

ST CLEMENTS SERVICES LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



**CONTENTS OF THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2016**

	Page
Company Information	1
Report of the Directors	2 to 3
Report of the Independent Auditors	4
Statement of Comprehensive Income	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9 to 14

ST CLEMENTS SERVICES LIMITED

COMPANY INFORMATION
For The Year Ended 31 March 2016

DIRECTORS:

Director
P Bibby
M D Rossi
J M Squire

Alternate Director
A Onions
A M Ward
P L Babb

SECRETARIES:

R D Edmunds
L J Rowley

REGISTERED OFFICE:

4-6 Church Walk
Daventry
Northamptonshire
NN11 4BL

REGISTERED NUMBER:

02455347 (England and Wales)

AUDITORS:

Haines Watts South Midlands Audit LLP
78 Tenter Road
Moulton Park
Northampton
Northamptonshire
NN3 6AX

**REPORT OF THE DIRECTORS
For The Year Ended 31 March 2016**

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

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 within Great Britain (GB).

REVIEW OF BUSINESS

The Company is developing a presence in the GB gas sector. The necessary planned investment by the Company to build a software product caused the Company to make a small pre-tax loss in the period to the end of March 2016. The costs of investing in the new product were significantly offset by excellent project performance elsewhere including a further implementation of the Company's DUoS billing product. Investment in the gas-related product is planned to complete in 2016. The Company is adopting a prudent approach by expensing the expenditure in the years that the expenditure falls. Directors expect that the investment will deliver future revenues and strengthen the strategic positioning of the Company.

In the year to 31 March 2016, St Clements Services Limited achieved revenues of £4.1m (2015:£2.7m) and a pre-tax loss of £90k (2015: pre-tax loss of £212k).

DIVIDENDS

The Directors do not recommend a dividend for the year (2015: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

P L Babb
P Bibby
M D Rossi
J M Squire
A M Ward

Other changes in directors holding office are as follows:

A Onions - appointed 1 July 2015
A P Marsh - resigned 14 October 2015
H Mistry - resigned 14 October 2015
C Stoyell - resigned 1 July 2015
J E Townrow - resigned 1 July 2015

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 positive 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 risks successfully. 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.

REPORT OF THE DIRECTORS
For The Year Ended 31 March 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts South Midlands Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Director **MARC ROSSI**

Date: **15TH SEPTEMBER 2016.**

**REPORT OF THE INDEPENDENT AUDITORS 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 2016 on pages five to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Gary Woodhall ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts South Midlands Audit LLP
78 Tenter Road
Moulton Park
Northampton
Northamptonshire
NN3 6AX

Date:

1st September 2016

STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 March 2016

	Notes	2016 £	2015 £
TURNOVER	3	4,077,672	2,678,545
Cost of sales		<u>2,076,688</u>	<u>966,209</u>
GROSS PROFIT		2,000,984	1,712,336
Administrative expenses		<u>2,097,034</u>	<u>1,936,710</u>
OPERATING LOSS	5	(96,050)	(224,374)
Interest receivable and similar income		<u>6,045</u>	<u>12,713</u>
LOSS BEFORE TAXATION		(90,005)	(211,661)
Tax on loss	6	<u>(9,055)</u>	<u>(35,585)</u>
LOSS FOR THE FINANCIAL YEAR		(80,950)	(176,076)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(80,950)</u>	<u>(176,076)</u>

The notes form part of these financial statements

BALANCE SHEET
31 March 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	7	50,027	57,394
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	730,840	418,281
Investments	9	1,200,000	1,475,000
Cash at bank and in hand		<u>689,118</u>	<u>473,555</u>
		2,619,958	2,366,836
CREDITORS			
Amounts falling due within one year	10	<u>1,020,428</u>	<u>693,723</u>
NET CURRENT ASSETS		<u>1,599,530</u>	<u>1,673,113</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,649,557</u>	<u>1,730,507</u>
CAPITAL AND RESERVES			
Called up share capital	13	40	40
Special reserve	14	120,986	120,986
Retained earnings	14	<u>1,528,531</u>	<u>1,609,481</u>
SHAREHOLDERS' FUNDS		<u>1,649,557</u>	<u>1,730,507</u>

The financial statements were approved by the Board of Directors on 1ST SEPTEMBER 2016 and were signed on its behalf by:


 Director MARC ROSSI

STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 March 2016

	Called up share capital £	Retained earnings £	Special reserve £	Total equity £
Balance at 1 April 2014	40	1,785,557	120,986	1,906,583
Changes in equity				
Total comprehensive income	-	(176,076)	-	(176,076)
Balance at 31 March 2015	<u>40</u>	<u>1,609,481</u>	<u>120,986</u>	<u>1,730,507</u>
Changes in equity				
Total comprehensive income	-	(80,950)	-	(80,950)
Balance at 31 March 2016	<u><u>40</u></u>	<u><u>1,528,531</u></u>	<u><u>120,986</u></u>	<u><u>1,649,557</u></u>

The notes form part of these financial statements

CASH FLOW STATEMENT
For The Year Ended 31 March 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	17	(67,407)	(25,110)
Tax paid		<u>25,852</u>	<u>(25,852)</u>
Net cash from operating activities		<u>(41,555)</u>	<u>(50,962)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(23,927)	(36,843)
Management of liquid resources		275,000	400,058
Interest received		<u>6,045</u>	<u>12,713</u>
Net cash from investing activities		<u>257,118</u>	<u>375,928</u>
 Increase in cash and cash equivalents		<u>215,563</u>	<u>324,966</u>
Cash and cash equivalents at beginning of year	18	<u>473,555</u>	<u>148,589</u>
 Cash and cash equivalents at end of year	18	<u><u>689,118</u></u>	<u><u>473,555</u></u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 31 March 2016

1. STATUTORY INFORMATION

St Clements Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

There were no material departures from the standard.

Transition to FRS 102

These financial statements for the year ended 31 March 2016 are the first financial statements that comply with FRS 102. The date of transition is 1 April 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously. The outcome of these changes is not considered material and therefore no adjustments have been made to opening equity and comparatives.

Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Directors' report. 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 10% on cost
Computer equipment	- 10-33% on cost

Deferred tax

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 statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered based on suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2016

2. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

Liquid resources

All amounts held on deposit of one year or less at investment date are treated as liquid resources and recognised within current asset investments.

3. TURNOVER

Turnover is derived wholly from the United Kingdom and is attributable to one activity, which is considered the Company's only operating segment.

4. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	1,344,067	1,167,241
Social security costs	155,354	140,078
Other pension costs	<u>141,724</u>	<u>129,225</u>
	<u><u>1,641,145</u></u>	<u><u>1,436,544</u></u>

The average monthly number of employees during the year was as follows:

	2016	2015
Technical	21	20
Administration	<u>5</u>	<u>5</u>
	<u><u>26</u></u>	<u><u>25</u></u>

	2016	2015
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2016	2015
	£	£
Hire of plant and machinery	71,549	70,495
Depreciation - owned assets	31,294	27,762
Auditors' remuneration	7,500	10,382
Auditors' remuneration for non audit work	<u>2,000</u>	<u>5,150</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2016

6. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	-	(25,853)
Deferred tax	<u>(9,055)</u>	<u>(9,732)</u>
Tax on loss	<u>(9,055)</u>	<u>(35,585)</u>

UK corporation tax has been charged at 20%.

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Loss before tax	<u>(90,005)</u>	<u>(211,661)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(18,001)	(42,332)
Effects of:		
Expenses not deductible for tax purposes	732	6,747
Capital allowances in excess of depreciation	-	(1,816)
Depreciation in excess of capital allowances	344	-
Utilisation of tax losses	16,925	37,402
Adjustments to tax charge in respect of previous periods	-	(25,853)
Deferred tax	<u>(9,055)</u>	<u>(9,733)</u>
Total tax credit	<u>(9,055)</u>	<u>(35,585)</u>

The company has tax losses of £142,370 (2015: £57,747) carried forward to offset against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2016

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Computer equipment £	Totals £
COST			
At 1 April 2015	2,467	457,068	459,535
Additions	-	23,927	23,927
Disposals	-	(35,276)	(35,276)
At 31 March 2016	<u>2,467</u>	<u>445,719</u>	<u>448,186</u>
DEPRECIATION			
At 1 April 2015	2,467	399,674	402,141
Charge for year	-	31,294	31,294
Eliminated on disposal	-	(35,276)	(35,276)
At 31 March 2016	<u>2,467</u>	<u>395,692</u>	<u>398,159</u>
NET BOOK VALUE			
At 31 March 2016	<u>-</u>	<u>50,027</u>	<u>50,027</u>
At 31 March 2015	<u>-</u>	<u>57,394</u>	<u>57,394</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	477,082	250,259
Other debtors	415	-
Tax	-	25,852
Deferred tax asset	20,000	10,945
Prepayments and accrued income	<u>233,343</u>	<u>131,225</u>
	<u>730,840</u>	<u>418,281</u>

9. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Money market deposits	<u>1,200,000</u>	<u>1,475,000</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	205,014	141,746
Taxation and social security	76,063	10,877
Other creditors	<u>739,351</u>	<u>541,100</u>
	<u>1,020,428</u>	<u>693,723</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2016

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £	2015 £
Between one and five years	11,059	19,880
In more than five years	<u>368,334</u>	<u>436,334</u>
	<u>379,393</u>	<u>456,214</u>

12. DEFERRED TAX

	£
Balance at 1 April 2015	(10,945)
Credit to Statement of Comprehensive Income during year	<u>(9,055)</u>
Balance at 31 March 2016	<u>(20,000)</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
40	Ordinary	£1	<u>40</u>	<u>40</u>

14. RESERVES

	Retained earnings £	Special reserve £	Totals £
At 1 April 2015	1,609,481	120,986	1,730,467
Deficit for the year	<u>(80,950)</u>		<u>(80,950)</u>
At 31 March 2016	<u>1,528,531</u>	<u>120,986</u>	<u>1,649,517</u>

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

15. PENSION COMMITMENTS

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 31 March 2016 were £141,724 (2015: £129,225). There were no outstanding contributions at the year end (2015: £nil) that had not been paid over to the scheme.

16. RELATED PARTY DISCLOSURES**Entities with control, joint control or significant influence over the entity**

	2016 £	2015 £
Turnover	1,596,714	1,999,376
Amount due from related party	<u>83,195</u>	<u>173,328</u>

Key management personnel of the entity or its parent (in the aggregate)

	2016 £	2015 £
Remuneration	<u>341,665</u>	<u>322,497</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
For The Year Ended 31 March 2016

17. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Loss before taxation	(90,005)	(211,661)
Depreciation charges	31,294	27,762
Finance income	<u>(6,045)</u>	<u>(12,713)</u>
	(64,756)	(196,612)
(Increase)/decrease in trade and other debtors	(329,356)	126,829
Increase in trade and other creditors	<u>326,705</u>	<u>44,673</u>
Cash generated from operations	<u><u>(67,407)</u></u>	<u><u>(25,110)</u></u>

18. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2016

	31.3.16 £	1.4.15 £
Cash and cash equivalents	<u>689,118</u>	<u>473,555</u>

Year ended 31 March 2015

	31.3.15 £	1.4.14 £
Cash and cash equivalents	<u>473,555</u>	<u>148,589</u>

19. FIRST YEAR ADOPTION

The company has adopted FRS 102 for the first time in the year ended 31 March 2016.

The effect of the transition from the previous financial reporting framework to FRS 102 has been considered.

There has been no material impact in relation to the following:

- changes in accounting policies
- changes in shareholders funds
- comparative year profit or loss

On that basis, no restatement has been undertaken.