

ELECTRA-NET GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016

WEDNESDAY



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COMPANIES HOUSE

ELECTRA-NET GROUP LIMITED

COMPANY INFORMATION

Directors	S J S Mayall on behalf of Capita Corporate Director Limited N S Dale (Appointed 9 November 2017)
Secretary	Capita Group Secretary Limited
Company number	06408650
Registered office	17 Rochester Row London United Kingdom SW1P 1QT
Auditors	KPMG LLP 15 Canada Square London E14 5GL

ELECTRA-NET GROUP LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4
Statement of profit and loss and comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 11

ELECTRA-NET GROUP LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the period ended 31 December 2016.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's IT Services Division (formerly IT Enterprise services division).

The principal activity of the company is that of an intermediary 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.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end, with net liabilities of £11,484,000 (31 December 2015: £11,484,000). Details of amounts owed to/by its parent company and fellow subsidiary undertakings are shown in note 5 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manages its operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the IT Enterprise Services division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



N S Dale

Director

31/12/16

ELECTRA-NET GROUP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the period ended 31 December 2016.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors, have held office since 1 January 2016:

S J S Mayall on behalf of Capita Corporate Director
Limited

R J Shearer (Resigned 31 December 2016)

P Hands (Resigned 30 April 2016)

L Oxley (Resigned 18 May 2016)

I E Jarvis (Appointed 21 December 2016 and resigned 9 November 2017)

N S Dale (Appointed 9 November 2017)

Auditor

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 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.

Statement of disclosure to auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ELECTRA-NET GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board



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N S Dale

Director

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31.12.16

ELECTRA-NET GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ELECTRA-NET GROUP LIMITED

We have audited the financial statements of Electra-Net Group Limited for the period ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 set out on page 2, 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 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 2016 and of its result for the period 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.


Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Kelly Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

31 July 2018
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ELECTRA-NET GROUP LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2016

		12 Months ended 31 December 2016 £'000	10 Months ended 31 December 2015 £'000
	Notes		
Interest payable and similar charges	3	-	(95)
		<hr/>	<hr/>
Profit/(loss) before taxation		-	(95)
Tax on profit/(loss)		-	-
		<hr/>	<hr/>
Profit/(loss) and comprehensive income for the financial period		-	(95)
		<hr/>	<hr/>

The statement of profit and loss and comprehensive income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

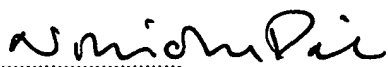
ELECTRA-NET GROUP LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		31 December 2016 £'000	31 December 2015 £'000
	Notes		
Fixed assets			
Investments	4	16,878	16,878
		<u>16,878</u>	<u>16,878</u>
Creditors: amounts falling due within one year	5	(28,362)	(28,362)
Net current liabilities		<u>(28,362)</u>	<u>(28,362)</u>
Total assets less current liabilities		(11,484)	(11,484)
		<u>(11,484)</u>	<u>(11,484)</u>
Capital and reserves			
Called up share capital	6	460	460
Profit and loss account	6	(11,944)	(11,944)
Shareholders' deficit		<u>(11,484)</u>	<u>(11,484)</u>

Approved by the Board and authorised for issue on ...31/12/18.



N S Dale
Director

Company Registration No. 06408650

ELECTRA-NET GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2016

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
At 1 March 2015	460	(11,849)	(11,389)
	<hr/>	<hr/>	<hr/>
Loss for the period	-	(95)	(95)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(95)	(95)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	460	(11,944)	(11,484)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	460	(11,944)	(11,484)
	<hr/>	<hr/>	<hr/>

ELECTRA-NET GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

Electra-Net Group Limited is a company incorporated and domiciled in the UK.

Despite the company being in a net liability position the ultimate parent undertaking has stated that it will provide continuing financial assistance to the company provided that the company remains part of the Capita Group.

Due to the financial assistance provided by the ultimate parent undertaking, the company should have sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.2 Compliance with accounting standards

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Capita plc, includes the company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from 30 Berners Street, London, England, W1T 3LR. In these financial statements, the company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less. Bank overdrafts are shown within current liabilities.

ELECTRA-NET GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

1 Accounting policies

1.5 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1.6 Group Accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is fully exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

ELECTRA-NET GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

2 Loss for the period

After the acquisition of the parent company by Capita IT Services Holdings Limited, audit fees were borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £2,000 (2015: £1,000). The company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

3 Interest payable and similar charges

	12 months ended 31 December 2016 £'000	10 months ended 31 December 2015 £'000
On bank overdrafts and loans	-	95

4 Investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2016 & 31 December 2016	16,878
Provision for diminution in value	
At 1 January 2016 & 31 December 2016	-
Net book value	
At 31 December 2016	16,878
At 31 December 2015	16,878
Holdings of ordinary share capital	

Details of the company's subsidiaries at 31 December 2016 are as follows:

Company	Country of registration or incorporation	Ordinary shares held (%)	Nature of business
Electra-Net (UK) Limited	17 Rochester Row, London, SW1P 1QT, UK	100	Electrical and data network

ELECTRA-NET GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2016

5 Creditors: amounts falling due within one year

	31 December 2016 £'000	31 December 2015 £'000
Amount due to parent and fellow subsidiary undertakings	28,362	28,324
Accruals and deferred income	-	38
	<u>28,362</u>	<u>28,362</u>

6 Capital and reserves

Ordinary share capital

Authorised

460,000 Ordinary shares of £1 each

	31 December 2016 £'000	31 December 2015 £'000
	460	460

Share capital

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

Profit and loss account

Net profits kept to accumulate in the company after dividends are paid and retained in the business as working capital.

7 Directors' remuneration

Directors remuneration was borne by another subsidiary company of Capita plc without recharge.

8 Controlling party

The company's immediate parent undertaking is Electra-Net Holdings Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 30 Berners Street, London, England, W1T 3LR.