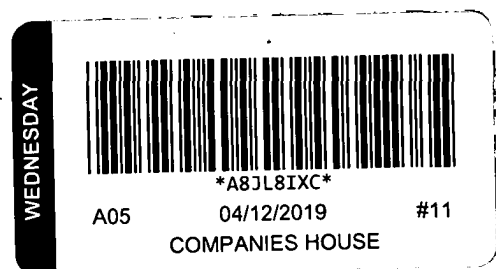


Registered number: 05575609

ACCESS TECHNOLOGY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



ACCESS TECHNOLOGY GROUP LIMITED

COMPANY INFORMATION

Directors	Mr M J Audis Mr C A A Bayne Mr R H Binns Mr P F Bosson Mr A J W Brown Mr D M England Mr J Jorgensen
Registered number	05575609
Registered office	The Old School School Lane Stratford St Mary Colchester Essex CO7 6LZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Maurice Wilkes Building St. John's Innovation Park Cowley Road Cambridge CB4 0DS
Bankers	Lloyds Banking Group PLC 25 Gresham Street London EC2V 7HN
Solicitors	Travers Smith 10 Snow Hill London EC1A 2AL

ACCESS TECHNOLOGY GROUP LIMITED

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ACCESS TECHNOLOGY GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Directors present their Strategic report on the Group for the year ended 30 June 2019.

Business review

The Directors are delighted that the Group ("Access") has enjoyed another very successful year delivering exceptional financial results. Key financial metrics to note include the following:

- Total Turnover (£189m) and Adjusted EBITDA (£68.2m); growth of 32% and 43% respectively
- SaaS and Subscription turnover increased by 60% to £95m and now represents 50% of Total turnover
- Recurring turnover (including SaaS and Subscription turnover) increased by 45% to £143m. Recurring turnover now represents 76% of Total turnover

Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and exceptional items. Exceptional items totalling £6.1m (2018: £5.2m) are disclosed in note 6.

Profit for the financial year was £27.1m (2018: £8.3m).

Access continues to invest heavily in its internal product development to support its strategy. Functionality-rich, SaaS solutions have been extended and developed whilst its on-premise offering has expanded. Solutions are implemented and supported by Access' own consulting and support teams, based throughout the UK, with customers receiving end-to-end software and service provision.

The Group acquired 9 new entities throughout the financial year, adding to their software portfolio.

The Group added approximately 5,600 customers in FY19 and the total number of customers now exceeds 22,000. Access delivers best-of-breed integrated business solutions across a broad range of industry verticals with a meaningful presence in Supply Chain, Health and Social Care, Not-for-Profit, Recruitment, Education, Hospitality and Learning & Development. Throughout FY19 The Access group has also focused on the innovation of its Workspace products, for example successfully developing MTD "Making tax digital" which is integrated within Access Financials.

Its acquisition strategy is to add horizontal solutions appealing to its customer base and vertical applications to increase depth. Acquisitions are identified through thorough research and direct sourcing, completed only after detailed due diligence and are integrated carefully and quickly into the wider business. Cross-selling of products is strongly promoted and tracked, and success to date has shown the very high potential for future cross-sell growth within the business.

Principal risks and uncertainties

The business must maintain high levels of technical expertise within its staff. This risk is mitigated by ensuring low staff turnover and a high investment in staff training. Further, our recruitment policies ensure that new members of staff have the required levels of technical ability where required.

Another principal risk to Access as with any technology company is remaining at the forefront of the industry with its product offering. This risk is mitigated by the continued investment in research and development.

ACCESS TECHNOLOGY GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

Key performance indicators

The key performance indicators for the Group from 2018 to 2019 are as follows:

	2019 £000	2018 £000	Growth £000	Growth %
Turnover (excluding current year acquisitions)	172,994	134,945	38,049	28
Turnover	189,000	143,135	45,865	32
Adjusted EBITDA	68,197	47,555	20,642	43
SaaS and Subscription Turnover	95,036	59,277	35,759	60
Recurring Turnover (incl. SaaS and Subscription Turnover)	143,720	99,364	44,356	45
Development spend (including capitalised costs)	24,265	16,685	7,580	45
Sales and Marketing	29,933	23,918	6,015	25

The adjusted EBITDA margin of 36% (2018 - 33%) was broadly in line with managements' expectations for the year.

This report was approved by the board on *27 November 2019* and signed on its behalf.



Mr R H Binns
Director

ACCESS TECHNOLOGY GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2019.

Directors' responsibilities statement

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 Group and Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are also responsible for safeguarding the assets of the group and 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 group and company transactions and disclose with reasonable accuracy at any time the financial position of the group and company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to auditors

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

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

Principal activities

Access Technology Group Limited ("Access" or "Group") is a holding company. It is the parent company of Access UK Ltd ("Access UK").

The Group provides a range of primarily mid-market focused cloud and on-premise based business management solutions in Finance, HR, Payroll, CRM, Warehousing, Business Intelligence, Professional Services Automation and Manufacturing. The Group has delivered and is fully focused on enhancing and expanding its suite of Software-as-a-Service (SaaS) applications.

ACCESS TECHNOLOGY GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Results and dividends

The profit for the financial year, amounted to £27,132k (2018 - £8,314k).

No dividends have been paid or are proposed (2018: £NIL).

Going concern

At 30 June 2019 the Group had net current liabilities of £39,704k (2018: £29,894k) and made a profit before taxation of £23,890k (2018: £14,207k) during the year then ended. Armstrong Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support to the Group for a period of at least twelve months from the date of the approval of the financial statements so as to allow the Group to pay its debts as they fall due. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Directors

The directors who served during the year and up to the date of signing this Annual Report and financial statements were:

Mr M J Audis
Mr C A A Bayne
Mr R H Binns (appointed 17 June 2019)
Mr P F Bosson
Mr A J W Brown
Mr D M England
Mr J Jorgensen
Mr S Blundell (resigned 30 June 2019)

Future developments

The Group continues to invest in developing and enhancing its technology, and aims to release new versions of its core software every year. It is also regularly developing the cloud based versions of its software consumed as a Software as a Service (SaaS), enabling its customers to use its software hosted in the Cloud.

The Group continues to look for suitable acquisitions which will complement and enhance its range of products in new & existing vertical markets both in the UK and overseas.

ACCESS TECHNOLOGY GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit risk, currency risk, liquidity risk and interest rate cash flow risk. The Group has in place a risk management programme that seeks to limit the adverse effect on financial performance of these risks.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Credit risk

In order to manage credit risk the directors operate credit policies that prevent software being shipped to resellers/customers whose accounts are high risk. Credit control is given high priority and regular reports to management and the Board ensure risks are minimised. The majority of bank deposits are held with Lloyds Banking Group PLC that currently has a credit rating of A3 from Moody's.

Currency risk

The Group is exposed to limited currency risk, with 7.5% of revenues being generated in currencies other than Sterling. Currency risk is also managed by the natural hedge of having liabilities in foreign currency.

Liquidity risk

The Group seeks to manage liquidity risk by ensuring sufficient liquidity, including access to funding from other group companies, is available to meet foreseeable needs.

Research and development activities

The Group continues to invest heavily in research and development. The focus has been on the continuous improvement of the existing product set including the on-going development of its SaaS and mobile platforms. The research and development expenditure for the year increased by 45% to £24,265k (2018: £16,685k) and the new financial year will see a further increase in investment in research and development and an expansion of staff numbers.

During the year £5,700k (2018: £4,646k) of development costs have been capitalised (note 12).

Employee engagement

Employee engagement is very important to the Company, we undertake a number of regular initiatives to increase and encourage employee engagement. The output of these is measured quarterly via 'Our Views' surveys and the Directors are delighted that our Employee Net Promoter Score continues to trend above benchmarks. Information on matters of concern to employees is provided through regular information bulletins and webinars which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

Disabled employees

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

ACCESS TECHNOLOGY GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also maintained throughout the financial year Directors' and Officers' liability insurance.

Post balance sheet events

Access UK Ltd, a subsidiary of the Group, acquired the entire share capital of Safety Media Limited on 1 July 2019, The Payroll Service Company Limited on 31 October 2019, Attache Software Australia Pty Ltd on 01 November 2019 and People Apps Limited on 12 November 2019. Safety Media Limited, The Payroll Service Company Limited and People Apps Limited are UK based and Attache Software Australia Pty Limited is Australian based all of which are Software focused companies which continues to broaden the scope of the company's software offering.

Independent auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *27 November 2019* and signed on its behalf.



Mr R H Binns
Director

Independent auditors' report to the members of Access Technology Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Access Technology Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2019 and of the group's profit and cash flows 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 Annual report and financial statements (the "Annual report"), which comprise: the consolidated and company statements of financial position as at 30 June 2019; the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated and company statements 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.

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 group 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.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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 group's and 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

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 Group Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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.

Group Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Group Strategic report and Directors' report for the year ended 30 June 2019 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Group Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 group's and 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 group or 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. 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.

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Christopher Maw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

27 November 2019

ACCESS TECHNOLOGY GROUP LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 £000	2018 £000
Turnover	4	189,000	143,135
Cost of sales		(47,542)	(35,461)
Gross profit		141,458	107,674
Distribution costs		(9,022)	(8,051)
Administrative expenses		(65,139)	(52,943)
Other operating income	5	900	875
Earnings before interest, tax, depreciation, amortisation and exceptional items		68,197	47,555
Exceptional items	6	(6,055)	(5,192)
Depreciation and amortisation	7	(36,516)	(26,916)
Operating profit	7	25,626	15,447
Interest payable and similar expenses	10	(1,736)	(1,240)
Profit before taxation		23,890	14,207
Tax on profit	11	3,242	(5,893)
Profit for the financial year		27,132	8,314
Actuarial gains on defined benefit pension scheme	23	189	690
Movement of deferred tax relating to pension surplus	20	(47)	-
Other comprehensive income for the year		142	690
Total comprehensive income for the year		27,274	9,004

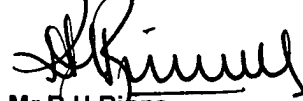
The notes on pages 17 to 63 form part of these financial statements.

ACCESS TECHNOLOGY GROUP LIMITED
REGISTERED NUMBER: 05575609

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	430,024	264,159
Tangible assets	13	9,331	8,488
		<u>439,355</u>	<u>272,647</u>
Current assets			
Debtors	15	55,436	42,446
Cash at bank and in hand	16	14,667	8,228
		<u>70,103</u>	<u>50,674</u>
Creditors: amounts falling due within one year	17	(109,807)	(80,568)
Net current liabilities		<u>(39,704)</u>	<u>(29,894)</u>
Total assets less current liabilities		<u>399,651</u>	<u>242,753</u>
Creditors: amounts falling due after more than one year	18	(269,326)	(152,253)
Provisions for liabilities			
Deferred taxation	20	(35,082)	(22,259)
Pension surplus	23	1,242	970
Net assets		<u><u>96,485</u></u>	<u><u>69,211</u></u>
Capital and reserves			
Called up share capital	21	42	42
Share premium account	21	813	813
Capital redemption reserve		72	72
Other reserves		38	38
Profit and loss account		95,520	68,246
Total equity		<u><u>96,485</u></u>	<u><u>69,211</u></u>

The financial statements on pages 10 to 63 were approved and authorised for issue by the board and were signed on its behalf on 27 November 2019


 Mr R H Binns
 Director

The notes on pages 17 to 63 form part of these financial statements.

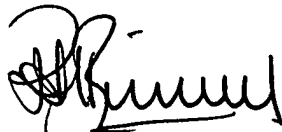
ACCESS TECHNOLOGY GROUP LIMITED
REGISTERED NUMBER: 05575609

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	14	12,019	12,019
		<u>12,019</u>	<u>12,019</u>
Current assets			
Cash at bank and in hand	16	3	3
		<u>3</u>	<u>3</u>
Total assets less current liabilities		12,022	12,022
Creditors: amounts falling due after more than one year	18	(10,010)	(10,010)
		<u>2,012</u>	<u>2,012</u>
Net assets		2,012	2,012
Capital and reserves			
Called up share capital	21	42	42
Share premium account	21	813	813
Other reserves		33	33
Profit and loss account		1,124	1,124
		<u>2,012</u>	<u>2,012</u>
Total equity		2,012	2,012

The Company result for the year was £nil (2018: £nil).

The financial statements on pages 10 to 63 were approved and authorised for issue by the board and were signed on its behalf on *27 November 2019*



Mr R H Binns
Director

The notes on pages 17 to 63 form part of these financial statements.

ACCESS TECHNOLOGY GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 July 2017	42	813	72	38	59,242	60,207
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	8,314	8,314
Actuarial gains on pension scheme	-	-	-	-	690	690
Total comprehensive income for the year	-	-	-	-	9,004	9,004
At 30 June and 1 July 2018	42	813	72	38	68,246	69,211
Comprehensive income for the year						
Profit for the financial year	-	-	-	-	27,132	27,132
Actuarial gains on pension scheme	-	-	-	-	142	142
Total comprehensive income for the year	-	-	-	-	27,274	27,274
At 30 June 2019	42	813	72	38	95,520	96,485

The notes on pages 17 to 63 form part of these financial statements.

ACCESS TECHNOLOGY GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 July 2017	42	813	33	1,124	2,012
Total comprehensive income for the year	-	-	-	-	-
At 30 June and 1 July 2018	42	813	33	1,124	2,012
Total comprehensive income for the year	-	-	-	-	-
At 30 June 2019	42	813	33	1,124	2,012

The notes on pages 17 to 63 form part of these financial statements.

ACCESS TECHNOLOGY GROUP LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	£000	£000
Cash flows from operating activities		
Profit for the financial year	27,132	8,314
Adjustments for:		
Taxation (credit)/charge	(3,242)	5,893
Impairments of fixed assets	-	361
Interest paid	1,736	1,240
Amortisation of intangible assets	32,667	23,419
Depreciation of tangible assets	3,849	3,136
Loss on disposal of tangible assets	46	-
Increase in debtors	(1,712)	(7,370)
Increase in creditors	1,015	5,663
Corporation tax paid	(5,950)	(3,574)
Net cash generated from operating activities	55,541	37,082
Cash flows from investing activities		
Purchase of intangible assets	(7,108)	(6,216)
Purchase of tangible assets	(3,171)	(2,644)
Purchase of subsidiaries (net of cash acquired)	(164,101)	(72,020)
Net cash from investing activities	(174,380)	(80,880)
Cash flows from financing activities		
Net repayment of finance leases	(1,342)	(1,975)
New loans from group companies	126,716	44,733
Interest paid	(96)	(184)
Net cash used in financing activities	125,278	42,574

ACCESS TECHNOLOGY GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

	2019 £000	2018 £000
Net increase/(decrease) in cash and cash equivalents	6,439	(1,224)
Cash and cash equivalents at beginning of year	8,228	9,452
Cash and cash equivalents at the end of year	14,667	8,228
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	14,667	8,228
	14,667	8,228

The notes on pages 17 to 63 form part of these financial statements.

The Company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 112 (b) not to present the Company statement of cash flows.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

The Group and its subsidiaries provide a range of integrated business management solutions that can be installed on premise or delivered through the cloud to best suit customers' requirements and enable them to benefit from a fully-integrated combination of configured work flow applications, on-premise and SaaS (Software as a Service) solutions.

The Company is a private company limited by shares and is incorporated in England. The address of its registered office is The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The Company result for the year was £nil (2018: £nil).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present 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 acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Armstrong Topco Limited as at 30 June 2019 and these financial statements may be obtained from The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

2.4 Going Concern

At 30 June 2019 the Group had net current liabilities of £39,704k (2018: £29,894k) and made a profit before taxation of £23,890k (2018: £14,207k) during the year then ended. Armstrong Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support to the Group for a period of at least twelve months from the date of the approval of the financial statements so as to allow the Group to pay its debts as they fall due. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

2.5 Business combinations

The cost of an acquisition is the fair value of the consideration given plus the costs directly attributable to the acquisition.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the acquisition.

Deferred consideration is measured at the present value of the consideration amount using an appropriate discount rate. The balance is unwound and recognised as interest in the statement of comprehensive income.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 20 years.

Other intangible assets

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

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Technology	-	10	years
Development costs	-	5	years
Customer base	-	11	years
Trade names	-	5	years
Acquired software	-	3	years

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.8 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Short-term leasehold property	- 10% - 20% straight line
Hosting equipment	- Straight line over the life of the lease
Motor vehicles	- 25% straight line
Office equipment	- 25% straight line

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

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

2.9 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

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

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.12 Cash and cash equivalents

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

2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.14 Creditors

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

2.15 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into GBP at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.16 Finance costs

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

2.17 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.18 Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.19 Interest income

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

2.20 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of financial position date.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.22 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability recognised in the Consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date out of which the obligations are to be settled.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The plan is closed to future accrual, therefore the cost of the defined benefit plan, recognised in profit or loss as employee costs, comprises the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss within interest payable or interest receivable.

Where, at the reporting date, the present value of the defined benefit obligation is less than the fair value of the plan assets the plan has a surplus. A surplus is only recognised to the extent that the Group is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Where a surplus is restricted no additional liabilities shall be recognised in respect of an agreement with the defined benefit plan to fund a deficit (such as a schedule of contributions).

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.23 Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

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

With regards to business combinations, deferred tax is recognised on all timing differences other than in respect of the initial recognition of goodwill.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.24 Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Company's financial performance. Transactions that give rise to exceptional costs are principally staff related restructuring costs, onerous contracts and leases and expenses relating to the integration of acquired businesses. Company policy is to recognise staff costs as exceptional from the date that the individual has been notified of the termination of their employment.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.25 Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it is available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Expenditure on research and development activities which does not meet the above criteria is charged to the statement of comprehensive income as incurred.

Amortisation is charged to the statement of comprehensive income on a straight line basis over the anticipated life of the benefits arising from the completed product or project, which is deemed to be 5 years.

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related development is written off to the statement of comprehensive income.

2.26 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.27 Related parties

The Group discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with its' parent or with members of the same group that are wholly owned.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Fair Value on acquisition (note 22)

The fair value of tangible and intangible assets acquired on the acquisition of each investment involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. In addition the estimation of the contingent consideration payable requires estimation of the level of profitability of the business acquired. The estimation of the fair values requires the combination of assumptions including revenue growth, sales mix and volumes, and customer attrition rates. In addition the use of discount rates requires judgement.

3.2 Intangible assets and goodwill (note 12)

The Group considers whether intangible assets and/or goodwill are impaired. This is based upon the future budgets for the product acquired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs), where this is possible to separately identify. 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.

3.3 Provision for doubtful debts (note 15)

The Group considers whether debtors are recoverable and makes an estimate based on the value and age of the debt at the balance sheet date, to determine a suitable provision. This is done by reviewing the debt profile of each customer with a material level of debt and information available at the time.

3.4 Impairment of investments (note 14)

Investments are held at cost less accumulated impairment. At the year end an assessment is performed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount of the asset is the higher of the fair value less cost to sell and the value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the assets continued use. The Directors compare the estimated recoverable amount to the carrying amount to determine any impairment.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

4. Turnover

An analysis of turnover by class of business is as follows:

	2019	2018
	£000	£000
Provision of software and related services	189,000	143,135
	189,000	143,135

Analysis of turnover by country of destination:

	2019	2018
	£000	£000
United Kingdom	173,815	132,463
Rest of Europe	8,735	3,363
Rest of the world	6,450	7,309
	189,000	143,135

5. Other operating income

	2019	2018
	£000	£000
Research and development tax credit	900	875
	900	875

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

6. Exceptional items

	2019	2018
	£000	£000
Restructuring expenses	2,229	2,213
Onerous contracts	2,194	1,533
Integration expenses	1,632	1,446
	6,055	5,192

During the current and prior year the Group underwent a restructuring programme and the termination and redundancy costs, plus any legal fees incurred, have been charged through the profit and loss as exceptional.

Onerous contracts represents the contracts for which the aggregate cost required to fulfill the agreement is higher than the economic benefit obtained from it.

Integration expenses represents costs incurred outside of the normal course of business as a result of the acquisition and integration of businesses acquired.

7. Operating profit

Operating profit is stated after charging/ (crediting):

	2019	2018
	£000	£000
Research and development charged as an expense	18,565	12,039
Depreciation of tangible assets	3,849	3,136
Amortisation of intangible assets, including goodwill	32,667	23,419
Exchange differences	22	(159)
Operating lease rentals	2,738	2,048
Loss on disposal of tangible assets	-	361
Impairment of trade debtors	2,949	2,227
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements and other services:		
- Audit of the Company's subsidiaries	188	163
- Tax advisory services	32	

Included within professional fees capitalised as part of acquisition costs is £945k (2018: £650k) in relation to due diligence services provided by the Company's auditors.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

8. Employees and directors

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £000	Group 2018 £000
Wages and salaries	74,357	60,485
Social security costs	8,541	7,401
Other pension costs	2,694	1,846
	85,592	69,732

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

	2019 No.	2018 No.
Selling and Distribution	653	584
Production staff	330	316
Administrative and support staff	497	432
	1,480	1,332

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company (2018 - £NIL).

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	1,527	1,441
Company contributions to defined contribution pension schemes	33	31
	<u>1,560</u>	<u>1,472</u>

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £298k (2018 - £360k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11k (2018 - £7k).

Key management personnel compensations

The Group considers its directors to be its key management.

10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	6	29
Finance leases and hire purchase contracts	90	155
Imputed interest arising from deferred consideration	1,640	1,056
	<u>1,736</u>	<u>1,240</u>

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

11. Tax on profit

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the financial year	901	4,118
Adjustments in respect of prior periods	(300)	707
	<u>601</u>	<u>4,825</u>
Total current tax	<u>601</u>	<u>4,825</u>
Deferred tax		
Origination and reversal of timing differences	119	849
Changes to tax rates	-	(32)
Effect of amortisation of intangible assets	(2,914)	(415)
Adjustments in respect of prior periods	(1,048)	666
	<u>(3,843)</u>	<u>1,068</u>
Total deferred tax	<u>(3,843)</u>	<u>1,068</u>
Total tax expense	<u>(3,242)</u>	<u>5,893</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

11. Tax on profit (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before taxation	<u>23,890</u>	<u>14,207</u>
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	4,539	2,699
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	5,356	1,647
Fixed asset differences	5,131	4,733
Adjustments in respect of prior periods	(1,348)	502
Other tax adjustments, reliefs and transfers	15	-
Non-taxable income	(5,654)	(1,692)
Impact of overseas tax rates and different tax rates	(15)	(28)
Effect of amortisation of intangible assets	(2,914)	-
Deferred tax not recognised	50	-
Other differences	108	180
Group relief	(8,510)	(2,148)
Total tax (credit)/charge for the year	<u><u>(3,242)</u></u>	<u><u>5,893</u></u>

Factors that may affect future tax charges

The tax rate for the current year is the same as the prior year. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

12. Intangible assets

Group

	Technology £000	Development costs £000	Customer base and Trade names £000	Goodwill £000	Acquired Software £000	Total £000
Cost						
At 1 July 2018	41,804	17,347	93,962	165,166	5,147	323,426
Additions	29,257	5,700	66,704	95,279	1,408	198,348
Disposals	-	-	-	-	(2,809)	(2,809)
Acquisition of subsidiary	-	184	-	-	-	184
At 30 June 2019	71,061	23,231	160,666	260,445	3,746	519,149
Amortisation						
At 1 July 2018	6,418	8,271	13,712	27,766	3,100	59,267
Charge for the year	5,039	4,900	10,425	10,122	2,181	32,667
On disposals	-	-	-	-	(2,809)	(2,809)
At 30 June 2019	11,457	13,171	24,137	37,888	2,472	89,125
Net book value						
At 30 June 2019	59,604	10,060	136,529	222,557	1,274	430,024
At 30 June 2018	35,386	9,076	80,250	137,400	2,047	264,159

The Company has no intangible assets.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

13. Tangible assets

Group

	Freehold property £000	Short-term leasehold property £000	Hosting Equipment £000	Motor vehicles £000	Office equipment £000	Total £000
Cost						
At 1 July 2018	155	2,227	6,604	124	6,945	16,055
Additions	-	369	500	-	2,802	3,671
Acquisition of subsidiary	108	207	-	16	736	1,067
Disposals	-	(18)	-	-	(2,298)	(2,316)
At 30 June 2019	<u>263</u>	<u>2,785</u>	<u>7,104</u>	<u>140</u>	<u>8,185</u>	<u>18,477</u>
Depreciation						
At 1 July 2018	6	469	4,588	26	2,478	7,567
Charge for the year on owned assets	4	239	-	32	2,388	2,663
Charge for the year on financed assets	-	-	1,186	-	-	1,186
Disposals	-	(8)	-	-	(2,262)	(2,270)
At 30 June 2019	<u>10</u>	<u>700</u>	<u>5,774</u>	<u>58</u>	<u>2,604</u>	<u>9,146</u>
Net book value						
At 30 June 2019	<u>253</u>	<u>2,085</u>	<u>1,330</u>	<u>82</u>	<u>5,581</u>	<u>9,331</u>
At 30 June 2018	<u>149</u>	<u>1,758</u>	<u>2,016</u>	<u>98</u>	<u>4,467</u>	<u>8,488</u>

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Tangible assets (continued)

The Company has no tangible assets.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019	2018
	£000	£000
Hosting equipment	1,330	2,016
	<u>1,330</u>	<u>2,016</u>

14. Investments

Company

	Investments in subsidiary companies £000
Cost	
At 1 July 2018	12,019
At 30 June 2019	<u>12,019</u>

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Access Accounting Limited	Holding Company	Ordinary	100%
Access UK Ltd	Consulting, software and solutions	Ordinary	100%
Armstrong Consultants Limited	Dormant	Ordinary	100%
W.F.L Media Ltd	Consulting, software and solutions	Ordinary	100%
Stratogen Inc	Consulting, software and solutions	Ordinary	100%
Access Overseas Company Holdings Limited	Holding Company	Ordinary	100%
Intelligent Software Systems SRL	Software, consulting and development	Ordinary	99%
SCH 2014 Limited	Dormant	Ordinary	100%
Safe Computing Holdings Limited	Dormant	Ordinary	100%
Safe Computing Limited	Dormant	Ordinary	100%
VRD Group Limited	Dormant	Ordinary	100%
Rapidata Services Limited	Dormant	Ordinary	100%
P.P.M. and Associates Limited	Dormant	Ordinary	100%
Procure Wizard Ltd	Dormant	Ordinary	100%
Inaspect Technology Limited	Dormant	Ordinary	100%
Microdec UK Limited	Dormant	Ordinary	100%
Microdec Limited	Dormant	Ordinary	100%
iCarehealth (UK) Limited	Dormant	Ordinary	100%
iCH Software Services Sdn Bhd	Software, consulting and development	Ordinary	100%
ConQuest Limited	Dormant	Ordinary	100%
Volcanic (UK) Ltd	Dormant	Ordinary	100%
Volcanic Technology Pty	Development, software and solutions	Ordinary	100%
Volcanic Technology Asia	Development, software and solutions	Ordinary	100%
Riliance Group Limited	Dormant	Ordinary	100%
Riliance Software Limited	Dormant	Ordinary	100%
Riliance Training Limited	Dormant	Ordinary	100%
Unicorn Training Group Limited	Dormant	Ordinary	100%
CityTraining.Com Limited	Dormant	Ordinary	100%
Socrates Training Limited	Dormant	Ordinary	100%
Gamebrain Studios Limited	Dormant	Ordinary	60%
Raising IT Limited	Dormant	Ordinary	100%
Joyful (Aus) Pty Ltd	Consulting, software and solutions	Ordinary	100%
Joyful (NZ) Pty Ltd	Consulting, software and solutions	Ordinary	100%
Eazy Collect Services Limited	Payment processing	Ordinary	100%

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

14. Investments (continued)

Subsidiary undertakings (continued)

The Company also holds a 26% interest in thankQ Solutions PTY Ltd, a company registered in Australia at Level 14, 275 Alfred Street North Sydney NSW 2060. The investment is not deemed to be material to the Company.

With the exception of Access UK Ltd, Access Accounting Limited, and Armstrong Consultants Limited which are directly held, all other investments are indirectly held.

All of the above subsidiaries, with the exception of StratoGen Inc, Procure Wizard Limited, Intelligent Software Systems SRL, iCH Software Services Sdn Bhd, Volcanic Technology Pty Australia, Volcanic Technology Asia, Joyful (Aus) Pty Ltd and Joyful (NZ) Pty Ltd, have a registered office address at The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

Procure Wizard Ltd is registered at 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

StratoGen Inc. is registered at 254 36th Street, Suite B332, Mailbox 49, New York 11232, USA.

Intelligent Software Systems SRL is registered at Becicherecu Mic village, Becicherecu Mic commune, 320/B PRINCIPALA Street, Timis county, Romania.

iCH Software Services Sdn Bhd is registered at 441-3-9, Pulau Tikus Plaza, Jalan Burma, 10350 Pulau Pinang, Malaysia.

Volcanic Technology Pty Australia is registered at Unit 17, 9-13 Castlereagh Street, Sydney, NSW, 2000, Australia.

Volcanic Technology Asia is registered at No. 65A, Wisma Kimtoo, Jalan Loke Yew, 55200 Kuala Lumpur, Malaysia.

Joyful (Aus) Pty Ltd is registered at Level 11, 50 Margaret Street, Sydney NSW, 2000, Australia.

Joyful (NZ) Pty Ltd is registered at Level 1, 5 William Laurie Place, Albany, Auckland, 0632, New Zealand.

15. Debtors

	Group 2019 £000	Group 2018 £000
Trade debtors	32,376	27,165
Other debtors	1,430	1,613
Corporation tax	4,714	-
Prepayments and accrued income	16,916	13,668
	55,436	42,446

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Debtors (continued)

Trade debtors are stated after provisions for impairment of £2,949k (2018: £2,669k).

The Company has no debtors.

16. Cash at bank and in hand

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Cash at bank and in hand	14,667	8,228	3	3

17. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000
Trade creditors	5,765	6,325
Corporation tax	-	263
Other taxation and social security	8,223	5,491
Obligations under finance lease and hire purchase contracts	1,378	1,457
Other creditors	1,283	2,258
Deferred consideration	17,789	12,528
Accruals and deferred income	75,369	52,246
	109,807	80,568

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

18. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Net obligations under finance leases and hire purchase contracts	234	997	-	-
Amounts owed to group undertakings	256,992	130,276	10,010	10,010
Deferred consideration	12,100	20,980	-	-
	<u>269,326</u>	<u>152,253</u>	<u>10,010</u>	<u>10,010</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. The counter parties has confirmed that at the balance sheet date they have no current intention to demand repayment of the above amounts for a period of at least 12 months from the date of signing these financial statements. Net obligations under finance leases are due between 1 - 2 years. Deferred consideration of £3.5m (2018: £6.2m) is due between two and five years, the balance being due between 1 - 2 years.

19. Financial instruments

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>42,890</u>	<u>42,446</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>315,205</u>	<u>(227,067)</u>	<u>(10,010)</u>	<u>(10,010)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings, finance leases, deferred consideration and accruals.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

20. Deferred taxation

Group

	2019	2018
	£000	£000
At beginning of year	(22,259)	(13,653)
Credited/(charged) to profit or loss	3,842	(1,068)
Charged to other comprehensive income	(47)	-
Arising on business combinations	(16,599)	(7,538)
Utilised in year	(19)	-
At end of year	(35,082)	(22,259)

The provision for deferred taxation is made up as follows:

	Group	Group
	2019	2018
	£000	£000
Accelerated capital allowances	(1,527)	(2,477)
Pension surplus	(212)	-
Effect of recognition of Intangible assets	(33,343)	(19,782)
	(35,082)	(22,259)

21. Called up share capital and other reserves

	2019	2018
	£000	£000
Allotted, called up and fully paid		
131,864,553 (2018 - 131,864,553) Ordinary shares of £0.000160 each	21	21
131,262,500 (2018 -131,262,500) A Ordinary shares of £0.000160 each	21	21
	42	42

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Acquisitions

Acquisition of Microdec Group

The whole of the issued share capital of Microdec Group was acquired on 04 October 2018 for total consideration of £ 5,729k. The following schedule sets out the net assets acquired.

Net assets of Microdec Group on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Tangible Fixed Assets	166	-	166
Technology (1)	-	374	374
Trade Name and Customer Base (1)	-	2,140	2,140
Debtors (3)	975	(92)	883
Cash at Bank (3)	1,251	(2)	1,249
Other creditors (3)	(1,863)	(56)	(1,919)
Deferred tax (2)	-	(427)	(427)
Net assets acquired	529	1,937	2,466
Consideration			5,729
Goodwill			3,263
 Consideration satisfied by:			
Cash			5,729
Deferred consideration payable			-
			5,729

The adjustments arising on acquisition were in respect of the following:

- 1) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 2) Deferred tax adjustment arising as a result of the acquisition adjustments.
- 3) Alignment to group policy

In the Group's last financial year to 30 November 2017, Microdec Group made a profit after tax of £352k. For the period since that date to the date of acquisition, the management accounts of Microdec Group Limited show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of Microdec Group to the date of acquisition:

	Period ended 04 October 2018 £'000
Turnover	4,481
Cost of sales	(2,558)
Gross profit	1,923
Net operating expenses	(4,869)
Operating loss before tax	(2,946)
Tax	5
Loss for financial period	(2,941)

The trade and assets of Microdec Group were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this Group made to the Group has not been separated from the main trading entity.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Acquisitions (continued)

Acquisition of iCareHealth Group

The whole of the issued share capital of iCareHealth (UK) Limited "the iCareHealth Group" was acquired on 12 October 2018 for total consideration of £12,149k. The following schedule sets out the net assets acquired.

Net assets of iCareHealth Group on acquisition:

	Book value	Adjustments	Fair value
	£000	£000	£000
Existing intangible fixed Assets (1)	745	(745)	-
Technology (2)	-	996	996
Trade Name and Customer Base (2)	-	5,692	5,692
Tangible Fixed Assets (3)	151	(2)	149
Debtors (4)	1,443	(83)	1,360
Cash at Bank	882	-	882
Other creditors (5)	(3,961)	(510)	(4,471)
Deferred tax (6)	-	(1,137)	(1,137)
Net assets acquired	(740)	4,211	3,471
Consideration			12,149
Goodwill			8,678
 Consideration satisfied by:			
Cash			12,149
Deferred consideration payable			-
			12,149

The adjustments arising on acquisition were in respect of the following:

- 1) Fair value adjustment to existing intangibles on acquisition.
- 2) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 3) Fair value adjustments to fixtures and fittings
- 4) Increase in bad debt provision by £83k to bring in line with group policy.
- 5) Fair value adjustment to align to group policy. £222k to deferred revenue and £237k to accruals and £51k to other creditors
- 6) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Group's last financial year to 30 June 2018, The iCareHealth Group made a loss after tax of £957k. For the period since that date to the date of acquisition, the management accounts of iCareHealth Group show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of iCareHealth Group to the date of acquisition:

	Period ended 12 October 2018 £'000
Turnover	1,422
Cost of sales	<u>(312)</u>
Gross profit	1,110
Net operating expenses	<u>(1,278)</u>
Operating loss before tax	(168)
Tax	17
Loss for financial period	<u>(151)</u>

The trade and assets of The iCareHealth Group were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this Group made to the Group has not been separated from the main trading entity

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Acquisitions (continued)

Acquisition of ConQuest Limited

The whole of the issued share capital of ConQuest Limited was acquired on 19 October 2018 for total consideration of £18,899k. The following schedule sets out the net assets acquired.

Net assets of ConQuest Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	2,916	2,916
Trade Name and Customer Base (1)	-	6,157	6,157
Tangible Fixed Assets (2)	49	(9)	40
Debtors (3)	341	(6)	335
Cash at Bank	3,774	-	3,774
Other creditors (3)	(1,211)	(241)	(1,452)
Deferred tax (4)	-	(1,542)	(1,542)
Net assets acquired	2,953	7,275	10,228
Consideration			18,899
Goodwill			8,671
 Consideration satisfied by:			
Cash			18,899
Deferred consideration payable			-
			18,899

The adjustments arising on acquisition were in respect of the following:

- 1) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 2) Fair value adjustment to fixtures and fittings.
- 3) Fair value adjustment to align to group policy including £6k to trade debtors, £219k to deferred revenue and £22k to other creditors.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 28 February 2018, ConQuest Limited made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of ConQuest Limited show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of ConQuest Limited to the date of acquisition:

	Period ended 19 October 2018 £'000
Turnover	1,962
Cost of sales	<u>(232)</u>
Gross profit	1,730
Net operating expenses	<u>(593)</u>
Operating profit before tax	1,137
Tax	<u>(216)</u>
Profit for financial period	<u>921</u>

The trade and assets of ConQuest Limited were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this company made to the Group has not been separated from the main trading entity.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Acquisitions (continued)

Acquisition of VRD Group Limited

The whole of the issued share capital of VRD Group Limited "the VRD Group" was acquired on 20 November 2018 for total consideration of £20,377k. The following schedule sets out the net assets acquired.

Net assets of the VRD Group on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	3,605	3,605
Trade Name and Customer Base (1)	-	7,610	7,610
Tangible Fixed Assets (2)	175	(101)	74
Debtors	515	-	515
Cash at Bank	198	-	198
Other creditors (3)	(423)	(14)	(437)
Deferred tax (4)	-	(1,907)	(1,907)
Net assets acquired	465	9,193	9,658
Consideration			<u>20,377</u>
Goodwill			<u><u>10,719</u></u>
Consideration satisfied by:			
Cash			20,377
Deferred consideration payable			-
			<u><u>20,377</u></u>

The adjustments arising on acquisition were in respect of the following:

- 1) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 2) Fair value adjustments to leasehold property improvements and other fixed assets.
- 3) Fair value adjustment to align to group policy.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Group's last financial year to 31 March 2018, the VRD Group made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of the VRD Group show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of VRD Group Limited to the date of acquisition:

	Period ended 20 November 2018 £'000
Turnover	1,912
Cost of sales	(210)
Gross profit	1,702
Net operating expenses	(984)
Operating profit before tax	718
Tax	(32)
Profit for financial period	686

The trade and assets of VRD Group Limited and Rapidata Services Limited, a subsidiary of VRD Group Limited, were transferred into Access UK Ltd on 1st April 2019. During the period since acquisition to the 31st March 2019, the contribution that this Group made to the Group was £389k profit after tax.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

22. Acquisitions (continued)

Acquisition of Volcanic (UK) Ltd

The whole of the issued share capital of Volcanic (UK) Ltd "the Volcanic Group" was acquired on 28 February 2019 for total consideration of £33,592k. The following schedule sets out the net assets acquired.

Net assets of Volcanic (UK) Ltd on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets (1)	838	(838)	-
Technology (2)	-	5,983	5,983
Trade Name and Customer Base (2)	-	12,631	12,631
Tangible Fixed Assets	136	-	136
Debtors	366	-	366
Cash at Bank	539	-	539
Stock (3)	89	(89)	-
Other creditors (3)	(1,436)	747	(689)
Deferred tax (4)	-	(3,164)	(3,164)
Net assets acquired	532	15,270	15,802
Consideration			33,592
Goodwill			17,790
Consideration satisfied by:			
Cash			25,772
Deferred consideration payable			7,820
			33,592

The adjustments arising on acquisition were in respect of the following:

- 1) Fair value adjustment to existing intangibles on acquisition.
- 2) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 3) Fair value adjustment to align to group policy.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 March 2018, the Volcanic Group made a loss after tax of £109k. For the period since that date to the date of acquisition, the management accounts of the Volcanic Group show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of Volcanic (UK) Ltd to the date of acquisition:

	Period ended 28 February 2019 £'000
Turnover	4,146
Cost of sales	<u>(1,653)</u>
Gross profit	2,493
Net operating expenses	<u>(2,833)</u>
Operating loss before tax	(340)
Tax	<u>106</u>
Loss for financial period	<u>(234)</u>

The trade and assets of Volcanic (UK) Ltd were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this Group made to the Group has not been separated from the main trading entity.

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Acquisitions (continued)

Acquisition of Riliance Group Limited

The whole of the issued share capital of Riliance Group Limited "the Riliance Group" was acquired on 15 March 2019 for total consideration of £15,378k. The following schedule sets out the net assets acquired.

Net assets of Riliance Group Limited on acquisition:

	Book value	Adjustments	Fair value
	£000	£000	£000
Technology (1)	-	2,812	2,812
Trade Name and Customer Base (1)	-	5,936	5,936
Tangible Fixed Assets	23	-	23
Debtors (2)	192	(21)	171
Cash at Bank	1,018	-	1,018
Other creditors (3)	(1,425)	(28)	(1,453)
Deferred tax (4)	(2)	(1,487)	(1,489)
Net assets acquired	(194)	7,212	7,018
Consideration			15,378
Goodwill			8,360
Consideration satisfied by:			
Cash			12,598
Deferred consideration payable			2,780
			15,378

The adjustments arising on acquisition were in respect of the following:

- 1) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 2) Fair value adjustment to prepayments to align to group policy.
- 3) Fair value adjustments to accruals to align to group policy.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 December 2018, the Riliance Group Limited made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of the Riliance Group show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of Riliance Group Limited to the date of acquisition:

	Period ended 15 March 2019 £'000
Turnover	683
Cost of sales	<u>(265)</u>
Gross profit	418
Net operating expenses	<u>(433)</u>
Operating loss before tax	(15)
Tax	<u>(26)</u>
Loss for financial period	<u>(41)</u>

The trade and assets of the Riliance Group were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this Group made to the Group has not been separated from the main trading entity

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Acquisitions (continued)

Acquisition of Unicorn Training Group Limited

The whole of the issued share capital of Unicorn Training Group Limited "the Unicorn Group" was acquired on 28 March 2019 for total consideration of £33,247k. The following schedule sets out the net assets acquired.

Net assets of Unicorn Training Group Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets (1)	2,348	(2,348)	-
Technology (2)	-	6,288	6,288
Trade Name and Customer Base (2)	-	13,274	13,274
Investment (3)	20	(20)	-
Tangible Fixed Assets	302	-	302
Debtors (4)	1,542	(40)	1,502
Cash at Bank	1,780	-	1,780
Other creditors (5)	(3,665)	(1,603)	(5,268)
Deferred tax (6)	-	(3,326)	(3,326)
Net assets acquired	2,327	12,225	14,552
Consideration			33,247
Goodwill			18,695
Consideration satisfied by:			
Cash			29,190
Loan notes issued in Armstrong Topco Limited			3,000
Share capital issued in Armstrong Topco Limited			1
Deferred consideration payable			1,056
			33,247

The adjustments arising on acquisition were in respect of the following:

- 1) Fair value adjustment to existing intangibles on acquisition.
- 2) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 3) Fair value adjustments to write off investment in Amuzo JV no longer held
- 4) Fair value adjustments to bad debt to align to group policy.
- 5) Fair value adjustments to accruals (£15k) and deferred revenue (£1,588k) to align to group policy.
- 6) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 30 April 2018, the Unicorn Group made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of the Unicorn Group show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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22. Acquisitions (continued)

Trading result of Unicorn Training Group Limited to the date of acquisition:

	Period ended 28 March 2019 £'000
Turnover	8,678
Cost of sales	<u>(1,155)</u>
Gross profit	7,523
Net operating expenses	<u>(8,384)</u>
Operating loss before tax	(861)
Tax	31
Loss for financial period	<u>(830)</u>

The trade and assets of the Unicorn Group were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this Group made to the Group has not been separated from the main trading entity

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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22. Acquisitions (continued)

Acquisition of Raising IT Limited

The whole of the issued share capital of Raising IT Limited was acquired on 02 May 2019 for total consideration of £18,162k. The following schedule sets out the net assets acquired.

Net assets of Raising IT Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets (1)	15	(15)	-
Technology (2)	-	3,977	3,977
Trade Name and Customer Base (2)	-	8,396	8,396
Tangible Fixed Assets	136	-	136
Debtors	1,311	-	1,311
Cash at Bank	113	-	113
Other creditors	(5,494)	-	(5,494)
Deferred tax (3)	-	(2,103)	(2,103)
Net assets acquired	(3,919)	10,255	6,336
Consideration			18,162
Goodwill			11,826
Consideration satisfied by:			
Cash			14,672
Deferred consideration payable			3,490
			18,162

The adjustments arising on acquisition were in respect of the following:

- 1) Fair value adjustment to existing intangibles on acquisition.
- 2) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 3) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 December 2018, Raising IT Limited made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of Raising IT Limited show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of Raising IT Limited to the date of acquisition:

	Period ended 02 May 2019 £'000
Turnover	1,446
Cost of sales	<u>(33)</u>
Gross profit	1,413
Net operating expenses	<u>(2,219)</u>
Operating loss before tax	(806)
Tax	<u>128</u>
Loss for financial period	<u><u>(678)</u></u>

The trade and assets of Raising IT Limited were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this company made to the Group has not been separated from the main trading entity

ACCESS TECHNOLOGY GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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22. Acquisitions (continued)

Acquisition of Eazy Collect Services Limited

The whole of the issued share capital of Eazy Collect Services Limited was acquired on 19 June 2019 for total consideration of £19,207k. The following schedule sets out the net assets acquired.

Net assets of Eazy Collect Services Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets	184	-	184
Technology (1)	-	3,095	3,095
Trade Name and Customer Base (1)	-	6,533	6,533
Tangible Fixed Assets	41	-	41
Debtors	121	-	121
Cash at Bank	2,151	-	2,151
Other creditors	(482)	-	(482)
Deferred tax (2)	-	(1,637)	(1,637)
Net assets acquired	2,015	7,991	10,006
Consideration			19,207
Goodwill			9,201
 Consideration satisfied by:			
Cash			18,635
Deferred consideration payable			572
			19,207

The adjustments arising on acquisition were in respect of the following:

- 1) Recognition of an intangible asset in respect of the technology, brand name and customer base
- 2) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 March 2019, Eazy Collect Services Limited made a profit after tax of £957k. For the period since that date to the date of acquisition, the management accounts of Eazy Collect Services Limited show the following:

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

22. Acquisitions (continued)

Trading result of Eazy Collect Services Limited to the date of acquisition:

	Period ended 19 June 2019 £'000
Turnover	627
Cost of sales	<u>(51)</u>
Gross profit	576
Net operating expenses	<u>(291)</u>
Operating profit before tax	285
Tax	<u>(58)</u>
Profit for financial period	<u>227</u>

During the period from acquisition to the balance sheet date Eazy Collect Services Limited reported revenue of £2,754k and profit before tax of £1,075k.

ACCESS TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

23. Pension commitments

a) Defined contribution scheme

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,236k (2018 - £1,846k). Contributions totalling £568k (2018 - £388k) were payable to the fund at the year end date.

b) Defined benefit pension scheme

The Group operates a final salary defined benefit scheme through its subsidiary Safe Computing Limited, which is funded by payment of contributions to a separately administered trust fund. The scheme, known formally as the Safe Computing Pension Fund, is set up under trust.

Contributions to the scheme are determined with the advise of independent qualified actuaries on the basis of triennial valuations using the projected unit method. The scheme is closed to future accrual.

Valuation

The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 30 June 2016. The next full actuarial valuation is due as at 31 March 2020. The contributions to the scheme for the year were £56k (2018: £69k). Future contributions will be made on actuarial advice.

Reconciliation of present value of plan liabilities:

	2019 £000	2018 £000
Reconciliation of present value of plan liabilities		
At beginning of the year	6,271	6,932
Interest cost	175	223
Actuarial gains	(273)	(177)
Benefits paid	(104)	(707)
At the end of the year	6,069	6,271

ACCESS TECHNOLOGY GROUP LIMITED

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23. Pension commitments (continued)

Composition of plan assets:

	2019 £000	2018 £000
Equity instruments	5,568	5,690
Property	450	450
Gilts	1,161	1,045
Cash	132	56
Total plan assets	7,311	7,241
	2019 £000	2018 £000
Fair value of plan assets	7,311	7,241
Present value of plan liabilities	(6,069)	(6,271)
Net pension scheme asset	1,242	970

Reconciliation of fair value of plan assets were as follows:

	2019 £000	2018 £000
Opening fair value of scheme assets	7,241	7,212
Actuarial (losses)/gains	(84)	434
Contributions by employer	56	69
Benefits paid	(104)	(707)
Interest income	202	233
	7,311	7,241

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23. Pension commitments (continued)

Principal actuarial assumptions at the Statement of financial position date;

	2019
	%
Discount rate	2.4
Future salary increases	3.3
Future pension increases	3.3
Post retirement mortality	1.5
Mortality rates	
- for a male aged 65 now	22.3
- at 65 for a male aged 45 now	23.9
- for a female aged 65 now	24.7
- at 65 for a female member aged 45 now	26.3

The Company had no pension commitments at 30 June 2019 (2018: £nil).

24. Guarantees and financial commitments

Armstrong Topco Limited has secured its guarantee obligations in respect of credit agreements entered into, comprising a £310m senior facilities agreement, a £225m acquisition facility, a £20m Revolving Credit Facility and a £115m PIK facility, by granting a mortgage debenture containing fixed and floating charges over certain assets of the Group. Armstrong Topco Limited has also made share pledges in respect of its investments, namely: Armstrong Midco Limited, Armstrong Bidco Limited, Accolade Topco Limited, Accolade PFSCo Limited, Accolade Midco Limited, Accolade Bidco Limited, Ingleby (1863) Limited, Ingleby (1861) Limited, Access Technology Group Limited and Access UK Ltd.

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25. Commitments under operating leases

At 30 June the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £000	Group 2018 £000
Land and Buildings		
Not later than 1 year	2,500	1,501
Later than 1 year and not later than 5 years	6,684	3,831
Later than 5 years	1,564	1,496
	10,748	6,828
	Group 2019 £000	Group 2018 £000
Motor vehicles		
Not later than 1 year	954	1,212
Later than 1 year and not later than 5 years	430	973
	1,384	2,185

The Company had no (2018: no) commitments under the non-cancellable operating leases as at the year end date.

26. Related party transactions

During the year the Group incurred £ 123,000 (2018: £ 123,000) in respect of rent and expenses to Armstrong Properties, a partnership whose members include Mr CAA Bayne, a director of the Company. Amounts outstanding at 30 June 2019 were £NIL (2018: £NIL).

Also during the year the Group incurred £ 167,000 (2018: £ 177,000) to David England & Associates Limited, a company whose directors include Mr D England, a director of the Company. Amounts outstanding at 30 June 2019 were £NIL (2018: £NIL).

The Company is exempt from disclosing related party transactions with other companies that are wholly owned within the Group.

27. Post balance sheet events

Access UK Ltd, a subsidiary of the Group, acquired the entire share capital of Safety Media Limited on 1 July 2019, The Payroll Service Company Limited on 31 October 2019, Attache Software Australia Pty Ltd on 01 November 2019 and People Apps Limited on 12 November 2019. Safety Media Limited, The Payroll Service Company Limited and People Apps Limited are UK based and Attache Software Australia Pty Limited is Australian based all of which are Software focused companies which continues to broaden the scope of the company's software offering.

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28. Controlling party

The immediate parent company is Ingleby (1861) Limited, and the ultimate parent undertaking is Armstrong Topco Limited. Both are company's incorporated in England and Wales.

The Directors do not consider there to be an Ultimate Controlling party, control is jointly exercised by funds managed by TA Associates L.P. and Hg Capital LLP.

Armstrong Topco Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group financial statements are available from The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.