

**ECI VENTURES LIMITED**

**Report and Financial Statements**

**Year ended 31 December 2010**

Company Registration Number 2163067

TUESDAY



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**ECI VENTURES LIMITED**

**OFFICERS AND PROFESSIONAL ADVISERS**

**REGISTERED OFFICE**

Brettenham House  
Lancaster Place  
London  
WC2E 7EN

**BANKERS**

The Royal Bank of Scotland plc  
280 Bishopsgate  
London  
EC2M 4RB

**SOLICITORS**

Macfarlanes  
10 Norwich Street  
London  
EC4A 1BD

**AUDITOR**

KPMG Audit Plc  
Chartered Accountants  
8 Salisbury Square  
London  
EC4Y 8BB

## **ECI VENTURES LIMITED**

### **DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the year ended 31 December 2010

### **PRINCIPAL ACTIVITY**

The activity of the company is the provision of management services

### **REVIEW OF THE BUSINESS**

The company's turnover for the year was £4,128,944 (2009 £4,275,447 and the company made a profit before tax of £101,617 (2009 £83,402) The directors expect the business to continue for the foreseeable future

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The company paid an interim dividend during the year of £10,000 (2009 £nil) No final dividend is proposed The company made a loss after tax for the year of £16,503 (2009 loss of £47,700)

### **DIRECTORS AND DIRECTORS' INTERESTS**

The following directors served throughout the year

K W Landsberg  
T D Raffle  
P Shuttleworth  
S Tudge  
S P Whelan

The directors are all members of ECI Partners LLP

### **DISCLOSURE OF INFORMATION TO THE AUDITOR**

In the case of each of the persons who were directors of the company at the date of approval of this directors' report, they confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

### **AUDITOR**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed reappointed and KPMG Audit Plc will therefore continue in office

Approved by the Board of Directors  
and signed on behalf of the Board



P Shuttleworth  
Secretary  
Brettenham House  
Lancaster Place  
London  
WC2E 7EN  
Company Registration Number 2163067

19 April 2011

## **ECI VENTURES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECI VENTURES LIMITED**

We have audited the financial statements of ECI Ventures Limited for the year ended 31 December 2010 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 auditors' 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

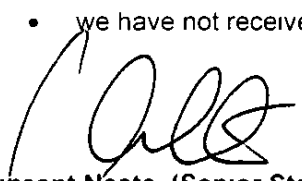
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

  
**Vincent Neate, (Senior Statutory Auditor)**  
for and on behalf of KPMG Audit Plc, Statutory Auditor  
Chartered Accountants  
8 Salisbury Square  
London EC4Y 8BB

Date  April 2011

**ECI VENTURES LIMITED****PROFIT AND LOSS ACCOUNT****Year ended 31 December 2010**

	Note	2010 £	2009 £
<b>Turnover</b>		4,128,944	4,275,447
Administrative expenses	2	<u>(4,033,375)</u>	<u>(4,199,296)</u>
<b>Operating profit</b>	3	95,569	76,151
Interest receivable	4	6,048	7,251
<b>Profit on ordinary activities before taxation</b>		<u>101,617</u>	<u>83,402</u>
Tax charge on profit on ordinary activities	5	(118,120)	(131,102)
<b>Loss for the financial year</b>	13	<u><u>(16,503)</u></u>	<u><u>(47,700)</u></u>

All activities relate to continuing operations

There are no recognised gains or losses or movements in shareholders' funds for the current or preceding year other than those shown in the profit and loss account. Accordingly, no statement of recognised gains and losses has been produced.

The notes 1 to 16 on pages 7 to 12 form part of these financial statements

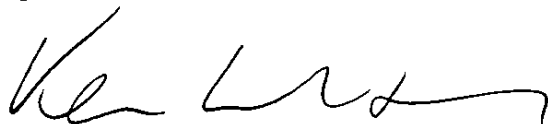
# ECI VENTURES LIMITED

## BALANCE SHEET At 31 December 2010

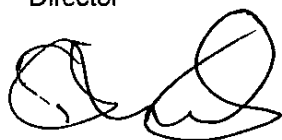
	Note	2010 £	2009 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,072,297	1,252,990
Investments	7	<u>4</u>	<u>4</u>
		1,072,301	1,252,994
<b>Current assets</b>			
Debtors	8	1,673,611	1,952,572
Deferred tax asset	9	<u>1,430</u>	<u>30,591</u>
		1,675,041	1,983,163
Cash at bank and in hand		<u>312,086</u>	<u>173,339</u>
		1,987,127	2,156,502
<b>Creditors' amounts falling due within one year</b>	10	(3,043,156)	(3,366,721)
<b>Net current liabilities</b>		<u>(1,056,029)</u>	<u>(1,210,219)</u>
<b>Net assets</b>		<u>16,272</u>	<u>42,775</u>
<b>Capital and reserves</b>			
Called up share capital	11	5,000	5,000
Profit and loss account	12	<u>11,272</u>	<u>37,775</u>
<b>Equity shareholders' funds</b>	13	<u>16,272</u>	<u>42,775</u>

These financial statements were approved by the Board of Directors on 19 April 2011

Signed on behalf of the Board of Directors



KW Landsberg  
Director



P Shuttleworth  
Director

The notes 1 to 16 on pages 7 to 12 form part of these financial statements



## **ECI VENTURES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2010**

#### **1. ACCOUNTING POLICIES**

The principal accounting policies, which have been consistently adopted in the preparation of the financial statements, are set out below

##### **Basis of preparation**

The financial statements of the company are prepared in accordance with the historical cost convention and in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

##### **Group financial statements**

Group financial statements have not been prepared as the company is a wholly owned indirect subsidiary of ECI Partners LLP (note 16). The parent of the largest group for which consolidated financial statements are prepared is that of ECI Partners LLP. The financial statements present information about ECI Ventures Limited as an individual undertaking, and not about its group.

##### **Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions.

##### **Turnover**

Turnover comprises fees from management services within the United Kingdom and is accounted for on an accruals basis.

##### **Tangible fixed assets and depreciation**

For all tangible fixed assets depreciation is calculated to write down cost on a straight line basis over their estimated useful economic lives which are considered to be:

Computer equipment	Three years
Fixtures and fittings	Ten years
Office equipment	Five years

##### **Investments**

Investments held as fixed assets are stated at cost less provision for impairment in value.

##### **Leases**

Rental costs under operating leases are charged to the profit and loss account in equal annual instalments over the period of the lease.

##### **Taxation**

Current tax, including UK corporation tax, is recorded at amounts expected to be recovered or paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Cash flow statement**

The company is exempt from the requirement of Financial Reporting Standard 1 (Revised 1996) to prepare a cash flow statement as it is a wholly-owned indirect subsidiary of ECI Partners LLP.

## ECI VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2010 No	2009 No
The average number of staff employed by the company within each category of persons was		
Directors	5	5
Executive staff	6	6
Administrative staff	<u>12</u>	<u>12</u>
	<u>23</u>	<u>23</u>
The costs incurred in respect of these employees were	£	£
Employees' salaries	1,422,035	1,282,912
Social security costs	199,682	188,265
Other staff costs	<u>179,689</u>	<u>156,673</u>
	<u>1,801,406</u>	<u>1,627,850</u>

None of the directors were paid by the company during the current or prior year

#### 3. OPERATING PROFIT

	2010 £	2009 £
Operating profit is stated after charging		
Auditors' remuneration – audit fees *	53,000	47,000
– other services	49,800	73,950
Rentals under operating leases - land and buildings	494,859	514,144
Depreciation	260,852	231,560
Loss on disposal of fixed assets	<u>-</u>	<u>45,508</u>

\*In the years to 31 December 2010 and 2009 ECI Ventures Limited incurred audit fees for ECI Partners LLP and all its subsidiaries

#### 4. INTEREST RECEIVABLE

Interest receivable includes bank interest earned of £298 (2009 £344) and interest earned from group undertakings of £5,750 (2009 £6,907)

# ECI VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2010 £	2009 £
Taxation is based on the profits for the year and comprises		
UK corporation tax payable on profits for the year at 28% (2009 28%)	-	-
Group relief payable	101,212	111,304
Adjustment in respect of prior years	-	(92,334)
UK corporation tax payable at 28%	(12,253)	90,634
Group relief payable	<u>88,959</u>	<u>109,604</u>
Current tax charge for year		
Provision for deferred tax		
Timing differences for the current year	3,566	19,851
Timing differences in respect of prior periods	25,595	1,647
Tax on profits of ordinary activities	<u>118,120</u>	<u>131,102</u>

The tax assessed for the year is higher (2009 higher) than the standard rate of corporation tax in the UK (28% (2009 28%)). The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>101,618</u>	<u>83,402</u>
Tax at 28% thereon (2009 28%)	28,453	23,353
Effects of		
Expenses not deductible for tax purposes	76,325	107,802
Capital allowances in excess of depreciation	(29,161)	(21,498)
Prior year adjustments	13,342	(53)
Current tax charge for year	<u>88,959</u>	<u>109,604</u>

# ECI VENTURES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 6. TANGIBLE FIXED ASSETS

	Fixtures And Fittings £	Computer Equipment £	Office Equipment £	Total £
<b>Cost</b>				
At 1 January 2010	1,195,898	704,322	132,702	2,032,922
Additions	35,684	44,475	-	80,159
Disposals	-	(186,619)	(6,701)	(193,320)
At 31 December 2010	1,231,582	562,178	126,001	1,919,761
<b>Depreciation</b>				
At 1 January 2010	182,586	553,037	44,309	779,932
Charge for the year	115,363	116,392	29,097	260,852
Disposals	-	(186,619)	(6,701)	(193,320)
At 31 December 2010	297,949	482,810	66,705	847,464
<b>Net book value</b>				
At 31 December 2010	933,633	79,368	59,296	1,072,297
At 31 December 2009	1,013,312	151,285	88,393	1,252,990

### 7. INVESTMENTS HELD AS FIXED ASSETS

	2010 £	2009 £
Shares in group undertakings	4	4

The company's subsidiary undertakings are

	Country of Incorporation	Activity	Proportion of ordinary shares held
ECI Ventures Nominees Ltd	Great Britain	Nominee company	100%
ECI 1989 Trustee Ltd	Great Britain	Trustee for Unit Trusts	100%

Neither of these companies traded in their own right but acted as nominee and trustee respectively on behalf of ECI funds

### 8. DEBTORS

	2010 £	2009 £
Trade debtors	302,976	269,878
Amounts owed by group undertakings	975,564	1,304,825
Amounts owed by associated undertakings	-	25,510
Corporation tax recoverable	-	18,036
Amounts receivable for group relief	105,615	-
Other debtors	23,283	56,671
Prepayments and accrued income	266,173	277,652
	<u>1,673,611</u>	<u>1,952,572</u>

**ECI VENTURES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (Continued)****9. DEFERRED TAX ASSET**

	2010 £	2009 £
Balance brought forward	30,591	52,089
Charge to profit and loss account	(29,161)	(21,498)
Balance carried forward	<u>1,430</u>	<u>30,591</u>

The provision for deferred tax relates to accelerated capital allowances

Discounting has not been applied to the provision

The deferred tax asset is calculated using a corporate tax rate of 28% With effect from 1 April 2011 (substantially enacted on 29 March 2011), this rate was reduced to 26% Using this rate the deferred tax asset would have been reduced from £1,430 to £1,328

**10 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2010 £	2009 £
Trade creditors	57,492	169,420
Amounts owed to group undertakings	1,293,603	1,991,780
Amounts owed to associated undertakings	503,163	345,752
Social security	39,066	38,273
Amounts payable for group relief	194,574	201,938
Other creditors	-	5,094
Accruals and deferred income	955,258	614,464
	<u>3,043,156</u>	<u>3,366,721</u>

**11. CALLED UP SHARE CAPITAL**

	2010 £	2009 £
<b>Authorised, allotted, called up and fully paid</b>		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>

**12. PROFIT AND LOSS ACCOUNT**

	2010 £	2009 £
Brought forward	37,775	85,475
Retained loss for the year	(16,503)	(47,700)
Dividend paid during the year	(10,000)	-
Carried forward	<u>11,272</u>	<u>37,775</u>

## ECI VENTURES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Loss for the year	(16,503)	(47,700)
Dividend paid during the year	<u>(10,000)</u>	<u>-</u>
Net decrease in shareholders' funds	(26,503)	(47,700)
Opening shareholders' funds	42,775	90,475
Closing shareholders' funds	<u>16,272</u>	<u>42,775</u>

#### 14. OPERATING LEASE COMMITMENTS

At 31 December 2010 the company was committed to make the following payments during the next year in respect of operating leases

	Land And Buildings 2010 £	Land And Buildings 2009 £
<b>Leases which expire</b>		
Within one year	-	-
Within one to two years	-	-
Within two to five years	36,000	-
After five years	<u>480,567</u>	<u>36,000</u>
	<u>516,567</u>	<u>36,000</u>

#### 15 RELATED PARTY TRANSACTIONS

As the company is a wholly owned indirect subsidiary of ECI Partners LLP, it is exempt from the disclosure requirements of Financial Reporting Standards 8 (Revised) in respect of transactions with other entities within the group. There were no other related party transactions requiring disclosure.

#### 16. PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

ECI Partners LLP, a Limited Liability Partnership incorporated in Great Britain and registered in England and Wales, is the ultimate parent and ultimate controlling party of ECI Ventures Limited and ECI Group Limited is the immediate parent undertaking. The partnership's registered office is Brettenham House, Lancaster Place, London WC2E 7EN. The smallest and largest group into which group financial statements are prepared is that of ECI Partners LLP.

ECI Partners LLP is the holding entity of the group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements of ECI Partners LLP are available from Brettenham House, Lancaster Place, London, WC2E 7EN.