

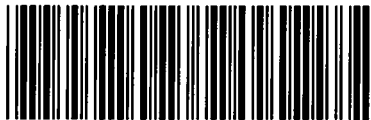
**Aprose Solutions Limited**

**Annual report and financial statements**

**Registered number 09283538**

**31 March 2018**

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## Company information

**Directors:** SR Powell  
CP King (resigned 22nd May 2018)  
TA Underwood (resigned 22nd May 2018)  
  
MC Hirst (appointed 22nd May 2018)  
SP Gosling (appointed 22nd May 2018)

**Registered office:** Utilihouse East Terrace  
Euxton Lane  
Chorley  
Lancashire  
PR7 6TE

**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  
1 St Peter's Square  
Manchester  
M2 3AE

## Directors' report

The directors present their report and financial statements for the year ended 31 March 2018.

### 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 £1,702,169 (2017: £206,507) within the financial year. However, due to 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 £127,218 (2017: £922,250).

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.

In May 2018, ESG-Utiligroup Bidco Limited purchased 100% of the share capital of Aprose Solutions Limited and subsequently hived up all trade and assets within Aprose Solutions Limited into Utilisoft Limited such that future trading will be recognised within this company.

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.

### Going concern

In light of the comments above, the directors have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

### Dividends

No dividends have been paid during the year (2017: £nil).

### Directors

The following directors have held office during the year:

SR Powell	
CP King	(resigned 22 May 2018)
TA Underwood	(resigned 22 May 2018)
MC Hirst	(appointed 22 May 2018)
SP Gosling	(appointed 22 May 2018)

### 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.

**Directors' report** *(continued)*

By order of the board



**SP Gosling**  
*Director*

Utilihouse East Terrace  
Euxton Lane  
Chorley  
Lancashire  
PR7 6TE

10th September 2018

## **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
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and 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**

1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

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

**Opinion**

We have audited the financial statements of Aprose Solutions Limited for the year ended 31 March 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Emphasis of matter - non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

**Director's report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.



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

### Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.

Rehman Minshall (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
1 St Peter's Square,  
Manchester,  
M2 3AE

13<sup>th</sup> SEPTEMBER 2018



**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 31 March 2018*

	<i>Note</i>	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Turnover	1	1,702,169	206,507
Cost of sales		(1,497,621)	(728,664)
<b>Gross profit/(loss)</b>		<b>204,548</b>	<b>(522,157)</b>
Administrative expenses	2	(331,766)	(400,093)
<b>Loss before taxation</b>		<b>(127,218)</b>	<b>(922,250)</b>
Tax on loss	4	151,669	454,223
<b>Profit/(loss) for the year</b>		<b>24,451</b>	<b>(468,027)</b>
Other comprehensive income		-	-
<b>Total comprehensive income/(loss)</b>		<b>24,451</b>	<b>(468,027)</b>

**Balance Sheet**  
*at 31 March 2018*

	Note	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	5	-	-	-	28,340
Tangible assets	6	-	-	-	14,518
					<u>42,858</u>
<b>Current assets</b>					
Intangible assets	5	22,501	-	-	-
Tangible assets	6	16,904	-	-	-
Debtors	7	1,105,176	-	606,296	-
Cash at bank and in hand		63,540	-	33,913	-
		<u>1,208,121</u>		<u>640,209</u>	
Creditors: amounts falling due within one year	8	(2,740,781)	-	(2,240,178)	-
<b>Net current liabilities</b>			(1,532,660)		(1,599,969)
<b>Net liabilities</b>			(1,532,660)		(1,557,111)
<b>Capital and reserves</b>					
Called up share capital	9	-	20	-	20
Profit and loss account		-	(1,532,680)	-	(1,557,131)
<b>Total shareholders' deficit</b>			(1,532,660)		(1,557,111)

These financial statements were approved by the board of directors on 10/9/2018 and signed on its behalf by:



**SP Gosling**  
 Director

Company registered number: 09283538

## Statement of Changes in Equity

	Called up share capital £	Profit and loss account £	Total £
Balance at 1 April 2016	2	(1,089,104)	(1,089,102)
<b>Total comprehensive expense for the period</b>	-	(468,027)	(468,027)
Total comprehensive expense for the period	-	(468,027)	(468,027)
Transaction with owners, recorded directly in equity Share capital amendment	18	-	18
<b>Balance at 31 March 2017</b>	<b>20</b>	<b>(1,557,131)</b>	<b>(1,557,111)</b>
Balance at 1 April 2017			
<b>Total comprehensive income for the period</b>	-	24,451	24,451
Total comprehensive expense for the period			
<b>Balance at 31 March 2018</b>	<b>20</b>	<b>(1,532,680)</b>	<b>(1,532,660)</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*"). 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.

#### *Measurement convention and Going concern*

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention and within the requirements of the Companies Act 2006. In previous years, the financial statements have been prepared on a going concern basis. However, as the directors have transferred the trade and assets to a group undertaking in the current year, they have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

#### *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 goods and services after deduction of trade discounts and 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.

Turnover is calculated by reference to the value of work performed to date as a proportion of the total contract value.

**Notes (continued)**

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

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
<i>Included in loss are the following</i>		
Management charges	-	294,799
	<u>          </u>	<u>          </u>

**Auditor's remuneration**

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Audit of these financial statements	12,000	2,885
	<u>          </u>	<u>          </u>
Amounts receivable for other services to the company		
Tax services	9,000	1,000
	<u>          </u>	<u>          </u>

The average number of persons employed by the company (including directors) during the year was 4 (2017: 2).

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Wages and salaries	185,586	38,620
Social security costs	110,466	4,116
Pension costs	19,404	-
	<u>          </u>	<u>          </u>
	315,456	42,736
	<u>          </u>	<u>          </u>

**3 Remuneration of directors**

	2018 £	2017 £
Directors' emoluments	175,000	-
Company pension contributions	8,020	-
	<u>          </u>	<u>          </u>
	183,020	-
	<u>          </u>	<u>          </u>

Emoluments of the highest paid director were £87,500 (2017: £nil) and company pension contributions of £4,010 (2017: £nil) were made to a money purchase scheme on his behalf.

Retirement benefits are accruing to two of the directors (2017: nil) under money purchase pension schemes.

**Notes (continued)**

**4 Taxation**

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

	2018	2017
	£	£
<i>Current tax</i>		
Current tax on income for the period	(151,669)	(393,143)
Adjustments in respect of prior periods	-	(61,080)
	<u>(151,669)</u>	<u>(454,223)</u>
<b>Total current tax</b>	<b>(151,669)</b>	<b>(454,223)</b>
	<u>(151,669)</u>	<u>(454,223)</u>
<b>Total tax</b>	<b>(151,669)</b>	<b>(454,223)</b>

**Reconciliation of effective tax rate**

	Year ended 31 March 2018	Year ended 31 March 2017
	£	£
Profit/(loss) for the year	24,451	(468,027)
Total tax credit	(151,669)	(454,223)
	<u>(127,218)</u>	<u>(922,250)</u>
Loss excluding taxation	(127,218)	(922,250)
Tax using the small companies UK corporation tax rate of 19% (2017: 20%)	(24,171)	(184,450)
R&D tax credit surrender	47,070	75,433
R&D tax relief	(175,439)	(155,041)
Unrecognised deferred tax	656	-
Expenses not deductible for tax purposes	215	-
Other	-	(11,721)
Adjustments in respect of prior periods	-	(61,080)
Relief for pre-trading expenditure	-	(117,364)
	<u>(151,669)</u>	<u>(454,223)</u>
<b>Total tax credit included in profit or loss</b>	<b>(151,669)</b>	<b>(454,223)</b>

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 2018) 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 2017. This will reduce the company's future current tax charge accordingly. The unrecognised deferred tax asset at 31 March 2018 has been calculated based on the rate of 17% substantively enacted at the balance sheet date.

**Notes (continued)**

**5 Intangible fixed assets**

	Software and licences £
<i>Cost</i>	
At 1 April 2017	29,028
Additions	4,630
	<hr/>
At 31 March 2018	33,658
	<hr/>
<i>Accumulated depreciation</i>	
At 1 April 2017	688
Charge for the period	10,469
	<hr/>
At 31 March 2018	11,157
	<hr/> <hr/>
<b>Net book value</b>	
At 31 March 2018	22,501
	<hr/> <hr/>
At 31 March 2017	28,340
	<hr/> <hr/>

**6 Tangible fixed assets**

	Computers and office equipment £
<i>Cost</i>	
At 1 April 2017	45,735
Additions	18,955
	<hr/>
At 31 March 2018	64,690
	<hr/>
<i>Accumulated depreciation</i>	
At 1 April 2017	31,217
Charge for the period	16,569
	<hr/>
At 31 March 2018	47,786
	<hr/> <hr/>
<b>Net book value</b>	
At 31 March 2018	16,904
	<hr/> <hr/>
At 31 March 2017	14,518
	<hr/> <hr/>



**Notes (continued)**

**7 Debtors**

	2018	2017
	£	£
Trade debtors	565,923	213,279
Amounts owed by related party (note 10)	-	19,148
Corporation tax debtor	350,538	334,949
VAT recoverable	-	35,967
Prepayments & accrued income	188,715	2,953
	1,105,176	606,296
	1,105,176	606,296

All debtors are due within one year.

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

	2018	2017
	£	£
Amount owed to a related party (note 10)	2,502,659	2,046,716
Trade creditors	154,355	87,703
Accruals and deferred income	35,449	105,412
VAT liability	37,015	-
Other tax and social security	11,303	347
	2,740,781	2,240,178
	2,740,781	2,240,178

**9 Share capital**

	2018	2017
	£	£
<i>Called up and allocated</i>		
1,800 Ordinary shares of £0.001 each	20	20
	20	20

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

**Notes (continued)**

**10 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 7 comprise the following:

	2018	2017
	£	£
Aprose Limited	-	2
Aprose Risk Limited	-	19,146
	-	19,148

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 8 comprise the following:

	2018	2017
	£	£
Aprose Risk Limited	13,373	-
ASE Consulting Limited	2,489,286	2,046,716
	2,502,659	2,046,716

**11 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.

**12 Post Balance Sheet Event**

Post year end, 100% of the share capital in Aprose Solutions was purchased by ESG-Utiligroup Bidco Limited, registered office Utilihouse, East Terrace, Chorley, Lancashire, PR7 6TE, the ultimate parent company is Accel-KKR Limited.