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Strategic Report, Report of the Directors and

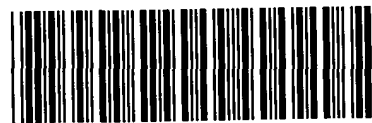
Financial Statements

for the Year Ended 31 December 2014

for

TXT e-Solutions Limited

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TXT e-Solutions Limited

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for the Year Ended 31 December 2014

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TXT e-Solutions Limited

Company Information
for the Year Ended 31 December 2014

DIRECTORS:

M Guida
P Matarazzo
A Cencini

REGISTERED OFFICE:

5 Chapell Lane
Wynyard Park Business Village
Wynyard
TS22 5FG

REGISTERED NUMBER:

04230389 (England and Wales)

AUDITORS:

Ernst & Young LLP
Statutory Auditor
Newcastle Upon Tyne

TXT e-Solutions Limited

Strategic Report **for the Year Ended 31 December 2014**

The directors present their strategic report for the year ended 31 December 2014.

PRINCIPAL ACTIVITY

The principal activity of the company in the year 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 year and the financial position at the end of the year were satisfactory. The company has made a pre tax profit of £20,407 (2013: loss £146,646) and had net assets of £3,116,209 (2013: £3,041,651). The loss in the prior year resulted from the additional amortisation of goodwill on the Maple Lake UK acquisition which was not been completely compensated by the commercial synergies deriving from integration that the directors expect to achieve in the mid term. Despite the company growing revenues and profit on services the main reasons why EBITDA has fallen are the increased commitment to marketing and research and development, through the payroll, and a decrease in margin made on the sale of new software becoming available. Excluding the amortisation of the licence to use software, which is now fully written off, the company made a pre tax profit of £254,922 in the prior year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces a number of operational and market specific risks that could have a significant financial impact.

It has diversified its operations and range of products and services over a wide number and type of customer. Although the loss of a major customer would have an impact on the financial performance of the company the above diversification helps to mitigate this risk.

It operates in a highly competitive and technical market where rapid changes are normal. The company and the wider group, invests heavily in research and development, of both existing and new products, to ensure that it's products and services remain relevant and cost effective.

It uses financial tools such as the preparation of forecasts and regular monitoring of actual performance against these forecasts, on a contract by contract basis. This ensures that adequate sources of finance are in place to meet the requirements of the business.

It is part of an international software products and solutions group. Just under half of its sales are outside of the UK and it buys in products and services from fellow members of the TXT group around the world. The holding company in Italy also provides funding for working capital. Although the company is exposed to the risk of foreign currency fluctuations this is managed, on a group basis, by the treasury function provided by the holding company.

TXT e-Solutions Limited

Strategic Report
for the Year Ended 31 December 2014

KEY PERFORMANCE INDICATORS

The directors use key performance indicators to assess the development, performance and position of the company. The main reportable indicators used are total revenue and earnings before interest tax depreciation and amortisation (EBITDA).

	2014 £	2013 £
Total revenue	6,824,160	6,599,400
EBITDA	485,105	759,805

The directors also use profit on services and customer retention information for internal monitoring purposes.

ON BEHALF OF THE BOARD:


.....
P Matarazzo - Director

Date: 16 September 2015

TXT e-Solutions Limited

Report of the Directors **for the Year Ended 31 December 2014**

The directors present their report with the financial statements of the company for the year ended 31 December 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014 (2013: £nil).

RESEARCH AND DEVELOPMENT

Research and development is a continuous part of the company's operations. During the year the company spent £264,859 (2013: £111,680) on research and development.

FUTURE DEVELOPMENTS

The directors are continually exploring new opportunities in respect of new customers, new products and services and new markets.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

M Guida
P Matarazzo
A Cencini

EMPLOYEES

Employees are informed regularly about aspects of the business and its progress, which the company considers are relevant to them. The company operates a personnel policy, which ensures that employees are consulted and involved in decisions, which affect them and their jobs. The company endeavours to encourage employees to maintain a sense of identity with its aims and objectives.

Applications for employment by disabled persons are always fully and fairly considered, taking into account the aptitudes and abilities of the applicant concerned. Where employees become disabled the company endeavours to continue to employ them and to arrange appropriate training, provided there are duties which they can perform, bearing in mind the handicap or disability. It is the policy of the company that training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

GOING CONCERN

The company trades as part of a successful worldwide group and makes a significant contribution to the group's profits and cash generation.

The directors have a reasonable expectation that this will continue and that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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:

TXT e-Solutions Limited

Report of the Directors
for the Year Ended 31 December 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

In accordance with section 489 of the Companies Act 2006, a resolution for the appointment of Ernst & Young LLP as auditors of the company will be put to the members at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
P Matarazzo - Director

Date: 16 September 2015

Report of the Independent Auditors to the Members of
TXT e-Solutions Limited

We have audited the financial statements of TXT E-Solutions for the year ended 31 December 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Caroline Mulley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Newcastle Upon Tyne

Date: 21 SEPTEMBER 2015

TXT e-Solutions Limited

Profit and Loss Account
for the Year Ended 31 December 2014

		2014		2013	
	Notes	£	£	£	£
TURNOVER	2		6,824,160		6,599,400
Cost of sales			<u>3,894,390</u>		<u>3,938,226</u>
GROSS PROFIT			2,929,770		2,661,174
Distribution costs		1,039,337		954,855	
Administrative expenses		<u>1,864,856</u>		<u>1,825,105</u>	
			<u>2,904,193</u>		<u>2,779,960</u>
OPERATING PROFIT/(LOSS)	5		25,577		(118,786)
Interest receivable and similar income			<u>1,020</u>		<u>97</u>
			26,597		(118,689)
Interest payable and similar charges	7		<u>6,190</u>		<u>27,957</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			20,407		(146,646)
Tax on profit/(loss) on ordinary activities	8		<u>(54,151)</u>		<u>(35,807)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR			<u><u>74,558</u></u>		<u><u>(110,839)</u></u>

CONTINUING OPERATIONS

All amounts relate to continuing activities.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

TXT e-Solutions Limited (Registered number: 04230389)

Balance Sheet
31 December 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	9		2,730,770		3,162,862
Tangible assets	10		35,794		27,300
Investments	11		-		-
			<u>2,766,564</u>		<u>3,190,162</u>
CURRENT ASSETS					
Debtors	12	1,384,525		1,853,972	
Cash at bank		<u>488,477</u>		<u>259,943</u>	
		1,873,002		2,113,915	
CREDITORS					
Amounts falling due within one year	13	<u>1,523,357</u>		<u>2,262,426</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>349,645</u>		<u>(148,511)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,116,209</u>		<u>3,041,651</u>
CAPITAL AND RESERVES					
Called up share capital	15		2,966,460		2,966,460
Profit and loss account	16		<u>149,749</u>		<u>75,191</u>
SHAREHOLDERS' FUNDS	19		<u>3,116,209</u>		<u>3,041,651</u>

The financial statements were approved by the Board of Directors on its behalf by:

16 September 2015

and were signed on



P Matarazzo - Director

The notes form part of these financial statements

TXT e-Solutions Limited

Notes to the Financial Statements
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Statement of cash flows

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose group financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with FRS 1.

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. 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

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

1. ACCOUNTING POLICIES - continued

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise for in the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse upto a maximum period of 12 months from balance sheet date, based on tax rates and laws that have enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have enacted or substantially enacted by the balance sheet date.

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 profit and loss account.

Leasing commitments

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

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit (2013 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2014	2013
	£	£
United Kingdom	3,572,063	4,048,966
Rest of the world	<u>3,252,097</u>	<u>2,550,434</u>
	<u>6,824,160</u>	<u>6,599,400</u>

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

2. TURNOVER - continued

The turnover is attributable to the one principal activity of the company.

The whole of the turnover is attributable to the company's ordinary activities, all of which are continuing. Turnover represents fees derived from provision of software, installation, maintenance and support of these software products and consultancy services, stated net of value added tax.

3. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	3,042,967	2,820,117
Social security costs	362,442	335,769
Other pension costs	104,632	106,238
	<u>3,510,041</u>	<u>3,262,124</u>

The average monthly number of employees during the year was as follows:

	2014	2013
Direct staff	26	26
Distribution staff	8	9
Admin staff	<u>21</u>	<u>17</u>
	<u>55</u>	<u>52</u>

4. DIRECTORS' EMOLUMENTS

A management charge of £477,604 (2013 : £424,796) in respect of administration costs has been made by TXT e-Solutions S.P.A. the company's holding company, which includes the directors' remuneration which is not possible to identify separately.

5. OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging:

	2014	2013
	£	£
Car hire and leasing expenses	47,950	46,230
Other operating leases	142,867	143,104
Depreciation - owned assets	26,097	31,053
Loss on disposal of fixed assets	1,339	13,879
Goodwill amortisation	432,092	432,092
Software licence amortisation	-	401,568
Foreign exchange differences	64,526	57,433
Research and development	<u>264,859</u>	<u>111,680</u>

6. AUDITORS' REMUNERATION

	2014	2013
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,092</u>	<u>24,091</u>

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

6. AUDITORS' REMUNERATION - continued

Auditors remuneration can be split as follows:

	2014 £	2013 £
Fees payable to the company's auditors for the audit of the company's financial statements	9,092	15391
Fees payable to the company's previous auditors for the audit of the company's financial statements	-	4050
Total audit fees	<u>9,092</u>	<u>19441</u>
Other services pursuant to legislation	-	4650
Total non audit fees	<u>-</u>	<u>4650</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interco loan interest	<u>6,190</u>	<u>27,957</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows:

	2014 £	2013 £
Current tax:		
Tax relating to acquisition	-	790
Overprovision in prior years	<u>(131,332)</u>	<u>(18,022)</u>
Total current tax	<u>(131,332)</u>	<u>(17,232)</u>
Deferred taxation	<u>77,181</u>	<u>(18,575)</u>
Tax on profit/(loss) on ordinary activities	<u>(54,151)</u>	<u>(35,807)</u>

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

8. TAXATION - continued

Factors affecting the tax credit

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

	2014 £	2013 £
Profit/(loss) on ordinary activities before tax	<u>20,407</u>	<u>(146,646)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.500% (2013 - 23.250%)	4,388	(34,095)
Effects of:		
Expenses not deductible for tax purposes	(16)	-
Capital allowances in excess of depreciation	(2,106)	-
Depreciation in excess of capital allowances	-	68,960
Utilisation of tax losses	-	(30,302)
Adjustments to tax charge in respect of previous periods	(131,332)	(18,022)
Research and development enhanced deduction	(17,083)	(7,790)
Tax credit from Maple Lake UK Limited	-	790
Capital loss not available for deduction	-	3,227
Losses carried forward	<u>14,817</u>	<u>-</u>
Current tax credit	<u>(131,332)</u>	<u>(17,232)</u>

Factors that may affect future tax charges

The UK government has announced the reduction in the UK corporation tax rate to 20% by 1 April 2015. A reduction from 23% to 21% came into effect on 1 April 2014. A further reduction from 21% to 20% will come into effect on 1 April 2015.

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

8. TAXATION - continued

Analysis of deferred tax balances

	2014	2013
	£	£
Deferred tax asset at 1 January 2014	87,575	69,000
Deferred tax (charge)/credit in profit and loss account	<u>(77,181)</u>	<u>18,575</u>
Deferred tax asset at 31 December 2014 (note 12)	<u><u>10,394</u></u>	<u><u>87,575</u></u>

The deferred tax asset comprises:

	2014	2013
	£	£
Accelerated capital allowances	(1,808)	-
Decelerated capital allowances	-	37,187
Tax losses carried forward	<u>12,202</u>	<u>50,388</u>
	<u><u>10,394</u></u>	<u><u>87,575</u></u>

A deferred tax asset has been recognised on the basis that the company is anticipated to make suitable taxable profits in the foreseeable future.

Potential deferred tax

	2014	2014	2013	2013
	£	£	£	£
	Potential Asset	Recognised	Potential Asset	Recognised
Accelerated capital allowances	(6,090)	(1,808)	-	-
Decelerated capital allowances	-	-	102,318	37,187
Tax losses carried forward	<u>178,488</u>	<u>12,202</u>	<u>138,639</u>	<u>50,388</u>
	<u><u>172,398</u></u>	<u><u>10,394</u></u>	<u><u>240,957</u></u>	<u><u>87,575</u></u>

9. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 January 2014	
and 31 December 2014	<u>4,320,917</u>
AMORTISATION	
At 1 January 2014	1,158,055
Amortisation for year	<u>432,092</u>
At 31 December 2014	<u>1,590,147</u>
NET BOOK VALUE	
At 31 December 2014	<u>2,730,770</u>
At 31 December 2013	<u>3,162,862</u>

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

9. INTANGIBLE FIXED ASSETS - continued

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

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2014	3,131	19,536	50,601	73,268
Additions	-	1,086	34,969	36,055
Disposals	-	-	(9,290)	(9,290)
At 31 December 2014	<u>3,131</u>	<u>20,622</u>	<u>76,280</u>	<u>100,033</u>
DEPRECIATION				
At 1 January 2014	2,471	15,468	28,029	45,968
Charge for year	659	4,122	21,316	26,097
Eliminated on disposal	-	-	(7,826)	(7,826)
At 31 December 2014	<u>3,130</u>	<u>19,590</u>	<u>41,519</u>	<u>64,239</u>
NET BOOK VALUE				
At 31 December 2014	<u>1</u>	<u>1,032</u>	<u>34,761</u>	<u>35,794</u>
At 31 December 2013	<u>660</u>	<u>4,068</u>	<u>22,572</u>	<u>27,300</u>

11. FIXED ASSET INVESTMENTS

The company's investments at the Balance Sheet date in the share capital of companies include the following:

TXT Holding Ontario

Country of incorporation: Canada

Nature of business: Non trading

	% holding
Class of shares:	
Ordinary	100.00

TXT Holding Ontario was formed to facilitate the transfer of Maple Lake UK Limited to the ownership of TXT e-Solutions Limited from its Canadian parent.
The company was dissolved in the prior year.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade debtors	739,715	1,440,017
Amounts owed by group undertakings	28,817	3,141
Amounts recoverable on contract	344,030	36,800
Other debtors	21,162	21,162
Deferred tax asset	10,394	87,575
Prepayments and accrued income	240,407	265,277
	<u>1,384,525</u>	<u>1,853,972</u>

TXT e-Solutions Limited

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Trade creditors	29,071	29,177
Amounts owed to group undertakings	99,489	804,412
Withholding taxation	318	-
Social security and other taxes	100,983	97,525
VAT	83,033	186,538
Accruals and deferred income	<u>1,210,463</u>	<u>1,144,774</u>
	<u>1,523,357</u>	<u>2,262,426</u>

14. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	4,155	4,155	8,480	14,757
Between one and five years	<u>60,000</u>	<u>47,500</u>	<u>12,555</u>	<u>19,664</u>
	<u>64,155</u>	<u>51,655</u>	<u>21,035</u>	<u>34,421</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014	2013
Number:	Class:	Nominal value:	£	£
2,000,000	Ordinary £1 (Sterling)	1	2,000,000	2,000,000
1,479,085	Ordinary €1 (Euro)	.6534	<u>966,460</u>	<u>966,460</u>
			<u>2,966,460</u>	<u>2,966,460</u>

16. RESERVES

	Profit and loss account
	£
At 1 January 2014	75,191
Profit for the year	<u>74,558</u>
At 31 December 2014	<u>149,749</u>

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £104,632 (2013: £106,238).

There were outstanding contributions of £126 at the end of the financial year (2013: £193).

TXT e-Solutions Limited

Notes to the Financial Statements - continued
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18. ULTIMATE CONTROLLING PARTY

The company's immediate and ultimate parent company is TXT e-Solutions S.P.A., a company incorporated in Italy.

The consolidated accounts of TXT e-Solutions S.P.A. in which the company's financial statements are included are available from its registered office at the following address: Via Frigia 27-20126 Milan, Italy.

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit/(loss) for the financial year	<u>74,558</u>	<u>(110,839)</u>
Net addition/(reduction) to shareholders' funds	74,558	(110,839)
Opening shareholders' funds	<u>3,041,651</u>	<u>3,152,490</u>
Closing shareholders' funds	<u>3,116,209</u>	<u>3,041,651</u>