

Aprose Solutions Limited

Annual Report and Financial Statements

Registered number 09283538

Period ended 31 December 2018



Directors

S R Powell

M C Hirst (appointed 22 May 2018)

S Gosling (appointed 22 May 2018)

Secretary

Brodies Secretarial Services Limited

Independent Auditors

PricewaterhouseCoopers LLP

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Manchester M3 3EB

Registered Office

Utilihouse

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Euxton Lane

Chorley

Lancashire PR7 6TE

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Directors' report

Principal activities and business review

The Company was purchased by ESG-Utiligroup Bidco Limited during the course of the year and all assets were hived up into this business from the 1st July 2018. The financial year has been moved to align to the group, from a March year end to a December year end. Therefore, the financial statements are for the period of 1st April 2018 to 31st December 2018.

The Company ceased to trade on the date of the hive, therefore the statement of profit and loss is for the 3 month of trading between 1st April 2018 and 30th June 2018.

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).

The company received revenues of £483,450 (*March 2018: £1,702,169*) within the financial period 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 £2,869,727 (*March 2018: £127,218*).

Dividends

No dividends have been paid during the year (*March 2018: £nil*).

Directors

The following directors have held office during the year:

S R Powell

C P King (resigned 22 May 2018)

T A Underwood (resigned 22 May 2018)

M C Hirst (appointed 22 May 2018)

S Gosling (appointed 22 May 2018)

Going Concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company ESG-Utiligroup Holdings LLC. The directors have received confirmation that the company intends to continue its support for at least one year after these financial statements are signed. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of information to auditors

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 auditors are 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 auditors are 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, new auditors have been appointed and PricewaterhouseCoopers LLP has now taken office.

Small Company Exemptions

In preparing this report, the directors have taken advantage of the small companies exemption under section 414B of the Companies Act 2006 not to present a strategic report.

On behalf of the board



S Gosling

Director

30th April 2019.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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.

Independent auditors' report to the members of Aprose Solutions Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aprose Solutions Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the 9 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Independent auditors' report to the members of Aprose Solutions Limited (continued)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the period ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of Aprose Solutions Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

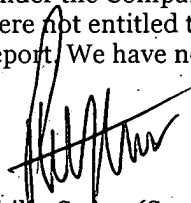
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Philip Storer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

30 April 2019

Profit and loss account

for the period ended 31 December 2018

		<i>Period ended 31 December 2018</i>	<i>Year ended 31 March 2018</i>
	<i>Note</i>	<i>£</i>	<i>£</i>
Turnover	2	483,450	1,702,169
Cost of sales		(31,197)	(1,497,621)
Gross profit		452,253	204,548
Administrative expenses		(2,417,438)	(331,766)
Operating loss	3	(1,965,185)	(127,218)
Interest payable and similar expenses		(36)	-
Loss before taxation		(1,965,221)	(127,218)
Tax on loss	5	-	151,669
(Loss)/ Profit for the financial period / year		(1,965,221)	24,451

There were no other comprehensive income or expense in the period/ year.

Balance sheet

as at 31 December 2018

	<i>Note</i>	<i>As at 31 December 2018 £</i>	<i>As at 31 March 2018 £</i>
Fixed assets			
Investments	6	529,213	-
Current assets			
Intangible assets	7	-	22,501
Tangible assets	8	-	16,904
Debtors	9	-	1,105,176
Cash at bank and in hand		-	63,540
		-	1,208,121
Creditors	10	<u>(4,027,094)</u>	<u>(2,740,781)</u>
Net current liabilities		<u>(4,027,094)</u>	<u>(1,532,660)</u>
Net liabilities		<u>(3,497,881)</u>	<u>(1,532,660)</u>
Capital and reserves			
Called up share capital	11	20	20
Profit and loss account		<u>(3,497,901)</u>	<u>(1,532,680)</u>
Total Shareholders' deficit		<u>(3,497,881)</u>	<u>(1,532,660)</u>

The financial statements on pages 8 to 18 were approved by the Board of Directors on 30th April 2019 and are signed on their behalf by:



S Gosling
Director
Registered number 09283538

Statement of changes in equity

for the period ended 31 December 2018

	<i>Called up share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' deficit</i>
	£	£	£
At 1 April 2017	20	(1,557,131)	(1,557,111)
Profit for the financial year	-	24,451	24,451
At 31 March 2018 & 1 April 2018	20	(1,532,680)	(1,532,660)
Loss for the financial period	-	(1,965,221)	(1,965,221)
As 31 December 2018	20	(3,497,901)	(3,497,881)

Notes to the financial statements

for the period ended 31 December 2018

Aprose Solutions Limited (Company number 09283538) is a company limited by shares registered, incorporated and domiciled in England and Wales. The registered office and principal place of business is: Utilihouse, East Terrace, Euxton Lane, Chorley, Lancashire, England, PR7 6TE.

1. Accounting policies

Aprose Solutions Limited (the "Company") is a company limited by shares and incorporated and domiciled 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*") and in accordance with Companies Act 2006. The accounting policies have been applied consistently. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company's ultimate parent undertaking at the period end, ESG-Utiligroup Holdings LLC includes the Company in its consolidated financial statements. The consolidated financial statements of ESG-Utiligroup Holdings LLC are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. 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:

- Cash Flow Statement and related notes.

As the consolidated financial statements of ESG-Utiligroup Holdings LLC 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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going Concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of the ultimate parent company ESG-Utiligroup Holdings LLC. The directors have received confirmation that the company intends to continue its support for at least one year after these financial statements are signed. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of preparation of the financial statements

The directors believe that the use of the going concern basis of accounting is appropriate. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the financial statements (continued)

for the period ended 31 December 2018

1. Accounting Policies (continued)

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and other sales related taxes.

The supply of managed services are invoiced and the income is recognised when the contractual terms are met.

Investments

Investments held at cost less accumulated impairment losses.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments, which include derivative assets and liabilities, are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts.

Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the financial statements (continued)

for the period ended 31 December 2018

1. Accounting Policies (continued)

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of tangible fixed assets and note 1 for the useful economic lives for each class of asset.

ii) Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

All turnover is generated for operations solely within the UK

Turnover analysed by category was as follows:

	<i>31 December</i> 2018	<i>31 March</i> 2018
	£	£
Licence and managed services	85,227	1,419,058
Professional services	398,223	283,111
	<u>483,450</u>	<u>1,702,169</u>

Notes to the financial statements (continued)

for the period ended 31 December 2018

3. Operating loss

	<i>31 December</i> 2018	<i>31 March</i> 2018
	£	£
Impairment of investment	2,053,847	-
Auditors' remuneration in respect of		
- Statutory audit services	1,000	12,000
- Tax services	-	9,000

All audit and non-audit costs paid to the company's auditors in the current period was borne by Utilisoft Limited and no recharge was made. Total costs for the period were £65,644, with £1,000 attributing to Aprose Solutions Ltd.

The company had 10 employees at the date of the company hiving into Utilisoft Limited. However, at the period end the company had no employees and therefore the following employee costs were incurred during the period.

	<i>31 December</i> 2018	<i>31 March</i> 2018
	£	£
Wages and salaries	176,153	185,586
Social security costs	13,086	110,466
Other pension costs	7,136	19,404
	<u>196,375</u>	<u>315,456</u>

4. Directors' remuneration

For the period 1st April to 30th June 2018, the company had 3 directors and the remuneration was as follows:

	<i>31 December</i> 2018	<i>31 March</i> 2018
	£	£
Directors' emoluments	57,315	175,000
Company pension contributions	1,458	8,020
	<u>58,773</u>	<u>183,020</u>

As of the 1st July 2018 the directors' remuneration is in relation to their services to the Utiligroup Group as a whole. These costs were borne by Utilisoft, a fellow group undertaking, and no recharge was made. The directors of the company are also directors of the holding company and fellow subsidiaries. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

Other than the directors disclosed on within these financial statements, the company has no employees (year ended 31 March 2018: 4).

Notes to the financial statements (continued)

for the period ended 31 December 2018.

5. Tax on loss

a) Total tax expense recognised in the profit and loss account

	December 2018 £	March 2018 £
<i>Current tax</i>		
Current tax on income for the period	-	(151,669)
Adjustments in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>(151,669)</u>
Total tax	<u>-</u>	<u>(151,669)</u>

b) Factors affecting current tax charge for the period

The tax assessed for period ended 31 December 2018 is lower (March 2018: lower) than the standard rate of corporation tax in the UK for the period ending 31 December 2018 of 19% (March 2018: 19%). The differences are explained below:

	Period ended 31 December 2018 £	Year ended 31 March 2018 £
(Loss)/profit for the financial period/year	(1,965,221)	24,451
Total tax credit	-	(151,669)
Loss before taxation	<u>(1,965,221)</u>	<u>(127,218)</u>
Loss before taxation at the UK tax rate of 19% (31 March 2018: 19%)	(373,392)	(24,171)
R&D tax credit surrender	-	47,070
R&D tax relief	-	(175,439)
Unrecognised deferred tax	(38,072)	656
Expenses not deductible for tax purposes	390,246	215
Other tax adjustments, reliefs and transfers	25,697	-
Impact of changes in rates	(4,479)	-
Tax credit for the year	<u>-</u>	<u>(151,669)</u>

Notes to the financial statements (continued)

for the period ended 31 December 2018

6. Investments

	£
At 1 April 2018	-
Additions	2,583,060
Impairment	(2,053,847)
At 31 December 2018	<u>529,213</u>

The additions in the year relate to the acquisition of KWR Technologies Limited and Accelero Digital Solutions Limited on 22nd May 2018. The impairment was as a result of the hive-up of the trade and assets of these entities into Utilisoft Limited on 1st July 2018.

	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
Accelero Digital Solutions Limited*	England	Ordinary shares	100%	Software
KWR Technologies Limited	England	Ordinary shares	100%	Software

* Denotes held through a subsidiary

All subsidiaries are registered at Utilihouse, East Terrace, Euxton Lane, Chorley, Lancashire PR7 6TE.

7. Intangible fixed assets

	Software and licences £
Cost	
At 1 April 2018	33,658
Transfers out	(33,658)
At 31 December 2018	<u>-</u>
Accumulated depreciation	
At 1 April 2018	11,157
Charge for the period	1,851
Transfers out	(13,008)
At 31 December 2018	<u>-</u>
Net book value	
At 31 December 2018	<u>-</u>
At 31 March 2018	<u>22,501</u>

Notes to the financial statements (continued)

for the period ended 31 December 2018

8. Tangible fixed assets

	Computers and office equipment
	£
Cost	
At 1 April 2018	64,690
Transfers out	(64,690)
At 31 December 2018	<u> </u>
Accumulated depreciation	
At 1 April 2018	47,786
Charge in the year	2,348
Transfers out	(50,134)
At 31 December 2018	<u> </u>
Net book value	
At 31 December 2018	<u> </u>
At 31 March 2018	<u> </u> <u>16,904</u>

9. Debtors

	<i>As at</i> 31 December 2018 £	<i>As at</i> 31 March 2018 £
Trade debtors	-	565,923
Amounts owed by related party	-	-
Corporation tax debtor	-	350,538
VAT Recoverable	-	-
Prepayments & Accrued income	-	188,715
	<u> </u>	<u>1,105,176</u>

Notes to the financial statements (continued)

for the period ended 31 December 2018

10. Creditors

	<i>As at</i> 31 December 2018 £ £	<i>As at</i> 31 March 2018 £ £
Trade creditors	-	154,355
Amount owed to group undertakings	4,027,094	2,502,659
VAT Liability	-	37,015
Other taxation and social security	-	11,303
Accruals and deferred income	-	35,449
	<u>4,027,094</u>	<u>2,740,781</u>

11. Called up share capital

	<i>As at</i> 31 December 2018 £	<i>As at</i> 31 March 2018 £
<i>Called up and allocated:</i>		
1,800 (31 March 2018: 1,800) Ordinary shares of £0.01	<u>20</u>	<u>20</u>

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

12. Related party transactions

The company has taken advantage of the exemption available under FRS 102 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.

13. Ultimate parent undertaking

The company is a wholly owned subsidiary of ESG-Utiligroup Bidco Limited a company incorporated in England & Wales. Following the company sale by its owners on 22 May 2018, the Ultimate parent is Accel-KKR by virtue of its controlling holding in ESG-Holdings LLC. ESG-Utiligroup Holdings LLC is both the smallest and largest group for which group financial statement are prepared and in which the company is included. The consolidated financial statements of ESG-Utiligroup Holdings LLC are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.