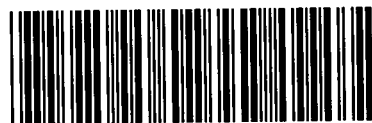


**EDENHOUSE SOLUTIONS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

**Company Registration Number 06498946**

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COMPANIES HOUSE

**EDENHOUSE SOLUTIONS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 MARCH 2014**

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**The board of directors**

I D Fisher  
P M McCudden  
P M Solomon

**Company secretary**

TWP (Company Secretary) Limited

**Registered office**

6 Quartz Point  
Stonebridge Road  
Coleshill  
Birmingham  
West Midlands  
B46 3JL

**Auditor**

Baker Tilly UK Audit LLP  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

# EDENHOUSE SOLUTIONS LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 MARCH 2014

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The directors present their Strategic report and the financial statements of Edenhouse Solutions Limited for the year ended 31 March 2014.

### **Principal activity**

The principal activity of the company during the year was that of the implementation and support of SAP software.

### **Review of the business**

The profit for the year, after taxation, amounted to £1,495,554 (2013: £1,505,797). The company balance sheet remains strong with net assets of £2,670,912 (2013: £1,949,657). The business is performing well and in line with expectations.

### **Key performance indicators**

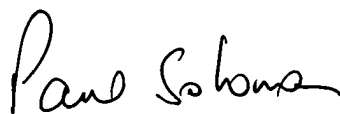
The financial performance of the company is managed with extensive monthly reporting enhanced through the implementation of the full end to end SAP system during the year.

The company prides itself on its level of customer service and satisfaction and these continue to be high.

### **Risks and uncertainties**

The business is influenced by the state of the UK economy and to a lesser extent the state of the global economy. The company's plan is to ensure these risks are mitigated by focusing on superior customer service and loyalty, so ensuring customers continue to see Edenhouse as their strategic SAP Partner.

Signed on behalf of the directors



P M Solomon

Director

10 July 2014

# EDENHOUSE SOLUTIONS LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 MARCH 2014

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The directors present their report and the financial statements of the company for the year ended 31 March 2014.

#### **Future developments**

The board has a very clear strategy and with investment aligned to its business strategy, the board remain extremely positive with regards to short and long term growth.

#### **Dividends**

Particulars of dividends paid are detailed in note 7 to the financial statements.

#### **Directors**

The directors who have served the company since 1 April 2013 were as follows:

I D Fisher  
P M McCudden  
P M Solomon  
J D Wellesley Wesley (resigned 4 February 2014)

#### **Statement as to disclosure of information to auditor**

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they 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 it has been communicated to the auditor.

Signed on behalf of the directors



P M Solomon

Director

10 July 2014

**EDENHOUSE SOLUTIONS LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**YEAR ENDED 31 MARCH 2014**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

**EDENHOUSE SOLUTIONS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**EDENHOUSE SOLUTIONS LIMITED**  
**YEAR ENDED 31 MARCH 2014**

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We have audited the financial statements on pages 7 to 16. 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).

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 4, 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 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](http://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 March 2014 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

**EDENHOUSE SOLUTIONS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
EDENHOUSE SOLUTIONS LIMITED *(continued)***

**YEAR ENDED 31 MARCH 2014**

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**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.

*Baker Tilly UK Audit LLP*

Benjamin Lawrance, Senior Statutory Auditor  
For and on behalf of Baker Tilly UK Audit LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date:- *5 August 2014*

# EDENHOUSE SOLUTIONS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2014

		2014 £	2013 £
<b>Turnover</b>	<b>Note</b> 2	14,869,948	10,738,585
Cost of sales		(11,363,500)	(7,118,924)
<b>Gross profit</b>		3,506,448	3,619,661
Administrative expenses		(1,562,596)	(1,635,611)
<b>Operating profit</b>		1,943,852	1,984,050
Interest receivable	3	7,231	-
<b>Profit on ordinary activities before taxation</b>	4	1,951,083	1,984,050
Tax on profit on ordinary activities	6	(455,529)	(478,253)
<b>Profit for the financial year</b>	16, 17	1,495,554	1,505,797

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 9 to 16 form part of these financial statements.



**EDENHOUSE SOLUTIONS LIMITED**

Registered Number 06498946

**BALANCE SHEET****31 MARCH 2014**

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Intangible assets	8	—	—
Tangible assets	9	140,047	213,385
		<u>140,047</u>	<u>213,385</u>
<b>Current assets</b>			
Debtors due within one year	10	8,441,405	4,671,208
Debtors due after one year	10	3,483,199	—
Cash at bank and in hand		2,556,194	2,047,828
		<u>14,480,798</u>	<u>6,719,036</u>
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	11	(5,154,448)	(1,953,903)
<b>Net current assets</b>		9,326,350	4,765,133
<b>Total assets less current liabilities</b>		<u>9,466,397</u>	<u>4,978,518</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	(1,000,000)	—
<b>Provisions for liabilities</b>	13	(18,401)	(30,035)
<b>Accruals and deferred income</b>		(5,777,084)	(2,998,826)
<b>Net assets</b>		<u>2,670,912</u>	<u>1,949,657</u>
<b>Capital and reserves</b>			
Called-up share capital	15	92,000	92,000
Other reserve account	16	39,240	39,240
Capital redemption reserve	16	12,500	12,500
Profit and loss account	16	2,527,172	1,805,917
<b>Shareholder's funds</b>	17	<u>2,670,912</u>	<u>1,949,657</u>

The financial statements on pages 7 to 16 were approved by the directors and authorised for issue on 10 July 2014, and are signed on their behalf by:



I D Fisher  
Director

The notes on pages 9 to 16 form part of these financial statements.

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

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**1. Accounting policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

*Going concern*

The directors have reviewed the trading and cash flow projections and are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

**Cash flow statement**

The directors have taken advantage of the exemption of Financial Reporting Standard No 1 (Revised 1996) not to produce a cash flow statement as its cash flows are included in the consolidated financial statements of its parent undertaking, Edenhouse ERP Holdings Limited, which are publicly available.

**Turnover**

Turnover represents value, net of Value Added Tax, of goods sold and services provided to customers. Revenue is recognised as follows:

- Amounts collected from customers for annual support and maintenance contracts and annual licences are not recognised immediately, but put into a deferred income account and released to the profit and loss account evenly over the term of the contract.
- Amounts collected for consultancy are not recognised immediately, but put into a deferred income account and released as services are provided.

**Goodwill**

Goodwill representing the excess consideration for an acquired business compared with the fair value of net assets acquired has been capitalised and has been written off evenly over 3 years as in the opinion of the directors this represented the period over which the goodwill was effective.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset down to its estimated residual value, net of anticipated residue value, evenly over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% straight line on cost
Computer Equipment	-	50% straight line on cost
Software	-	20% straight line on cost

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

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**1. Accounting policies *(continued)***

**Operating lease agreements**

The annual rentals on operating leases are charged to the profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into a lease are accounted for over the period of the lease so as to spread the benefit over the lease term or, if shorter, the period ending when prevailing market rentals will become payable.

**Pension costs**

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

**2. Turnover**

The turnover and profit before tax are attributable to the one principal activity of the company which is all based in the United Kingdom.

**3. Interest receivable**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Interest receivable	<u>7,231</u>	<u>—</u>

**4. Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Depreciation of owned fixed assets	85,801	89,340
Auditors' remuneration for statutory audit	12,000	10,750
Operating lease costs:		
-Plant and machinery	23,131	12,418
-Land and buildings	<u>137,836</u>	<u>64,315</u>

**5. Employees**

The average number of staff (including directors) employed by the company during the financial year amounted to:

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Consultants	104	65
Administration	<u>11</u>	<u>11</u>
	<u>115</u>	<u>76</u>

The aggregate payroll costs of the above were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	6,027,632	4,168,040
Social security costs	688,499	469,435
Other pension costs	181,137	95,229
	<u>6,897,268</u>	<u>4,732,704</u>

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

**5. Employees (continued)**

Directors

The directors' aggregate remuneration in respect of qualifying services were:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Emoluments	88,410	128,231
Value of company pension contributions to money purchase schemes	13,049	12,103
	<u>101,459</u>	<u>140,334</u>

The number of directors to whom retirement benefits are accruing under defined contribution pension schemes was 3 (2013: 3).

**6. Taxation on profit on ordinary activities**

Current tax:	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
UK corporation tax on profit for year	467,163	483,725
Adjustments in respect of previous periods	-	21
Total current tax	<u>467,163</u>	<u>483,746</u>
Deferred tax:		
Origination and reversal of timing differences	(7,717)	(4,012)
Effect of change in tax rate of opening balances	(3,917)	(1,481)
Total deferred tax	<u>(11,634)</u>	<u>(5,493)</u>
Total tax on profit on ordinary activities	<u>455,529</u>	<u>478,253</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK (23% (2013: 24%)). The differences are explained below:

Profit on ordinary activities before tax	1,951,083	1,984,050
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013: 24%)	448,749	476,172
Effects of:		
Fixed asset differences	962	792
Expenses not deductible for tax purposes	8,578	3,603
Adjustments in respect of previous periods	-	21
Depreciation in excess of capital allowances/(capital allowances in excess of depreciation)	13,920	(773)
Other short term timing differences	(5,046)	3,931
Total current tax	<u>467,163</u>	<u>483,746</u>

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

**7. Dividends**

**Equity dividends**

	2014 £	2013 £
Paid during the year:		
Dividends on Ordinary B Shares 12.75 per 1 pence share (2013: 5.93p per 1 pence share)	172,067	80,000
Dividends on Ordinary C Shares 12.75 per 1 pence share (2013: 5.93p per 1 pence share)	172,067	80,000
Dividends on Ordinary D Shares 12.75 per 1 pence share (2013: 3.40p per 1 pence share)	430,165	114,800
	<u>774,299</u>	<u>274,800</u>

**8. Intangible fixed assets**

	Goodwill £
<b>Cost</b>	
At 1 April 2013 and 31 March 2014	<u>15,000</u>
<b>Amortisation</b>	
At 1 April 2013 and 31 March 2014	<u>15,000</u>
<b>Net book value</b>	
At 31 March 2014	<u>-</u>
At 31 March 2013	<u>-</u>

**9. Tangible fixed assets**

	Fixtures & Fittings £	Computer Equipment £	Software £	Total £
<b>Cost</b>				
At 1 April 2013	176,363	175,202	85,701	437,266
Additions	6,343	-	6,120	12,463
At 31 March 2014	<u>182,706</u>	<u>175,202</u>	<u>91,821</u>	<u>449,729</u>
<b>Depreciation</b>				
At 1 April 2013	80,259	131,120	12,502	223,881
Charge for the year	36,858	31,293	17,650	85,801
At 31 March 2014	<u>117,117</u>	<u>162,413</u>	<u>30,152</u>	<u>309,682</u>
<b>Net book value</b>				
At 31 March 2014	<u>65,589</u>	<u>12,789</u>	<u>61,669</u>	<u>140,047</u>
At 31 March 2013	<u>96,104</u>	<u>44,082</u>	<u>73,199</u>	<u>213,385</u>

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

**10. Debtors**

	2014 £	2013 £
Trade debtors	4,914,449	2,504,337
Amounts owed by parent undertaking	4,474,095	1,292,075
Amounts owed by fellow subsidiary undertakings	241,038	130,550
Prepayments and accrued income	2,295,022	744,246
	<u>11,924,604</u>	<u>4,671,208</u>

The debtors above include the following amounts falling due after more than one year:

	2014 £	2013 £
Amounts owed by parent undertaking	<u>3,483,199</u>	<u>-</u>

**11. Creditors: Amounts falling due within one year**

	2014 £	2013 £
Other loan	1,000,000	-
Trade creditors	2,236,844	808,141
Other taxation and social security costs	1,395,753	640,077
Other creditors	54,688	21,939
Corporation tax	467,163	483,746
	<u>5,154,448</u>	<u>1,953,903</u>

See note 12 for details of the other loan.

**12. Creditors: Amounts falling due after more than one year**

	2014 £	2013 £
Other loan	<u>1,000,000</u>	<u>-</u>

The above is due within one to two years.

The other loan balance is guaranteed by the company's parent, Edenhouse ERP Holdings Limited and is interest free. The balance is due for repayment in annual instalments until 4 February 2016.

**13. Provisions for liabilities**

Provisions for liabilities relates to deferred taxation. The movement during the year was:

	2014 £	2013 £
At 1 April 2013	30,035	35,528
Profit and loss account movement arising during the year	(11,634)	(5,493)
At 31 March 2014	<u>18,401</u>	<u>30,035</u>

**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

**13. Provisions for liabilities (continued)**

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	<u>18,401</u>	<u>30,035</u>

**14. Commitments under operating leases**

At 31 March the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land and buildings 2014 £</b>	<b>Land and buildings 2013 £</b>	<b>Other 2014 £</b>	<b>2013 £</b>
Operating leases which expire:				
Within one year	74,315	-	1,625	-
Between one and two years	-	64,315	35,034	1,625
Between two and five years	65,188	-	11,780	35,035
Within one year	<u>139,503</u>	<u>64,315</u>	<u>48,439</u>	<u>36,660</u>

**15. Share capital**

Allotted, called up and fully paid:

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
	<b>£</b>	<b>£</b>
Ordinary A shares of £0.01 each	3,125,000	3,125,000
Ordinary B shares of £0.01 each	1,350,000	1,350,000
Ordinary C shares of £0.01 each	1,350,000	1,350,000
Ordinary D shares of £0.01 each	3,375,000	3,375,000
	<u>9,200,000</u>	<u>9,200,000</u>
	<u>92,000</u>	<u>92,000</u>

The A, B, C and D ordinary shares rank pari passu in all respects except that holders shall only be entitled to such dividend as may be determined by the Board.

**16. Reserves**

	<b>Other reserve account £</b>	<b>Capital redemption reserve £</b>	<b>Profit and loss account £</b>
Balance brought forward	39,240	12,500	1,805,917
Profit for the year	-	-	1,495,554
Equity dividends (note 7)	-	-	(774,299)
Balance carried forward	<u>39,240</u>	<u>12,500</u>	<u>2,527,172</u>



**EDENHOUSE SOLUTIONS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2014**

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**17. Reconciliation of movements in shareholder's funds**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,495,554	1,505,797
Equity dividends (note 7)	(774,299)	(274,800)
Net addition to shareholders' funds	<u>721,255</u>	<u>1,230,997</u>
Opening shareholder's funds	<u>1,949,657</u>	<u>718,660</u>
Closing shareholder's funds	<u><u>2,670,912</u></u>	<u><u>1,949,657</u></u>

**18. Ultimate parent company**

The ultimate parent company for the year continued to be Edenhouse ERP Holdings Limited, a company registered in England and Wales.

**19. Ultimate controlling party**

The ultimate controlling party for the year continued to be P M Solomon by virtue of his controlling interest in the share capital of Edenhouse ERP Holdings Limited, the parent company of Edenhouse Solutions Limited.

**20. Related party transactions**

Advantage is taken under FRS 8 not to disclose transactions with other group companies as the company is a wholly owned subsidiary and the consolidated financial statements of Edenhouse ERP Holdings Limited are publicly available.

During the year, J D Wellesley Wesley, a director of the company until 4 February 2014, provided a loan to the company of £2,000,000. This balance is interest free and is due for repayment in annual instalments until 4 February 2016. The outstanding balance is £2,000,000 as at 31 March 2014.

**21. Pensions**

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company and amounted to £181,137 (2013: £95,229). Contributions totalling £41,616 (2013: £21,939) were payable to the fund at the year end and are included in Other Creditors.

**22. Contingent liabilities**

The company is party to a group VAT registration. At 31 March 2014, the group had a VAT liability of £1,206,956.