and impairment</b>	
At 01 January 2017	(6)
Amortisation charged for the year	(1)
At 31 December 2017	(7)
<b>Carrying Amount</b>	
At 31 December 2017	-
At 31 December 2016	1

The company had no intangible assets as at 31 December 2017 and 31 December 2016.

<b>7 Tangible Fixed Assets</b>	<b>Land and Build. £'000</b>	<b>Plant and Mach. £'000</b>	<b>Group Tangibles £'000</b>
<b>Cost</b>			
At 01 January 2017	214	349	563
Additions	-	48	48
At 31 December 2017	214	397	611
<b>Depreciation and impairment</b>			
At 01 January 2017	(43)	(210)	(253)
Depreciation charged for the year	(43)	(90)	(133)
At 31 December 2017	(86)	(300)	(386)
<b>Carrying Amount</b>			
At 31 December 2017	128	97	225
At 31 December 2016	171	139	310

The company had no tangible assets as at 31 December 2017 and 31 December 2016.

<b>8 Debtors</b>	<b>Group 2017 £'000</b>	<b>Group 2016 £'000</b>	<b>Company 2017 £'000</b>	<b>Company 2016 £'000</b>
<b>Amounts falling due within one year:</b>				
Trade Debtors	1,762	1,420	-	-
Amounts due from group undertakings	-	-	19,926	14,520
Prepayments	787	433	-	17
Other Debtors	2,200	174	10	13
	<u>4,749</u>	<u>2,027</u>	<u>19,936</u>	<u>14,550</u>
<b>Amounts falling due after one year:</b>				
Other Debtors	200	200	-	-
<b>Total Debtors</b>	<u>4,949</u>	<u>2,227</u>	<u>19,936</u>	<u>14,550</u>
<b>9 Creditors</b>	<b>Group 2017 £'000</b>	<b>Group 2016 £'000</b>	<b>Company 2017 £'000</b>	<b>Company 2016 £'000</b>
<b>Amounts falling due within one year:</b>				
Trade Creditors	717	442	-	-
Amounts due to from group undertakings	-	-	505	-
Other Taxes and Social Security	334	292	-	-
Accruals and Deferred Income	1,167	1,099	42	26
Loans and Overdrafts	987	622	-	-
Other Creditors	54	54	13	13
	<u>3,259</u>	<u>2,509</u>	<u>560</u>	<u>39</u>
<b>Amounts falling due after one year:</b>				
Loans	1,507	1,646	300	-
<b>Total Creditors</b>	<u>4,766</u>	<u>4,155</u>	<u>860</u>	<u>39</u>

Loans and overdrafts are summarised further in note 10.

10 Loans and overdrafts	Group	Group	Company	Company
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
Loans and Overdrafts	<u>2,494</u>	<u>2,268</u>	<u>300</u>	<u>-</u>
Payable within one year	987	622	-	-
Payable 2-5 years	<u>1,507</u>	<u>1,646</u>	<u>300</u>	<u>-</u>

A subsidiary of the group has drawn down on an available credit facility. At 31 December 2017, under the terms of the USD \$2.9m (2016: USD \$2.8m) drawn down balance of the total borrowings ('Other Loans') the borrowers are listed jointly as Blue Technologies Limited and its subsidiaries, the repayment period is 36 months, and the interest rate is 11% per annum.

The 'Other loan' is secured by a fixed and floating charge over the assets of Blue Technologies Limited and its subsidiaries. The lender also holds warrants entitling it to subscribe for shares issued in a future fundraising.

#### 11 Share-based payment transactions

The parent company operates a share options scheme for the employees of the group. The Directors believe that, since share options are granted at fair market value there is no charge to be recognised in the profit and loss account, as required under FRS 102.

12 Share Capital	2017	2016
	£'000	£'000
<b>Ordinary share capital issued and fully paid</b>		
Ordinary shares of 1p each	0.4	0.4
Ordinary A shares of 1p each	0.3	0.3
Ordinary B shares of 1p each	<u>0.3</u>	<u>0.3</u>
	<u>1</u>	<u>1</u>
	<b>2017</b>	<b>2016</b>
	<b>No. '000</b>	<b>No. '000</b>
<b>Number of shares in issue</b>		
Ordinary shares of 1p each	40	40
Ordinary A shares of 1p each	35	35
Ordinary B shares of 1p each	<u>34</u>	<u>22</u>
	<u>109</u>	<u>97</u>

All classes of share each rank pari passu in all respects, other than rights to distributions as outlined in the company's Articles of Association. On 19 April 2017, the company issued 11,681 Ordinary B shares, and on 14 June 2017, the company issued 220 Ordinary B shares, both issued at nominal value. The total compensation received for the issue was £4,095k.

**13 Operating lease commitments**

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

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Within one year	440	485	-	20
Between two and five years	807	2,453	-	-
	<u>1,247</u>	<u>2,938</u>	<u>-</u>	<u>20</u>

**14 Contingent Liabilities**

A claim for alleged patent infringement has been filed in the United States of America against the company. The Directors believe that such claim, which is being disputed, is part of the ordinary course of doing business in the United States of America.

The directors have concluded together with the company's legal counsel that the claim is highly unlikely to succeed. As such, given there is no reliable estimate of financial effect or indication on the timing of any potential outflow, no provision has been included in the accounts for damages, as per the requirements of FRS 102 section 21 provisions and contingencies.

**15 Post Balance Sheet Events**

Blue Technologies issued convertible loan notes to a syndicate of investors on 1st April 2018 for £1.1m repayable on 31st March 2021 or convertible under certain conditions. The coupon rate is 5% per annum.

Blue Technologies issued further convertible loan notes to an existing investor on 1st June 2018 for £3.5m repayable on 31st May 2019 or convertible under certain conditions. The coupon rate is nil. There is no impact on the company financial statements.

Blue Technologies issued share capital of £1.5m to an existing investor on 31st August 2018.

**16 Related Party Transactions**

The company has taken advantage of the exemption under FRS102 Section 33.1a to not disclose transactions between members of the group headed by Blue Technologies Limited.

The group considers the directors to be those encompassing key management personnel, as they have the authority and responsibility for planning, directing and controlling the activities of the group. Their remuneration is outlined in Note 3.

**17 Controlling Party**

There is no one ultimate controlling party.

**18 Subsidiaries**

	£'000
<b>Company fixed asset investments</b>	
Cost at 1st January 2016 and 1st January 2017	10
Additions	-
Cost at 31st December 2016 and 31st December 2017	10

These financial statements are separate company financial statements for Blue Technologies Limited.

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of Undertaking	Country of Incorporation	Nature of business	Shareholding	% Held
Masabi Limited	England & Wales	Development of Mobile Ticketing and Fare Collection Solutions	Ordinary	100%
Masabi US Limited	England & Wales	Marketing of Mobile Ticketing and Fare Collection Solutions	Ordinary	100%
Masabi LLC	United States of America	Marketing of Mobile Ticketing and Fare Collection Solutions	Ordinary	100%

Masabi Limited and Masabi US Limited is registered at 37 Bevenden Street, London, N1 6BH.

Masabi LLC is registered at 1330 Avenue of the Americas, Suite 23A, New York NY 10019.

	2017 £'000	2016 £'000
<b>19 Interest Payable</b>		
Loan Interest	274	56
Bank Interest and Charges	4	9
	278	65

## 20 Prior Year Adjustment

The 2016 consolidated income statement has been restated to reflect an amendment to the exchange rates used to translate the profit and loss account of subsidiaries whose functional currency is not Sterling. Previously, incorrect exchange rates were used on translated.

When the appropriate average exchange rate for the year was used, this resulted in the following changes to the 2016 consolidated income statement: £262k decrease to revenue, £13k decrease to cost of sales, £149k decrease to administrative expenses, £1k decrease to interest received, £3k decrease to interest paid and a £3k decrease to tax credit. As a result, the net impact on the consolidated loss for the year was an increased loss for the year of £107k.

There is no impact on the consolidated balance sheet as whilst the total loss is increased, a corresponding decrease in foreign exchange adjustments is recorded in the statement of changes in equity, thereby rendering no change to the profit and loss reserve in total.

## 21 Financial Instruments

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
<b>Financial Assets</b>				
Financial assets measured at amortised cost	5,671	5,378	20,386	15,540
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	3,265	2,767	818	13

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed from fellow group companies.

Financial liabilities measured at amortised cost comprise borrowings, trade creditors, other creditors and amounts owed to fellow group companies.