

Company Registration No. 05341356 (England and Wales)

ALTECH SOFTWARE LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017
PAGES FOR FILING WITH REGISTRAR

ALTECH SOFTWARE LTD

COMPANY INFORMATION

Directors	Mr. A Clarke Mr. P Clee Mr. A Blyther Mr. A D Clarke
Company number	05341356
Registered office	Technium Springboard Llantarnam Park Cwmbran Torfaen NP44 3AW
Accountants	Baldwins (Nottingham) Limited 370-374 Nottingham Road Newthorpe Nottinghamshire NG16 2ED

ALTECH SOFTWARE LTD

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ALTECH SOFTWARE LTD

REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ALTECH SOFTWARE LTD

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Altech Software Ltd for the year ended 31 January 2017 which comprise, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

Our work has been undertaken solely to prepare for your approval the financial statements of Altech Software Ltd and state those matters that we have agreed to state to the Board of Directors of Altech Software Ltd, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Altech Software Ltd and its Board of Directors as a body, for our work or for this report.

It is your duty to ensure that Altech Software Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Altech Software Ltd. You consider that Altech Software Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Altech Software Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Baldwins (Nottingham) Limited

11 May 2017

Accountants

370-374 Nottingham Road
Newthorpe
Nottinghamshire
NG16 2ED

ALTECH SOFTWARE LTD

BALANCE SHEET

AS AT 31 JANUARY 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	3		2,694		2,746
Investments	4		75		75
			<u>2,769</u>		<u>2,821</u>
Current assets					
Debtors	5	7,940		41,179	
Cash at bank and in hand		30,748		23,430	
		<u>38,688</u>		<u>64,609</u>	
Creditors: amounts falling due within one year	6	(385,424)		(370,518)	
Net current liabilities			<u>(346,736)</u>		<u>(305,909)</u>
Total assets less current liabilities			<u>(343,967)</u>		<u>(303,088)</u>
Capital and reserves					
Called up share capital	7		1,058		1,058
Share premium account			1,182,223		1,182,223
Profit and loss reserves			<u>(1,527,248)</u>		<u>(1,486,369)</u>
Total equity			<u>(343,967)</u>		<u>(303,088)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 January 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 11 May 2017 and are signed on its behalf by:

Mr. A Clarke
Director

Company Registration No. 05341356

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

Company information

Altech Software Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Technium Springboard, Llantarnam Park, Cwmbran, Torfaen, NP44 3AW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is reliant on the continuing support of its connected companies and other secured creditors.

1.3 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Patents

The directors' carried out an impairment review in 2014 resulting in net book value being written down to nil in the financial statement

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33.3% reducing balance
Fixtures, fittings & equipment	25% reducing balance

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.12 Patents

The directors' carried out an impairment review in 2014 resulting in net book value being written down to nil in the financial statement

2 Intangible fixed assets

	Other £
Cost	
At 1 February 2016 and 31 January 2017	400,000
Amortisation and impairment	
At 1 February 2016 and 31 January 2017	400,000
Carrying amount	
At 31 January 2017	-
At 31 January 2016	-

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 February 2016	23,672
Additions	1,614
	<u> </u>
At 31 January 2017	25,286
	<u> </u>
Depreciation and impairment	
At 1 February 2016	20,927
Depreciation charged in the year	1,665
	<u> </u>
At 31 January 2017	22,592
	<u> </u>
Carrying amount	
At 31 January 2017	2,694
	<u> </u>
At 31 January 2016	2,746
	<u> </u>

4 Fixed asset investments

	2017 £	2016 £
Investments	75	75
	<u> </u>	<u> </u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2016 & 31 January 2017	75
	<u> </u>
Carrying amount	
At 31 January 2017	75
	<u> </u>
At 31 January 2016	75
	<u> </u>

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

5 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	7,940	39,450
Other debtors	-	1,729
	<u>7,940</u>	<u>41,179</u>
	2017	2016
	£	£
6 Creditors: amounts falling due within one year		
Trade creditors	291	253
Other taxation and social security	25,275	19,839
Other creditors	285,123	276,626
Accruals and deferred income	74,735	73,800
	<u>385,424</u>	<u>370,518</u>

The amounts owed to connected companies are secured by the way of fixed and floating charges on present and future assets of the company.

The total amount of secured liabilities at the year end was £247,300 (2016: £247,300).

7 Called up share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
197 Ordinary W of 1.01522843p each	2	2
63,500 Ordinary X of 1p each	635	635
21,054 Ordinary Y of 1.00218486p each	211	211
21,054 Ordinary of 0.99743517p each	210	210
	<u>1,058</u>	<u>1,058</u>

ALTECH SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2017

8 Related party transactions

Transactions with related parties

Included within creditors at the year end is an amount of £247,300 (2015: £247,300) owed to a company in which the directors, Mr A Clarke and Mr P Clee, have an interest.

Included within other creditors at the year end is accrued interest of £32,855 (2015: £22,936) due by the company on the outstanding loan. During the year interest was charged on the amount owed by the company at 4% and amounted to £9,919 (2015: £9,528).

During the year computer maintenance fees of £37,794 (2015: £46,682) were charged to a company in which the directors, Mr A Clarke and Mr P Clee, have an interest.

Included within accruals and deferred income is an amount of £54,333 (2015: £54,333) which is owed to the directors for salaries not taken. This amount is interest free, unsecured and repayable on demand.

9 Directors' transactions

Included within creditors at the year end is an amount of £2,100 (2015: £2,100) due to Mr Alan Clarke and £2,100 (2015: £2,100) due to Mr Alan Blyther. These amounts are interest free, unsecured and repayable on demand.

10 Parent company

The company is under the control of FMF Newco Altech Limited by virtue of the fact that it owns 75% of the voting share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.