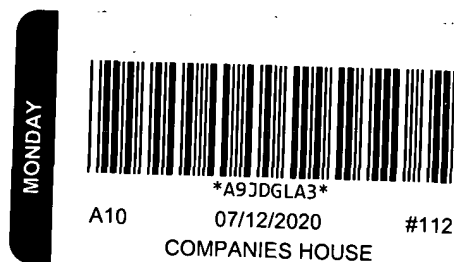


**APFM UK LTD**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**  
**PAGES FOR FILING WITH REGISTRAR**



# **APFM UK LTD**

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# APFM UK LTD

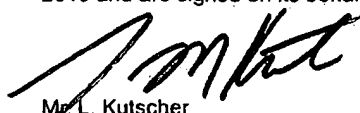
## CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£
<b>Fixed assets</b>			
Intangible assets	3	30,220,382	
Tangible assets	4	35,173	
			<u>30,255,555</u>
<b>Current assets</b>			
Debtors	5	1,756,121	
Cash at bank and in hand		1,849,966	
			<u>3,606,087</u>
<b>Creditors: amounts falling due within one year</b>	6	(16,410,448)	
<b>Net current liabilities</b>			<u>(12,804,361)</u>
<b>Total assets less current liabilities</b>			<u>17,451,194</u>
<b>Capital and reserves</b>			
Called up share capital	9		100
Other reserves	10	18,249,900	
Profit and loss reserves		(798,806)	
<b>Total equity</b>			<u>17,451,194</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:

  
Mr. L. Kutscher  
Director

The notes on pages 9 to 17 form part of these financial statements.

Company Registration No. 11246990

# APFM UK LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£
<b>Fixed Assets</b>			
Investments	12		31,850,000
<b>Current assets</b>			-
<b>Creditors: amounts falling due within one year</b>	14	(13,600,000)	
<b>Net current liabilities</b>			(13,600,000)
<b>Total assets less current liabilities</b>			18,250,000
<b>Net assets</b>			18,250,000
<b>Capital and reserves</b>			
Called up share capital	9		100
Other reserves			18,249,900
<b>Total equity</b>			18,250,000

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2019 and are signed on its behalf by:

  
Mr. L. Kutscher  
Director

The notes on pages 9 to 17 form part of these financial statements.

Company Registration No. 11246990

# APFM UK LTD

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 6 April 2018	1,563,590	162,144	-	1,725,734
Period ended 31 December 2018:				
Loss and total comprehensive income for the period	-	-	(798,806)	(798,806)
Issue of share capital	(1,563,490)	18,087,756	-	16,524,266
Balance at 31 December 2018	100	18,249,900	(798,806)	17,451,194
Year ended 31 December 2019:				
Loss and total comprehensive income for the year	-	-	(702,531)	(702,531)
Balance at 31 December 2019	100	18,249,900	(1,501,337)	16,748,663

# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

APFM UK Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 4 Station Yard, Station Road, Hungerford, Berkshire, RG17 0DY.

The group consists of APFM UK Ltd and all of its subsidiaries.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

#### 1.2 Basis of consolidation

The consolidated financial statements presents the results of the Company and its own subsidiaries ('the Group')) as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of the acquired operations are included on the consolidated statements of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 1.3 Going concern

The parent company will continue to provide support for the foreseeable future. Therefore the directors have prepared the accounts on a going concern basis.

The Directors have considered the impact of COVID-19 and have concluded that while there continues to be inherent uncertainty in many sectors, the Company's performance and ability to continue to trade have not been and are not likely to be materially affected.

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# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.4 Turnover

Turnover represents amounts receivable for the online publishing service net of VAT.

Revenue from contracts for the provision of services is recognised over the period of the contract on a monthly basis between the start date and end date of the order.

The contract period is usually 12 months long and the income is deferred at the start of the contract and released in equal instalments over the period of the contract.

#### 1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Trade names	10% Straight line basis
Development costs	33% Straight line basis
Customer lists	10% Straight line basis
Technology	33% Straight line basis

#### 1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33% Straight line basis
Fixtures and fittings	25% Straight line basis
Computer Equipment	33% Straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **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.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

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# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.15 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

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# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	2,800	6,300
Audit of the financial statements of the company's subsidiaries	8,200	8,000
	<u>11,000</u>	<u>14,300</u>

### 4 Employees

The average monthly number of persons employed by the group and company during the year was:

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
56	54	-	-
<u>56</u>	<u>54</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,475,758	2,335,540	-	-
Social security costs	275,103	250,386	-	-
Pension costs	118,769	108,191	-	-
	<u>2,869,630</u>	<u>2,694,117</u>	<u>-</u>	<u>-</u>

The directors are remunerated by other group companies and no amount is recharged in respect of the group headed by APFM UK Limited.

## APFM UK LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

#### 5 Intangible fixed assets

Group	Goodwill	Technology	Development costs	Customer lists	Trade names	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2019	20,794,606	491,410	301,839	8,841,355	2,353,845	32,783,055
Additions - internally developed	-	-	462,449	-	-	462,449
At 31 December 2019	20,794,606	491,410	764,288	8,841,355	2,353,845	33,245,504
<b>Amortisation and impairment</b>						
At 1 January 2019	1,559,595	121,602	41,689	663,102	176,685	2,562,673
Amortisation charged for the year	2,077,740	162,165	184,564	884,136	235,385	3,543,990
At 31 December 2019	3,637,335	283,767	226,253	1,547,238	412,070	6,106,663
<b>Carrying amount</b>						
At 31 December 2019	17,157,271	207,643	538,035	7,294,117	1,941,775	27,138,841
At 31 December 2018	19,235,011	369,808	260,150	8,178,253	2,177,160	30,220,382

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Tangible fixed assets

Group	Software £	Fixtures and fittings £	Computer Equipment £	Total £
<b>Cost</b>				
At 1 January 2019	33,934	34,018	11,630	79,582
Additions	-	19,723	21,411	41,134
At 31 December 2019	33,934	53,741	33,041	120,716
<b>Depreciation and impairment</b>				
At 1 January 2019	26,013	11,990	6,406	44,409
Depreciation charged in the year	4,722	12,988	4,553	22,263
At 31 December 2019	30,735	24,978	10,959	66,672
<b>Carrying amount</b>				
At 31 December 2019	3,199	28,763	22,082	54,044
At 31 December 2018	7,921	22,028	5,224	35,173

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

### 7 Fixed asset investments

	Notes	Company 2019 £	2018 £
Investments in subsidiaries	8	31,850,000	31,850,000
		31,850,000	31,850,000

# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 7 Fixed asset investments (Continued)

Movements in fixed asset investments						
Company	Shares in group undertakings	Loans to group undertakings	Other investments other than loans	Other investments	Other	Total
	£	£	£	£	£	£
<b>Cost or valuation</b>						
At 1 January						
2019 and 31						
December 2019	31,850,000	-	-	-	-	31,850,000
<b>Carrying amount</b>						
At 31						
December 2019	31,850,000	-	-	-	-	31,850,000
At 31						
December 2018	31,850,000	-	-	-	-	31,850,000

### 8 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Tomorrow's Net Limited	England	Ordinary	100.00
Tomorrow's Guides Limited	England	Ordinary	100.00

### 9 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	1,684,123	1,246,363	-	-
Prepayments and accrued income	73,303	64,923	-	-
	1,757,426	1,311,286	-	-
Deferred tax asset (note 11)	233,655	444,835	-	-
	1,991,081	1,756,121	-	-

# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Creditors: amounts falling due within one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors	66,182	71,220	-	-
Other taxation and social security	733,470	332,307	-	-
Deferred income	2,806,358	2,377,516	-	-
Deferred consideration	-	2,000,000	-	2,000,000
Intercompany loan	10,100,000	11,600,000	13,600,000	11,600,000
Accruals and deferred income	104,499	29,405	-	-
	<u>13,810,509</u>	<u>16,410,448</u>	<u>13,600,000</u>	<u>13,600,000</u>

### 11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	233,655	444,835
	<u>233,655</u>	<u>444,835</u>

### 12 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital Issued and fully paid 100 Ordinary of £1 each	100	100

### 13 Reserves

#### Profit and loss reserves

Other reserves relate to a capital contribution made by the parent entity.

### 14 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Michael Farwell MA FCA DChA.

# APFM UK LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 14 Audit report information

(Continued)

The auditor was James Cowper Kreston.  
22 September 2020

### 15 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	38,830	51,576	-	-
Between two and five years	-	38,122	-	-
	<u>38,830</u>	<u>89,698</u>	<u>-</u>	<u>-</u>

### 16 Related party transactions

The intercompany loan of £10,100,000 represents amounts owed to the parent company in respect of purchase consideration for the acquisition of Tomorrow's net and its subsidiaries.

### 17 Controlling party

The controlling party is A Place For Mom Inc. based in the United States of America.

### 18 Company profit

The company profit for the year was £0 (2018 - £0 profit).