Registered number: 02343760

ACCESS UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

ACCESS UK LTD

COMPANY INFORMATION

Directors	Mr M J Audis Mr C A A Bayne Mr A Brown Mr J R Jorgensen Mr R Binns
Registered number	02343760
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 LLP 10 Snow Hill London EC1A 2AL

ACCESS UK LTD

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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

Business review

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

- Total Turnover (£156.4m) and Adjusted EBITDA (£56.4m); growth of 35% and 56% respectively
- SaaS and Subscription revenue increased 66% to £85.9m and now represents 55% of Total Turnover
- Recurring turnover (including SaaS and Subscriptions turnover) increased by 49% to £118.5m. Recurring turnover now represents 76% of Total Turnover.

Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and exceptional items. Exceptional items totalling £8.9m (2018: £4.1m) are disclosed in note 6.

Profit for the financial year was £26.2m (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 Access group acquired 9 new entities throughout the financial year, adding to their software portfolio.

The Access group added approximately 5,600 new 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 it's 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 level 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.

Key performance indicators

The key performance indicators for Access UK Ltd from 2018 to 2019 are as follows:

	2019 £000	2018 £000	Growth £000	Growth %
Turnover (excluding current year acquisitions)	**141,304**	**112,725**	**28,579**	**25**
Turnover	**156,418**	**115,906**	**40,512**	**35**
Adjusted EBITDA	**56,414**	**36,192**	**20,222**	**56**
SaaS and Subscription Turnover	**85,866**	**51,604**	**34,262**	**66**
Recurring Turnover (Incl. Saas and Subscription Turnover)	**118,458**	**79,648**	**38,810**	**49**
Development spend (including capitalised costs)	**17,141**	**13,546**	**3,595**	**27**
Sales and Marketing	**27,205**	**21,704**	**5,501**	**25**

The Adjusted EBITDA margin of 36% (2018: 31%) was broadly in line with management's expectations for the year.

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

Mr R Binns
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the audited 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company'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's auditors are aware of that information.

Principal activities

Access UK Ltd ("Access") is the principal trading company of The "Access Group".

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

Results and dividends

The profit for the year, after taxation, amounted to £26,214k (2018 - £8,257k).

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

Going concern

At 30 June 2019 the Company had net current liabilities of £61,364k (2018: £29,319k) and made a profit before taxation of £23,103k (2018: £12,162k) during the year then ended. Armstrong Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support to the Company for a period of at least twelve months from the date of the approval of the financial statements so as to allow the Company 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 A Brown
Mr J R Jorgensen
Mr R Binns (appointed 17 June 2019)
Mr S Blundell (resigned 30 June 2019)

Future developments

The Company 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 Company 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.

Financial risk management

The Company'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 Company 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 Company, 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 Company'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 Company is exposed to limited currency risk, with less than 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 Company 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 Company continued 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 27% to £17,141k (2018: £13,546k) and the new financial year is expected to 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 14).

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 Company'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.

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

The Company 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 Novemeber 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 Binns
Director

Independent auditors' report to the members of Access UK Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Access UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit 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 statement of financial position as at 30 June 2019; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

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 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 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 company'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 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.

Strategic report and Directors' report

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

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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. 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 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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 £000	2018 £000
Turnover	4	**156,418**	115,906
Cost of sales		**(41,858)**	(32,662)
Gross profit		**114,560**	83,244
Distribution costs		**(8,585)**	(8,051)
Administrative expenses		**(50,461)**	(39,876)
Other operating income	5	**900**	875
Earnings before interest, tax, depreciation, amortisation and exceptional items		**56,414**	36,192
Exceptional items	6	**(8,907)**	(4,091)
Depreciation and amortisation	7	**(38,193)**	(19,590)
Operating profit	7	**9,314**	12,511
Income from shares in group undertakings	10	**29,505**	9,158
Amounts written off investments	15	**(13,959)**	(8,343)
Interest payable and similar expenses	11	**(1,757)**	(1,164)
Profit before taxation		**23,103**	12,162
Tax on profit	12	**3,111**	(3,905)
Profit for the financial year		**26,214**	8,257
Other comprehensive income		**-**	-
Total comprehensive income for the year		**26,214**	8,257

The notes on pages 13 to 56 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note		2019 £000		2018 £000
Fixed assets					
Intangible assets	13		**375,570**		172,663
Tangible assets	14		**8,727**		7,765
Investments	15		**67,132**		100,690
			451,429		281,118
Current assets					
Debtors (including £6,601k (2018: £11,322k) due after more than 1 year)	16	**60,517**		48,995	
Cash at bank and in hand	17	**8,607**		6,551	
		69,124		55,546	
Creditors: amounts falling due within one year	18	**(130,488)**		(84,865)	
Net current liabilities			**(61,364)**		(29,319)
Total assets less current liabilities			**390,065**		251,799
Creditors: amounts falling due after more than one year	19		**(259,317)**		(163,488)
Provisions for liabilities					
Deferred tax	20		**(31,459)**		(15,236)
Net assets			**99,289**		73,075
Capital and reserves					
Called up share capital	21		**26**		26
Share premium account	21		**72**		72
Capital redemption reserve	21		**5**		5
Profit and loss account			**99,186**		72,972
Total equity			**99,289**		73,075

The financial statements on pages 10 to 56 were approved and authorised for issue by the board and were signed on its behalf on 27 November 2019

Mr R Binns
Director

The notes on pages 13 to 56 form part of these financial statements.

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 July 2017	26	72	5	64,715	64,818
Profit for the financial year	-	-	-	8,257	8,257
Total comprehensive income for the year	-	-	-	8,257	8,257
	-	-	-	-	-
At 30 June 2018 and 1 July 2018	26	72	5	72,972	73,075
Profit for the financial year	-	-	-	26,214	26,214
At 30 June 2019	26	72	5	99,186	99,289

The notes on pages 13 to 56 form part of these financial statements.

1. General information

The Company provides 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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 the 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.

2.3 Going concern

At 30 June 2019 the Company had net current liabilities of £61,364k (2018: £29,319k) and made a profit before taxation of £23,103k (2018: £12,162k) during the year then ended. Armstrong Topco Limited, the Company's ultimate parent undertaking, has undertaken to provide financial support to the Company for a period of at least twelve months from the date of the approval of the financial statements so as to allow the Company 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. Accounting policies (continued)

2.4 Consolidated financial statements

The Company is a wholly owned subsidiary of Access Technology Group Limited. It is included in the consolidated financial statements of Armstrong Topco Limited which are publically available. Therefore the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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. Accounting policies (continued)

2.6 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 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.

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 name	-	5	years
Acquired software	-	3	years

2.7 Tangible assets

Tangible 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.

Freehold land & buildings	- Not subject to depreciation
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 Statement of comprehensive income.

2. Accounting policies (continued)

2.8 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.

2.9 Investments

Investments in subsidiaries (including loans) are measured at cost less accumulated impairment.

2.10 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.

2.11 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.

2.12 Financial instruments

The Company 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.

2.13 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. Accounting policies (continued)

2.14 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.

2.15 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.

2.16 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.

2.17 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. Accounting policies (continued)

2.18 Pensions

Defined contribution pension plan

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

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

2.19 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.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

2. Accounting policies (continued)

2.21 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 operates and generates 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.

2.22 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 measureable 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.

Where the business acquired by the Company is transferred to the Company (referred to as 'hive-up'), this is accounted for using acquisition accounting. The assets and liabilities of the subsidiary are transferred to the Company at the fair value, with a corresponding intercompany balance.

2. Accounting policies (continued)

2.23 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 that the individual has been notified of the termination of their employment.

2.24 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.

2.25 Related parties

The Company 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.

2.26 Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company 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.

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

The Company 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 each business combination 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 13)
The Company considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs), 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 16)
The Company 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 15)
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.

4. Turnover

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

	2019 £000	2018 £000
Provision of software and related services	**156,418**	115,906
	156,418	115,906

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	**148,994**	110,895
Rest of Europe	**4,867**	3,363
Rest of the world	**2,557**	1,648
	156,418	115,906

5. Other operating income

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

6. Exceptional items

	2019	2018
	£000	£000
Restructuring expenses	**1,936**	1,881
Onerous contracts	**1,309**	1,152
Integration expenses	**1,464**	1,058
Impairment of intercompany balance	**4,198**	-
	8,907	4,091

During the current and prior year the Company underwent a restructuring programme and the termination and redundancy costs, plus any legal fees incurred, have been charged through the Statement of comprehensive income as exceptional.

Onerous contracts represents the contracts for which the aggregate cost required to fulfull 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.

During the current year, the Company completed a group restructure of Safe Computing Limited which resulted in an impairment of an intercompany balance.

7. Operating profit

Operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Research and development charged as an expense	**11,441**	8,900
Depreciation of tangible assets	**3,456**	2,961
Amortisation of intangible assets, including goodwill	**34,737**	16,629
Exchange differences	**22**	(159)
Operating lease rentals	**2,500**	2,048
Impairment of trade debtors	**1,237**	1,666
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**	-

Access UK Ltd paid the Group's total audit fee, without recharge.

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.

8. Employees and directors

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

	2019 £000	2018 £000
Wages and salaries	**62,233**	51,053
Social security costs	**7,042**	6,427
Other pension costs	**2,259**	1,654
	71,534	59,134

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

	2019 No.	2018 No.
Selling and distribution staff	**589**	502
Production staff	**292**	258
Administrative and support staff	**469**	396
	1,350	1,156

9. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	**1,291**	1,441
Company contributions to defined contribution pension schemes	**33**	31
	1,324	1,472

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).

10. Income from shares in group undertakings

During the year the Company received dividends of £29,505k (2018: £9,158k). £7,005k from Intelligent Business Services Limited and £22,500k from Safe Computing Limited.

11. Interest payable and similar expenses

	2019 £000	2018 £000
Finance leases and hire purchase contracts	**117**	108
Imputed interest arising from deferred consideration	**1,640**	1,056
	1,757	1,164

12. Tax on profit

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	**1,093**	3,274
Adjustment in respect of prior periods	**(411)**	37
Total current tax	**682**	3,311
Deferred tax		
Origination and reversal of timing differences	**113**	849
Adjustment in respect of prior periods	**(1,021)**	-
Effect of amortisation of Intangible assets	**(2,885)**	(255)
Total deferred tax	**(3,793)**	594
Total tax (income)/expense	**(3,111)**	3,905

12. Tax on profit (continued)

Factors affecting tax charge 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 tax	**23,103**	12,162
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**4,390**	2,311
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,508**	1,636
Fixed asset differences	**5,120**	3,407
Other tax adjustments, reliefs and transfers	**312**	3
Adjustments in respect of prior periods	**(1,432)**	37
Non-taxable income	**(5,606)**	(1,740)
Effect of amortisation of Intangible assets	**(2,885)**	(255)
Adjust closing deferred tax to reflect change in tax rate	**-**	(98)
Other differences	**120**	-
Group relief claimed	**(6,772)**	(1,424)
Deferred tax not recognised	**134**	28
Total tax (credit)/charge for the year	**(3,111)**	3,905

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.

13. Intangible assets

	Technology £000	Development costs £000	Customer base and Trade names £000	Goodwill £000	Acquired Software £000	Total £000
Cost						
At 1 July 2018	28,084	17,347	62,412	102,756	5,147	215,746
Additions	35,930	5,700	83,375	111,232	1,407	237,644
Disposals	-	-	-	-	(2,809)	(2,809)
At 30 June 2019	64,014	23,047	145,787	213,988	3,745	450,581
Amortisation						
At 1 July 2018	4,668	8,271	10,527	16,518	3,099	43,083
Charge for the year	6,163	4,897	12,371	9,125	2,181	34,737
On disposals	-	-	-	-	(2,809)	(2,809)
At 30 June 2019	10,831	13,168	22,898	25,643	2,471	75,011
Net book value						
At 30 June 2019	53,183	9,879	122,889	188,345	1,274	375,570
At 30 June 2018	23,416	9,076	51,885	86,238	2,048	172,663

Included within the charge for the year above is an amount of £10,315k (£2,704k in respect of technology, £4,856k in respect of customer base and trade name and £2,755k in respect of goodwill) relating to accelerated amortisation of the intangible assets arising on the hive-up of the trade and assets of Safe Computing Limited to reflect the balances included in the balance sheet of Access Technology Group Limited, the immediate parent undertaking.

14. Tangible assets

	Freehold land & buildings £000	Short-term leasehold property £000	Hosting equipment £000	Motor vehicles £000	Office equipment £000	Total £000
Cost						
At 1 July 2018	-	2,116	4,454	124	7,906	14,600
Additions	-	369	500	-	2,187	3,056
Acquisition of subsidiary	195	315	-	16	846	1,372
Disposals	-	(18)	-	-	(2,203)	(2,221)
At 30 June 2019	195	2,782	4,954	140	8,736	16,807
Depreciation						
At 1 July 2018	-	467	2,547	26	3,795	6,835
Charge for the year on owned assets	-	238	-	32	2,088	2,358
Charge for the year on financed assets	-	-	1,098	-	-	1,098
Disposals	-	(8)	-	-	(2,203)	(2,211)
At 30 June 2019	-	697	3,645	58	3,680	8,080
Net book value						
At 30 June 2019	195	2,085	1,309	82	5,056	8,727
At 30 June 2018	-	1,649	1,907	98	4,111	7,765

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

	2019 £000	2018 £000
Hosting equipment	1,309	1,907
	1,309	1,907

15. Investments

	Investments in subsidiary companies £000
Cost	
At 1 July 2018	**103,325**
Additions	**184,042**
Other adjustments	**(1,402)**
Amounts written off	**(13,959)**
Eliminated on hive up	**(202,239)**
At 30 June 2019	**69,767**
Impairment	
At 1 July 2018	**2,635**
At 30 June 2019	**2,635**
Net book value	
At 30 June 2019	**67,132**
At 30 June 2018	100,690

15. Investments (continued)

On the 4th October 2018 Access UK Ltd acquired the entire share capital of Microdec UK Limited for a total consideration of £5,729k.

On the 12th October 2018 Access UK Ltd acquired the entire share capital of iCarehealth (UK) Limited for a total consideration of £12,149k.

On the 19th October 2018 Access UK Ltd acquired the entire share capital of ConQuest Limited for a total consideration of £18,899k.

On the 20th November 2018 Access UK Ltd acquired the entire share capital of VRD Group Limited for a total consideration of £20,377k.

On the 28th February 2019 Access UK Ltd acquired the entire share capital of Volcanic (UK) Ltd for a total consideration of £33,592k.

On the 15th March 2019 Access UK Ltd acquired the entire share capital of Riliance Group Limited for a total consideration of £15,378k.

On the 28th March 2019 Access UK Ltd acquired the entire share capital of Unicorn Training Group Limited for a total consideration of £33,247k.

On the 2nd May 2019 Access UK Ltd acquired the entire share capital of Raising IT Limited for a total consideration of £18,162k.

On the 19th June 2019 Access UK Ltd acquired the entire share capital of Eazy Collect Services Limited for a total consideration of £19,207k.

On the 30th June 2019 the shares in Safe Computing Limited held by Safe Computing Holdings Limited were transferred to Access UK Ltd as part of a group restructure resulting in an addition of £7,302k, which has subsequently been written off.

Other adjustments relate to adjustments to deferred consideration in respect of prior period additions.

Other amounts written off in the year relate to companies that were put into members' voluntary liquidation as part of the continued group simplification process.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

15. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Stratogen Inc	Consulting, software and solutions	Ordinary	100%
W.F.L Media Ltd	Consulting, software and solutions	Ordinary	100%
VRD Group Limited	Dormant	Ordinary	100%
Rapidata Services Limited	Dormant	Ordinary	100%
SCH 2014 Limited	Dormant	Ordinary	100%
Safe Computing Holdings Limited	Dormant	Ordinary	100%
Safe Computing 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%
Access Overseas Company Holdings Limited	Holding Company	Ordinary	100%
Intelligent Software Systems SRL	Software development	Ordinary	99%
Microdec UK Limited	Dormant	Ordinary	100%
Microdec Limited	Dormant	Ordinary	100%
iCareHealth (UK) Limited	Dormant	Ordinary	100%
iCH Software Services Sdn Bhd	Development, software and solutions	Ordinary	100%
ConQuest Limited	Dormant	Ordinary	100%
Volcanic (UK) Limited	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%

15. 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 StratoGen Inc, Safe Computing Holdings Limited, Safe Computing Limited, Rapidata Services Limited, Microdec Limited, iCH Software Services Sdn Bhd, Volcanic Technology Pty, Volcanic Technology Asia, Riliance Software Limited, Riliance Training Limited, CityTraining.Com Limited, Socrates Training Limited, Gamebrain Studios Limited, Joyful (Aus) Pty Ltd, and Joyful (NZ) Pty Ltd which are indirectly held, all other investments are directly held.

All of the above subsidiaries, with the exception of StratoGen Inc, Procure Wizard Limited, Intelligent Software Sytsems SRL, iCH Software Services Sdn Bhd, Volcanic Technology Pty, 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, and are registered in England and Wales.

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.

16. Debtors

	2019 £000	2018 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	**6,601**	11,322
Amounts falling due within one year		
Trade debtors	**31,160**	22,947
Other debtors	**1,261**	1,391
Corporation tax	**4,826**	216
Prepayments and accrued income	**16,669**	13,119
	60,517	48,995

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. The Company has confirmed to the counter parties that at the balance sheet date they have no current intention to demand repayment of the amount due for a period of at least 12 months from the date of signing these financial statements.

Trade debtors are stated after provisions for impairment of £2,920k (2018: £2,669k).

17. Cash at bank and in hand

	2019 £000	2018 £000
Cash at bank and in hand	**8,607**	6,551
	8,607	6,551

18. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	**3,638**	6,065
Amounts owed to group undertakings	**23,940**	11,687
Other taxation and social security	**7,856**	5,279
Obligations under finance lease and hire purchase contracts	**1,352**	1,142
Other creditors	**1,121**	1,980
Deferred consideration	**17,789**	12,528
Accruals and deferred income	**74,792**	46,184
	130,488	84,865

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

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

	2019 £000	2018 £000
Net obligations under finance leases and hire purchase contracts	**235**	997
Amounts owed to group undertakings	**246,982**	141,511
Deferred consideration	**12,100**	20,980
	259,317	163,488

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. The counter party 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.

20. Deferred tax

	2019 £000	2018 £000
At beginning of year	**(15,236)**	(6,787)
Credited/(charged) to profit or loss	**3,793**	(594)
Arising on business combinations	**(20,016)**	(7,855)
At end of year	**(31,459)**	(15,236)

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Accelerated capital allowances	**(1,527)**	(2,311)
Arising on business combinations	**(29,932)**	(12,925)
	(31,459)	(15,236)

21. Called up share capital and other reserves

	2019 £000	2018 £000
Allotted, called up and fully paid		
26,392 (2018: 26,392 Ordinary shares of £1.00 each	**26**	26

Share premium account

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

Capital redemption reserve

The capital redemption reserve consists of shares that have been repurchased by the Company and subsequently cancelled.

22. Acquisitions

Acquisition of Microdec Group

The whole of the issued share capital of Microdec UK Limited "the 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 the Microdec Group show the following:

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 the Microdec Group 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 Company has not been separated from the main trading entity.

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 £000	Adjustments £000	Fair value £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:

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	(312)
Gross profit	1,110
Net operating expenses	(1,278)
Operating loss before tax	(168)
Tax	17
Loss for financial period	(151)

The trade and assets of iCareHealth (UK) 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 Company has not been separated from the main trading entity

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:

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	(232)
Gross profit	**1,730**
Net operating expenses	(593)
Operating profit before tax	**1,137**
Tax	(216)
Profit for financial period	**921**

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 Company has not been separated from the main trading entity.

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			20,377
Goodwill			10,719

Consideration satisfied by:	
Cash	20,377
Deferred consideration payable	-
	20,377

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:

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 Company was £389k profit after tax.

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:

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	(1,653)
Gross profit	2,493
Net operating expenses	(2,833)
Operating loss before tax	(340)
Tax	106
Loss for financial period	(234)

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 Company has not been separated from the main trading entity.

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 £000	Adjustments £000	Fair value £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:

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	(265)
Gross profit	418
Net operating expenses	(433)
Operating loss before tax	(15)
Tax	(26)
Loss for financial period	(41)

The trade and assets of Riliance Group Limited 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 Company has not been separated from the main trading entity

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:

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	(1,155)
Gross profit	7,523
Net operating expenses	(8,384)
Operating loss before tax	(861)
Tax	31
Loss for financial period	(830)

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 Company has not been separated from the main trading entity

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:

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	(33)
Gross profit	1,413
Net operating expenses	(2,219)
Operating loss before tax	(806)
Tax	128
Loss for financial period	(678)

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 Company has not been separated from the main trading entity

22. Acquisitions (continued)

Acquisition of Safe Computing Limited

The whole of the issued share capital of SCH 2014 Limited "the Safe Group" was acquired on 14 March 2017 for total consideration of £52,195k.

After a restructure of The Safe Group during the current year, the trade and assets of Safe Computing Limited were transferred into Access UK Ltd on 30 June 2019.

The following schedule sets out the net assets that have been transferred on 30 June 2019:

Net assets of Safe Computing Limited on transfer:

	Fair value £000
Technology	9,494
Trade Name and Customer Base	22,627
Goodwill	24,490
Tangible Fixed Assets	346
Debtors	11,959
Cash at Bank	85
Other creditors	(6,253)
Deferred tax	(4,922)
Net assets transferred	**57,826**

In the Company's last financial year to 30 June 2019, Safe Computing Limited made a profit after tax of £6,947k.

23. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,236k (2018 - £1,654k). Contributions totalling £565k (2018 - £384k) were payable to the fund at the balance sheet date.

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.

25. *Commitments under operating leases*

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

	2019 £000	2018 £000
Land and buildings		
Not later than 1 year	**2,171**	1,353
Later than 1 year and not later than 5 years	**5,817**	3,607
Later than 5 years	**1,564**	1,413
	9,552	6,373

	2019 £000	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

26. Related party transactions

During the year the Company incurred £ 123k (2018: £ 123k) 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).

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

27. Post balance sheet events

The Company 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 Novemeber 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.

28. Controlling party

The immediate parent undertaking is Access Technology Group Limited.

The ultimate parent undertaking is Armstrong Topco Limited, a company 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.

Access Technology Group Limited is the parent undertaking of the smallest group to consolidate these financial statements. Armstrong Topco Limited is the parent undertaking of the 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.