

ELECO LIMITED (formerly: Elecosoft Ltd)

Registered Number: 02734227

FINANCIAL STATEMENTS

for the year ended 31 December 2015

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DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 2015.

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

RESULTS AND DIVIDEND

The profit for the year ended 31 December 2015 was £718,997 (2014: £2,150,500). An ordinary dividend of £900,000 (2014: £1,600,000) was paid during the period.

REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Elecosoft plc and operates as part of the Elecosoft Group and has elected to take advantage of section 246(4) of the Companies Act 2006 regarding reporting of KPIs.

The Company's principal activity during the year was an investment and holding company.

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors 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 laws including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland). 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 and 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 estimates that are reasonable and prudent;

UK Accounting Standards have been followed, including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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.

The directors confirm that:

so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS AND THEIR INTERESTS

The Directors, who served in the year, were as follows :

G N Spratling

J H B Ketteley

The Company maintains Directors' and Officers' Liability insurance.

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed above. Having made enquiries to fellow Directors and of the Company's Auditors, each of the Directors confirms that to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's Auditors are unaware and each Director has taken all steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's Auditors are aware of the information.

AUDITORS

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



G N Spratling

66 Clifton Street
London
EC2A 4HB

28 September 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ELECO LIMITED (formerly: Elecosoft Ltd)

We have audited the financial statements of Eleco Limited for the year ended 31 December 2015 which comprise the profit and loss account, the statement of changes in equity, the balance sheet and the related notes. The financial reporting framework that has been applied in the preparation of the company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable to the United Kingdom 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 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 auditor

As explained more fully in the Statement of Directors' responsibilities set out on page 1 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of the profit for the year then ended;
- the financial statements have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland "; and
- the financial statements 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.

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 by the company, or returns adequate for our audit have not been received from
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Malcolm A Gomersall
Senior Statutory Auditor
for and behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

29 September 2016

Registered Number: 02734227

ELECO LIMITED (formerly: Elecosoft Ltd)**PROFIT AND LOSS ACCOUNT****For the year ended 31 December 2015**

		2015	(restated) 2014
	NOTES	£	£
Administrative expenses		(19,110)	(23,497)
Operating loss		<u>(19,110)</u>	<u>(23,497)</u>
Dividends received		1,328,666	2,633,302
Profit on ordinary activities before interest and taxation		<u>1,309,556</u>	<u>2,609,805</u>
Interest payable	3	(649,822)	(479,908)
Profit on ordinary activities before taxation	4	<u>659,734</u>	<u>2,129,897</u>
Tax on profit on ordinary activities	5	59,263	20,603
Profit on ordinary activities after taxation		<u><u>718,997</u></u>	<u><u>2,150,500</u></u>

All of the Company's operations are continuing.

The accompanying accounting policies and notes form part of these financial statements.

ELECO LTD**COMPANY STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2015

	Share capital £	Capital contribution	Prior year adjustment	Retained earnings £	Total £
At 1 January 2015	371,191	727,838	-	200,075	1,299,104
Transactions with owners	-	-	-	-	-
Profit for the period	-	-	-	718,997	718,997
Dividend	-	-	-	(900,000)	(900,000)
Total comprehensive income for the period	-	-	-	(181,003)	(181,003)
At 31 December 2015	371,191	727,838	-	19,072	1,118,101

	Share capital £	Capital contribution £		Retained earnings £	Total £
At 1 January 2014 (restated)	371,191	727,838		(350,425)	748,604
Transactions with owners	-	-	-	-	-
Profit for the period	-	-		2,150,500	2,150,500
Dividend	-	-		(1,600,000)	(1,600,000)
Total comprehensive income for the period	-	-	-	550,500	550,500
At 31 December 2014 (restated)	371,191	727,838	-	200,075	1,299,104

ELECO LIMITED (formerly: Elecosoft Ltd) (company number 02734227)

<u>BALANCE SHEET</u>				(restated)	
<u>As at 31 December</u>		2015		2014	
	<u>NOTES</u>	£	£	£	£
FIXED ASSETS					
Investments:					
Shares in related companies	6		14,034,461		14,034,461
			<u>14,034,461</u>		<u>14,034,461</u>
CURRENT ASSETS					
Debtors	7	1,325,558		1,273,601	
		<u>1,325,558</u>		<u>1,273,601</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(14,241,918)</u>		<u>(14,008,958)</u>	
NET CURRENT LIABILITIES			<u>(12,916,360)</u>		<u>(12,735,357)</u>
NET ASSETS			<u>1,118,101</u>		<u>1,299,104</u>
CAPITAL AND RESERVES					
Called up share capital	9		371,191		371,191
Capital contribution	9		727,838		727,838
Profit and loss account			19,072		200,075
EQUITY SHAREHOLDERS' FUNDS			<u>1,118,101</u>		<u>1,299,104</u>

The accompanying accounting policies and notes form part of these financial statements.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

The financial statements on pages 3 to 8 were approved by the Board of Directors on 28 September 2016, and signed on its behalf by:



G N Spratling

ELECO LIMITED (formerly: Elecosoft Ltd)**NOTES TO THE ACCOUNTS for the year ended 31 December 2015****1 ACCOUNTING POLICIES**

The Company financial statements have been prepared in accordance with applicable United Kingdom accounting standards including Financial Reporting Standard 102, the financial Reporting Standard applicable to the United Kingdom and Ireland, and with the Companies Act 2006. This is the first year in which the Company financial statements have been prepared under FRS 102.

The Directors have reviewed the requirements of the new standard and have identified a transition adjustment relating to an intercompany loan. The required adjustment is set out in Note 12 and as a result there is an impact on the loss reported for the financial year ended 31 December 2014.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention and are presented in pounds sterling. The Company has adopted the following disclosure exemptions under FRS 102:

- requirement to present a statement of cash flows and related notes
- financial instrument disclosures.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied or in the case of support contracts the proportion of the contract value accruing in the accounting period. All turnover in the year arose in the United Kingdom.

Investments

Fixed asset investments are shown at cost, together with any incidental costs of acquisition, less any provision for impairment. Provisions are reviewed and adjusted annually to reflect any changes in the carrying value of the underlying subsidiary investment.

Taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiary undertakings only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and

- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in

ELECO LIMITED (formerly: Elecosoft Ltd)**NOTES TO THE ACCOUNTS for the year ended 31 December 2015 (Continued)****2 EMPLOYEES**

The Company has no employees (2014: Nil)

3 INTEREST PAYABLE

	2015	2014
	£	£
Payable to Group undertakings	<u>649,822</u>	<u>479,908</u>

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging or (crediting):-

Fees payable to the Company's auditor for the audit of the financial statements are borne by Elecosoft plc.

	2015	2014
	£	£
	<u>-</u>	<u>-</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES**a) Tax on profit on ordinary activities****Current tax:**

UK current tax on profits of the year

Deferred tax:

Total deferred tax

Tax on profit on ordinary activities

	2015	2014
	£	£
	(59,263)	(20,603)
	<u>-</u>	<u>-</u>
	<u>(59,263)</u>	<u>-</u>

b) Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015	2014
	£	£
Profit on ordinary activities before tax	<u>659,734</u>	<u>2,129,897</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax of 20.25% (2014: 21.49%)	133,596	431,304
Effects of:		
Losses surrendered not paid	<u>(192,859)</u>	<u>(451,907)</u>
Current tax charge for the year	<u>(59,263)</u>	<u>(20,603)</u>

c) Factors that may affect future tax charges

Income tax for the UK has been calculated at the standard rate of UK corporation tax of 20.25% effective from 1 April 2015 (2014: 21.49%) on the estimated assessable profit for the period.

6 SHARES IN RELATED COMPANIES**Shares at cost**

	£
Cost	
As 1 January 2015	14,034,461
Additions	-
At 31 December 2015	<u>14,034,461</u>
Net book value at 31 December 2015	<u>14,034,461</u>
Net book value at 31 December 2014	<u>14,034,461</u>

ELECO LIMITED (formerly: Elecosoft Ltd)**NOTES TO THE ACCOUNTS for the year ended 31 December 2015 (Continued)****6 SHARES IN RELATED COMPANIES (Continued)**

	Country of incorporation	Class of share capital held	Proportion held	Nature of business
Asta Development GMBH	Germany	Ordinary	100%	Software & services
Consultec Group AB	Sweden	Ordinary	100%	Software & services
Elecosoft India Private Limited	India	Ordinary	100%	Software
Eleco Software Limited	UK	Ordinary	100%	Software
Eleco Media Limited	UK	Ordinary	100%	Dormant
Eleco Software GmbH	Germany	Ordinary	100%	Software & services
Online Warehouse Limited	UK	Ordinary	100%	Dormant
Asta Group Limited	UK	Ordinary	100%	Holding company

7 DEBTORS

	2015	2014
Due within one year:	£	£
Amounts owed by Fellow Subsidiaries	1,285,625	1,252,998
Corporation tax	39,933	20,603
	<u>1,325,558</u>	<u>1,273,601</u>

The amount owed by fellow subsidiaries relates to Esign Software GmbH.

8 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
Due within one year:	£	£
Amount owed to parent undertaking	14,770,094	14,633,783
Fair value intercompany loan	(727,838)	(727,838)
Intercompany interest expense	199,662	103,013
	<u>14,241,918</u>	<u>14,008,958</u>

9 CALLED UP SHARE CAPITAL

	2015	2014
	£	£
Allotted, called up and fully paid:		
371,191 ordinary shares of £1 each	371,191	371,191
	<u>371,191</u>	<u>371,191</u>

10 ULTIMATE PARENT COMPANY

The Directors regard Elecosoft plc, a company registered in England and Wales, as the ultimate controlling parent undertaking. Copies of the ultimate controlling parent's consolidated financial statements may be obtained from the Company Secretary, Elecosoft plc, 66 Clifton Street, London, EC2A 4HB.

According to the Register of Members kept by the Company, Elecosoft plc has a 100% interest in the equity capital of the Company at 31 December 2015.

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 102.33 from disclosing transactions with related parties that are part of Eleco plc or subsidiaries.

NOTES TO THE ACCOUNTS for the year ended 31 December 2015 (Continued)

12 FRS 102 TRANSITION ADJUSTMENTS

Transition to FRS 102 required a change in the accounting treatment and the carrying value of an intercompany loan due to a fellow subsidiary. This has resulted in a reduction of the creditor balance at the transition date of £727,838 with a corresponding increase in the capital contribution reserve to reflect the benefit received via the loan at below market rates. In the restated figures for the year to 31 December 2014 the additional interest expense added was £103,013 with a tax credit on that amount of £20,603. Net assets at 31 December 2014 have therefore been restated by £645,428

	At 1 January 2014 £	Fair value intercompany loans payable £	At 1 January 2014 (restated) £	At 31 December 2014 £	Fair value intercompany loans payable £	Intercompany interest expense £	At 31 December current tax £	At 31 December 2014 (restated) £
Fixed assets								
Shares in related companies	14,034,461		14,034,461	14,034,461				14,034,461
	14,034,461	-	14,034,461	14,034,461	-	-	-	14,034,461
Current assets								
Debtors	2,199,088		2,199,088	1,252,998			20,603	1,273,601
	2,199,088		2,199,088	1,252,998	-	-	20,603	1,273,601
Creditors: amounts falling due within one year	(16,212,783)	727,838	(15,484,945)	(14,633,783)	727,838	(103,013)		(14,008,958)
Net current assets/(liabilities)	(14,013,695)		(14,013,695)	(13,380,785)	727,838	(103,013)	20,603	(12,735,357)
Net assets/(liabilities)	20,766	727,838	748,604	653,676	727,838	(103,013)	20,603	1,299,104
Capital and reserves								
Called up shared capital	371,191		371,191	371,191				371,191
Capital contribution		727,838	727,838		727,838			727,838
Profit and loss account	(350,425)		(350,425)	282,485		(103,013)	20,603	200,075
Equity Shareholders' funds	20,766	727,838	748,604	653,676	727,838	(103,013)	20,603	1,299,104

The impact on the Statement of Changes in Equity at 31 December 2014 as a result of the adoption of FRS 102 effective from 1 January 2014 is set out below:

	Share capital £	Capital contribution £	Retained earnings £	Total £
At 31 December 2014 (originally stated)	371,191	-	282,485	653,676
Reduction in intercompany loan creditor		727,838		727,838
Intercompany loan interest expense			(103,013)	(103,013)
Tax			20,603	20,603
Transition adjustments	-	727,838	(82,410)	645,428
At 31 December 2014 (restated)	371,191	727,838	200,075	1,299,104