3173 Limited
(Formerly Known as Elleon Investments Limited)

Company Registration
No. NI055847 (Northern Ireland)

Report and Consolidated Financial Statements

Year Ended
31 March 2019

Company information

Directors	Mr D N Copeland Mr D J Davison Mr B D Spence Mr A M Collins Mr H D Nolan Ms K S Stafford
Secretary	Ms K S Stafford
Company number	NI055847
Registered office	Linen Loft 27-37 Adelaide Street Belfast BT2 8FE
Auditor	RSM UK Audit LLP Chartered Accountants Number One Lanyon Quay Belfast BT1 3LG
Business address	Linen Loft 27-37 Adelaide Street Belfast BT2 8FE 46 New Broad Street London EC2M 1JH
Bankers	Royal Bank of Scotland Glasgow City Branch 10 Gordon Street Glasgow G1 3PL
Solicitors	A & L Goodbody 6th Floor 42-46 Fountain Street Belfast BT1 5EF

Contents

Strategic Report for the year ended 31 March 2019

The directors present the strategic report for the year ended 31 March 2019.

Fair review of the business

The activities of the group are delivered through a number of companies operated by 3173 Limited.

The group's results for the year, as set out on page 14, show a profit after tax of £2,048,298 (FY18 £1,840,682).

Turnover increased from £11,645,691 in FY18 to £14,975,667 in FY19 whilst profit after taxation rose from £1,840,682 to £2,084,298 over the same period.

The increase in turnover reflects continued new business success during FY19 for the group's businesses, strong client retention and a compelling pipeline of prospective clients continues into FY20.

The group's administrative costs increased from £9,395,232 in FY18 to £12,554,202 in FY19 and the profit margin declined from 15.8% to 13.9%.

Increased headcount was required to deliver the increased turnover shown above - the average number of employees increased from 114 in FY18 to 142 in FY19. A significant proportion of the increase in administrative costs is associated with the increased wages and other costs associated with the increased headcount. There is always a lag in new staff reaching the expected levels of utilisation and the directors are satisfied that this explains in large part the fact that the increase in turnover did not result in a proportionate increase in profit. The directors expect, and the FY20 budget reflects, that profit margins are expected to return to 19% in FY20 to reflect the fact that staff recruited in FY19 become more fully utilised. It should be noted that there is a continued expectation of significant recruitment in FY20 to support increased revenues, but not at the scale seen in FY19.

The group's ongoing growth allows us to continue to create and deliver opportunities to provide interesting, worthwhile and healthy careers for our staff at all levels. Consequently, we see great service for our clients and returns for our shareholders.

The group has a specialist team in its Dalriada Trustees Limited ("Dalriada") subsidiary which manages appointments for The Pensions Regulator in cases where there are concerns about the conduct of the original trustees. A proportion of this work is undertaken "at risk" and where this is the case, the group adopts a prudent approach to recognising any associated work in progress (WIP). The group's exposure to such WIP is carefully managed and monitored to ensure that it remains within levels acceptable to the group board.

The directors were satisfied with the results of the group for the year. The group carries out an annual budgeting and monitoring process, and its overall results for the financial year are consistent with expectations. The group aims to continue to deliver its developing range of service propositions, along with continuing investment in IT infrastructure and software development.

Principal risks and uncertainties

The majority of the group's revenue is related to the provision of services for defined benefit pension schemes which is generally considered to be a declining market. In order to mitigate the risk to future revenue the group has invested significantly in its IT software business and developing alternative sources of revenue in relation to pension scheme services.

The pensions professional services industry is a competitive market and the group routinely competes directly with other industry professionals. The group has invested in marketing activities to raise its company profile and market unique selling points. The group believes attracting and retaining excellent pension professionals is critical to delivering quality services to clients.

Dalriada provides professional trusteeship and related services to Defined Benefit ("DB") and Defined Contribution ("DC") pension schemes. Notwithstanding that the defined benefit pension scheme market is generally considered to be a declining market, the provision of professional trustee services to that market, and to occupational defined contribution schemes is a growing trend. The Pensions Regulator ("TPR") has recently consulted on a range of measures aimed at further improving the governance of occupational pension schemes, including the possibility of legislation mandating the appointment of professional trustee to the trustee boards of all UK occupational pension schemes. This will only reinforce the trend towards appointing professional trustees.

Whilst clearly an opportunity for the business, it also presents risks in terms of the capacity of trustee firms generally to meet increasing demand whilst maintaining the necessary level of quality. The group pursues a clear and rigorous recruitment strategy which focuses on identifying individuals with the requisite skillset and/or the potential to further develop that skillset.

This latest consultation is just one indicator of an evolving regulatory framework which impacts the group's businesses. TPR has vowed to be harder, better, faster and stronger in terms of engagement with trustees and advisers.

TPR has also made clear that it favours consolidation of small pension schemes, both DB and DC. This has the potential to generate significant work for Dalriada in the short to medium term, but will reduce the number of available trustee appointments in the long term. The group is looking at ways to mitigate these risks.

There is a drive to professionalise the independent trustee industry and Dalriada has been an active supporter of the Association of Professional Pension Trustees, including the introduction of a minimum qualification and an accredited trustee regime. Dalriada already has over 30 staff who hold the minimum qualification and is supporting other staff in attaining the qualification. The group considers that Dalriada is well placed to benefit from the new professional trusteeship regime.

Spence & Partners Limited ("Spence") provides actuarial, consultancy and third party administration services to DB and DC pension schemes and advice to employers in managing their pension obligations. Spence is exposed to some of the same challenges and opportunities as Dalriada. Its particular focus on defined benefit schemes means it faces a declining market, though the group remains confident that Spence can grow it's share of that declining market.

There continues to be pressure on fees and profit margins, as the market contracts and becomes over-supplied. The group continues to seek efficiencies in its operations with a focus on the benefits of further automation of calculations and other processes to enhance its offerings to clients and improve the member experience across it's portfolio of schemes. Further developments to the member portal on our combined actuarial and administration software, Mantle, will ensure that scheme members have direct access to information about their schemes and benefits, and tools that will allow them to explore and assess the options available to them directly online.

All group companies are exposed to regulatory risk. The governance burden on smaller schemes continues to increase with TPR being clearer in its expectations of trustees and swifter to act to engage with, and if necessary sanction, trustees who do not meet those expectations. This will create additional demand for, in particular, the governance services offered by Dalriada and Spence. This will also increase the compliance costs for small schemes and this is likely to be a factor in some companies pursuing options for consolidating their schemes, which as noted above, carries attendant risks and opportunities for the group.

Elsewhere, the impact of the CMA review of fiduciary management and investment consulting has the potential to impact on the group's offering in this area. The group is actively reviewing the impact of the CMA review on its services in these areas and is adapting its approach to benefit from the opportunities offered by the review, whilst considering steps to mitigate its impact on the group as a whole.

The group continues to have strong relationships both with TPR and the Pension Protection Fund ("PPF"). There is a continuing concentration of work for Spence and Dalriada with the PPF, albeit that this has reduced to a substantial degree in recent years as a result of the group's strategy to actively develop its business in other practice areas.

Mantle Hosting Limited and Mantle Services Limited provide software development and related IT services to the group and directly to external clients.

The Mantle software represents a single core dependency for nearly all business lines of 3173. A key risk for the group is that some technical fault or cyber-crime incident with either Mantle or cloud and market data suppliers to Mantle makes Mantle unavailable for an extended period.

The group has invested significantly in strategies to mitigate these risks including incorporating a considerable redundancy in the underlying systems. Those redundancies are regularly tested through the group's commitment to external quality standards such as ISO 27001 and CSA STAR. The main risks on the group revenue side is related to differentiation.

The group believes that Mantle is currently a sufficiently different offering in its market, both in itself and in the services it lets the group deliver to continue to power strong growth. A loss of that differentiation could impair growth, if for example Mantle falls behind competitors in the technical services it can support. The group has developed an ongoing investment and development programme for Mantle which identifies key priorities for further enhancing the Mantle offering to ensure that it continues to offer market leading results for its clients.

The group recognises and accepts that sales of Mantle to firms which compete with group companies using Mantle, risks reducing differentiation between those group companies and those competitors.

To ensure that all our businesses meet and exceed the expectations of our clients, the group has developed a team-based approach. Our members of staff have a breadth and depth of experience which enables us to respond constructively to this changing regulatory environment.

The group continues to actively recruit and develop staff to support its continued growth plans. Our recruitment policies have demonstrated our ability to attract individuals of the highest calibre across all of the group businesses and at all levels within our operational functions. Together with our commitment to developing our people once they have joined us, this gives us confidence that we can continue to maintain and enhance the services we deliver to clients.

We have worked hard to ensure that a holistic and diverse mix of skills, locations and professional backgrounds sit at the heart of our current team of over 164 individuals.

The group has recognised that growth such as that experienced in recent years brings challenges. We want to ensure that the positive attributes that have contributed to our success and growth to date are safeguarded for the future. With that in mind, the group has invested in an ongoing culture development project with a view to ensuring that all staff have a clear understanding of the group's corporate ethos and values which are shared and embedded across the group.

None of this works however, without robust processes and security. The group has developed and maintains all the quality assurance, information security and business continuity processes you would expect to see in a leading group of professional firms.

The group maintains a risk register documenting the risks faced by the group and the risk mitigation strategies in place. We have also established a Risk and Audit Group Board Sub-committee to ensure that appropriate consideration and oversight is given to this key business area.

The group has recently reviewed its operational structure and has created Executive Committees for both Dalriada and Spence to focus on developing, implementing and monitoring those respective companies' strategies in conjunction with their respective boards, the 3173 board and the group Operations Executive.

Analysis of development and performance

The 2018/2019 year was a very successful trading year for the group. We have continued to develop new and innovative offerings into the UK pensions market. This has led to us being able to significantly grow our presence in the market, particularly within the Independent Trustee Market. The group has also seen significant development in our Mantle offering and are starting to see proper traction in the market.

Our revenue increased by around 28% and our profit increased by 13%. However our profit margin did decrease from 15.8% to 13.9%. The decreased margin was largely a reflection of an increase in our cost base driven almost entirely by the recruitment of additional staff. When we recruit staff there is always a time lag between them joining us and being fully utilised. We would expect that for the cohort of staff recruited through 2018/2019 this effect will unwind in 2019/2020 and we will see an improvement in margins all other things being equal. As we are continuing to recruit through 2019/2020 there is likely to be a similar lag effect from this cohort, but we expect it to be less significant than in 2018/2019.

The growth was driven by a large number of new business wins across the group. The year also saw continued significant growth in revenue from our investment services offering. Dalriada continued to gain traction in the restructuring and corporate transaction market with several high profile appointments in this area and the scheme terminations practices benefited from an increase in project work from the PPF, including projects for very large pension schemes.

Notwithstanding the decrease in profit margins, for which the reasons are understood and considered to be short term, the Board considers the development and performance of the group in 2018/2019 to have been satisfactory and believes it will provide a sound platform for continued growth and development in 2019/2020.

Key performance indicators

We consider our key performance indicators are turnover, profit before taxation and growth in shareholders' funds. The performance of the group was as follows:

Year	2019	2018	2017
Turnover (£'000)	14,976	11,646	8,234
Profit Before Taxation (£'000)	2,551	2,272	864
Shareholders Fund (£'000)	6,020	4,713	3,288

By order of the Board

Mr B D Spence
Director

Date:

Director's Report for the year ended 31 March 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activities of the group are providing advice and administrative services to Pension Schemes, acting as Trustees in relation to pension policies, schemes and trusts and the development of software for use by advisors to Trustees of occupational pension schemes.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr D N Copeland

Mr D J Davison

Mr B D Spence

Mr A M Collins

Mr H D Nolan

Ms K S Stafford

Results and dividends

The results for the year are set out on page 14.

Ordinary dividends were paid amounting to £777,802. The directors do not recommend payment of a further dividend.

Financial instruments

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

In addition to liquid cash balances, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations, these are managed in accordance with the working capital requirements of the group.

Liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The group's principal foreign currency exposures arise from trading with overseas companies. This is a minimal risk due to the majority of business taking place wholly within the UK market.

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Research and development

We continue to develop Mantle and continue to encourage our staff to seek out self improvement in their fields. This lets us offer a varied and quality service to our wide range of clients.

Post reporting date events

The company changed its name from Ellcon Investments Limited to 3173 Limited after the balance sheet date.

Brexit

We are trading in what is largely a UK market and fully in financial services. We feel we are well prepared to deal with Brexit as it approaches.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board

Ms K S Stafford
Secretary

Date:

Directors' Responsibilities Statement for the year ended 31 March 2019

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 group and company, and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of 3173 Limited

Opinion

We have audited the financial statements of 3173 Limited (formerly known as Ellcon Investments Limited) (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cashflows 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 group's and the parent company's affairs as at 31 March 2019 and of the group's 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 group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 11, the directors 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 directors determine is 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 directors are responsible for assessing the group's and the parent 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 directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

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.

Mr Richard Gardiner

FCA (Senior Statutory Auditor).
For and on behalf of RSM UK Audit LLP, Statutory Auditor, Chartered Accountants, Number One, Lanyon Quay, Belfast, BT1 3LG.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2019

	Notes	2019 (£)	2018 (£)
Turnover	3	14,975,667	11,645,691
Administrative expenses		(12,554,202)	(9,395,232)
Other operating income		123,590	20,788
Operating profit	6	2,545,055	2,271,247
Interest receivable and similar income	8	6,001	755
Profit before taxation		2,551,056	2,272,002
Tax on profit	9	(466,758)	(431,320)
Profit for the financial year		**2,084,298**	**1,840,682**
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		2,016,351	1,800,328
- Non-controlling interests		67,947	40,354
		2,084,298	**1,840,682**

Consolidated Statement of Financial Position

As at the year ended 31 March 2019

	Notes	2019 (£)	2019 (£)	2018 (£)	2018 (£)
Fixed assets					
Tangible assets	11		598,714		589,118
Current assets					
Stocks	14	1,524,461		1,218,253	
Debtors	15	2,710,268		2,297,816	
Cash at bank and in hand		3,971,402		3,429,853	
		8,206,131		6,945,922	
Creditors: amounts falling due within one year	16	(2,744,256)		(2,652,922)	
Net current assets			5,461,875		4,293,000
Total assets less current liabilities			6,060,589		4,882,118
Creditors: amounts falling due after more than one year	17		-		(69,090)
Provisions for liabilities	19		(41,052)		(99,987)
Net assets			**6,019,537**		**4,713,041**
Capital and reserves					
Called up share capital	22		8,960		8,960
Capital redemption reserve	23		1,040		1,040
Profit and loss reserves	23		6,227,242		4,988,693
Equity attributable to owners of the parent company			6,237,242		4,998,693
Non-controlling interests			(217,705)		(285,652)
			6,019,537		**4,713,041**

The financial statements were approved by the board of directors and authorised for issue on 02/09/2019 and are signed on it's behalf by:

Mr B D Spence
Director

Company Statement of Financial Position

As at the year ended 31 March 2019

	Notes	2019 (£)	2019 (£)	2018 (£)	2018 (£)
Fixed assets					
Tangible assets	**11**		598,714		589,118
Investments	**12**		260,103		260,103
			858,817		849,221
Current assets					
Debtors	**15**	2,521,451		2,375,006	
Cash at bank and in hand		3,393,486		2,976,361	
		5,914,937		5,351,367	
Creditors: amounts falling due within one year	**16**	(216,064)		(878,821)	
Net current assets			5,698,873		4,472,546
Total assets less current liabilities			6,557,690		5,321,767
Provisions for liabilities	**19**		(41,052)		(99,869)
Net assets			**6,516,638**		**5,221,898**
Capital and reserves					
Called up share capital	**22**		8,960		8,960
Capital redemption reserve	**23**		1,040		1,040
Profit and loss reserves	**23**		6,506,638		5,211,898
Total equity			**6,516,638**		**5,221,898**

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £2,072,542 (2018 - £1,624,742).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 02/09/2019 and are signed on it's behalf by:

Mr B D Spence
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2019

	Notes	Share capital (£)	Capital redemption reserve (£)	Profit and loss reserves (£)	Total controlling interest (£)	Non-controlling interest (£)	Total (£)
Balance at 1 April 2017		8,960	1,040	3,603,839	3,613,839	(326,006)	3,287,833
Year ended 31 March 2018:							
Profit and total comprehensive income for the year		-	-	1,800,328	1,800,328	40,354	1,840,682
Dividends	**10**	-	-	(415,474)	(415,474)	-	(415,474)
Balance at 31 March 2018		8,960	1,040	4,988,693	4,998,693	(285,652)	4,713,041
Year ended 31 March 2019:							
Profit and total comprehensive income for the year		-	-	2,016,351	2,016,351	67,947	2,084,298
Dividends	**10**	-	-	(777,802)	(777,802)	-	(777,802)
Balance at 31 March 2019		**8,960**	**1,040**	**6,227,242**	**6,237,242**	**(217,705)**	**6,019,537**

Company Statement of Changes in Equity

For the year ended 31 March 2019

	Notes	Share capital (£)	Capital redemption reserve (£)	Profit and loss reserves (£)	Total (£)
Balance at 1 April 2017		8,960	1,040	4,002,630	4,012,630
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	1,624,742	1,624,742
Dividends	**10**	-	-	(415,474)	(415,474)
Balance at 31 March 2018		8,960	1,040	5,211,898	5,221,898
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	2,072,542	2,072,542
Dividends	**10**	-	-	(777,802)	(777,802)
Balance at 31 March 2019		**8,960**	**1,040**	**6,506,638**	**6,516,638**

Consolidated Statement of Cash Flows

For the year ended 31 March 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from operations	**24**		1,973,532		3,028,732
Income taxes paid			(503,320)		(301,186)
Net cash inflow from operating activities			1,470,212		2,727,546
Investing activities					
Purchase of tangible fixed assets		(156,862)		(572,028)	
Proceeds on disposal of tangible fixed assets		-		14,257	
Interest received		6,001		755	
Net cash used in investing activities			(150,861)		(557,016)
Financing activities					
Dividends paid to equity shareholders		(777,802)		(415,474)	
Net cash used in financing activities			(777,802)		(415,474)
Net increase in cash and cash equivalents			541,549		1,755,056
Cash and cash equivalents at beginning of year			3,429,853		1,674,797
Cash and cash equivalents at end of year			**3,971,402**		**3,429,853**

Notes to the Financial Statements

For the year ended 31 March 2019

1 Accounting policies

Company information

3173 Limited (formerly known as Ellcon Investments Limited) ("the company") is a private company limited by shares and is registered and incorporated in Northern Ireland. The registered office is Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE.

The group consists of 3173 Limited (formerly known as Ellcon Investments Limited) and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

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") and the requirements of the Companies Act 2006.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Dunboe Investments Limited. The consolidated financial statements of Dunboe Investments Limited are available from its registered office, Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE.

Basis of consolidation

The consolidated financial statements incorporate those of 3173 Limited (formerly known as Ellcon Investments Limited) and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 March 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

1 Accounting policies (continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Any non-controlling interest is recognised at the non-controlling interest's share of the net identifiable assets, liabilities and provisions for contingent liabilities recognised at the acquisition date.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from contracts for the provision of professional services is recognised by reference to the time cost and stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	10-20% straight line
Computer equipment	33.33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

3173 Limited (formerly known as Ellcon Investments Limited) capitalises assets individually costing more than £500.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies (continued)

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Stocks

Work in progress relates to unbilled income at the year end. Work in progress is valued at selling price. At each reporting date, an assessment is made for impairment. Where unbilled income is not recoverable a provision is made and recognised in profit or loss.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of work in progress over its estimated billing amount less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

1 Accounting policies (continued)

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date.

Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss 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.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1 Accounting policies (continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised as income systematically over the asset's expected useful life. If part of such grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Debtors recoverability

The group makes an estimate on the recoverable value of trade debtors. When assessing the recoverability management consider the ageing profile of debtors.

Work in progress

Estimates are made in respect of the recoverable value of work in progress. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of work in progress are considered.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019 (£)	2018 (£)
Turnover analysed by class of business		
Revenue from the provision of professional services	14,975,667	11,645,691

	2019 (£)	2018 (£)
Other revenue		
Interest income	6,001	755
Grants received	123,590	20,788

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Total employees	142	114	-	-

Their aggregate remuneration comprised:

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£
Wages and salaries	6,552,249	4,842,518	-	-
Social security costs	795,707	601,688	-	-
Pension costs	1,128,790	887,413	-	-
	8,476,746	**6,331,619**	-	-

5 Directors' remuneration

	2019 (£)	2018 (£)
Remuneration for qualifying services	737,788	592,441

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2019 (£)	2018 (£)
Remuneration for qualifying services	199,212	203,845

6 Operating profit

Operating profit for the year is stated after charging/(crediting):

	2019 (£)	2018 (£)
Exchange losses	112	1,795
Government grants	(123,590)	(20,788)
Depreciation of owned tangible fixed assets	147,266	111,632
Profit on disposal of tangible fixed assets	-	(4,980)
Operating lease charges	630,463	432,461

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £112 (2018 – a loss of £1,795).

7 Auditor's remuneration

Fees payable to the company's auditor and its associates:

	2019 (£)	2018 (£)
For audit services		
Audit of the financial statements of the group and company	2,400	2,300
Audit of the financial statements of the company's subsidiaries	16,150	15,400
	18,550	**17,700**

8 Interest receivable and similar income

	2019 (£)	2018 (£)
Interest income		
Interest on bank deposits	5,956	755
Other interest income	45	-
Total income	**6,001**	**755**

9 Taxation

	2019 (£)	2018 (£)
Current tax		
UK corporation tax on profits for the current period	460,031	406,888
Adjustments in respect of prior periods	(1,046)	-
Total current tax	**458,985**	**406,888**
Deferred tax		
Origination and reversal of timing differences	7,773	24,432
Total tax charge for the year	**466,758**	**431,320**

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 (£)	2018 (£)
Profit before taxation	**2,551,056**	**2,272,002**
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	484,701	431,680
Tax effect of expenses that are not deductible in determining taxable profit	6,331	4,711
Tax effect of income not taxable in determining taxable profit	(5)	-
Change in unrecognised deferred tax assets	(20,489)	(2,566)
Adjustments in respect of prior years	(1,046)	-
Effect of change in corporation tax rate	(3,451)	(3,321)
Other non-reversing timing differences	-	118
Under/(over) provided in prior years	-	132
Deferred tax adjustments in respect of prior years	(1,036)	(1,345)
Losses carried back	1,753	-
Fixed asset differences	-	1,911
Taxation charge for the year	**466,758**	**431,320**

10 Dividends

	2019 (£)	2018 (£)
Final paid	777,802	415,474

11 Tangible fixed assets

Group and company

	Fixtures, fittings & equipment (£)	Computer equipment (£)	Motor vehicles (£)	Total (£)
Cost				
At 1 April 2018	634,209	618,008	-	1,252,217
Additions	53,665	76,376	26,821	156,862
At 31 March 2019	687,874	694,384	26,821	1,409,079
Depreciation and impairment				
At 1 April 2018	118,529	544,570	-	663,099
Depreciation charged in the year	96,633	45,604	5,029	147,266
At 31 March 2019	215,162	590,174	5,029	810,365
Carrying amount				
At 31 March 2019	472,712	104,210	21,792	598,714
At 31 March 2018	**515,680**	**73,438**	**-**	**589,118**

12 Fixed asset investments

	Notes	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Investments in subsidiaries	13	-	-	260,103	260,103

Movements in fixed asset investments

Company	Shares in group undertakings (£)
Cost or valuation At 1 April 2018 and 31 March 2019	260,103
Carrying amount At 31 March 2019	260,103
At 31 March 2018	**260,103**

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Caparo Pensions Scheme Trustees Limited	Note 1		Ordinary		100
Dalriada Pension Trustees Limited	ROI		Ordinary	100	
Dalriada Trustee Company Limited	NI		Ordinary	100	
Dalriada Trustees Limited	NI	See below	Ordinary	100	
Spence & Partners Limited	NI		Ordinary	100	
Mantle Hosting Limited (formerly known as The Pensions Hosting Company Limited)	NI		Ordinary	75	
Mantle Services Limited (formerly known as Veratta Limited)	NI		Ordinary	100	
Caribonum Pension Trustees Limited	Note 2		Ordinary		100

13 Subsidiaries (continued)

The investments in subsidiaries are all stated at cost.

Caparo Pensions Scheme Trustees Limited was dormant throughout the financial year. The company is therefore exempt from the requirement to prepare individual accounts under section 394A of the Companies Act 2006.

Dalriada Pension Trustees Limited continued to remain dormant throughout the financial year. The company is therefore exempt from the requirement to prepare individual accounts under the Companies Act 2014.

Dalriada Trustee Company Limited continued to remain dormant throughout the financial year. The company is therefore exempt from the requirement to prepare individual accounts under section 394A of the Companies Act 2006.

The principal activity of Dalriada Trustees Limited during the year continued to be that of acting as trustees in relation to pension policies, schemes and trusts. The company is a trust corporation, entitled to act as a custodian trustee in accordance with Rule 30 of the Public Trustee Rules 1912, the Trustee Act 1925 and the Public Trust Act 1906.

The principal activity of Spence & Partners Limited is that of providing consultancy advice and associated administrative services to Pension Schemes. Spence & Partners Limited is authorised and regulated by the Financial Conduct Authority.

The principal activities of Mantle Hosting Limited (formerly know as The Pensions Hosting Company Limited) are to develop and maintain a Defined Benefit pensions administration and actuarial valuation software solution for the pensions industry.

The principal activities of Mantle Services Limited (formerly known as Veratta Limited) are that of providing Data management solutions to the pensions industry, along with information security to the professional services sector as a whole.

Caribonum Pension Trustees Limited was dormant throughout the financial year. The company is therefore exempt from the requirement to prepare individual accounts under section 394A of the Companies Act 2006.

The registered office of all NI subsidiaries is Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE. The registered office of the ROI subsidiary (Dalriada Pension Trustees Limited) is The Black Church, Saint Mary's Place North, Dublin 7, D07 P4AX.

Note 1 – 46 Broad Street, London, EC2M 1JH

Note 2 – One Fleet Place, London, EC4M 7WS.

14 Stocks

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Work in progress	1,524,461	1,218,253	-	-

15 Debtors

Amounts falling due within one year:

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Trade debtors	2,123,092	1,879,804	-	-
Amounts owed by group undertakings	5,919	5,919	2,268,165	1,246,892
Other debtors	36,679	15,284	36,679	14,245
Dividends receivable	-	-	-	1,000,000
Prepayments and accrued income	544,578	396,809	216,607	113,869
	2,710,268	**2,297,816**	**2,521,451**	**2,375,006**

16 Creditors: amounts falling due within one year

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Trade creditors	409,718	284,301	110,212	28,028
Amounts due to group undertakings	-	-	22,723	816,886
Corporation tax payable	262,671	306,888	66,583	23,489
Other taxation and social security	1,089,557	1,001,073	-	-
Other creditors	11,868	169,398	-	-
Accruals and deferred income	970,442	891,262	16,546	10,418
	2,744,256	**2,652,922**	**216,064**	**878,821**

17 Creditors: amounts falling due after more than one year

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Accruals and deferred income	-	69,090	-	-

18 Financial instruments

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,129,011	1,885,723	n/a	n/a
Carrying amount of financial liabilities				
Measured at amortised cost	1,392,028	1,414,051	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

19 Provisions for liabilities

	Notes	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Government grants		-	66,590	-	66,590
Deferred tax liabilities	**20**	41,052	33,397	41,052	33,279
		41,052	**99,987**	**41,052**	**99,869**

19 Provisions for liabilities (continued)

Movements on provisions apart from deferred tax liabilities:

	Government grants (£)
Group and company	
At 1 April 2018	66,590
Other movements	(66,590)
At 31 March 2019	-

20 Deferred taxation

The major deferred tax liabilities recognised by the group and company are:

	Liabilities 2019 (£)	Liabilities 2018 (£)
Group		
Accelerated capital allowances	41,052	33,279
Other	-	118
	41,052	**33,397**

	Liabilities 2019 (£)	Liabilities 2018 (£)
Company		
Accelerated capital allowances	41,052	33,279

Movements in the year:

	Group 2019 (£)	Company 2019 (£)
Liability at 1 April 2018	33,397	33,279
Charge to profit or loss	7,655	7,773
Liability at 31 March 2019	**41,052**	**41,052**

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

Defined contribution schemes

	2019 (£)	2018 (£)
Charge to profit or loss in respect of defined contribution schemes	1,128,790	887,413

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company	
	2019 (£)	2018 (£)
Ordinary share capital **Issued and fully paid**		
5,085 Class 'A' Ordinary Shares of £1 each	5,085	5,085
3,875 Class 'B' Ordinary Shares of £1 each	3,875	3,875
	8,960	**8,960**

The A and B Ordinary shares have identical rights and obligations, except that the A Ordinary shares have voting rights and the B Ordinary shares have no voting rights.

23 Reserves

Capital redemption reserve
The nominal value of shares repurchased and still held at the end of the reporting period.

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

24 Cash generated from group operations

	2019 (£)	2018 (£)
Profit for the year after tax	2,084,298	1,840,682
Adjustments for:		
Taxation charged	466,758	431,320
Investment income	(6,001)	(755)
Gain on disposal of tangible fixed assets	-	(4,980)
Depreciation and impairment of tangible fixed assets	147,266	111,632
(Decrease) in provisions	(66,590)	(12,974)
Movements in working capital:		
(Increase)/decrease in stocks	(306,208)	71,814
(Increase) in debtors	(412,452)	(797,950)
Increase in creditors	66,461	1,389,943
Cash generated from operations	**1,973,532**	**3,028,732**

25 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 (£)	2018 (£)	Company 2019 (£)	2018 (£)
Within one year	254,571	254,571	-	-
Between one and five years	663,264	752,019	-	-
In over five years	663,264	829,080	-	-
	1,581,099	**1,835,670**	**-**	**-**

26 Contingent Liabilities

The group has received financial assistance from Invest Northern Ireland. There exists a contingent liability to repay all of the financial assistance received under this agreement if a default occurs under the terms and conditions. It is impracticable to estimate the financial effect, possibility of reimbursement or indicate the uncertainties that relate to the timing or amount of the potential liability.

27 Events after the reporting date

The company changed its name from Ellcon Investments Limited to 3173 Limited after the balance sheet date.

28 Related party transactions

The company has taken advantage of the exemptions under section 33 1A of FRS 102 not to disclose transactions with wholly owned group companies.

Mantle Hosting Limited (formerly known as The Pensions Hosting Company Limited)
3173 Limited (formerly known as Ellcon Investments Limited) owns 75% of the shareholding in Mantle Hosting Limited. During the year 3173 Limited charged management fees of £201,359 (2018: £152,827) to Mantle Hosting Limited. 3173 Limited transferred £50,000 (2018: £50,000) to Mantle Hosting Limited in the year. Expenses totalling £84,235 (2018: £37,366) were paid by 3173 Limited on behalf of Mantle Hosting Limited. Mantle Hosting Limited received £676,522 (2018: £414,331) from 3173 Limited in the year relating to income due from group companies. Income totalling £12,077 (2018: £12,148) was received by 3173 Limited on behalf of Mantle Hosting Limited in relation to VAT refunds. Net movements total £353,005 (2018: £186,286) leaving a balance of £887,968 (2018: £1,240,973) due from Mantle Hosting Limited at the year end.

Mantle Services Limited (formerly known as Veratta Limited)
Mantle Services Limited is a wholly owned subsidiary of 3173 Limited (formerly known as Ellcon Investments Limited). During the year Mantle Hosting Limited (formerly known as The Pensions Hosting Company Limited) accrued fees for licenses provided to Mantle Services Limited. Mantle Services Limited prepaid an amount of £77,917 (2018: £32,563). Therefore leaving a balance of £77,917 (2018: £32,563) due from Mantle Hosting Limited at the year end.

Spence & Partners Limited
Spence & Partners Limited is a wholly owned subsidiary of 3173 Limited (formerly known as Ellcon Investments Limited). During the year Mantle Hosting Limited (formelry known as The Pensions Hosting Company Limited) received £614,805 (2018: £591,521) for licenses provided from Spence & Partners Limited. A balance of £Nil (2018: £42,239) is due to Mantle Hosting Limited at the year end.

29 Directors' transactions

Dividends totalling £317,240 (2018 – £169,458) were paid in the year in respect of shares held by the company's directors and their spouses.

30 Controlling party

The directors consider the ultimate parent undertaking to be Dunboe Investments Limited, a company incorporated in Northern Ireland. Dunboe Investments Limited is the immediate parent, and is the smallest and largest group for which consolidated accounts including 3173 Limited (formerly known as Ellcon Investments Limited) are prepared. The consolidated accounts of Dunboe Investments Limited are available from its registered office, Linen Loft, 27-37 Adelaide Street, Belfast, BT2 8FE.

3173

Linen Loft
27-37 Adelaide Street
Belfast BT2 8FE