

ADVANCED DEMAND SIDE MANAGEMENT LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2018

ADVANCED DEMAND SIDE MANAGEMENT LIMITED
REGISTERED NUMBER: 02688973

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Tangible assets	4	33,655	31,271
Investments	5	217,205	275,841
		<u>250,860</u>	<u>307,112</u>
Current assets			
Stocks	6	31,879	21,911
Debtors: amounts falling due within one year	7	700,899	655,565
Cash at bank and in hand		77,250	292,603
		<u>810,028</u>	<u>970,079</u>
Creditors: amounts falling due within one year	8	(285,205)	(338,188)
Net current assets		<u>524,823</u>	<u>631,891</u>
Total assets less current liabilities		<u>775,683</u>	<u>939,003</u>
Provisions for liabilities			
Other provisions	11	(258,494)	(277,603)
Net assets		<u><u>517,189</u></u>	<u><u>661,400</u></u>
Capital and reserves			
Called up share capital		50,000	50,000
Other reserves		7,810	61,490
Profit and loss account		459,379	549,910
		<u><u>517,189</u></u>	<u><u>661,400</u></u>

ADVANCED DEMAND SIDE MANAGEMENT LIMITED
REGISTERED NUMBER: 02688973

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2018.

P McCart
Director

The notes on pages 3 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Advanced Demand Side Management Limited is a private company limited by shares incorporated in England within the United Kingdom. The address of the registered office is Commercial House, 80 High Street, Eton, Windsor, Berkshire, SL4 6AF. The company is not part of a group.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	-	Over the term of the lease
Plant and machinery	-	20% straight line
Motor vehicles	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Employees

The average monthly number of employees, including directors, during the year was 18 (2017 - 17).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

4. Tangible fixed assets

	L/Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2017	125,604	145,810	-	271,414
Additions	-	2,925	16,700	19,625
At 31 March 2018	125,604	148,735	16,700	291,039
Depreciation				
At 1 April 2017	125,604	114,539	-	240,143
Charge for the year on owned assets	-	13,901	3,340	17,241
At 31 March 2018	125,604	128,440	3,340	257,384
Net book value				
At 31 March 2018	-	20,295	13,360	33,655
At 31 March 2017	-	31,271	-	31,271

ADVANCED DEMAND SIDE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

5. Fixed asset investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 April 2017 (as previously stated)	1	199,927	199,928
Prior Year Adjustment	-	75,913	75,913
At 1 April 2017 (as restated)	1	275,840	275,841
Additions	-	7,635	7,635
Revaluations	-	(66,271)	(66,271)
At 31 March 2018	1	217,204	217,205
Net book value			
At 31 March 2018	1	217,204	217,205
At 31 March 2017 (as restated)	1	275,840	275,841

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
ADSM Trustees Limited	Ordinary £1	100 %	dormant

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
ADSM Trustees Limited	1
	1

Listed investments

The fair value of the listed investments at 31 March 2018 was £217,204 (2017 - £275,840).

ADVANCED DEMAND SIDE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Stocks

	2018 £	2017 £
Raw materials and consumables	31,879	21,911
	<u>31,879</u>	<u>21,911</u>

7. Debtors

	2018 £	As restated 2017 £
Trade debtors	326,831	270,781
Other debtors	305,992	321,501
Prepayments and accrued income	21,371	26,616
Deferred taxation	46,705	36,667
	<u>700,899</u>	<u>655,565</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	52,616	103,131
Other taxation and social security	52,421	76,279
Other creditors	76,828	87,684
Accruals and deferred income	103,340	71,094
	<u>285,205</u>	<u>338,188</u>

9. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>217,204</u>	<u>275,840</u>

Financial assets measured at fair value through profit or loss comprise listed investments held by the Company.

ADVANCED DEMAND SIDE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

10. Deferred taxation

	2018 £	As restated 2017 £
At beginning of year	36,667	(6,261)
Charged to profit or loss	10,038	42,928
At end of year	46,705	36,667

The deferred tax asset is made up as follows:

	2018 £	As restated 2017 £
Tax losses carried forward	48,535	51,090
On unrealised gains	(1,830)	(14,423)
	46,705	36,667

11. Provisions

	£
At 1 April 2017	277,603
Utilised in year	(19,109)
At 31 March 2018	258,494

The provision relates to the expected losses from customers disputing the basis for calculating the split of shared savings between the customer and the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

12. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
3,350,000 ordinary shares of £0.01 each	33,500	33,500
500,000 ordinary A shares of £0.01 each	5,000	5,000
600,000 ordinary B shares of £0.01 each	6,000	6,000
100,000 ordinary C shares of £0.01 each	1,000	1,000
100,000 ordinary D shares of £0.01 each	1,000	1,000
100,000 ordinary E shares of £0.01 each	1,000	1,000
50,000 ordinary F shares of £0.01 each	500	500
50,000 ordinary G shares of £0.01 each	500	500
50,000 ordinary H shares of £0.01 each	500	500
50,000 ordinary I shares of £0.01 each	500	500
50,000 ordinary J shares of £0.01 each	500	500
	<hr/> 50,000 <hr/>	<hr/> 50,000 <hr/>

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £948 (2017 - £99,184).

Contributions totalling £72,242 (2017 - £76,131) were payable to the fund at the balance sheet date.

14. Related party transactions

During the year the Company operated a loan account with ADSM Employee Benefit Trust, the trustee of which is ADSM Trustees Ltd and whose directors are P McCart and G Stevens.

The amount due from them at the year end included in debtors was £212,259 (2017 £212,259). The loan is interest free and repayable on demand.

During the year the company operated a loan account with a director.

The amount due to the Company at the year end was £3,298, which was repaid to the Company within 9 months of the year end (2017 due from the Company £3,069). Interest is charged on the loan balance owed to the Company at 2.5% and the loan is repayable on demand.

During the year the Company operated a loan account with a former subsidiary company, in which a director of the Company is a minority shareholder. The company wrote off £56,260 (2017 £130,000) of the loan during the year.

The amount due from them at the year end was £30,000 (2017 £86,260). The loan is interest free and repayable on demand.

During the year the Company operated loan accounts with other related parties.

The total amount due to the Company at the year end was £11,000 (2017 £10,000). The loans are interest free and repayable on demand.

ADVANCED DEMAND SIDE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

15. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 December 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 December 2015

	Note	£
Equity at 1 December 2015 under previous UK GAAP		405,699
Fair value movements	1	32,954
Deferred tax on fair value movements		(6,261)
		<hr/>
Equity shareholders funds at 1 December 2015 under FRS 102		<u><u>432,392</u></u>

Reconciliation of equity at 31 March 2017

	Note	£
Equity at 31 March 2017 under previous UK GAAP		599,910
Fair value movements	1	75,913
Deferred tax on fair value movements		(14,423)
		<hr/>
Equity shareholders funds at 31 March 2017 under FRS 102		<u><u>661,400</u></u>

The following were changes in accounting policies arising from the transition to FRS 102:

- Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period. Previously listed company shares were recognised at the lower of cost and net realisable value.

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