

**Company Registration No. 2455347**

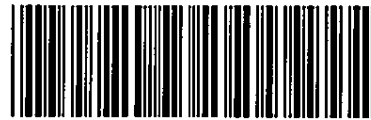
**Attachment 1 to SCS 2009-21**

**ST CLEMENTS SERVICES LIMITED**

**Report and Financial Statements**

**31 March 2009**

**TUESDAY**



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# **ST CLEMENTS SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

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# **ST CLEMENTS SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2009**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

M Bellman  
J Gilbert (Resigned 7 August 2008)  
N Fowkes  
J Squire  
J N Mawson

#### **ALTERNATE DIRECTORS**

A Morran  
N Fowkes (Resigned 18 June 2009)  
N Johnson (Appointed 4 December 2008)  
  
H Mistry

#### **SECRETARIES**

R D Edmunds  
J Brookes (Appointed 1 April 2008, resigned 13 March 2009)

#### **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 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 2009.

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**

During the year the Company concentrated on its core activities. The SONET product underwent various enhancements to keep it in-line with central industry processes and the development schedule for the product tracked the industry change procedure and release plan. In addition two new modules for the product were successfully released. These dealt with validation of TNUoS and BSUoS charges. The product also underwent a small technical upgrade. On top of planned work, the Company was forced to respond to the Government's short-notice change of VAT rates which impacted on some elements of the SONET software.

Projects were successfully completed for each of the MPRS, DURABILL and LAMP products to provide functional upgrades to customers. In addition, the Company completed a number of assignments for individual customers.

To complement project development work, the Company continued to provide a first class product support service to its customers, successfully upgrading its key support infrastructure during the year.

During the year the Government laid out its tentative outline conclusions with regard to the introduction of Smart Metering. The industry is now in a consultation phase to establish the detail of the changes that may need to be made to central industry processes to facilitate Smart Metering's wide-scale introduction into Great Britain. However the impact of this on the Company's products is still likely to be several years away.

### **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.

### **GOING CONCERN**

The company's business activities, together with factors likely to affect its future development, performance and position are set out above. The company currently has considerable cash reserves and zero borrowing and does not anticipate the need for commercial borrowing facilities in the short-medium term.

Due to the nature of the company's business and Shareholding, the Directors believe that the company is well placed to manage its business risk successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

### **DIVIDENDS**

The Directors do not recommend a dividend for the year (2008: £nil).

# ST CLEMENTS SERVICES LIMITED

## DIRECTORS' REPORT

### 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 2009, 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
- 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

The auditors, Deloitte LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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



Secretary

3 September 2009

## **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 comply 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 2009 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 2009 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 LLP*

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

*11 September 2009*

# ST CLEMENTS SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 March 2009

	Note	2009 £	2008 £
<b>TURNOVER</b>	2	2,174,721	1,955,579
Cost of sales		(428,636)	(343,202)
<b>GROSS PROFIT</b>		<u>1,746,085</u>	<u>1,612,377</u>
Administrative expenses		(1,616,377)	(1,640,107)
<b>OPERATING PROFIT/(LOSS)</b>	4	<u>129,708</u>	<u>(27,730)</u>
Interest receivable and similar income	5	61,164	59,594
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>190,872</u>	<u>31,864</u>
Taxation on profit on ordinary activities	6	(45,096)	(7,160)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR</b>	16	<u><u>145,776</u></u>	<u><u>24,704</u></u>

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 2009

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	35,492	48,581
<b>CURRENT ASSETS</b>			
Debtors	8	367,649	639,096
Investments		1,000,000	1,350,000
Cash at bank and in hand		885,228	55,199
		<u>2,252,877</u>	<u>2,044,295</u>
<b>CREDITORS: amounts falling due within one year</b>	9	(848,654)	(798,937)
<b>NET CURRENT ASSETS</b>		<u>1,404,223</u>	<u>1,245,358</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,439,715</u>	<u>1,293,939</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	1,318,689	1,172,913
<b>SHAREHOLDERS' FUNDS</b>	17	<u>1,439,715</u>	<u>1,293,939</u>

These financial statements were approved by the Board of Directors on 3<sup>rd</sup>/Sept / 2009

Signed on behalf of the Board of Directors



Director

# ST CLEMENTS SERVICES LIMITED

## CASH FLOW STATEMENT Year ended 31 March 2009

	Note	2009 £	2008 £
Net cash inflow/(outflow) from operating activities	14	438,664	(98,879)
Returns on investments and servicing of finance			
Interest received		61,164	59,594
Taxation			
UK corporation tax paid		(4,347)	(15,970)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(15,452)	(22,663)
Cash inflow/(outflow) before management of liquid resources and financing		480,029	(77,918)
Management of liquid resources		350,000	100,000
Increase in cash in the year	15	830,029	22,082

**NOTES TO THE ACCOUNTS**

**Year ended 31 March 2009**

**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.

**Going concern**

The company's business activities, together with factors likely to affect its future development, performance and position are set out above. The company currently has considerable cash reserves and zero borrowing and does not anticipate the need for commercial borrowing facilities in the short-medium term. Due to the nature of the company's business and Shareholding, the Directors believe that the company is well placed to manage its business risk successfully despite the current uncertain economic outlook. After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

**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	10%
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 foreseeable losses and 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 2009

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

	2009 £	2008 £
Staff costs during the year were:		
Wages and salaries	937,065	938,144
Social security costs	111,228	123,989
Pension costs	77,654	98,845
	<u>1,125,947</u>	<u>1,160,978</u>

Average number of persons employed (excluding Directors)	2009 No.	2008 No.
Technical	18	18
Administration	5	6
	<u>23</u>	<u>24</u>

### 4. OPERATING PROFIT/(LOSS)

	2009 £	2008 £
Operating profit/(loss) is after charging:		
Depreciation	28,541	27,368
Auditors' remuneration:		
- fees payable to the company's auditors in respect of the audit of the annual accounts	10,000	9,400
- other services relating to taxation	4,100	5,750
Rentals under operating leases:		
Hire of plant and machinery	30,380	31,471
Other operating leases	70,996	72,593
	<u></u>	<u></u>

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £	2008 £
Interest receivable on bank deposits	<u>61,164</u>	<u>59,594</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2009

### 6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities

	2009 £	2008 £
Corporation tax at 21%		
- charge for the year	(39,511)	(4,347)
- adjustment in respect of prior years	-	(745)
	<u>(39,511)</u>	<u>(5,092)</u>
Total current taxation		
Deferred tax		
Origination and reversal of timing differences	(5,585)	(2,045)
Change in tax rate	-	(23)
	<u>(45,096)</u>	<u>(7,160)</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 21%. The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	<u>190,872</u>	<u>31,864</u>
Tax at 21% (2008:20%) thereon	(40,083)	(6,373)
Expenses not deductible for tax purposes	(1,042)	(898)
Capital allowances in excess of depreciation	1,614	2,924
Prior year adjustments	-	(745)
	<u>(39,511)</u>	<u>(5,092)</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2009

### 7. TANGIBLE FIXED ASSETS

	Office refurbish- ment	Office equipment, fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 April 2008	2,467	450,085	452,552
Additions	-	15,452	15,452
Disposals	-	(17,031)	(17,031)
	<u>2,467</u>	<u>448,506</u>	<u>450,973</u>
At 31 March 2009			
<b>Accumulated depreciation</b>			
At 1 April 2008	1,748	402,223	403,971
Charge for year	247	28,294	28,541
Disposals	-	(17,031)	(17,031)
	<u>1,995</u>	<u>413,486</u>	<u>415,481</u>
At 31 March 2009			
<b>Net book value</b>			
At 31 March 2009	<u>472</u>	<u>35,020</u>	<u>35,492</u>
At 1 April 2008	<u>719</u>	<u>47,862</u>	<u>48,581</u>

### 8. DEBTORS

	2009 £	2008 £
Trade debtors	151,138	355,228
Prepayments and accrued income	207,435	269,207
Deferred tax asset (see note 10)	9,076	14,661
	<u>367,649</u>	<u>639,096</u>

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

	2009 £	2008 £
Trade creditors	87,119	61,702
Corporation tax payable	39,511	4,347
Other taxes and social security	44,456	62,925
Other creditors	313,835	273,121
Accruals and deferred income	363,733	396,842
	<u>848,654</u>	<u>798,937</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2009

### 10. DEFERRED TAXATION

	2009 £	2008 £
Deferred tax asset:-		
Opening Asset	14,661	16,729
Charge to profit and loss account	(5,585)	(2,068)
Closing Asset	<u>9,076</u>	<u>14,661</u>

#### Analysis of deferred tax balance

	2009 £	2008 £
Capital allowances in excess of depreciation	5,296	14,661
Short term timing differences	3,780	-
Deferred tax asset	<u>9,076</u>	<u>14,661</u>

### 11. CALLED UP SHARE CAPITAL

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid		
40 ordinary shares of £1 each	<u>40</u>	<u>40</u>

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 2009 were £77,654 (2008: £98,845).

### 13. LEASE OBLIGATIONS

At 31 March 2009 the Company was committed to make payments under operating leases, as set out below:

	Land and buildings 2009 £	Other 2009 £	Land and buildings 2008 £	Other 2008 £
Operating leases which expire:				
Within one year	-	1,588	-	1,530
Between two and five years	<u>70,750</u>	<u>23,628</u>	<u>70,750</u>	<u>30,255</u>
	<u>70,750</u>	<u>25,216</u>	<u>70,750</u>	<u>31,785</u>

# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2009

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

	2009 £	2008 £
Operating profit/(loss)	129,708	(27,730)
Depreciation	28,541	27,368
Decrease/(increase) in debtors	265,862	(224,344)
Increase in creditors	14,553	125,827
Net cash inflow/(outflow) from operating activities	<u>438,664</u>	<u>(98,879)</u>

### 15. ANALYSIS AND RECONCILIATION OF NET FUNDS

	2008 £	Cash flow in the year £	2009 £
Cash at bank and in hand	55,199	830,029	885,228
Money market deposits	1,350,000	(350,000)	1,000,000
	<u>1,405,199</u>	<u>480,029</u>	<u>1,885,228</u>

	2009 £	2008 £
Increase in cash at bank and in hand in the year	830,029	22,082
Net cash at bank and in hand increase in the year	830,029	22,082
Cash outflow from decrease in liquid resources	(350,000)	(100,000)
Change in net funds resulting from cashflows	<u>480,029</u>	<u>(77,918)</u>

### 16. RESERVES

	Profit and loss account reserve £	Special reserve £	Total £
At 1 April 2008	1,172,913	120,986	1,293,899
Profit for the year	145,776	-	145,776
At 31 March 2009	<u>1,318,689</u>	<u>120,986</u>	<u>1,439,675</u>

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



# ST CLEMENTS SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 2009

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

	2009 £	2008 £
Opening shareholders' funds	1,293,939	1,269,235
Profit for the year	145,776	24,704
	<u>1,439,715</u>	<u>1,293,939</u>
Closing shareholders' funds	<u>1,439,715</u>	<u>1,293,939</u>