

ELECOSOFT LIMITED

Registered Number: 02734227

Director's Report and Financial Statements

for the year ended 31 December 2022

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ELECOSOFT LIMITED**OFFICERS AND ADVISERS****Director**

J Hunter

Registered office

Parkway House
Pegasus Way
Haddenham Business Park
Haddenham
HP17 8LJ

Bankers

Barclays Bank plc

Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Elecosoft Limited
Strategic Report

The Company is a wholly owned subsidiary of Eleco plc. The Company operates as part of the Eleco Group.

The Company's principal activities during the period under review was that of a holding company. The Director is not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The Company did not trade during the year. During the year the company received dividends of £4,646,702 (2021: £3,900,770) from its subsidiary undertakings and paid a dividend of £4,646,702 (2021: £3,300,000) to its parent company, Eleco plc.

Outlook

The Director expects a continued improvement in the level of dividends received from its wholly owned subsidiaries and therefore will continue to pass dividends up to the parent company, Eleco plc in the future.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are dependant on the activities of the wholly owned subsidiaries. Details of these are disclosed in the Strategic Report of the financial statements of the subsidiary undertakings.

Parkway House
Pegasus Way
Haddenham Business Park
Haddenham
HP17 8LJ

23 06 2023

BY ORDER OF THE BOARD

Jonathan Hunter

Jonathan Hunter (Jun 23, 2023 12:02 GMT+1)

J Hunter
Director

ELECOSOFT LIMITED**DIRECTOR'S REPORT**

The Director presents their report and the audited financial statements of the Company for the year ended 31 December 2022.

RESULTS AND DIVIDEND

The profit for the year ended 31 December 2022 was £4,200,155 (2021: £3,225,916). An ordinary dividend of £4,646,702 (2021: £3,300,000) was paid during the period.

REVIEW OF THE BUSINESS

The Company is a wholly owned subsidiary of Eleco plc and operates as part of the Eleco 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 Director is not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Director is responsible for preparing the Strategic and Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the director 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 director 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 director is 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 OF DISCLOSURE TO AUDITORS

The Director confirms that:

- so far as each 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 they ought to have taken as director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DIRECTORS

The Directors, who served in the year and up to the date of approval of the financial statements, were as follows :

J Hunter

The Company maintains Director's and Officer's Liability insurance.

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Haddenham Business Park
Haddenham
HP17 8LJ

23 06 2023

BY ORDER OF THE BOARD

Jonathan Hunter

Jonathan Hunter (Jun 23, 2023 12:02 GMT+1)

J Hunter

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**ELECOSOFT LIMITED****Opinion**

We have audited the financial statements of Elecosoft Limited (the 'Company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, Statement of Changes in Equity, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director's with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**ELECOSOFT LIMITED (continued)****Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- The Strategic Report and Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Director's Report.

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 branches not visited by us; or
- the 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.

Responsibilities of director

As explained more fully in the statement of director's responsibilities set out on page 3, the director's are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director's determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director's are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**ELECOSOFT LIMITED (continued)****Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

Euan Banks

EUAN BANKS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

23 06 2023

ELECOSOFT LIMITED**Profit and Loss Account for the year ended 31 December 2022**

		2022	2021
	NOTES	£	£
Administrative income/(expenses)		-	-
Operating profit		-	-
Provision for impairment of investments	5	-	-
Dividends received	12	4,646,702	3,900,770
Profit before interest and taxation		4,646,702	3,900,770
Interest payable	3	(446,548)	(546,018)
Profit before taxation		4,200,154	3,354,752
Tax on profit	4	-	(128,836)
Total comprehensive income and profit after taxation		4,200,154	3,225,916

All of the Company's operations are continuing.

The accompanying accounting policies and notes on pages 10 to 12 form part of these financial statements.

ELECOSOFT LIMITED**Statement of Changes in Equity for the year ended 31 December 2022**

	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2022	371,191	727,838	45,942	1,144,971
Profit for the period	-	-	4,200,154	4,200,154
Total comprehensive income for the period	-	-	4,200,154	4,200,154
Dividend	-	-	(4,646,702)	(4,646,702)
At 31 December 2022	371,191	727,838	(400,606)	698,423

	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2021	371,191	727,838	120,026	1,219,055
Profit for the period	-	-	3,225,916	3,225,916
Total comprehensive income for the period	-	-	3,225,916	3,225,916
Dividend	-	-	(3,300,000)	(3,300,000)
At 31 December 2021	371,191	727,838	45,942	1,144,971

The accompanying accounting policies and notes on pages 10 to 12 form part of these financial statements.

ELECOSOFT LIMITED**Balance Sheet as at 31 December 2022**

		2022		2021	
	<u>NOTES</u>	£	£	£	£
FIXED ASSETS					
Investments:					
Shares in related companies	5		19,600,731	19,600,731	19,600,731
			<u>19,600,731</u>	<u>19,600,731</u>	
CURRENT ASSETS					
Debtors	6	2,496		249,882	
		<u>2,496</u>		<u>249,882</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	7	<u>(18,904,804)</u>		<u>(18,705,642)</u>	
NET CURRENT LIABILITIES			<u>(18,902,308)</u>	<u>(18,455,760)</u>	
NET ASSETS			<u><u>698,423</u></u>	<u><u>1,144,971</u></u>	
CAPITAL AND RESERVES					
Called up share capital	8		371,191	371,191	
Capital contribution			727,838	727,838	
Profit and loss account			(400,606)	45,942	
SHAREHOLDERS' EQUITY			<u><u>698,423</u></u>	<u><u>1,144,971</u></u>	

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

The financial statements of Elecosoft Limited, registered number 02734227, on pages 7 to 12 were approved by the Board of Directors on 23 06 2023, and signed on its behalf by:

Jonathan Hunter

Jonathan Hunter (Jun 23, 2023 12:02 GMT+1)

J Hunter

ELECOSOFT LIMITED
Notes to the financial statements for the year ended 31 December 2022

1 ACCOUNTING POLICIES

Company Information

Elecosoft Limited (the "Company") is a private company limited by shares incorporated in the UK and its registered office is at Parkway House, Pegasus Way, Haddenham Business Park, Haddenham, HP17 8LJ.

Basis of preparation

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"), the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

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 Company has adopted the following disclosure exemptions under FRS 102 as the parent company consolidated financial statements are publically available:

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

Significant accounting judgements and estimates

Application of the Company's accounting policies in conformity with generally accepted accounting principles requires judgements and estimates that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. These judgements and estimates may be affected by subsequent events or actions such that actual results may ultimately differ from the estimates.

The director considers there to be no significant accounting judgements or estimates.

The following are the key accounting policies of the Group:

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.

Consolidated accounts

The Company is a wholly owned subsidiary of Eleco plc and the figures of the company are included within the group financial statements of Eleco plc. Consequently the company is exempt from the requirement to publish group consolidated accounts. Accordingly the information included within the financial statements is for the individual undertaking only.

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 balance sheet date where transactions or events have occurred at the date will result in an obligation to pay more tax or a right to pay less or to receive more tax, with the following exceptions:

- 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 Director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Dividends

Dividend income represents income from investment in shares of related companies.

Dividends paid are those declared by the end of the reporting period in favour of the parent company, Eleco plc.

Going concern

Notwithstanding the net current liabilities of approximately £18.9m, these financial statements have been prepared on a going concern basis as the parent company has confirmed its financial support and that it will not require repayment of the intercompany loan within the next 12 months from the signing of these financial statements if it would prejudice the ability of the company to continue as a going concern. As such, the Director has a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future, being the twelve month period from approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

ELECOSOFT LIMITED**Notes to the financial statements for the year ended 31 December 2022 (continued)****2 EMPLOYEES**

The Company has no employees (2021: nil).

Director remuneration is borne by the parent company, Eleco plc.

3 INTEREST PAYABLE

	2022	2021
	£	£
Payable to Group undertakings	<u>446,548</u>	<u>546,018</u>

4**a) Tax on profit**

	2022	2021
	£	£
Current tax:		
UK current tax on profits of the year	-	128,836
Deferred tax:		
Total deferred tax	-	-
Tax on profit	<u>-</u>	<u>128,836</u>

b) Factors affecting tax credit for period

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

	2022	2021
	£	£
Profit before tax	<u>4,200,154</u>	<u>3,354,752</u>
Profit multiplied by the average standard rate of corporation tax of 19.00% (2021: 19.00%)	798,029	637,403
Effects of:		
Income not taxable	(798,029)	(758,263)
Expenses not deductible for tax purposes	-	128,836
Losses surrendered not paid	-	120,860
Current tax credit for the year	<u>-</u>	<u>128,836</u>

c) Factors that may affect future tax charges

Income tax for the UK has been calculated at the weighted average rate of UK corporation tax of 19.00% (2021: 19.00%) on the estimated assessable profit for the period.

A change to the main UK corporation tax rate was substantively enacted for FRS 102 purposes. The rate applicable from 1 April 2023 now remains at 25%, rather than the previously enacted 19%. These rates have been applied to determine deferred tax assets and liabilities at the Balance Sheet date.

5 SHARES IN RELATED COMPANIES

	Shares at cost
	£
Cost	
At 1 January 2022	<u>20,382,465</u>
At 31 December 2022	<u>20,382,465</u>
Accumulated provision	
At 1 January 2022	<u>(781,734)</u>
At 31 December 2022	<u>(781,734)</u>
Net book value at 31 December 2021	<u>19,600,731</u>
Net book value at 31 December 2022	<u>19,600,731</u>

Company	Aggregate of share capital and reserves	Profit / (loss) for the year	Country of incorporation	Class of share capital held	Proportion held	Nature of business
	£	£				
Asta Development GMBH	(70,712)	(335,002)	Germany	Ordinary	100%	Software & services
Elecosoft Consultec AB	3,183,206	713,461	Sweden	Ordinary	100%	Software & services
Elecosoft UK Limited *	11,244,538	5,146,923	UK	Ordinary	100%	Software & services
Asta Group Limited	156,750	4,000,000	UK	Ordinary	100%	Holding company
Eleco Software Limited	(1,145,254)	(78,947)	UK	Ordinary	100%	Software
Shire Systems Limited	1,944,388	52,483	UK	Ordinary	100%	Software & services
Eleco Software GmbH	28,878	(78,833)	Germany	Ordinary	100%	Software & services
Elecosoft LLC	(316,679)	(28,855)	US	Ordinary	100%	Software
Elecosoft BV	574,931	195,898	Netherlands	Ordinary	100%	Software & services
Elecosoft Australia Pty	(24,030)	(23,925)	Australia	Ordinary	100%	Software & services

* shares held indirectly

Details of the registered office for each related entity are disclosed in the consolidated financial statements of Eleco plc, the ultimate parent company, which are publicly available.

ELECOSOFT LIMITED**Notes to the financial statements for the year ended 31 December 2022 (continued)****6 DEBTORS**

	2022	2021
	£	£
Due within one year:		
Amounts owed by group undertakings	2,496	249,882
Corporation tax	-	-
	<u>2,496</u>	<u>249,882</u>

The amount owed by fellow subsidiaries relates to Veeuze GmbH. This loan is interest bearing and is fully payable within one year. There is no security on this loan.

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Due within one year:		
Amount owed to parent undertaking	18,904,804	18,705,642
	<u>18,904,804</u>	<u>18,705,642</u>

8 CALLED UP SHARE CAPITAL

	2022	2021
	£	£
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>

9 ULTIMATE PARENT COMPANY

The Director regards Eleco 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, Eleco plc, Dawson House, 5 Jewry Street, London, EC3N 2EX.

According to the Register of Members kept by the Company, Eleco plc has a 100% interest in the equity capital of the Company at 31 December 2022.

10 RELATED PARTY TRANSACTIONS

As permitted by FRS102 Section 33 "related party disclosures" the financial statements do not disclose transactions with the parent company and fellow subsidiaries where 100% of the voting rights are wholly controlled by the Group.

Eleco plc is the smallest and largest group for which consolidated accounts including this entity are prepared.

11 CONTINGENT LIABILITIES

Security provided to the bank for the provision of the Group's banking facilities is a cross guarantee and debenture between the Company and the parent company, Eleco plc.

Further details of post-balance sheet events can be obtained from the Group's Annual Report and Accounts, which does not form part of this Report.

12 DIVIDENDS

Dividends received in the year from subsidiary undertakings amounted to £4,646,702 (2021: £3,900,770).

Dividends paid in the year to the ultimate parent company, Eleco plc, amounted to £4,646,702 (2021: £3,300,000).

The Company received additional dividend of £500,000 on the 15th of March 2023. This ensures a positive reserve balance. Dividends in the Company are received from investments which are also fellow undertakings in the Eleco plc group like the Company. The ultimate parent undertaking of the Company is Eleco plc, which is also the ultimate beneficiary of dividends paid by the Company.