

Report and Financial Statements

31 March 2014



ST CLEMENTS SERVICES LIMITED

Company Registration Number: 2455347

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Table of Contents

1	OFFICERS AND PROFESSIONAL ADVISORS	2
2	DIRECTORS' REPORT	3
3	STATEMENT OF DIRECTORS' RESPONSIBILITIES	6
4	INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST CLEMENTS SERVICES LIMITED	7
5	PROFIT AND LOSS ACCOUNT	9
6	BALANCE SHEET	10
7	CASH FLOW STATEMENT	11
8	NOTES TO THE ACCOUNTS	12

Report and Financial Statements 2014

Statement of Directors Responsibilities



1 OFFICERS AND PROFESSIONAL ADVISORS

Directors M Rossi J Squire H Mistry H Ward (resigned 22 July 2013) C Stoyell (appointed 22 July 2013)	Alternate Directors A Ward H McGarrigle J Morris J Townrow (resigned 22 July 2013) J Townrow (appointed 22 July 2013) P Bibby (appointed 22 July 2013)
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Secretaries

L J Rowley

R D Edmunds

Registered Office

4-6 Church Walk
Daventry
Northants NN11 4BL

Solicitors

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

Bankers

HSBC
29 Bowen Square
Daventry
Northants NN11 4ER

Auditor

Deloitte LLP
Chartered Accountants and Statutory
Auditor
St Albans

2 DIRECTORS' REPORT

Introduction

The Directors present their annual report and the audited financial statements for the year ended 31 March 2014.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies in accordance with section 415(A) 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

During the financial year 2013/2014 the Company carried out a variety of software development, support and implementation work across both its core multi-customer products and for individual customers.

For our electricity supply customers, the Company delivered a number of projects, responding to both mandatory industry change and individual customer requirements. The Company continued to monitor developments arising from the Smart Metering Implementation Programme (SMIP) being managed by the Department of Energy and Climate Change (DECC) and other electricity settlements change initiatives, but no firm change requirements have yet crystallised within these areas. Likely impact on the Company's systems is still a little way off. The Company carried out feasibility studies to assess the system implications of DECCs Electricity Market Reform programme.

For our MPRS customers, the team was heavily engaged in work to support the introduction of the Data Communications Company (DCC) through designing interfaces for the new "Smart" data to be delivered to both existing industry participants and the DCC itself. The Company has also engaged in industry discussions and designed changes to support HM Government's "faster switching" initiative to allow customers to change their electricity supplier more quickly.

MPRS was also licensed to a new Independent Distribution Network Operator.

Work on DURABILL saw a major enhancement to part of the system completed over the summer of 2013 and constructive discussions with a Distribution Network Operator to implement a copy of DURABILL in 2014/2015.

During the year the Company was successful in winning a number of bespoke systems development projects with specific customers in areas where the Company's core knowledge and key skills offer a good complement to customer needs.

Results

In the year to 31 March 2014, St Clements Services Limited achieved revenues of £2.3m (2013:£2.5m) and profit before tax of £107k (2013:£224k).

Dividends

The Directors do not recommend a dividend for the year (2012/2013: £nil).

Future Development of the Business

The Directors intend the Company to continue in business providing similar services over the next financial year, with work focussing on SONET, MPRS and DURABILL, together with preparing all of the Company's products for the impact of the introduction of Smart metering. 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.

The Directors intend that the Company continues to be a niche provider of quality software products in the GB energy sector.

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 good 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.

Disclosure of Information to Auditor

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 auditor is unaware; and
- The Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with provisions of s418 of the Companies Act 2006.

Auditor

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

Report and Financial Statements 2014
Statement of Directors Responsibilities



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

A handwritten signature in black ink, appearing to read "Robin Eomunos", written over a horizontal line.

Secretary

ROBIN EOMUNOS

11 September 2014

3 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.

4 INDEPENDENT AUDITOR'S 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 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, and the related notes 1 to 20. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the 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 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 annual report to identify material inconsistencies with the audited financial statements. 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 2014 and of its profit 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.

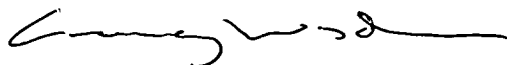
Opinion on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Craig Wisdom ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, United Kingdom

11 SEPTEMBER 2014

5 PROFIT AND LOSS ACCOUNT

	Note	2014 £	2013 £
TURNOVER	2	2,300,047	2,471,722
Cost of Sales		<u>(386,441)</u>	<u>(444,149)</u>
GROSS PROFIT		1,913,606	2,027,573
Administrative expenses		<u>(1,829,396)</u>	<u>(1,814,139)</u>
OPERATING PROFIT	4	84,210	213,434
Interest receivable and similar income	5	<u>22,897</u>	<u>10,571</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		107,107	224,005
Taxation on profit on ordinary activities	6	<u>(26,131)</u>	<u>(49,285)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR	17,18	<u>80,976</u>	<u>174,720</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.

6 BALANCE SHEET
As at 31 March 2014


	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	7	<u>48,313</u>	<u>48,811</u>
CURRENT ASSETS			
Debtors	8	509,524	568,973
Investments	16	1,875,058	1,950,312
Cash at bank and in hand	16	<u>148,589</u>	<u>43,709</u>
		2,533,171	2,562,994
CREDITORS: amounts falling due within one year	9	<u>(674,901)</u>	<u>(786,198)</u>
NET CURRENT ASSETS		<u>1,858,270</u>	<u>1,776,796</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,906,583</u>	<u>1,825,607</u>
CAPITAL AND RESERVES			
Called up share capital	11	40	40
Special reserve	17	120,986	120,986
Profit and loss account	17	<u>1,785,557</u>	<u>1,704,581</u>
SHAREHOLDERS' FUNDS	18	<u>1,906,583</u>	<u>1,825,607</u>

Company Registration Number: 2455347

These financial statements were approved by the Board of Directors on

11th SEPTEMBER 2014

Signed on behalf of the Board of Directors



Director
MARC ROSSI

7 CASH FLOW STATEMENT
Year ended 31 March 2014

	Note	2014 £	2013 £
Net cash from operating activities	14	81,431	124,186
Returns on investments and servicing of finance			
Interest received		22,897	10,571
Taxation			
UK corporation tax paid		(47,416)	(21,524)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(27,286)	(32,928)
Cash inflow/(outflow) before management of liquid resources		29,626	80,305
Management of liquid resources	15	75,254	(125,144)
Increase in cash in the year	16	104,880	(44,839)

8 NOTES TO THE ACCOUNTS**Year ended 31 March 2014****Note 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 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.

Liquid resources

All amounts held on deposits of one year or less at investment date are treated as liquid resources.

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 and fittings	10% to 30%

Leases

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

Deferred taxation

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

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.

Pension costs

The Company made contributions to defined contribution personal pension schemes for certain 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.

Note 2 **TURNOVER**

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

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

Note 3 **INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

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

	2014 £	2013 £
Staff costs during the year were:		
Wages and salaries	1,090,927	1,100,533
Social security costs	133,429	136,082
Pension costs	113,637	119,967
	<u>1,337,993</u>	<u>1,356,582</u>

Report and Financial Statements 2014

Notes to the Accounts



Note 3 (continued)

	2014 No.	2013 No.
Average number of persons employed (excluding Directors)		
Technical	18	19
Administration	5	5
	<u>23</u>	<u>24</u>

Note 4 OPERATING PROFIT

	2014 £	2013 £
Operating profit is after charging:		
Depreciation	27,783	28,411
Auditor's remuneration:		
- fees payable to the company's auditor in respect of the audit of the annual accounts	11,357	10,975
- other	2,532	2,730
- other services related to taxation	6,450	6,155
Rentals under operating leases:		
- Hire of plant and machinery	9,263	24,501
- Other operating leases	68,015	66,401

Note 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Interest receivable on bank deposits	<u>22,897</u>	<u>10,571</u>

Note 6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES
Analysis of tax charge on ordinary activities

	2014 £	2013 £
Current Taxation		
- charge for the year	25,853	47,530
Total current taxation	<u>25,853</u>	<u>47,530</u>
Deferred tax	-	-
Origination and reversal of timing differences	<u>278</u>	<u>1,755</u>
	<u>278</u>	<u>1,755</u>
	<u>26,131</u>	<u>49,285</u>

Factors affecting tax charge for the current period

The tax assessed for the current period is higher than that resulting from applying the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>107,107</u>	<u>224,005</u>
Tax at 20% (2013: 20%) thereon	21,421	44,801
Expenses not deductible for tax purposes	4,710	4,484
Capital allowances in excess of depreciation	(278)	(1,755)
Prior year adjustments	-	-
Total current taxation	<u>25,853</u>	<u>47,530</u>

Report and Financial Statements 2014

Notes to the Accounts



Note 7 TANGIBLE FIXED ASSETS

	Office refurbish- ment £	Office equipment, fixtures and fittings £	Total £
Cost			
At 1 April 2013	2,467	444,330	446,797
Additions	-	27,286	27,286
Disposals	-	-	-
Adjustment	-	-	-
At 31 March 2014	<u>2,467</u>	<u>471,616</u>	<u>474,083</u>
Accumulated depreciation			
At 1 April 2013	2,467	395,520	397,987
Charge for year	-	27,783	27,783
Disposals	-	-	-
Adjustment	-	-	-
At 31 March 2014	<u>2,467</u>	<u>423,303</u>	<u>425,770</u>
Net book value		<u>48,313</u>	<u>48,313</u>
At 31 March 2013	-	<u>48,810</u>	<u>48,810</u>

Note 8 DEBTORS

	2014 £	2013 £
Trade debtors	416,559	393,963
Prepayments and accrued income	91,753	173,519
Deferred tax asset (see note 10)	<u>1,212</u>	<u>1,491</u>
	<u>509,524</u>	<u>568,973</u>

Report and Financial Statements 2014

Notes to the Accounts



Note 9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	69,724	71,002
Corporation tax payable	25,853	47,418
Other taxes and social security	55,870	75,259
Other creditors	42,411	47,976
Accruals and deferred income	481,043	544,543
	674,901	786,198

Note 10 DEFERRED TAXATION

	2014 £	2013 £
Deferred tax asset:-		
Opening Asset	1,491	3,245
Charge to profit and loss account	(278)	(1,754)
Adjustment in respect of prior years	-	-
Closing Asset	1,213	1,491

Analysis of deferred tax balance

	2014 £	2013 £
Capital allowances in excess of depreciation	(3,387)	(2,109)
Short term timing differences	4,600	3,600
Deferred tax asset	(1,213)	(1,491)

Note 11 CALLED UP SHARE CAPITAL

	2014 £	2013 £
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.

Note 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 2014 were £113,636 (2013: £119,967). There were no outstanding contributions at year end (2013: £nil) that had not been paid over to the scheme.

Note 13 LEASE OBLIGATIONS

At 31 March 2014 the Company was committed to make annual payments under operating leases, as set out below:

	Land and buildings	Other	Land and buildings	Other
	2014 £	2014 £	2013 £	2013 £
Operating leases which expire:				
Within one year	-	2,251	-	208
Between two and five years	-	-	-	8,092
Over five years	<u>68,000</u>	<u>-</u>	<u>68,000</u>	<u>-</u>
	<u>68,000</u>	<u>2,251</u>	<u>68,000</u>	<u>8,300</u>

Report and Financial Statements 2014

Notes to the Accounts



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

	2014 £	2013 £
Operating profit	84,210	213,434
Depreciation	27,783	28,441
Decrease/(increase) in debtors	59,170	55,829
(Decrease)/increase in creditors	<u>(89,732)</u>	<u>(173,518)</u>
Net cash inflow/(outflow) from operating activities	<u>81,431</u>	<u>124,186</u>

Note 15 ANALYSIS OF CASH FLOWS

	2014 £	2013 £
Management of liquid resources		
Cash (added to)/withdrawn from money market deposit	<u>75,254</u>	<u>(125,144)</u>
Net cash (outflow)/inflow	<u>75,254</u>	<u>(125,144)</u>

Note 16 ANALYSIS AND RECONCILIATION OF NET FUNDS

	2013 £	Cash flow in the year £	2014 £
Cash at bank and in hand	43,709	104,880	148,589
Money market deposits	<u>1,950,312</u>	<u>(75,254)</u>	<u>1,875,058</u>
	<u>1,994,021</u>	<u>29,626</u>	<u>2,023,647</u>

	2014 £	2013 £
Increase in cash at bank and in hand in the year	104,880	(44,839)
Cash inflow/(outflow) from increase /(decrease) in liquid resources	<u>(75,254)</u>	<u>125,144</u>
Change in net funds resulting from cashflows	<u>29,626</u>	<u>80,305</u>

Report and Financial Statements 2014

Notes to the Accounts



Note 17 RESERVES

	Profit and loss account reserve £	Special reserve £	Total £
At 1 April 2013	1,704,581	120,986	1,825,567
Profit for the year	<u>80,976</u>	<u>-</u>	<u>80,976</u>
At 31 March 2014	<u>1,785,557</u>	<u>120,986</u>	<u>1,906,543</u>

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

Note 18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	1,825,607	1,650,887
Profit for the year	<u>80,976</u>	<u>174,720</u>
Closing shareholders' funds	<u>1,906,583</u>	<u>1,825,607</u>

Note 19 CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

Each of the eight shareholders owns five shares. In the opinion of the Directors, there is no one controlling party.

	2014 £	2013 £
Transactions with related parties:		
- Services rendered to shareholders	1,553,448	1,490,608
Balances due from related parties:		
- Accounts receivable from shareholders	<u>254,598</u>	<u>164,505</u>

Note 20 REVENUE COMMITMENTS

Contracted revenue commitments at 31 March not otherwise included in these financial statements.

	2014	2013
	£	£
Software support, maintenance and other	122,167	44,704
Total	<u>122,167</u>	<u>44,704</u>