

ST CLEMENTS SERVICES LIMITED

Report and Financial Statements

31 March 2010



ST CLEMENTS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

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ST CLEMENTS SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2010

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Bellman
N Fowkes (Resigned 24 June 2009)
N Johnson (Appointed 24 June 2009)
J Squire
J N Mawson

ALTERNATE DIRECTORS

A Morran
N Johnson (Resigned 24 June 2009)

H Mistry

SECRETARIES

L J Rowley
RD Edmunds

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 & Statutory 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 2010

This directors' report has been prepared in accordance with the special provisions relating to small companies in accordance with section 415A of the Companies Act 2006

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

The financial year 2009/2010 proved to be a very busy and successful one for the Company The Company undertook a significant amount of project work and completed the year with another set of excellent customer survey results

For our electricity supply customers, the Company delivered three separate SONET enhancement projects and an additional mandatory BSUoS change All projects were delivered on-time and to budget The Company also carried out a number of projects for individual customers, building add-ons to the SONET product and supporting special projects associated with settlements data

For our other customers, the MPRS team delivered MPRS 5.3 and continued to support the LAMP unmetered supplies product In addition, work was undertaken on the DURABILL billing product, both for the one existing customer, and also to develop the product further to make it suitable for use by larger customers

During the final quarter of the year, the Company was invited to tender for two large DUoS billing system projects, for different DNOs The DURABILL product is a good fit for the core requirements and the Company was selected as preferred bidder in both cases The projects should run through most of 2010/2011 These two projects represent a strategic important step in broadening the sources of revenue used to support the business and should produce on-going support and maintenance revenues, and additional development project opportunities

The Directors intend the Company to continue in business providing similar services over the next financial year, with development work focussing on the two DURABILL projects as well as maintaining the SONET and MPRS products The Company will continue to examine opportunities to further 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, 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 (2009 £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 2010, 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

ST CLEMENTS SERVICES LIMITED

DIRECTORS' REPORT

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 s418 of the Companies Act 2006

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

9 September 2010

ROBIN EDMUNDS



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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.

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 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors

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. Our responsibility is to audit 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

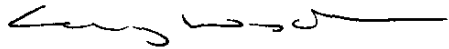
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST CLEMENTS SERVICES LTD (CONTINUED)

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the directors' report



Craig Wisdom (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
St Albans, United Kingdom
[Date] 15 September 2010

ST CLEMENTS SERVICES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2010

	Note	2010 £	2009 £
TURNOVER	2	1,965,122	2,174,721
Cost of sales		<u>(336,928)</u>	<u>(428,636)</u>
GROSS PROFIT		1,628,194	1,746,085
Administrative expenses		<u>(1,568,939)</u>	<u>(1,616,377)</u>
OPERATING PROFIT	4	59,255	129,708
Interest receivable and similar income	5	<u>18,421</u>	<u>61,164</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		77,676	190,872
Taxation on profit on ordinary activities	6	<u>(13,242)</u>	<u>(45,096)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	17,18	<u>64,434</u>	<u>145,776</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

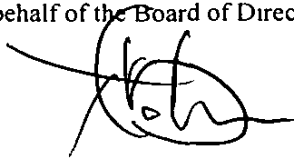
BALANCE SHEET As at 31 March 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Tangible assets	7	43,289	35,492
CURRENT ASSETS			
Debtors	8	337,398	367,649
Investments		1,500,000	1,000,000
Cash at bank and in hand		443,120	885,228
		2,280,518	2,252,877
CREDITORS: amounts falling due within one year	9	(819,658)	(848,654)
NET CURRENT ASSETS		1,460,860	1,404,223
TOTAL ASSETS LESS CURRENT LIABILITIES		1,504,149	1,439,715
CAPITAL AND RESERVES			
Called up share capital	11	40	40
Special reserve	17	120,986	120,986
Profit and loss account	17	1,383,123	1,318,689
SHAREHOLDERS' FUNDS	18	1,504,149	1,439,715

Company Registration Number -2455347

These financial statements were approved by the Board of Directors on 9 September 2010

Signed on behalf of the Board of Directors



Director
MARK BELLMAN



ST CLEMENTS SERVICES LIMITED

CASH FLOW STATEMENT

Year ended 31 March 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	14	111,665	438,664
Returns on investments and servicing of finance			
Interest received		18,421	61,164
Taxation			
UK corporation tax paid		(39,496)	(4,347)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(32,698)	(15,452)
Cash inflow before management of liquid resources		<u>57,892</u>	<u>480,029</u>
Management of liquid resources	15	<u>(500,000)</u>	<u>350,000</u>
(Decrease)/Increase in cash in the year	16	<u>(442,108)</u>	<u>830,029</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2010

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 2010

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

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

	2010 £	2009 £
Staff costs during the year were		
Wages and salaries	919,594	937,065
Social security costs	102,048	111,228
Pension costs	74,388	77,654
	<u>1,096,030</u>	<u>1,125,947</u>

Average number of persons employed (excluding Directors)	2010 No.	2009 No.
Technical	17	18
Administration	6	6
	<u>23</u>	<u>24</u>

4. OPERATING PROFIT

	2010 £	2009 £
Operating profit is after charging:		
Depreciation	24,901	28,541
Auditors' remuneration		
- fees payable to the company's auditors in respect of the audit of the annual accounts	10,400	10,000
- other services relating to taxation	5,376	4,100
Rentals under operating leases		
Hire of plant and machinery	32,224	30,380
Other operating leases	70,750	70,996
	<u></u>	<u></u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Interest receivable on bank deposits	<u>18,421</u>	<u>61,164</u>

ST CLEMENTS SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2010

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge on ordinary activities

	2010 £	2009 £
Corporation tax at 21%		
- charge for the year	(12,722)	(39,511)
- adjustment in respect of prior years	(95)	-
Total current taxation	(12,817)	(39,511)
Deferred tax		
Origination and reversal of timing differences	(5,128)	(5,585)
Adjustment in respect of previous periods	4,703	-
	(425)	(5,585)
	(13,242)	(45,096)

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

	2010 £	2009 £
Profit on ordinary activities before tax	77,676	190,872
Tax at 21% (2009 21%) thereon	(16,312)	(40,083)
Expenses not deductible for tax purposes	(1,538)	(1,042)
Capital allowances in excess of depreciation	5,128	1,614
Prior year adjustments	(95)	-
Total current taxation	(12,817)	(39,511)

ST CLEMENTS SERVICES LIMITED

NOTES TO THE ACCOUNTS Year ended 31 March 2010

7 TANGIBLE FIXED ASSETS

	Office refurbish- ment	Office equipment, fixtures and fittings	Total
	£	£	£
Cost			
At 1 April 2009	2,467	448,506	450,973
Additions	-	32,698	32,698
Disposals	-	(54,850)	(54,850)
At 31 March 2010	2,467	426,353	428,821
Accumulated depreciation			
At 1 April 2009	1,995	413,486	415,481
Charge for year	247	24,654	24,901
Disposals	-	(54,850)	(54,850)
At 31 March 2010	2,242	383,290	385,532
Net book value			
At 31 March 2010	225	43,063	43,289
At 31 March 2009	472	35,020	35,492

8. DEBTORS

	2010 £	2009 £
Trade debtors	103,685	151,138
Prepayments and accrued income	225,062	207,435
Deferred tax asset (see note 10)	8,651	9,076
	337,398	367,649

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade creditors	78,844	87,119
Corporation tax payable	12,832	39,511
Other taxes and social security	9,667	44,456
Other creditors	376,470	313,835
Accruals and deferred income	341,845	363,733
	819,658	848,654

ST CLEMENTS SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2010

10. DEFERRED TAXATION

	2010 £	2009 £
Deferred tax asset -		
Opening Asset	9,076	14,661
Charge to profit and loss account	(5,128)	(5,585)
Adjustment in respect of prior years	4,703	-
Closing Asset	<u>8,651</u>	<u>9,076</u>

Analysis of deferred tax balance

	2010 £	2009 £
Capital allowances in excess of depreciation	4,871	5,296
Short term timing differences	<u>3,780</u>	<u>3,780</u>
Deferred tax asset	<u>8,651</u>	<u>9,076</u>

11. CALLED UP SHARE CAPITAL

	2010 £	2009 £
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 2010 were £74,387 (2009 £77,654).

13. LEASE OBLIGATIONS

At 31 March 2010 the Company was committed to make payments under operating leases, as set out below

	Land and buildings 2010 £	Other 2010 £	Land and buildings 2009 £	Other 2009 £
Operating leases which expire				
Within one year	70,750	9,925	70,750	1,588
Between two and five years	<u>29,479</u>	<u>1,710</u>	<u>100,229</u>	<u>23,628</u>
	<u>100,229</u>	<u>11,635</u>	<u>170,979</u>	<u>31,785</u>

ST CLEMENTS SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2010

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

	2010 £	2009 £
Operating profit	59,255	129,708
Depreciation	24,901	28,541
Decrease in debtors	29,826	265,862
(Decrease)/Increase in creditors	(2,317)	14,553
Net cash inflow from operating activities	<u>111,665</u>	<u>438,664</u>

15. ANALYSIS OF CASH FLOWS

	2010 £	2009 £
Management of liquid resources		
Cash (added)/withdrawn from money market deposit	<u>(500,000)</u>	<u>350,000</u>
Net cash inflow/outflow	<u>(500,000)</u>	<u>350,000</u>

16. ANALYSIS AND RECONCILIATION OF NET FUNDS

	2009 £	Cash flow in the year £	2010 £
Cash at bank and in hand	885,228	(442,108)	443,120
Money market deposits	<u>1,000,000</u>	<u>500,000</u>	<u>1,500,000</u>
	<u>1,885,228</u>	<u>57,892</u>	<u>1,943,120</u>
		2010 £	2009 £
(Decrease)/Increase in cash at bank and in hand in the year		<u>(442,108)</u>	<u>830,029</u>
Cash inflow/(outflow) from increase/(decrease) in liquid resources		<u>500,000</u>	<u>(350,000)</u>
Change in net funds resulting from cashflows		<u>57,892</u>	<u>480,029</u>

17. RESERVES

	Profit and loss account reserve £	Special reserve £	Total £
At 1 April 2009	1,318,689	120,986	1,439,675
Profit for the year	<u>64,434</u>	<u>-</u>	<u>64,434</u>
At 31 March 2010	<u>1,383,123</u>	<u>120,986</u>	<u>1,504,109</u>

ST CLEMENTS SERVICES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2010

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

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	1,439,715	1,293,939
Profit for the year	64,434	145,776
Closing shareholders' funds	<u>1,504,149</u>	<u>1,439,715</u>