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**Report of the Directors and
Financial Statements
for the Period
1 October 2017 to 30 September 2018
for
Aptos MLM Solutions UK Limited
(previously known as TXT e-Solutions Limited)**

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Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Contents of the Financial Statements

	Page
Company Information	3
Report of the Directors	4
Statement of Directors' Responsibilities	5
Income Statement	6
Balance Sheet	7
Notes to the Financial Statements	8

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Company Information
for the Period 1 October 2017 to 30 September 2018

DIRECTORS:

JM Laborde
SM Towe

REGISTERED OFFICE:

Marlow International Parkway
Marlow
SL71YL

REGISTERED NUMBER:

04230389 (England and Wales)

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Report of the Directors

The directors present their report with the financial statements of the company for the period 1 October 2017 to 30 September 2018.

CHANGE OF NAME

The company passed a special resolution on 29 March 2018 changing its name from TXT e-Solutions Limited to Aptos MLM Solutions UK Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the sale of supply chain and related fields of software products. The directors consider that this will remain unchanged for the foreseeable future.

REVIEW OF BUSINESS

The directors consider that the results for the period and the financial position at the end of the period were satisfactory. The company has made a pre-tax income of £390 thousand (2017: pre-tax loss of £199 thousand) and had net assets of £2,517 thousand (2017: £2,440 thousand). The income was a result of synergies and cost efficiencies gained through the acquisition by Aptos Solutions UK Limited.

DIVIDENDS

No dividends will be distributed for the period ended 30 September 2018 (2017: £nil).

FUTURE DEVELOPMENTS

The directors do not anticipate any significant future changes or developments.

DIRECTORS

JM Laborde and SM Towe were appointed as directors during the period.

M Bentler was ceased to be director prior to 30 September 2018.

GOING CONCERN

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
JM Laborde - Director

Date: 26 August 2019

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Statement of Comprehensive Profit (Loss)

		For the year ended 30 September	
		2018	2017
		<u>£'000</u>	<u>£'000</u>
<i>(In thousands of Pounds Sterling)</i>	<i>Notes</i>		
Turnover		6,356	5,521
Cost of sales		<u>(1,894)</u>	<u>(3,257)</u>
Gross margin		4,462	2,264
Distribution		1,027	950
Administrative costs		<u>2,987</u>	<u>1,518</u>
Operating loss	5	448	(204)
Interest payable and similar costs		(58)	5
Profit / (loss) on ordinary activities before taxation		<u>390</u>	<u>(199)</u>
Tax benefit	6	<u>(97)</u>	<u>(156)</u>
Profit (loss) for the year		<u>293</u>	<u>(355)</u>

The notes form part of these financial statements

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Statement of Financial Position

		As of 30 September 2018	As of 30 September 2017
		<u>2018</u>	<u>2017</u>
<i>(In thousands of Pounds Sterling)</i>	<i>Notes</i>	£'000	£'000
ASSETS			
<i>Non-current assets</i>			
Intangible assets	7	772	1,543
Tangible assets	8	15	36
Other assets		120	-
		<u>857</u>	<u>1,579</u>
<i>Current assets</i>			
Trade debtors	9	1,961	1,887
Cash at bank and in hand		785	1,027
		<u>2,746</u>	<u>2,914</u>
Creditors: amounts falling due within one year	10	<u>1,086</u>	<u>2,053</u>
<i>Net current assets (liabilities)</i>		1,660	861
<i>Total assets less current liabilities</i>		2,517	2,440
Net assets		<u>2,517</u>	<u>2,440</u>
<i>Capital and reserves</i>			
Called up share capital	12	2,966	2,966
Retained earnings	13	(449)	(526)
<i>Total equity</i>		<u>2,517</u>	<u>2,440</u>

For the year ending 30 September 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 6 to 20 were approved and authorised for issue by the Board of directors on 26 August 2019 and were signed on its behalf by J Laborde.



JM Laborde - Director

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Notes to the Financial Statements

1. STATUTORY INFORMATION

Aptos MLM Solutions UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£), which is the functional currency of the Company and rounded to the nearest £.

The financial statements have been prepared for the period 1 October 2017 to 30 September 2018. The reporting period has changed to align with the year end of the company's ultimate parent company.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

General information and basis of accounting

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of FRS 102.33.1A not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents fees (excluding value added tax) derived from the provision of software, installation, maintenance and support of these software products and consultancy services.

Revenue recognition

Revenue arising from the provision of software and related support is recognised when the company becomes contractually entitled to the income according to the terms of the licence agreement. Revenue arising from services such as consultancy and training is recognised as those services are performed. Revenue related to future periods is deferred on the balance sheet and recognised over the duration of related contracts.

Goodwill

Positive goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life 10 years. The useful economic life has been assessed as 10 years based on the expected benefit of the contracts acquired. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off cost less the estimated residual values of each asset over its estimated useful life.

Improvements to property	over 3 years
Fixtures and fittings	over 3 years
Computer equipment	over 3 years

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Notes to the Financial Statements- continued

Taxation

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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.

Deferred tax is measured, on an undiscounted basis, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the income statement.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Accounting judgements and key sources of estimation uncertainty

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

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

Key source of estimation uncertainty - impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £4.4 million (2017: £1.5 million). Any losses arising from impairment are recognised in the income statement in other administrative expenses.

Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Notes to the Financial Statements- continued

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 41 (2017: 54).

4. DIRECTORS' EMOLUMENTS

A management charge of £160 thousand (2016: £247 thousand) in respect of administration costs has been made by Aptos Solutions UK Limited, the company's parent company during the period ended 30 September 2018, which includes the directors' remuneration which is not possible to identify separately. None of the directors participate in the company pension scheme arrangements.

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2018	2017
	12 months	9 months
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Depreciation - owned assets	20	19
Goodwill amortisation	-	324
Auditors remuneration	14	5
Foreign exchange differences	(372)	90
Research and development	543	373

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss for the period was as follows:

	2018	2017
	12 Months	9 Months
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Current tax	-	-
Deferred tax	97	156
Tax expense on profit	97	156

The effective tax rate for the year is higher (2017: lower) than the standard rate of corporation tax in the UK for the period ended 30 September 2018 of 19% (2017: 19%). The differences are explained below:

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Notes to the Financial Statements- continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	12 Months	9 Months
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Profit (loss) for the year - continuing operation	390	(199)
Tax on profit (loss) at standard UK tax rate of 19% (2017:19%)	74	(38)
Effects of:		
Adjustments in respect of prior years	(16)	-
Expenses not deductible	(26)	194
Tax rate changes	65	-
Tax Expense (credit) for the year	97	156

Factors that may affect future tax charges:

The rate of UK corporation tax changed from 19% to 17% effective 1 April 2020. As deferred tax assets and liabilities are measured at the rates that are expected to apply in the periods of the reversal, deferred tax balances at 30 September 2018 have been calculated at the rate at which the relevant balance is expected to be recovered or settled.

Analysis of deferred tax balances

	2018	2017
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Deferred tax assets	557	-

The deferred tax asset comprises:

As of 30 September 2018, deferred tax assets are comprised of £190 thousand relating to short term timing differences and £368 thousand relating to net operating losses. Deferred tax assets are recoverable in future periods as the Company is profitable and the losses of the Company are offset against profits of Group entities. As of 30 September 2017, the potential deferred tax assets were comprised of £368 thousand relating to net operating losses.

Aptos MLM Solutions UK Limited
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Notes to the Financial Statements- continued

7. INTANGIBLE FIXED ASSETS

<i>In thousands of Pounds Sterling</i>	£'000
COST	
At 1 October 2017	4,321
Income tax adjustment	(821)
At 30 September 2018	3,500
AMORTISATION	
At 30 September 2017	2,778
Charge for period	-
At 30 September 2018	2,778
NET BOOK VALUE	
At 30 September 2018	722
At 30 September 2017	1,543

Goodwill has been recognised relating to the acquisition of BGM Solutions Limited in 2009 and Maple Lake UK Limited in 2012.

8. TANGIBLE FIXED ASSETS

<i>In thousands of Pounds Sterling</i>	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 30 September 2017	18	24	101	143
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2018	18	24	101	143
DEPRECIATION				
At 30 September 2018	15	23	69	107
Charge for period	3	1	17	21
Eliminated on disposal	-	-	-	-
At 30 September 2017	18	24	86	128
NET BOOK VALUE				
At 30 September 2018	-	-	15	15
At 30 September 2017	3	1	32	36

Aptos MLM Solutions UK Limited
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Notes to the Financial Statements- continued

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

10.

	2018	2017
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Trade debtors	932	1,615
Amounts owed by group undertakings	91	40
Amounts recoverable on contracts	-	160
Other debtors	-	20
Deferred tax asset	557	-
Prepayments and accrued income	381	52
	<hr/> 1,961	<hr/> 1,887

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Trade creditors	70	93
Amounts owed to group undertakings	(278)	411
Social security and other taxes	158	255
Accruals and deferred income	1,136	1,294
	<hr/> 1,086	<hr/> 2,053

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
<i>In thousands of Pounds Sterling</i>	£'000	£'000
Within one year	137	106
Between one and five years	485	252
In more than five years	-	26
	<hr/> 622	<hr/> 384

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number: Class: Nominal

	2018	2017
<i>In thousands of Pounds Sterling</i>	£'000	£'000
2,000,000 Ordinary £1 (Sterling) 1	2,000	2,000
1,479,085 Ordinary €1 (Euro) 0.6534	966	966
	<hr/> 2,966	<hr/> 2,966

13. RESERVES

The profit and loss account reserve records cumulative profits and losses less any dividends paid.

Aptos MLM Solutions UK Limited
previously known as TXT e-Solutions Limited

Notes to the Financial Statements- continued

14. CONTROLLING ENTITY

As at 30 September 2017, the Company's immediate and ultimate parent company was TXT e-Solutions S.P.A, a company incorporated in Italy.

On 2 October 2017, the Company was sold by TXT e-Solutions S.P.A and became a wholly owned subsidiary of Aptos Solutions UK Limited, a company incorporated in England and Wales. The Company is indirectly controlled by certain private equity investment funds managed by Apax Partners L.P., a Delaware limited partnership with offices located at 601 Lexington Avenue, 53rd Floor, New York, NY 10022.

The smallest group in which the results of the company are consolidated is that headed by Aptos UK Holding Limited. The audited consolidated financial statements of the group are publically available and may be obtained from Marlow International, Parkway, Marlow, United Kingdom, SL7 1YL.

The largest group in which the results of the Company are consolidated is that headed by Aptos (Cayman) LP. The audited, consolidated accounts of Aptos (Cayman) LP are not publicly available. No other group financial statements include the results of the Company.