

**Strategic Report, Directors' Report and  
Financial Statements for the Year Ended 29 February 2020  
for  
Advanced Computer Software Group Limited**



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for the Year Ended 29 February 2020**

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**Advanced Computer Software Group Limited**

**Company Information  
for the Year Ended 29 February 2020**

**DIRECTORS:**

A W Hicks  
G J Wilson  
A R Alonso  
M S Saroya  
B Hung  
M Richards  
C Arhanchiague  
P Schwalber

**REGISTERED OFFICE:**

Ditton Park  
Riding Court Road  
Datchet  
Berkshire  
SL3 9LL

**REGISTERED NUMBER:**

05965280 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
Registered Auditors &  
Chartered Accountants  
One Chamberlain Square  
Birmingham  
B3 3AX

**Strategic Report  
For the Year Ended 29 February 2020**

The directors present their strategic report for the year ended 29 February 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the year under review was that of a holding company for its subsidiaries.

**REVIEW OF BUSINESS AND PERFORMANCE MEASUREMENT**

The results for the year and financial position of the Company are shown in the financial statements.

The Company did not trade in the current year. During the year the Company received interest income from other group companies of £1,425,000 (2019: £5,877,000) and paid interest to other group companies of £7,162,000 (2019: £4,832,000).

On 9 October 2019, the Advanced Group of companies was jointly acquired by Aston Lux Acquisition S.à.r.l (which is owned funds advised or managed by BC Partners LLP) and funds within the Vista Fund VII Limited Partnership

The Group is a leading supplier of software and IT services to the health, care and business services sectors. Its core offerings include Managed Services focusing on the delivery of IT services including: outsourcing, cloud computing, application development and support, and unified communications

The Group's flexibility in service delivery has enabled its customers to consume services from the Group's own data centre facility or from one of the managed suites maintained in shared facilities. In addition, the Groups can provide a combination of third party delivery channels into the solution to offer Infrastructure-as-a-Service from its own cloud platform. Built on best of breed technology, the Group's very own cloud platform is now delivering significantly as an element of the total contribution per annum.

The directors consider that Cloud Computing is now a mainstream, rather than an alternative strategy, and that hybrid IT delivery, which combines the traditional with the cloud, is becoming more typical in terms of IT consumption. This presents a significant growth opportunity for the Group.

Looking forward, the directors consider that as more companies look to save costs and benefit from deploying solutions in the cloud, the Group is the natural partner of choice. The current market is opening up, and few IT organisations have the existing integration skills to architect, implement and manage a multi-cloud service solution that is customised to a specific enterprise's needs. The Group is uniquely placed to work with organisations to solve their key business issues, be they infrastructure, information, or application based.

The Group brings together the technical infrastructure capabilities with the application creation and management capabilities to enable it to deliver a comprehensive solution to its clients and continuously extend the boundaries of all engagements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Below are details of the Company's principal risks and the mitigating activities in place to address them.

**Financial risk management**

**Credit risk**

Credit risk is the risk that a counter party to a transaction with the Company fails to discharge its obligations in respect of the instrument. The Company's credit risk arises on (i) transactions with customers following delivery of goods and/or services or on (ii) cash and cash equivalents placed with banks and financial institutions.

In order to manage credit risk the Directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

**Liquidity risk**

Liquidity risk is the risk that the Company cannot meet financial liabilities when they fall due. The Company's policy for managing liquidity risk is to ensure that the business has enough financial resource to meet its day-to-day activities at any point in time. Management believes that the cash resources on hand, together with the profits of the business more than cover the resources needed to meet the financial obligations of the Company.

**Other Principal Risks and Uncertainties**

**Macroeconomic risk**

A prime risk and area of uncertainty facing the Company is the nature of and demand within its marketplace. Global market uncertainty, and national issues including the focus on national debt, have a direct or indirect impact on the organisations and businesses with which the Company trades. The Directors seek to manage these risks by development of the Company's portfolio of market offerings, which enable it to leverage new revenue streams from new and existing customers, together with seeking to ensure a strong level of recurring revenue.

The United Kingdom exited the European Union on the 31st January 2020. A significant portion of the Company's revenue is recurring from existing customers which provides highly predictable cashflows. The Company has a range of markets, products and services which overall reduces the risk on any single element. The Company is not directly dependent on sales between the UK and the EU as the business is focused materially on UK businesses and enterprises.

**Innovation risk**


The IT market is subject to rapid, and often unpredictable, change. As a result the Company's products and services might become unattractive to its customer base. The Company monitors technology and market developments and invests to keep its existing offerings up-to-date as well as seeking out new opportunities and initiatives.

**Strategic Report  
For the Year Ended 29 February 2020**

**FUTURE DEVELOPMENTS**

The directors believe that there is considerable scope for expansion and growth within the existing client base and market place as the benefits of being a member of a leading software group.

**ON BEHALF OF THE BOARD:**



.....  
A W Hicks - Director

Date: 22<sup>nd</sup> July 2021

**Directors' Report  
for the Year Ended 29 February 2020**

The directors present their audited report with the financial statements of the company for the year ended 29 February 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company during the year under review was that of a holding company for its subsidiaries.

**REVIEW OF BUSINESS**

The Company did not trade in the current year. During the year the Company received interest income from other group companies £1,425,000 (2019: £5,877,000) and paid interest to other group companies of £7,162,000 (2019: £4,832,000).

On 9 October 2019, the Advanced Group of companies was jointly acquired by Aston Lux Acquisition S.à.r.l (which is owned by funds advised or managed by BC Partners LLP) and funds within the Vista Fund VII Limited Partnership.

On the 11 November 2019, the company acquired 100% of Careworks Technology Holdings Limited, a company incorporated in Ireland.

**Going Concern**

The directors' have considered it is appropriate to adopt the going concern basis in preparing the financial statements. In reaching this position, a downside severe scenario has been reviewed for the Advanced Group of companies. The assumptions modelled in this scenario are based on an estimated potential impact of Covid-19 restrictions and regulations, and also considering the Advanced Group's potential responses over the next 12 months.

The downside scenario assumptions include a range of estimated impacts primarily based on the rate of acquiring new software contracts and professional services assignments while also assessing the retention of existing client base. The business has positively traded throughout the Covid period, however it has seen a lower level of new business activity than in the pre-Covid period. For this downside assessment scenario revenue, profit and cash flow are assumed not to return to the pre-Covid levels within the next 12 month period.

Advanced's business operates cash generating units which are focused on key market segments. Each unit has experienced sensitivity in its results arising from the impact on their markets due to Covid-19.

Additional further areas could be assessed in mitigating the downside scenario. These are within management's control and could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend. We have assumed no significant structural changes to the business will be needed in the scenario modelled and any mitigations are not considered to have any significant impacts on customer experience.

The Company is not directly dependent on sales between the UK and the EU as the business is focused materially on UK businesses and enterprises.

**EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the period end the UK government and many other countries implemented a strategy to restrict and contain the health implications of the global pandemic which has arisen from the emergence of Covid-19. Management have taken action to both protect the business and its employees in limiting the effect of Covid-19.

**DIVIDENDS**

The directors do not recommend the payment of a dividend (2019: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 March 2019 to the date of this report, unless otherwise stated:

A W Hicks  
G J Wilson  
A R Alonso  
M S Saroya  
C Arhanchiague (Appointed 9 October 2019)  
B Hung (Appointed 9 October 2019)  
E J Koetsenruijter (Appointed 9 October 2019, resigned 3 February 2020)  
P Schwalber (Appointed 9 October 2019)  
B Bolin (Resigned 9 October 2019)  
B Sheth (Resigned 9 October 2019)  
R Smith (Resigned 9 October 2019)  
M Taylor (Resigned 9 October 2019)  
M Richards (appointed 26 May 2020)

The directors in place during the year and also at the date of approval benefit from qualifying third party indemnity provisions provided by the parent undertaking.

**POLITICAL DONATIONS AND EXPENDITURE**

There were no political donations made during the year (2019: £nil).

**EMPLOYMENT POLICIES**

The Company no longer trades. As a result, the Company no longer employs any staff and thus no employment policies have been presented.

**Directors' Report  
for the Year Ended 29 February 2020**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- o select suitable accounting policies and then apply them consistently;
- o state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- o make judgements and accounting estimates that are reasonable and prudent; and
- o 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 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.

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.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

In accordance with section 485 of the Companies Act 2006 by ordinary resolution of the members PricewaterhouseCoopers LLP have been reappointed as auditors of the company.

**ON BEHALF OF THE BOARD:**



.....  
A W Hicks - Director

Date: 22<sup>nd</sup> July 2021

**Independent Auditors' Report to the Members of  
Advanced Computer Software Group Limited (Registered number: 05965280)**

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**Report on the audit of the financial statements**

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**Opinion**

In our opinion, Advanced Computer Software Group Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 29 February 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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**Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

**Independent Auditors' Report to the Members of  
Advanced Computer Software Group Limited (Registered number: 05965280)**

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

*Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 29 February 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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**Responsibilities for the financial statements and the audit**

*Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

*Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Hookway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
22<sup>nd</sup> July 2021

**Advanced Computer Software Group Limited (Registered number: 05965280)**

**Statement of Comprehensive Income  
for the Year Ended 29 February 2020**

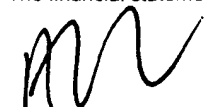
|  | Notes | 2020<br>£'000         | 2019<br>£'000       |
|--|-------|-----------------------|---------------------|
| <b>TURNOVER</b>  |       | -                     | -                   |
| Administrative expenses                                  |       | <u>(579)</u>          | <u>(610)</u>        |
| <b>OPERATING LOSS</b>                                    | 4     | <b>(579)</b>          | (610)               |
| Interest receivable and similar income                   | 5     | <u>1,425</u>          | <u>5,877</u>        |
|  |       | 846                   | 5,267               |
| Interest payable and similar expenses                    | 6     | <u>(7,162)</u>        | <u>(4,832)</u>      |
| <b>(LOSS)/PROFIT BEFORE TAXATION</b>                     |       | <b>(6,316)</b>        | 435                 |
| Tax on (loss)/profit                                     | 7     | <u>-</u>              | <u>692</u>          |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>              |       | <b>(6,316)</b>        | 1,127               |
| <b>OTHER COMPREHENSIVE INCOME</b>                        |       | <u>-</u>              | <u>-</u>            |
| <b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b> |       | <b><u>(6,316)</u></b> | <b><u>1,127</u></b> |

The notes on pages 11 to 16 form part of these financial statements

Statement of Financial Position  
29 February 2020

|                                      | Notes | 2020<br>£'000    | 2019<br>£'000    |
|--------------------------------------|-------|------------------|------------------|
| <b>FIXED ASSETS</b>                  |       |                  |                  |
| Investments                          | 8     | 145,772          | 127,348          |
| <b>CURRENT ASSETS</b>                |       |                  |                  |
| Debtors                              | 9     | 150,962          | 148,459          |
| Cash at bank                         | 10    | <u>113</u>       | <u>42</u>        |
|                                      |       | 151,075          | 148,501          |
| <b>CREDITORS</b>                     |       |                  |                  |
| Amounts falling due within one year  | 11    | <u>(134,192)</u> | <u>(106,878)</u> |
| <b>NET CURRENT ASSETS</b>            |       | <u>16,883</u>    | <u>41,623</u>    |
| <b>TOTAL ASSETS LESS LIABILITIES</b> |       | <u>162,655</u>   | <u>168,971</u>   |
| <b>CAPITAL AND RESERVES</b>          |       |                  |                  |
| Called up share capital              | 12    | 52,656           | 52,656           |
| Share premium account                |       | 11,712           | 11,712           |
| Merger reserve                       | 13    | 7,826            | 7,826            |
| Retained earnings                    |       | <u>90,461</u>    | <u>96,777</u>    |
| <b>TOTAL SHAREHOLDERS' FUNDS</b>     |       | <u>162,655</u>   | <u>168,971</u>   |

The financial statements on pages 8 to 16 were approved by the Board of Directors on 22<sup>nd</sup> July 2021 and were signed on its behalf by:



.....  
A W Hicks - Director

Statement of Changes in Equity  
for the Year Ended 29 February 2020

|                             | Called up<br>share<br>capital<br>£'000 | Share<br>premium<br>account<br>£'000 | Merger<br>reserve<br>£'000 | Retained<br>earnings<br>£'000 | Total<br>shareholders'<br>funds<br>£'000 |
|-----------------------------|--|--------------------------------------|----------------------------|-------------------------------|--|
| Balance at 1 March 2018     | 52,656                                 | 11,712                               | 7,826                      | 95,650                        | 167,844                                  |
| <b>Changes in equity</b>    |  |                                      |                            |                               |  |
| Total comprehensive income  | -                                      | -                                    | -                          | 1,127                         | 1,127                                    |
| Balance at 28 February 2019 | 52,656                                 | 11,712                               | 7,826                      | 96,777                        | 168,971                                  |
| <b>Changes in equity</b>    |  |                                      |                            |                               |  |
| Total comprehensive expense | -                                      | -                                    | -                          | (6,316)                       | (6,316)                                  |
| Balance at 29 February 2020 | 52,656                                 | 11,712                               | 7,826                      | 90,461                        | 162,655                                  |

Notes to the Financial Statements  
for the Year Ended 29 February 2020

1. **ACCOUNTING POLICIES**

**Basis of preparation**

Advanced Computer Software Group Limited (the "Company") is a private company limited by shares and incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the directors' report.

These financial statements 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") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements have been prepared on the historical cost basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The directors have reviewed the cash flow forecasts of the Group and consider there to be sufficient resources to allow the Group to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore the directors continue to adopt the going concern basis in preparing the annual financial statements. In reaching this position, a downside severe scenario has been reviewed. The assumptions modelled in this scenario are based on an estimated potential impact of Covid-19 restrictions and regulations, and also considering the Group's potential responses over the next 12 months.

The downside scenario assumptions include a range of estimated impacts primarily based on the rate of acquiring new software contracts and professional services assignments while also assessing the retention of existing client base. The business has positively traded throughout the Covid period, however it has seen a lower level of new business activity than in the pre-Covid period. For this downside assessment scenario revenue, profit and cash flow are assumed not to return to the pre-Covid levels within the next 12 month period.

Advanced's business operates cash generating units which are focused on key market segments. Each unit has experienced sensitivity in its results arising from the impact on their markets due to Covid-19.

Additional further areas could be assessed in mitigating the downside scenario. These are within management's control and could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend. We have assumed no significant structural changes to the business will be needed in the scenario modelled and any mitigations are not considered to have any significant impacts on customer experience.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company's parent undertaking Aston Midco Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Aston Midco Limited are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Companies House.

The company is considered to be a qualifying entity and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- o Reconciliation of the number of shares outstanding from the beginning to end of the period;
- o Cash Flow Statement and related notes under FRS 102 paragraph 1.12(b); and
- o Key Management Personnel compensation under FRS 102 para 33.7.

The company has taken advantage of the exemption, under FRS 33.1 (a), from disclosing related party transactions as they are all with other companies that are wholly owned by Aston Midco Limited.

As the consolidated financial statements of Aston Midco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- o The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Trade and other debtors / creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**Interest receivable**

Interest payable and similar charges include interest payable from intercompany and bank loans. Interest receivable and similar income include interest receivable on intercompany lending.

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

1. ACCOUNTING POLICIES- continued

**Interest payable**

Interest income and interest payable are recognised in Statement of Comprehensive Income as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

**Financial guarantee contracts**

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

**Foreign currencies**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

**Key sources of estimation uncertainty**

The Company considers the following uncertain estimations as at balance sheet date that may have any material impact on the carrying amounts of its assets and liabilities in applying the Company's accounting policy:

Impairment of Investments

The company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Recoverability of intercompany debtors

Management review the recoverability of intercompany debtors as needed, taking into account the evidence available at the time and provide for any doubtful debts accordingly.

**Critical accounting judgements in applying the Company's accounting policies**

The Company does not consider there to be any critical accounting judgements involved in applying the Company's accounting policies.

3. DIRECTORS' EMOLUMENTS

The directors are also directors of other companies in the Aston Midco Limited Group. These directors' services to the Company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the Company during the year (2019: £nil). The directors are remunerated for their services to this Company by another Group company.

4. OPERATING LOSS

The operating loss is stated after charging:

|                              | 2020     | 2019      |
|------------------------------|----------|-----------|
|                              | £'000    | £'000     |
| Foreign exchange differences | <u>2</u> | <u>12</u> |

Amounts receivable by the company's auditors and their associates in respect of the audit of these financial statements is £2,500 (2019: £2,000).

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

|    |   |              |              |
|----|---|--------------|--------------|
| 5. | <b>INTEREST RECEIVABLE AND SIMILAR INCOME</b> |              |              |
|    |   | <b>2020</b>  | <b>2019</b>  |
|    |   | <b>£'000</b> | <b>£'000</b> |
|    | Inter-company loan interest                   | <u>1,425</u> | <u>5,877</u> |

|    |  |              |              |
|----|--|--------------|--------------|
| 6. | <b>INTEREST PAYABLE AND SIMILAR EXPENSES</b> |              |              |
|    |  | <b>2020</b>  | <b>2019</b>  |
|    |  | <b>£'000</b> | <b>£'000</b> |
|    | Inter-company loan interest                  | <u>7,162</u> | <u>4,832</u> |

7. **TAX ON (LOSS)/PROFIT**

**Analysis of the tax credit**

The tax credit on the (loss)/profit for the year was as follows:

|  |                       |              |              |
|--|-----------------------|--------------|--------------|
|  |                       | <b>2020</b>  | <b>2019</b>  |
|  |                       | <b>£'000</b> | <b>£'000</b> |
|  | Current tax:          |              |              |
|  | Prior year adjustment | -            | (692)        |
|  | Tax on (loss)/profit  | <u>-</u>     | <u>(692)</u> |

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

|  |  |                |              |
|--|--|----------------|--------------|
|  |  | <b>2020</b>    | <b>2019</b>  |
|  |  | <b>£'000</b>   | <b>£'000</b> |
|  | (Loss)/profit before tax   | <u>(6,316)</u> | <u>435</u>   |
|  | (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | (1,200)        | 83           |
|  | Effects of:  |                |              |
|  | Adjustments to tax charge in respect of previous periods                                       | -              | (692)        |
|  | Group Relief   | <u>1,200</u>   | <u>(83)</u>  |
|  | Total tax credit   | <u>-</u>       | <u>(692)</u> |

**Factors that may affect future tax charges**

At the Budget on 11 March 2020, it was announced that the rate of corporation tax will remain at 19% and on 17 March 2020, a resolution having statutory effect was passed under the Provisional Collection of Taxes Act 1968, setting the rate at 19%. At the Budget on 5 March 2021, it was announced that there will be an increase in the rate of corporation tax from 19% to 25% with effect from 1 April 2023.

Deferred taxes at the statement of financial position date have been measured using these enacted tax rates and reflected in the financial statements.

|    |                       |   |
|----|-----------------------|---|
| 8. | <b>INVESTMENTS</b>    |   |
|    |                       | <b>Shares in group undertakings £'000</b> |
|    | <b>COST</b>           |   |
|    | At 1 March 2019       | <u>127,348</u>                            |
|    | Additions             | <u>18,424</u>                             |
|    | At 29 February 2020   | <u>145,772</u>                            |
|    | <b>NET BOOK VALUE</b> |   |
|    | At 29 February 2020   | <u>145,772</u>                            |
|    | At 28 February 2019   | <u>127,348</u>                            |

On the 7 November 2019, the company acquired 100% of Careworks Technology Holdings Limited, a company incorporated in Ireland and its subsidiary undertakings.

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

## 8. INVESTMENTS - continued

| Undertaking  | Country of registration or incorporation | Principal activity   | Percentage of ordinary shares held |          |
|--|--|----------------------|------------------------------------|----------|
|  |  |                      | Direct                             | Indirect |
| Drury Lane (Jersey) Limited                                      | Jersey                                   | Holding company      | 100%                               |          |
| Intercede 2445 Limited   | England & Wales                          | Investment company   |                                    | 50%      |
| 5 Star Computer Systems Limited                                  | England & Wales                          | Liquidation          |                                    | 100%     |
| A.S.R Computers Limited  | England & Wales                          | Liquidation          |                                    | 100%     |
| ADV Management Services Limited                                  | England & Wales                          | Non-Trading          |                                    | 100%     |
| Advanced 365 Limited   | England & Wales                          | IT managed service   |                                    | 100%     |
| Advanced Application Modernisation Inc                           | Canada                                   | Software development |                                    | 100%     |
| Advanced Business and Healthcare Solutions India Private Limited | India                                    | Software development | 100%                               |          |
| Advanced Business Software and Solutions Limited                 | England & Wales                          | Software development |                                    | 100%     |
| Advanced Business Software and Solutions Pte Limited             | Singapore                                | Software development |                                    | 100%     |
| Advanced Business Solutions CRM Limited                          | England & Wales                          | Liquidation          |                                    | 100%     |
| Advanced Chorus Application Software Limited                     | England & Wales                          | Dormant              |                                    | 100%     |
| Advanced Communications Software and Solutions Ltd               | England & Wales                          | Liquidation          |                                    | 100%     |
| Advanced Enterprise Software Limited                             | England & Wales                          | Liquidation          |                                    | 100%     |
| Advanced Field Service Solutions Limited                         | England & Wales                          | Liquidation          |                                    | 100%     |
| Advanced Health and Care Limited                                 | England & Wales                          | Software development |                                    | 100%     |
| Advanced Legal Solutions Limited                                 | England & Wales                          | Software development |                                    | 100%     |
| Advanced Sharpowl Software Limited                               | England & Wales                          | Liquidation          |                                    | 100%     |
| Advanced Tickeling Limited                                       | England & Wales                          | Software development |                                    | 100%     |
| AIM Group Holdings Limited                                       | England & Wales                          | Liquidation          |                                    | 100%     |
| Alphalaw Limited   | England & Wales                          | Holding company      |                                    | 100%     |
| Applied Computer Expertise Limited                               | England & Wales                          | Liquidation          |                                    | 100%     |
| Belmin Group Limited   | England & Wales                          | Dormant              |                                    | 100%     |
| Business Systems Group Holdings Limited                          | England & Wales                          | Holding company      |                                    | 100%     |
| Careworks (UK) Limited   | England & Wales                          | Software development |                                    | 100%     |
| CareWorks Ltd  | Ireland                                  | Software development |                                    | 100%     |
| CareWorks Technology Holdings Ltd                                | Ireland                                  | Holding company      | 100%                               |          |
| CareDirector USA LLC   | Ireland                                  | Software development |                                    | 100%     |
| Charity Software Limited   | England & Wales                          | Liquidation          |                                    | 100%     |
| Cobaltside Limited   | Ireland                                  | Software development |                                    | 100%     |
| Compass Computer Consultants Limited                             | England & Wales                          | Software development |                                    | 100%     |
| Computer Software Group Limited                                  | England & Wales                          | Software development |                                    | 100%     |
| Computer Software Holdings Limited                               | England & Wales                          | Holding company      |                                    | 100%     |
| Consultcrm Limited   | England & Wales                          | Software development |                                    | 100%     |
| Consultgrp Limited   | England & Wales                          | Liquidation          |                                    | 100%     |
| CSG Bidco Limited  | England & Wales                          | Holding company      |                                    | 100%     |
| CSG EquityCo Limited   | England & Wales                          | Holding company      |                                    | 100%     |
| CSG Midco Limited  | England & Wales                          | Holding company      |                                    | 100%     |
| CSG Shareholder Debtco Limited                                   | England & Wales                          | Holding company      |                                    | 100%     |
| Exchequer 365 Solutions Ltd                                      | England & Wales                          | Liquidation          |                                    | 100%     |
| Fabric Technologies Limited                                      | England & Wales                          | Property subletting  |                                    | 100%     |
| G B Systems Limited  | England & Wales                          | Liquidation          |                                    | 100%     |
| Goldcrest Solutions Limited                                      | England & Wales                          | Liquidation          |                                    | 100%     |
| Healthy Software Limited   | England & Wales                          | Liquidation          |                                    | 100%     |
| KHL Newco Ltd  | England & Wales                          | Holding company      |                                    | 100%     |
| Kirona Group Ltd   | England & Wales                          | Liquidation          |                                    | 100%     |
| Kirona Holdings Ltd  | England & Wales                          | Holding company      |                                    | 100%     |
| Kirona Solutions Ltd   | England & Wales                          | Software development |                                    | 100%     |
| Kirona Solutions (commercial) Ltd                                | England & Wales                          | Liquidation          |                                    | 100%     |
| Kirona Ltd   | England & Wales                          | Liquidation          |                                    | 100%     |
| Konnekt IT software limited                                      | England & Wales                          | Liquidation          |                                    | 100%     |
| Laserform International Limited                                  | England & Wales                          | Dormant              |                                    | 100%     |
| Lawwwdiary Limited   | England & Wales                          | Liquidation          |                                    | 100%     |
| Meridian Law   | England & Wales                          | Liquidation          |                                    | 100%     |
| MS Modernisation Services UK Ltd                                 | England & Wales                          | Software development |                                    | 100%     |
| Opsis Limited  | Ireland                                  | Software development |                                    | 100%     |
| Opsis Practice Management Solutions Limited                      | England & Wales                          | Software development |                                    | 100%     |
| Oyez Professional Services Ltd                                   | England & Wales                          | Software development |                                    | 100%     |
| PCTI Technologies Limited  | Ireland                                  | Dormant              |                                    | 100%     |
| PCTI Investments Limited   | England & Wales                          | Dormant              |                                    | 100%     |
| PCTI Solutions Limited   | England & Wales                          | Software development |                                    | 100%     |
| Plain Healthcare   | England & Wales                          | Liquidation          |                                    | 100%     |
| Prolog Systems Ltd   | England & Wales                          | Liquidation          |                                    | 100%     |
| Redac Limited  | England & Wales                          | Holding company      |                                    | 100%     |
| Science Warehouse Limited  | England & Wales                          | Software development |                                    | 100%     |

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

8. INVESTMENTS – continued

| Undertaking                    | Country of Registration or Incorporation | Principal activity   | Percentage of ordinary Shares held |          |
|--------------------------------|--|----------------------|------------------------------------|----------|
|                                |  |                      | Direct                             | Indirect |
| SWL Australia Pty Limited      | Australia                                | Software development |                                    | 100%     |
| Staffplan Limited              | England & Wales                          | Liquidation          |                                    | 100%     |
| Strand Technology Limited      | England & Wales                          | Liquidation          |                                    | 100%     |
| Transoft Group Limited         | England & Wales                          | Software development |                                    | 100%     |
| One Advanced Inc               | USA                                      | Software development |                                    | 100%     |
| V1 Limited                     | England & Wales                          | IT managed service   |                                    | 100%     |
| Videss Limited                 | England & Wales                          | Liquidation          |                                    | 100%     |
| Waterlow Business Supplies Ltd | England & Wales                          | Software development |                                    | 100%     |
| Xmbrace Ltd                    | England & Wales                          | Dormant              |                                    | 100%     |

The registered address of all subsidiary undertakings incorporated in England and Wales is Ditton Park, Riding Court Road, Datchet, Berkshire, SL3 9LL. The registered address of the other subsidiary undertakings are as follows:

Undertaking:

Registered Address:

Advanced Application Modernisation Inc.

Suite 1700, Park Place, 666 Burrard Street, Vancouver BC, V6C 2X8, Canada

Advanced Business Software and Solutions Pte Limited

10 Anson Road, 33-04 International Plaza, Singapore, Malaysia 079903

Advanced Business and Healthcare Solutions India Private Limited

46 Byrasandra Main Road, 1st Block East, Jayanagar., Bangalore, India, 560011

AIM Group Holdings Limited

6 Queens Road, Aberdeen, AB15 4ZT

BluePhoenix I-TER SRL

Via Flaminia 171, 47923 Rimini (RN)

CareDirector USA LLC

11921 Freedom Drive Suite 550, Reston, VA 20190

CareWorks Ltd

Unit 5 (B) Sandyford Business Centre, Dublin

CareWorks Technology Holdings Ltd

Unit 5 (B) Sandyford Business Centre, Dublin

Cobaltside Limited

Unit 5 (B) Sandyford Business Centre, Dublin

GB Systems Limited

CMS Cameron McKenna, 6 Queens Road, Aberdeen, AB15 4ZT

Kirona France SARL

24 Rue Bailey, 14000 Caen

Liraz Systems Export (1990) Ltd

Holon 5886 Israel L3

Liraz Systems Ltd

Holon 5886 Israel L3

Modern Systems Corporation

Dallas, TX 75240, USA

Modern Systems LM SRL

Via Flaminia 171, 47923 Rimini (RN)

ModSys International Ltd

Holon 5886 Israel L3

MODSYS-Modemizaion Services SRL

Strada Slt. Cristescu Dima Nr. 3BBucharest

MS Mordemisation Services Inc

Dallas, TX 75240, USA

Opsis Limited

Unit 5 (B) Sandyford Business Centre, Dublin

Oneadvanced Inc.

1165 Northchase Parkway, Suite 225, Marietta, GA 30067

PCTI Technologies Limited

Unit 5 (B) Sandyford Business Centre, Dublin

SWL Australia Pty Limited

Level 11, 1 York Street, Sydney, NSW 2000

V1 Document Management Inc.

1165 Northchase Parkway, Suite 225, Marietta, GA 30067

Drury Lane (Jersey) Limited

28 Esplanade, St Helier, Jersey, JE2 3QA

Advanced CS Australia PTY Limited

Frenchs Forest, NSW 2086

9. DEBTORS

|                                    | 2020<br>£'000  | 2019<br>£'000  |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 150,936        | 148,136        |
| VAT                                | 23             | 1              |
| Prepayments and accrued income     | 3              | 322            |
|                                    | <u>150,962</u> | <u>148,459</u> |

Amounts owed by group undertakings include an amount of £98,837,000 (2019: £86,339,000) bearing interest at LIBOR plus 4% and an amount of £5,856,000 (2019: 15,563,000) bearing an interest at 12.066% (2019: 12.066%). All amounts are unsecured and repayable on demand.

10. CASH AT BANK

|                      | 2020<br>£'000 | 2019<br>£'000 |
|----------------------|---------------|---------------|
| Bank deposit account | 113           | 42            |

Notes to the Financial Statements - continued  
for the Year Ended 29 February 2020

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                    | 2020           | 2019           |
|------------------------------------|----------------|----------------|
|                                    | £'000          | £'000          |
| Trade creditors                    | 157            | 39             |
| Amounts owed to group undertakings | 133,922        | 106,735        |
| Other creditors                    | 47             | -              |
| Accruals and deferred income       | <u>66</u>      | <u>104</u>     |
|                                    | <u>134,192</u> | <u>106,878</u> |

Amounts owed to group undertakings include an amount of £73,394,000 (2019: £81,702,000) bearing interest at LIBOR plus 4% and an amount of £42,567,000 (2019: £13,372,000) bearing an interest at 12.066% (2019: 12.066%). All amounts are unsecured and repayable on demand.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number:                         | Class:   | Nominal value: | 2020          | 2019          |
|---------------------------------|----------|----------------|---------------|---------------|
|                                 |          |                | £'000         | £'000         |
| 526,557,843 (2019: 526,557,843) | Ordinary | £0.10          | <u>52,656</u> | <u>52,656</u> |

13. MERGER RESERVE

The merger reserve represents the difference between the fair value and the nominal value of the 59,004.541 ordinary share allotted to the vendors of the business in the past.

14. CONTINGENT LIABILITIES

The Company had guaranteed bank borrowings of fellow group undertakings. Following the acquisition of the Group by Aston Bidco Limited on the 9 October 2019 the Company became an obligor to a new banking facility held by Aston Finco Sarl, comprising a first Lien loan of \$330,000,000 (\$330,000,000 outstanding as at 29 February 2020) and £285,000,000 (£285,000,000 outstanding as at 29 February 2020) repayable at 1% per annum with the balance payable on 9 October 2026, an undrawn \$75,000,000 revolving credit facility and a second Lien loan of \$115,000,000 and £175,000,000 falling due on 9 October 2027. The interest rates on both loans vary between 4.25% and 8.25% over LIBOR. In October 2019, an agreement was reached between Aston Bidco (Holding) Limited with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross currency swap, thus limiting the Group's exposure to USD/GBP exchange variances.

VAT

The Company is registered for Value Added Tax (VAT) as part of a single VAT registration within the group. The representative member of the VAT group is Advanced Computer Software Group Limited. The Company has disclosed its liabilities in respect of VAT payable within current liabilities. All the members of the group remain jointly and severally liable for any VAT debts.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

16. ULTIMATE PARENT COMPANY

The immediate parent company is Air Bidco Limited, a company registered in England and Wales.

The parent company of the smallest and largest group in which the Company is included in consolidated financial statements is that of Aston Midco Limited a company registered in Jersey.

The consolidated financial statements of Aston Midco Limited are available to the public from Companies House.

On 9 October 2019, the Advanced Group of companies was jointly acquired by Aston Lux Acquisition S.à.r.l (which is owned by funds advised or managed by BC Partners LLP) and funds within the Vista Fund VII Limited Partnership. There is no ultimate controlling party as each of the majority shareholders own the same percentage of the shares and the voting rights.

17. POST BALANCE SHEET EVENTS

The company's subsidiaries acquired 100% of the following companies:

|  |                   |
|--|-------------------|
| Tikit Limited                                | 24th March 2020   |
| Mitrefinch Limited                           | 15th October 2020 |
| Clear Review Limited                         | 17th October 2020 |
| Certainty The National Will Register Limited | 3rd February 2021 |
| The National Will Register Limited           | 3rd February 2021 |

Subsequent to the period end the UK government and many other countries implemented a strategy to restrict and contain the health implications of the global pandemic which has arisen from the emergence of Covid-19. Management have taken action to both protect the business and its employees in limiting the effect of Covid-19.