

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

**Directors' report and financial statements
for the year ended 31 December 2018**

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Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Company information

Director	A S Price
Company secretary	Pitsec Limited
Registered number	01918777
Registered office	4th Floor, The Anchorage 34 Bridge Street Reading RG1 2LU
Independent auditors	Kreston Reeves LLP Second Floor 168 Shoreditch High Street London E1 6RA

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

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Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Directors' report for the year ended 31 December 2018

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

Principal activity

The principal activities of the company in the year under review were those of acting as an agent for a computer software developer and distributor, the provision of computer consultancy services, and training.

On 18 December 2018 pursuant to Chapter 2 of Part 13 of the Companies Act 2006, the directors of the company passed a special resolution to change the name of the company from Aptean Systems (UK) Limited to Avolin UK Limited.

Results and dividends

The loss for the year, after taxation, amounted to £1,663,517 (2017: profit £1,987,833).

On 25 October 2018, the former directors approved a dividend of £7,699,588 on the basis of financial information available at that time. Subsequent adjustments following the change of ownership, including a loss on disposal of tangible and intangible fixed assets of £2,237,801 have resulted in a deficit of distributable reserves. The current director has resolved not to approve any further dividends until there are sufficient distributable reserves to do so.

Going concern

It is the intention of the director that the company will cease trading and be dissolved within 12 months from the date of signing these financial statements. Therefore these accounts have been prepared under the break up basis and all activities are discontinued operations.

Share capital

On 25 October 2018, a special resolution was passed that the issued share capital of the company be reduced from 38,843,820 ordinary shares of £0.10 each to 9,046,660 ordinary share of £0.10 each by the cancellation of 29,797,160 ordinary shares.

On 25 October 2018, 2 ordinary shares with a nominal value of £0.10 per share were issued for a premium of £165,978 per share.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, were:

S A Cummings (resigned 26 October 2018)

A S Price (appointed 18 December 2018)

A G Somerville (resigned 26 October 2018)

H M Stein (resigned 26 October 2018)

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Directors' report (continued) for the year ended 31 December 2018

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Brexit

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The director has considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Directors' report (continued) for the year ended 31 December 2018

Post balance sheet events

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 31 December 2018 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the company cannot reasonably estimate the impact these events will have on the company's financial position, results of operations or cash flows in the future. The director will continue to monitor the impact of the Coronavirus on the activities of the company.

Since the reporting date the director has resolved that the company shall cease trading and be dissolved within 12 months of the dating of these financial statements.

Auditor

Pursuant to Section 485 of the Companies Act 2006, Kresten Reeves LLP was appointed as auditor of the company. Grant Thornton UK LLP will therefore not be reappointed and will no longer continue in office.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The director has also taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and not prepared a Strategic report.

This report was approved by the board on Dec 17, 2021 and signed on its behalf.

Andrew S Price
Andrew S Price (Dec 17, 2021 11:56 MST)

A S Price
Director

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Independent auditors' report to the members of Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Disclaimer of opinion

We were engaged to audit the financial statements of Avolin UK Limited (formerly Aptean Systems (UK) Limited) (the 'company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer opinion

On 26 October 2018 the company was acquired by ESW Capital LLC. Following this change the accounting records for the company were moved to a new location and a new financial reporting team was appointed. In making these changes, certain accounting records were not retained and consequently we were not provided with sufficient appropriate audit evidence about the following transactions and balances as at 31 December 2018:

- Revenue of £4,312,918
- Cost of sales of £382,142
- Administrative expenses of £5,599,766
- Tax on loss of £1,250
- Other taxes and social security of £250,669
- Corporation tax of £485,968
- Accruals and deferred income of £2,108,448
- Dividend paid of £7,699,588

We were unable to confirm or verify these transactions and balances by alternative means. Consequently, we were unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded assets and liabilities and the associated elements comprising the Statement of comprehensive income.

Emphasis of matter

We draw your attention to note 3.3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in that regard.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Independent auditors' report to the members of Avolin UK Limited (formerly Aptean Systems (UK) Limited) (continued)

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Directors' report.

Arising from the limitation of our work referred to in the basis for disclaimer of opinion section:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

Notwithstanding our disclaimer of an opinion on the financial statements, 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:

- 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 director's remuneration specified by law are not made; or
- the director was not entitled to prepare the financial statements in accordance with the small companies' regime and 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 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.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Independent auditors' report to the members of Avolin UK Limited (formerly Aptean Systems (UK) Limited) (continued)

Auditors' responsibilities for the audit of the financial statements

Our responsibility is to conduct an audit of the company's financial statements in accordance with international Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the 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.

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 Auditors' 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.



Michael Cook BA (Hons) FCA (Senior statutory auditor)
for and on behalf of

Kreston Reeves LLP

Second Floor

168 Shoreditch High Street

London

E1 6RA

Date: 20 December 2021

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Statement of comprehensive income for the year ended 31 December 2018

	2018 £	2017 £
Turnover	4,312,918	4,325,229
Cost of sales	(382,142)	(199,419)
Gross profit	3,930,776	4,125,810
Administrative expenses	(5,599,766)	(1,739,296)
Operating (loss)/profit	(1,668,990)	2,386,514
Interest receivable and similar income	6,965	87,457
Interest payable and expenses	(242)	(3,867)
(Loss)/profit before tax	(1,662,267)	2,470,104
Tax on (loss)/profit	(1,250)	(482,271)
(Loss)/profit for the financial year	(1,663,517)	1,987,833

The company has no items of other comprehensive income for the current or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

All amounts above relate to discontinuing operations

The notes on pages 10 to 18 form part of these financial statements.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Registered number: 01918777

**Balance sheet
as at 31 December 2018**

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible assets	5	-	-	2,480,807	
Tangible assets	6	-	-	2,394	
			-	2,483,201	
Current assets					
Debtors: amounts falling due within one year	7	3,570,251	4,200,613		
Cash at bank and in hand		220,373	4,614,036		
		3,790,624	8,814,649		
Creditors: amounts falling due within one year	8	(3,076,578)	(1,552,582)		
Net current assets			714,046	7,262,067	
Total assets less current liabilities			714,046	9,745,268	
Provisions for liabilities					
Deferred tax		-	(73)		
			-	(73)	
Net assets			714,046	9,745,195	
Capital and reserves					
Called up share capital	9	904,666	3,884,382		
Share premium account		1,086,536	754,580		
Profit and loss account		(1,277,156)	5,106,233		
Total equity			714,046	9,745,195	

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Dec 17, 2021 2021.

Andrew S Price
Andrew S Price (Dec 17, 2021 11:56 MST)

A S Price
Director

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	3,884,382	754,580	5,106,233	9,745,195
Loss for the year	-	-	(1,663,517)	(1,663,517)
Dividends	-	-	(7,699,588)	(7,699,588)
Shares issued in the year	-	331,956	-	331,956
Cancellation of called up share capital	(2,979,716)	-	2,979,716	-
At 31 December 2018	904,666	1,086,536	(1,277,156)	714,046

Statement of changes in equity for the year ended 31 December 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	3,884,382	754,580	4,078,672	8,717,634
Profit for the year	-	-	1,987,833	1,987,833
Dividends	-	-	(960,272)	(960,272)
At 31 December 2017	3,884,382	754,580	5,106,233	9,745,195

The notes on pages 10 to 18 form part of these financial statements.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

1. General information

Avolin UK Limited (formerly Aptean Systems (UK) Limited) is a private company limited by shares and incorporated in England and Wales. Registered number 01918777.

The principal activities of the company in the year under review were those of acting as an agent for a computer software developer and distributor, the provision of computer consultancy services, and training.

During the year, the address of its registered office was 7 Rushmills, Northampton, NN4 7YB. Since the reporting date the registered office was changed to 4th Floor, The Anchorage, 34 Bridge Street, Reading, RG1 2LU.

2. Statement of compliance

The individual financial statements of Avolin UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") as amended by Section 1A "Small entities" and the Companies Act 2006.

3. Summary of significant accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

3.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

3.3 Going concern

It is the intention of the director that the company will cease trading and be dissolved within 12 months from the date of signing these financial statements. Therefore these accounts have been prepared under the break up basis and all activities are discontinued operations.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.4 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. The company's turnover is derived from the following sources:

Software products

The company recognises the revenue attributable to software licenses and specified upgrades upon delivery of the software product or upgrade, whether there are no specific vendor obligations remaining, when the fee is fixed and determinable and when collection is considered probable. Customer support included as part of the software product sale is recognised on a straight-line basis over the term of the support based on the fair value of the services to be performed.

Other Services

Revenue attributable to other services, such as training and consultancy, is recognised as the services are provided.

In situations where fair value can be determined for all elements (delivered and undelivered), the group allocates the total revenue to be earned under the arrangement amount the various elements, based on their relative fair value. For arrangements where fair value can be determined for the undelivered elements, but does not exist for a delivered element, the residual method is used to record revenue. Under the residual method, the fair value of the undelivered elements is deferred and the remaining portion of the arrangement fee is allocated to the delivered element and recognised as revenue. If the group cannot objectively determine fair value of any undelivered element included in the multiple element arrangement, revenue is deferred until all elements are delivered and services have been performed.

3.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Goodwill	-	Straight line over 10 years
Other intangible fixed assets	-	Straight line over 10 years

3.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

3.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.11 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

3.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income within administrative expenses.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

3. Summary of significant accounting policies (continued)

3.13 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

3.15 Retirement benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

4. Employees

The company has 28 employees other than the directors (2017: 12). The directors did not receive any remuneration (2017: none).

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

5. Intangible assets

	Goodwill £	Customer base £	Total £
Cost			
At 1 January 2018	1,853,755	1,779,653	3,633,408
Disposals	(1,853,755)	(1,779,653)	(3,633,408)
At 31 December 2018	-	-	-
Amortisation			
At 1 January 2018	463,468	689,133	1,152,601
Charge for the year	-	243,006	243,006
Disposals	(463,468)	(932,139)	(1,395,607)
At 31 December 2018	-	-	-
Net book value			
At 31 December 2018	-	-	-
At 31 December 2017	1,390,287	1,090,520	2,480,807

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

6. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2018	14,364
Disposals	(14,364)
At 31 December 2018	-
Depreciation	
At 1 January 2018	11,970
Charge for the year	2,394
Disposals	(14,364)
At 31 December 2018	-
Net book value	
At 31 December 2018	-
At 31 December 2017	2,394

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

7. Debtors

	2018 £	2017 £
Trade debtors	1,368,039	303,184
Amounts owed by group undertakings	2,169,010	3,890,887
Other debtors	33,202	6,542
	<u>3,570,251</u>	<u>4,200,613</u>

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	4,568	3,334
Amounts owed to group undertakings	226,925	190,447
Corporation tax	485,968	1,242,233
Other taxation and social security	250,669	24,264
Accruals and deferred income	2,108,448	92,304
	<u>3,076,578</u>	<u>1,552,582</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
9,046,662 (2017: 38,843,820) Ordinary shares of £0.10 each	<u>904,666</u>	<u>3,884,382</u>

On 25 October 2018, a special resolution was passed that the issued share capital of the company be reduced from 38,843,820 ordinary shares of £0.10 each to 9,046,660 ordinary share of £0.10 each by the cancellation of 29,797,160 ordinary shares.

On 25 October 2018, 2 ordinary shares with a nominal value of £0.10 per share were issued for a premium of £165,978 per share.

10. Dividends

On 25 October 2018, the former directors approved a dividend of £7,699,588 on the basis of financial information available at that time. Subsequent adjustments following the change of ownership, including a loss on disposal of tangible and intangible fixed assets of £2,237,801 have resulted in a deficit of distributable reserves. The current director has resolved not to approve any further dividends until there are sufficient distributable reserves to do so.

Avolin UK Limited (formerly Aptean Systems (UK) Limited)

Notes to the financial statements for the year ended 31 December 2018

11. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £36,573 (2017: £19,213). Contributions totaling £44,097 (2017: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

12. Controlling party

The immediate parent company is Avolin, Inc, a company incorporated in the USA.

The ultimate parent undertaking and the smallest and largest group of undertakings for which group financial statements have been drawn up is that headed by ESW Capital LLC, which is incorporated in the USA. The group financial statements are available from corporate headquarters at 401 Congress Avenue, #2650, Austin, TX 78701, USA, from its date of acquisition by ESW Capital LLC on 20 December 2018.

The director considers there to be no ultimate controlling party.

13. Post balance sheet events

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the company's 31 December 2018 financial statements, COVID-19 and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. The director continues to monitor the impact of the pandemic on the activities of the company, but expects these to be minimal at the date of signing the financial statements.

Since the reporting date the director has resolved that the company shall cease trading and be dissolved within 12 months of the dating of these financial statements.