

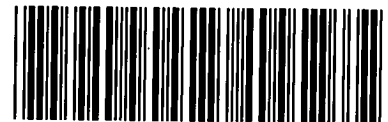
**Aprose Solutions Limited**

**Annual report and financial statements**

**Registered number 09283538**

**31 March 2017**

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## Company information

**Directors:** SR Powell  
CP King  
TA Underwood

**Registered office:** 73a Clifton Street  
Lytham  
Lancashire  
FY8 5ER

**Registered number:** 09283538

**Bankers:** National Westminster Bank plc  
Leeds City Office  
PO Box 154  
8 Park Row  
Leeds  
LS1 1QS

**Auditor:** KPMG LLP  
Chartered Accountants and Statutory Auditor  
One St Peter's Square  
Manchester  
M2 3AE

## Directors' report

The directors present their report and financial statements for the year ended 31 March 2017.

### Principal activities and business review

The company is focused on the development of software products and the delivery of a managed service for the energy industry, specifically in relation to supporting the implementation of smart meters across the UK energy industry through connection to the Data Communications Company (DCC).

During the course of the year further resource was directed to continue the development of the company's suite of products: ASe-i. ASe-i successfully passed compliance testing with the DCC and further enhancements were made to the supporting components to improve the offering available to the market.

The company received revenues of £206,507 (2016: nil) within the financial year although, in line with continued investment in product development and market conditions resulting in delays to further revenues being recognised within the year, the company made an overall loss before tax of £922,250 (2016: 748,762).

Further delays with the DCC delivery has impacted the implementation timeline of the wider smart metering scheme which has delayed a number of client projects.

There has been a particular focus on sales throughout the year and there have been a number of significant contracts and partnerships developed through the year and beyond this financial period the sales pipeline continues to be extremely positive, with terms agreed with a number of customers as the deadline for DCC compliance gets closer.

A number of new offerings have been investigated, with a small number identified for further analysis and development, increasing revenue opportunities as the company expands its product and service offerings.

The year ahead will see a change in the company's financial position as it moves from development into implementation and supporting customers into live operation.

### Dividends

No dividends have been paid during the year (2016: £nil).

### Directors

The following directors have held office during the year:

SR Powell

CP King (appointed 1 February 2017)

TA Underwood (appointed 1 February 2017)

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirms that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This Directors' Report has been prepared in accordance with the small companies exemption.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Other Information

The company has taken advantage of the exemption under section 414B of the Companies Act 2006 not to present a strategic report.

By order of the board



**SR Powell**  
*Director*

73a Clifton Street  
Lytham  
Lancashire  
FY8 5ER

15<sup>th</sup> December 2017

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

## **Independent auditor's report to the members of Aproz Solutions Limited**

We have audited the financial statements of Aproz Solutions Limited for the year ended 31 March 2017 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year is consistent with the financial statements.

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

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

**Independent auditor's report to the members of Aproz Solutions Limited**  
*(continued)*

**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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Director's Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Richard Evans (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
One St Peter's Square  
Manchester  
M2 3AE

15 December 2017



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2017*

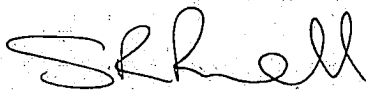
	<i>Note</i>	Year ended 31 March 2017 £	11 month period ended 31 March 2016 £
Turnover	<i>1</i>	206,507	-
Cost of sales		(728,664)	-
<b>Gross loss</b>		<b>(522,157)</b>	<b>-</b>
Administrative expenses	<i>2</i>	(400,093)	(748,762)
<b>Loss before taxation</b>		<b>(922,250)</b>	<b>(748,762)</b>
Tax on loss	<i>3</i>	454,223	75,000
<b>Loss for the year/period</b>		<b>(468,027)</b>	<b>(673,762)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive expense</b>		<b>(468,027)</b>	<b>(673,762)</b>

None of the company's activities were acquired or discontinued during the current year or previous period.

**Balance Sheet**  
*at 31 March 2017*

	<i>Note</i>	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	4		28,340		-
Tangible assets	5		14,518		28,579
			<hr/>		<hr/>
			42,858		28,579
<b>Current assets</b>					
Debtors	6	606,296		104,740	
Cash at bank and in hand		33,913		109,355	
			<hr/>	<hr/>	
		640,209		214,095	
<b>Creditors: amounts falling due within one year</b>	7	(2,240,178)		(1,331,776)	
			<hr/>	<hr/>	
<b>Net current liabilities</b>			(1,599,969)		(1,117,681)
			<hr/>		<hr/>
<b>Net liabilities</b>			(1,557,111)		(1,089,102)
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	8		20		2
Profit and loss account			(1,557,131)		(1,089,104)
			<hr/>		<hr/>
<b>Total shareholders' deficit</b>			(1,557,111)		(1,089,102)
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 15<sup>th</sup> December 2017 and signed on its behalf by:



**SR Powell**  
*Director*

Company registered number: 09283538

## Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 May 2015	2	(415,342)	(415,340)
<b>Total comprehensive expense for the period</b>			
Loss	-	(673,762)	(673,762)
Total comprehensive expense for the period	-	(673,762)	(673,762)
<b>Balance at 31 March 2016</b>	<b>2</b>	<b>(1,089,104)</b>	<b>(1,089,102)</b>
Balance at 1 April 2016	2	(1,089,104)	(1,089,102)
<b>Total comprehensive expense for the period</b>			
Loss	-	(468,027)	(468,027)
Total comprehensive expense for the period	-	(468,027)	(468,027)
Transactions with owners, recorded directly in equity			
Share capital amendment	18	-	-
<b>Balance at 31 March 2017</b>	<b>20</b>	<b>(1,557,131)</b>	<b>(1,557,111)</b>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Aprose Solutions Limited is a private company limited by shares and incorporated, domiciled and registered in England in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Aprose Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Aprose Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from Companies House. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Aprose Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The company intends to continue to prepare its accounts using these exemptions in the future.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements have been prepared on the historical cost basis.

#### **Going concern**

The entity is a new start-up company and has just begun to receive revenue in the current year. In view of the net liabilities position at 31 March 2017 and based on the strong relationship between the Company and its parent company Aprose Limited, the directors have sought and received an expression of Aprose Limited's intention to provide such support as may be necessary for the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue its operation existence for the foreseeable future. Accordingly, they continue to prepare these financial statements on a going concern basis.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on cost in annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computers and office equipment	-	33% per annum on a straight line basis
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## Notes (continued)

### 1 Accounting policies (continued)

#### *Research and development*

Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred.

#### *Intangible assets and amortisation*

Development costs incurred by the Group are amortised against the revenue derived from these developments.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

#### *Amortisation*

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Software and licences 3 years

#### *Taxation*

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

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### *Turnover*

Turnover represents amounts derived from the provision of services after deduction of Value Added Tax.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

**Notes (continued)**

**2 Expenses, staff costs and auditor's remuneration**

	Year ended 31 March 2017 £	11 month period ended 31 March 2016 £
<i>Included in loss are the following</i>		
Management charges	294,799	419,765
	<u>          </u>	<u>          </u>

**Auditor's remuneration**

	Year ended 31 March 2017 £	11 month period ended 31 March 2016 £
Audit of these financial statements	2,885	2,000
	<u>          </u>	<u>          </u>
Amounts receivable for other services to the company		
Tax services	1,000	1,000
	<u>          </u>	<u>          </u>

As the directors' services to the company are insignificant any allocation of remuneration borne by another group company would not be material and therefore no amount has been attributed.

The average number of persons employed by the company (including directors) during the year was 2 (2016: 1).

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2017 £	11 month period ended 31 March 2016 £
Wages and salaries	38,620	-
Social security costs	4,116	-
Pension costs	-	-
	<u>          </u>	<u>          </u>
	42,736	-
	<u>          </u>	<u>          </u>

**Notes (continued)**

**3 Taxation**

**Total tax expense recognised in the profit and loss account**

	2017		2016	
	£	£	£	£
<i>Current tax</i>				
Current tax on income for the period	(393,143)		(75,000)	
Adjustments in respect of prior periods	(61,080)		-	
		<hr/>		<hr/>
Total current tax		(454,223)		(75,000)
		<hr/>		<hr/>
Total tax		(454,223)		(75,000)
		<hr/> <hr/>		<hr/> <hr/>

**Reconciliation of effective tax rate**

	Year ended 31 March 2017 £	11 month period ended 31 March 2016 £
Loss for the year	(468,027)	(673,762)
Total tax credit	(454,223)	(75,000)
	<hr/>	<hr/>
Loss excluding taxation	(922,250)	(748,762)
Tax using the small companies UK corporation tax rate of 20% (2016: 20%)	(184,450)	(149,752)
R&D tax credit surrender	75,433	41,555
R&D tax relief	(155,041)	(59,238)
Unrecognised deferred tax	-	92,435
Other	(11,721)	-
Adjustments in respect of prior periods	(61,080)	-
Relief for pre-trading expenditure	(117,364)	-
	<hr/>	<hr/>
Total tax credit included in profit or loss	(454,223)	(75,000)
	<hr/> <hr/>	<hr/> <hr/>

A reduction in the UK corporation tax rate from 21% to 20% (effective 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The unrecognised deferred tax asset at 31 March 2017 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

**Notes (continued)**

**4 Intangible fixed assets**

	<b>Software and licences £</b>
<i>Cost</i>	
At 1 April 2016	-
Additions	29,028
	<hr/>
At 31 March 2017	29,028
	<hr/>
<i>Accumulated depreciation</i>	
At 1 April 2016	-
Charge for the period	688
	<hr/>
At 31 March 2017	688
	<hr/> <hr/>
<b>Net book value</b>	
<b>At 31 March 2017</b>	<b>28,340</b>
	<hr/> <hr/>
At 31 March 2016	-
	<hr/> <hr/>

**5 Tangible fixed assets**

	<b>Computers and office equipment £</b>
<i>Cost</i>	
At 1 April 2016	44,703
Additions	1,032
	<hr/>
At 31 March 2017	45,735
	<hr/>
<i>Accumulated depreciation</i>	
At 1 April 2016	16,124
Charge for the period	15,093
	<hr/>
At 31 March 2017	31,217
	<hr/> <hr/>
<b>Net book value</b>	
<b>At 31 March 2017</b>	<b>14,518</b>
	<hr/> <hr/>
At 31 March 2016	28,579
	<hr/> <hr/>



**Notes (continued)**

**6 Debtors**

	2017 £	2016 £
Trade debtors	213,279	-
Amounts owed by related party (note 9)	19,148	2
Corporation tax debtor	334,949	75,000
VAT recoverable	35,967	28,986
Prepayments	2,953	752
	606,296	104,740
	606,296	104,740

**7 Creditors: amounts falling due within one year**

	2017 £	2016 £
Amount owed to a related party (note 9)	2,046,716	1,288,558
Trade creditors	87,703	35,884
Accruals and deferred income	105,412	7,334
Other tax and social security	347	-
	2,240,178	1,331,776
	2,240,178	1,331,776

**8 Share capital**

	2017 £	2016 £
<i>Called up and allocated</i>		
2,000 Ordinary shares of £0.01 each	20	2
	20	2
	20	2

Each share has full rights in the company with respect to voting, dividends and distributions.

**Notes (continued)**

**9 Related parties**

The following company is deemed to be a related party by virtue of being the parent company of Aprose Solutions Limited. Aprose Limited has influence over their day to day operations, financial and operating policies of the company.

Amounts owed from a related party in note 6 comprise the following:

	2017	2016
	£	£
Aprose Limited	2	2
Aprose Risk Limited	19,146	-
	<u>          </u>	<u>          </u>

The following companies are deemed to be a related party by virtue of common control by Aprose Limited as they are fellow subsidiaries.

Amounts owed to a related party in note 7 comprise the following:

	2017	2016
	£	£
ASE Consulting Limited	2,046,716	1,288,558
	<u>          </u>	<u>          </u>

**10 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary undertaking of Aprose Limited, registered office 73a Clifton Street, Lytham, Lancashire, FY8 5ER, which is the ultimate parent company.

The only group in which the results of the company are consolidated is that headed by Aprose Limited. The consolidated financial statements of Aprose Limited may be obtained from Companies House.