

**Company Registration No. 2455347**

**ST CLEMENTS SERVICES LIMITED**

**Report and Financial Statements**

**31 March 2008**

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COMPANIES HOUSE

**Deloitte & Touche LLP**  
**St Albans**

# **ST CLEMENTS SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **ST CLEMENTS SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

A Morran (Resigned 15 Oct 2007)  
M Bellman (Appointed 15 Oct 2007)  
J Gilbert  
J Squire  
J N Mawson

#### **ALTERNATE DIRECTORS**

A Morran (Appointed 15 Oct 2007)  
H Mistry  
J Anderson (Resigned 15 Oct 2007)  
N Fowkes (Appointed 29 Feb 2008)

#### **SECRETARIES**

R D Edmunds  
S Stein

#### **REGISTERED OFFICE**

4-6 Church Walk  
Daventry  
Northants  
NN11 4BL

#### **BANKERS**

HSBC  
29 Bowen Square  
Daventry  
Northants  
NN11 4ER

#### **SOLICITORS**

Shoosmiths  
Witan Gate  
500-600 Witan Gate West  
Milton Keynes  
MK9 1SH

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants & Registered Auditors  
St Albans

# **ST CLEMENTS SERVICES LIMITED**

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2008

This directors' report has been prepared in accordance with the special provisions relating to small companies in accordance with section 246(4) of the Companies Act 1985

## **ACTIVITIES**

The principal activity of the Company is the development and support of software systems to assist suppliers and generators with managing wholesale electricity purchases, together with the development and support of other electricity industry related software systems, primarily for Distribution Network Operators (DNOs). The products and services are provided to a number of major electricity supply companies who are the shareholders of the Company and to a broader constituency of electricity supply and distribution companies.

## **REVIEW OF THE YEAR**

Following on from last year's strategic review of the SONET product, the Company engaged in a major development process to add two new modules (TNUoS and BSUoS charges validation) to the core product. Both developments have proceeded according to plan, with formal implementation due in the 2008/2009 year. The Company also carried out a number of add-on development projects for individual SONET customers. The Company awaits final government decisions on the introduction of domestic Smart metering which may have a significant impact on the SONET product in the future.

During the year Scottish Power became an MPRS customer. This was a significant move as the MPRS product is now used by all of the DNOs (as well as all of the IDNOs). The Company's MPRS team engaged in a number of product enhancements and ad-hoc developments during the year.

The Company successfully completed an assignment for Northern Ireland Electricity in relation to the All-Island Single Electricity Market and completed development of a DUoS Billing product designed for both DNO and IDNO users. A technical upgrade for the D0095 Exception Management product was also completed. All of this activity represented a significant and successful extension of the Company's core activities.

The support and development of the LAMP product was continued during the year.

Feedback from customers via the annual customer survey again indicated high levels of satisfaction with the products and development processes employed by the Company.

The year saw some significant changes in management, with two of the four person Senior Management Team taking early retirement. Staff responded positively to the subsequent re-organisation within the rest of the Company.

## **FUTURE PROSPECTS**

The Directors intend the Company to continue in business providing similar services over the next financial year. The Company will continue to examine opportunities to broaden the sources of revenue used to support the business. However, the core business will remain the support and development of the SONET product.

## **DIVIDENDS**

The Directors do not recommend a dividend for the year (2007 £nil).

## **DIRECTORS AND THEIR INTERESTS**

The Directors serving at the date of signing this report are shown under Officers and Professional Advisers. As at 31 March 2008, none of the Directors had any interest in the share capital of the Company, nor was any right to subscribe for shares in or debentures of the Company granted during the financial year to any Director or a member of their immediate family.

Each of the persons who is a Director at the date of approval of this report confirms that

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and

## ST CLEMENTS SERVICES LIMITED

### DIRECTORS' REPORT

- The Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with provisions of s234ZA of the Companies Act 1985

### AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting

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



Secretary

23 August 2008

## **ST CLEMENTS SERVICES LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the financial statements. The Directors have chosen to prepare accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). Company law requires the Directors to prepare such financial statements for each financial year which 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 and comply with UK GAAP and the Companies Act 1985. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which complies with the requirements of the Companies Act 1985.

The Directors are responsible for the maintenance and integrity of the Company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST CLEMENTS SERVICES LIMITED

We have audited the financial statements of St Clements Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

As described in the statement of Directors' responsibilities the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements. We also report to you if, in our opinion the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

#### In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended, and
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' report is consistent with the financial statements.



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
St Albans

27 August 2008.

# ST CLEMENTS SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2008

	Note	2008 £	2007 £
<b>TURNOVER</b>	2	1,955,579	2,094,183
Cost of sales		(343,202)	(432,210)
<b>GROSS PROFIT</b>		1,612,377	1,661,973
Administrative expenses		(1,640,107)	(1,625,584)
<b>OPERATING (LOSS)/PROFIT</b>	4	(27,730)	36,389
Interest receivable and similar income	5	59,594	44,609
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		31,864	80,998
Taxation on profit on ordinary activities	6	(7,160)	(17,211)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>	16	24,704	63,787

There have been no recognised gains and losses attributable to the shareholders other than the profit for the current year and preceding financial year and accordingly, no Statement of Total Recognised Gains and Losses is shown

All turnover and costs in the current and preceding years are derived from continuing activities



# ST CLEMENTS SERVICES LIMITED

## BALANCE SHEET As at 31 March 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible assets	7	48,581	53,285
<b>CURRENT ASSETS</b>			
Debtors	8	639,096	416,820
Money market deposits		1,350,000	1,450,000
Cash at bank and in hand		55,199	33,117
		<u>2,044,295</u>	<u>1,899,937</u>
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(798,937)</u>	<u>(683,987)</u>
<b>NET CURRENT ASSETS</b>		<u>1,245,358</u>	<u>1,215,950</u>
<b>NET ASSETS</b>		<u>1,293,939</u>	<u>1,269,235</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	40	40
Special reserve	16	120,986	120,986
Profit and loss account	16	1,172,913	1,148,209
<b>SHAREHOLDERS' FUNDS</b>	17	<u>1,293,939</u>	<u>1,269,235</u>

These financial statements were approved by the Board of Directors on 23 August 2008  
Signed on behalf of the Board of Directors

*J. N. Mason*

Director

# ST CLEMENTS SERVICES LIMITED

## CASH FLOW STATEMENT Year ended 31 March 2008

		2008 £	2007 £
Net cash (outflow)/inflow from operating activities	14	(98,879)	10,439
Returns on investments and servicing of finance			
Interest received		59,594	44,609
Taxation			
UK corporation tax paid		(15,970)	(15,393)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(22,663)	(24,321)
Cash (outflow)/inflow before management of liquid resources and financing		(77,918)	15,334
Management of liquid resources		100,000	(50,000)
Increase/(decrease) in cash in the period	15	22,082	(34,666)

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2008

### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Tangible fixed assets

Fixed assets are stated at cost less depreciation.

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Office refurbishment	Over the period of the lease
Office equipment fixtures and fittings	10% to 33 1/3%

#### Leases

Rentals payable under operating leases are charged against operating profits by equal instalments over the period of the lease.

#### Deferred taxation

Deferred taxation is provided in full on timing differences which 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 the financial statement. 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.

#### Pension costs

The Company made contributions to defined contribution personal pension schemes for its employees; the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### 2. TURNOVER

Turnover represents amounts invoiced by the Company in respect of services provided during the year excluding Value Added Tax.

Amounts recoverable on long-term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

Turnover is derived wholly from the United Kingdom and from the Company's principal activity.

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2008

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

None of the Directors received any remuneration in respect of their services in the current or prior year

	2008 £	2007 £
Staff costs during the year were		
Wages and salaries	938,144	929,278
Social security costs	123,989	112,036
Pension costs	98,845	95,019
	<u>1,160,978</u>	<u>1,136,333</u>

Average number of persons employed (excluding Directors)	2008 No.	2007 No.
Technical	18	17
Administration	6	6
	<u>24</u>	<u>23</u>

### 4. OPERATING PROFIT

	2008 £	2007 £
Operating profit is after charging:		
Depreciation	27,368	44,622
Auditors' remuneration		
Audit	9,400	9,400
Other services	5,750	5,750
Rentals under operating leases		
Hire of plant and machinery	31,471	32,930
Other operating leases	72,593	70,450
	<u></u>	<u></u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest receivable on bank deposits	<u>59,594</u>	<u>44,609</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2008

### 6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities

	2008 £	2007 £
Corporation tax at 20% (2007 – 19%)		
- charge for the year	(4,347)	(15,263)
- adjustment in respect of prior years	(745)	(639)
	<u>(5,092)</u>	<u>(15,902)</u>
Total current taxation		
Deferred tax		
Origination and reversal of timing differences	(2,045)	(1,309)
Increase/decrease in tax rate	(23)	-
	<u>(7,160)</u>	<u>(17,211)</u>

Factors affecting tax charge for the current period

The tax assessed for the current period is lower than that resulting from applying the standard rate of corporation tax in the UK of 20% (2007 19%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	<u>31,864</u>	<u>80,999</u>
Tax at 20% (2007 19%) thereon	(6,373)	(15,390)
Expenses not deductible for tax purposes	(898)	(1,182)
Capital allowances in excess of depreciation	2,924	1,309
Movement in short term timing differences	-	-
Prior year adjustments	(745)	(639)
	<u>(5,092)</u>	<u>(15,902)</u>
Total current taxation		

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2008

### 7. TANGIBLE FIXED ASSETS

	Office refurbish- ment	Office equipment, fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2007	18,814	640,267	659,081
Additions	-	22,663	22,663
Disposals	(16,347)	(212,845)	(229,192)
	<u>2,467</u>	<u>450,085</u>	<u>452,552</u>
At 31 March 2008			
<b>Accumulated depreciation</b>			
At 1 April 2007	17,848	587,948	605,796
Charge for year	247	39,421	39,668
Disposals	(16,347)	(212,845)	(229,192)
Adjustment	-	(12,301)	(12,301)
	<u>1,748</u>	<u>402,223</u>	<u>403,971</u>
At 31 March 2008			
<b>Net book value</b>			
At 31 March 2008	<u>719</u>	<u>47,862</u>	<u>48,581</u>
At 31 March 2007	<u>966</u>	<u>52,319</u>	<u>53,285</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2008

### 8. DEBTORS

	2008 £	2007 £
Trade debtors	355,228	257,104
Prepayments and accrued income	269,207	142,950
Deferred tax asset (see note 10)	14,661	16,729
Corporation tax recoverable	-	37
	<u>639,096</u>	<u>416,820</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	61,702	76,884
Accruals and deferred income	669,963	547,089
Corporation tax payable	4,347	15,224
Other taxes and social security	62,925	44,830
	<u>798,937</u>	<u>683,987</u>

### 10. DEFERRED TAXATION

	2008 £	2007 £
Deferred tax asset - Opening Asset	16,729	18,038
Charge to profit and loss account	(2,068)	(1,309)
Closing Asset	<u>14,661</u>	<u>16,729</u>

#### Analysis of deferred tax balance

	2008 £	2007 £
Capital allowances in excess of depreciation	14,661	16,729
Short term timing differences	-	-
Deferred tax asset	<u>14,661</u>	<u>16,729</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2008

### 11. CALLED UP SHARE CAPITAL

	2008 £	2007 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, issued and fully paid</b>		
40 ordinary shares of £1 each	40	40

Each of the eight shareholders owns five shares

### 12. PENSIONS

The Company makes contributions to defined contribution pension schemes for certain employees. Liability is limited to the premiums paid which are charged against profits in the year of payment. Funds are held separately from the Company. Contributions paid for the year ended 31 March 2008 were £98,845 (2007 £95,109).

### 13. LEASE OBLIGATIONS

At 31 March 2008 the Company was committed to make payments under operating leases, as set out below

	Land and buildings 2008 £	Other Assets 2008 £	Land and buildings 2007 £	Other Assets 2007 £
Operating leases which expire				
Within one year	-	1,530	-	6,543
Between two and five years	70,750	30,255	62,500	12,864
	<u>70,750</u>	<u>31,785</u>	<u>62,500</u>	<u>19,406</u>

### 14. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2008 £	2007 £
Operating (loss)/profit	(27,730)	36,389
Depreciation	27,368	44,365
Loss on disposal of tangible fixed assets	-	-
(Increase) in debtors	(224,344)	(144,963)
Increase in creditors	125,827	74,648
Net cash (outflow)/inflow from operating activities	<u>(98,879)</u>	<u>10,439</u>



# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2008

### 15. ANALYSIS AND RECONCILIATION OF NET FUNDS

	2008 £	Cash flow in the year £	2007 £
Cash at bank and in hand	55,199	22,082	33,117
Money market deposits	1,350,000	(100,000)	1,450,000
	<u>1,405,199</u>	<u>(77,918)</u>	<u>1,483,117</u>
		2008 £	2007 £
Increase/(decrease) in cash at bank and in hand in the year		22,082	(34,666)
Decrease/(increase) in overdraft in the year		-	-
Net cash at bank and in hand increase/(decrease) in the year		22,082	(34,666)
Cash (outflow)/inflow from (decrease)/ increase in liquid resources		(100,000)	50,000
Change in net funds resulting from cashflows		<u>(77,918)</u>	<u>15,334</u>

### 16. RESERVES

	Profit and loss account reserve £	Special reserve £	Total £
At 1 April 2007	1,148,209	120,986	1,269,195
Retained profit for the year	24,704	-	24,704
At 31 March 2008	<u>1,172,913</u>	<u>120,986</u>	<u>1,293,899</u>

The special reserve was created as a result of capital contributions by shareholders

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Opening shareholders' funds	1,269,235	1,205,448
Profit for the year	24,704	63,787
Closing shareholders' funds	<u>1,293,939</u>	<u>1,269,235</u>