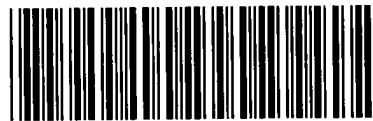

ACCESS UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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COMPANIES HOUSE

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 3rd Floor 10 Gresham Street London EC2V 7AE
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL

ACCESS UK LTD

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ACCESS UK LTD

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their Strategic report on the Company for the year ended 30 June 2020.

Business review

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

- Total Turnover for the year was £234.9m (2019: £156.4m) and operating profit of £30.8m (2019: £9.3m); growth of 50% (2019: 35%) and 231% (2019: 25%) respectively.
- Software as a Service "SaaS" and Subscription turnover increased by 75% (2019: 66%) to £150m (2019: £85.9m) and now represents 65% (2019: 55%) of total turnover.
- Recurring turnover (including SaaS and Subscriptions turnover) increased by 66% (2019: 49%) to £196m (2019: £118.5m) and now represents 85% (2019: 76%) of total turnover.

Net assets at year end were £166.6m (2019: £113.9m) and profit for the financial year was £25.1m (2019: £26.2m).

Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and exceptional items. Adjusted EBITDA for the year was £86.2m (2019: £56.4m) growth of 53% (2019: 56%).

Exceptional items including onerous contracts, restructuring and integration expenses along with costs relating to aborted acquisitions totalling £6.7m (2019: £8.9m) are disclosed in note 6.

Access continues to invest heavily in its internal product development to support its strategy. Functionality-rich, SaaS solutions have been extended with Access EarlyPay product being launched in the year. 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.

Access acquired 10 new businesses throughout the financial year, adding to their software portfolio and customer base. Acquisitions included Attaché Australia with the strategy behind this acquisition being to replicate the Group's business model in the Asia Pacific region.

Access added approximately 10,000 new customers in FY20 and the total number of customers now exceeds 35,000. Access delivers best-of-breed integrated business solutions across a broad range of industry verticals with a meaningful presence in Finance, Human Resource Management, Supply Chain, Health and Social Care, Not-for-Profit, Recruitment, Education, Hospitality and, new to FY20, the Legal sector. Throughout FY20 Access group has also focused on the innovation of its Workspace products, for example the Workspace Learning platform. As Access goes into the new financial year two new solution focused horizontals have been established, Access ERP and Access People.

The Group's 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 and completed only after detailed due diligence. They are integrated carefully and quickly into the wider business. Cross-selling of products is strongly promoted and tracked, and performance to date has shown the very high potential for future cross-sell growth within the business.

During the year the Covid19 global pandemic caused disruption to the world's economy and preventative measures have been put in place globally. Access was very agile in its reaction to the Covid19 pandemic with the company successfully and very quickly transitioning to a new way of working and supporting our customers across many business sectors to do the same. Access offers best of breed cloud hosted software which is ideal in a remote working environment and with its large customer base spread across multiple business sectors remains well placed to continue its growth aspirations.

ACCESS UK LTD

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Directors statement on Section 172

During the financial year, the directors have considered the needs of the Company's stakeholders as part of their decision-making process. Specifically, the directors consider the likely consequences of its decisions in the long term and the need to act fairly between its stakeholders. The Company's key stakeholders, why they are important to the Company and how they have been considered and engaged are set out below:

Shareholders

Delivering for the Company's shareholders ensures that the business continues to be successful in the long term and can therefore continue to deliver for all our stakeholders. Engagement between the management team of Access UK Ltd and its shareholders occurs through regular business review meetings and ongoing reporting and feedback.

Employees

The Company's employees are its most valuable asset. The Company endeavours to have employees that are highly engaged and motivated, equipped with the right skills, tools and standards to be successful. The Directors Report on page 6 sets out how the Company engages with its employees.

Customers

Customers are central to the business and the Company aims to deliver best of breed software in an efficient and continuously improving way so as to meet the customer's needs. Engagement from the outset of a project allows the Company to add the most value and provide the customer with the best software solution. Feedback is sought regularly through customer surveys, and specifically in this fiscal year, with increased engagement through Covid19 and targeted customer programs.

Suppliers

Building good relationships with suppliers enables the Company to obtain the value, high quality and good service. The Company works with suppliers who understand our business and adhere to our ways of working.

Communities

The company values its place in the Community and actively encourages its employees to undertake 'Giving back' days when they work in the local community to give something back in projects of their choosing. The company also has a charity of the year which it promotes and undertakes fundraising and other regular events for.

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.

The Company operates in a competitive environment, and as a result the quality and reliability of its products is important to its customers. We employ a QA (Quality Assurance) team to ensure the go to market product reaches the standards set by our customers.

The Directors acknowledge that the economic environment can impact overall performance of the Company's business, in terms of revenue and costs. The Company has over 32,000 customers across a broad range of sectors and strives to deliver a product which is best in class and enables its customers the 'Freedom to do more' and become a key mission critical business tool thereby reducing customer churn and providing some protection against economic uncertainty.

All technology companies are vulnerable to disruptive market entrants, the Company invests significantly in research & development to maintain its best of breed approach to software.

ACCESS UK LTD

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020

Key performance indicators

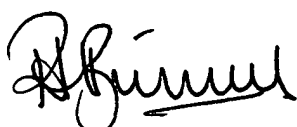
The key performance indicators for Access UK Ltd are as follows:

	2020 £000	2019 £000	Growth £000	Growth %
Turnover (excluding current year acquisitions)	210,461	141,304	69,157	49
Turnover	234,860	156,418	78,442	50
Operating Profit	30,800	9,314	21,486	231
Adjusted EBITDA (excluding current year acquisitions)	76,547	52,139	24,408	47
Adjusted EBITDA	86,160	56,414	29,746	53
SaaS and Subscription turnover	149,853	85,866	63,987	75
Recurring turnover (Incl. SaaS and Subscription turnover)	196,053	118,458	77,595	66
Development spend (Incl. capitalised costs)	28,071	17,141	10,930	64
Sales and Marketing expense	37,211	27,205	10,006	37
Cross-sell (value of products cross-sold to the Company's customer base)	13,390	9,360	4,030	43

The Adjusted EBITDA margin of 37% (2019: 36%) was in line with management's expectations for the year.

Customer churn, inclusive of customers lost and products dropped for the year was 9.0% (2019: 8.4%) and in line with management's expectations.

This report was approved by the board on **2 December 2020** and signed on its behalf.



Mr R Binns
Director

ACCESS UK LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020

The directors present their report and the audited financial statements for the year ended 30 June 2020.

Principal activities

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

The Company provides a range of primarily mid-market focused on-premise and cloud based business management solutions in Finance, HR, Payroll, CRM, Recruitment, Learning & Development, Rostering, Hospitality, Warehousing, Business Intelligence, Professional Services Automation, Manufacturing and Learning & Development. 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 £25,103k (2019 - £26,214k).

No dividends have been paid or are proposed (2019: £NIL).

Going concern

At 30 June 2020 the Company had net current liabilities of £50,927k (2019: £61,364k) and made a profit before taxation of £28,839k (2019: £23,103k) 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

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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, currency risk, market risk, liquidity risk and price 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, which is determined by reviewing third party credit reports. 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.

Market risk

This has been identified by the Company as the risk that prices and volume will be affected by changes in demand for products and services. Factors affecting this demand include increased competition in the marketplace, changes in customer preferences and price elasticity, and sales volumes. This is mitigated by the Company having over 32,000 customers across a broad range of sectors.

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.

Price risk

The Company is exposed to limited price risk as the company's products have minimal direct cost of sale and are not limited to product concentration within the Group's software portfolio.

ACCESS UK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

Environmental Green House Gas Emissions

The Company is continually looking to act in an energy efficient manner, and purchase electricity from renewable sources where possible. In running the activities of the business due consideration is given to options which minimise energy utilisation on an ongoing basis.

We report carbon dioxide emissions resulting from energy use on our buildings and employees' fuel use for business travel. The Company has computed its emissions reporting based on an indirect method, starting with accounting records for energy expenditure in quantifying the underlying utilisation.

	2020
	UK
Total CO ₂ e (tonnes)	633
Scope 1 CO ₂ e (tonnes) ^a	221
Scope 2 CO ₂ e (tonnes) ^b	412
Total energy consumed (KwH)	1,607,763
Intensity Ratio	
Total employees	1,909
Total CO ₂ e per employee (tonnes) ^c	0.33

Notes

a Scope 1 covers direct combustion of fuels and company owned vehicles.

b Scope 2 covers emissions from electricity, purchased for the company's own use.

c Intensity ratio calculations have been based on total employee numbers for the year ended 30 June 2020.

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 the SaaS and mobile platforms. The research and development expenditure for the year increased by 64% (2019: 27%) to £28,071k (2019: £17,141k) 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 £6,091k (2019: £5,700k) of development costs have been capitalised (note 14).

Employee engagement

Employee engagement is very important to the Company and 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 well above industry 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. As the Covid19 global pandemic continues the Company has particularly focused on employee's wellbeing as we transitioned to all employees working from home.

Engagement with suppliers, customers and other business relationships within the company

Building good relationships with suppliers enables the Company to obtain the value, good service and quality. The Company works with suppliers who understand our business and adhere to our ways of working. The Section 172 statement in the Strategic report on page 2 sets out how the Company engages with its key stakeholders.

ACCESS UK LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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 UK based PageStyle Limited on 15 July 2020 and Abintegro Limited on 27 November 2020. PageStyle Limited is a legal practice management software focused company which was acquired to expand the new Access Legal Division and Abintegro Limited is a career development and digital learning technology company adding to the breadth of the HCM division.

On 20 October 2020 the Access Group confirmed it has secured further investment from its two largest shareholders Hg and TA Associates, to enable it to continue its ambitious growth plans. At the date of signing these accounts the transaction, which will create a new Ultimate Parent company, is pending regulatory approval and is expected to complete during the first calendar quarter of 2021.

On 11 November 2020 the Company announced the acquisition of Unleashed Software, a New Zealand based inventory management software focused company which is pending regulatory approvals and is expected to complete by December 2020.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2020**

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 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

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'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.

Independent Auditors

The 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 **2 December 2020** 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 2020 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 2020; 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

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

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

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

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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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 8, 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.

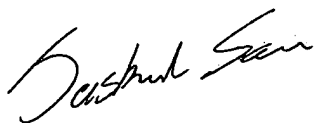
Other required reporting

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.



Jaskamal Sarai (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
2 December 2020

ACCESS UK LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 £000	2019 £000
Turnover	4	234,860	156,418
Cost of sales		(58,274)	(41,858)
Gross profit		176,586	114,560
Distribution costs		(8,741)	(8,585)
Administrative expenses		(82,765)	(50,461)
Other operating income	5	1,080	900
Earnings before interest, tax, depreciation, amortisation and exceptional items		86,160	56,414
Exceptional items	6	(6,733)	(8,907)
Depreciation and amortisation	7	(48,627)	(38,193)
Operating profit	7	30,800	9,314
Income from shares in group undertakings	10	3,025	29,505
Interest receivable and similar income	11	16	-
Amounts written off investments	16	(3,331)	(13,959)
Interest payable and similar expenses	12	(1,671)	(1,757)
Profit before taxation		28,839	23,103
Tax on profit	13	(3,736)	3,111
Profit for the financial year		25,103	26,214
Other comprehensive income		-	-
Total comprehensive income for the year		25,103	26,214

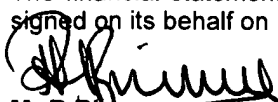
The notes on pages 15 to 60 form part of these financial statements.

ACCESS UK LTD
REGISTERED NUMBER: 02343760

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	14	594,645	375,570
Tangible assets	15	10,825	8,727
Investments	16	249,881	67,132
		<u>855,351</u>	<u>451,429</u>
Current assets			
Debtors	17	82,993	60,517
Cash at bank and in hand	18	37,287	8,607
		<u>120,280</u>	<u>69,124</u>
Creditors: amounts falling due within one year	19	(171,207)	(130,488)
Net current liabilities		<u>(50,927)</u>	<u>(61,364)</u>
Total assets less current liabilities		<u>804,424</u>	<u>390,065</u>
Creditors: amounts falling due after more than one year	20	(584,548)	(244,699)
Provisions for liabilities			
Deferred tax	21	(53,247)	(31,459)
Net assets		<u>166,629</u>	<u>113,907</u>
Capital and reserves			
Called up share capital	22	26	26
Share premium account	22	72	72
Capital redemption reserve	22	5	5
Other reserves	22	42,237	14,618
Profit and loss account		124,289	99,186
Total Equity		<u>166,629</u>	<u>113,907</u>

The financial statements on pages 10 to 60 were approved and authorised for issue by the board and were signed on its behalf on **2 December 2020**


Mr R Birns
Director

The notes on pages 15 to 60 form part of these financial statements.

ACCESS UK LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Called up share capital	Share premium account	Capital redemption reserve	Other reserves	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 July 2018	26	72	5	7,774	72,972	80,849
Profit for the financial year	-	-	-	-	26,214	26,214
Total comprehensive income for the year	-	-	-	-	26,214	26,214
Amounts arising on intra-group loans	-	-	-	6,844	-	6,844
At 30 June 2019 and 1 July 2019	26	72	5	14,618	99,186	113,907
Profit for the financial year	-	-	-	-	25,103	25,103
Amounts arising on intra-group loans	-	-	-	27,619	-	27,619
At 30 June 2020	26	72	5	42,237	124,289	166,629

The notes on pages 15 to 60 form part of these financial statements.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. General information

The Company provide a range of principally cloud based integrated business management solutions which best suit customers' requirements and enable them to benefit from fully integrated combination of SaaS (Software as a Service) and configured work flow applications.

The Company is a private company limited by shares and is incorporated and registered in England, United Kingdom. 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 on a going concern basis 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 2019 Statement of Financial Position has been restated to reflect the repayment terms intended on inception of certain intra-group loans and as a result long term creditors have reduced by £42m and capital contributions have increased by £42m.

The following principal accounting policies have been applied consistently:

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 11.42, 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 2020 and these financial statements may be obtained from The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.3 Going concern

At 30 June 2020 the Company had net current liabilities of £50,927k (2019: £61,364k) and made a profit before taxation of £28,839k (2019: £23,103k) 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.

2.4 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 publicly 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. Recurring revenue is revenue earned from customers for the provision of a good or service over a contractual term, with the customer being unable to continue to benefit from the full functionality of the good or service without ongoing payments, recurring revenue is recognised evenly over the contractual period.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Technology	-	10	years
Internal capitalised development costs	-	5	years
Customer base	-	11	years
Trade name	-	5	years
Acquired software	-	1	- 3 years

Amortisation is included in depreciation and amortisation in the Statement of Comprehensive Income.

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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.7 Tangible assets (continued)

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.

2.8 Internally capitalised 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

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 (including loans) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

2.13 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

2. Accounting policies (continued)

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

2.19 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.

2.20 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 Interest income

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

2.22 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

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 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.

2.24 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.

2.25 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 underlying 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

2. Accounting policies (continued)

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 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.

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 23)

The fair value of 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 14)

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 17)

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 using information available at the time.

3.4 Impairment of investments (note 16)

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 UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

4. Turnover

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

	2020 £000	2019 £000
Provision of software and related services	234,860	156,418
	<u>234,860</u>	<u>156,418</u>

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	224,081	148,994
Rest of Europe	6,796	4,867
Rest of the world	3,983	2,557
	<u>234,860</u>	<u>156,418</u>

5. Other operating income

	2020 £000	2019 £000
Research and development tax credit	1,080	900
	<u>1,080</u>	<u>900</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

6. Exceptional items

	2020 £000	2019 £000
Restructuring expenses	1,956	1,936
Onerous contracts	1,016	908
Integration expenses	1,146	1,464
Other costs	2,060	401
Impairment of intercompany balance	555	4,198
	<u>6,733</u>	<u>8,907</u>

During the current and prior year the Company incurred restructuring related costs as a result of closer alignment of the organisation to its customer and divisional structure. Termination, redundancy costs, salary costs from the date of notification 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 fulfill the agreement is higher than the economic benefit obtained from it. These principally relate to hosting contracts where the data has been migrated to the Company's own hosting solution.

Integration expenses represents costs incurred outside of the normal course of business as a result of the acquisition and integration of businesses acquired, which include professional fees £868k (2019: £1,070k), staff and travel costs £225k (2019: £351k) and data hosting costs of £53k (2019: £43k) to assist the Company integration of the acquired businesses.

Other exceptional costs include advisor fees related to aborted acquisitions £1,722k (2019: £357k) and executive search fees of £338k (2019: £44k).

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

7. Operating profit

Operating profit is stated after charging/(crediting):

	2020 £000	2019 £000
Research and development charged as an expense	21,980	11,441
Depreciation of tangible assets	3,617	3,456
Amortisation of intangible assets, including goodwill	45,010	34,737
Exchange differences	71	22
Operating lease rentals	3,533	2,500
Impairment of trade debtors	1,150	1,237
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	100	64
- Tax advisory and compliance services	95	40
- Due diligence services	848	-

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

Included within professional fees capitalised as part of acquisition costs is £1,537k (2019: £945k) in relation to due diligence services provided by the Company's auditors.

8. Employees and directors

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

	2020 £000	2019 £000
Wages and salaries	92,157	62,233
Social security costs	9,924	7,042
Other pension costs	3,525	2,259
	<u>105,606</u>	<u>71,534</u>

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

	2020 No.	2019 No.
Selling and distribution staff	865	589
Production staff	395	292
Administrative and support staff	649	469
	<u>1,909</u>	<u>1,350</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

9. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	1,282	1,291
Company contributions to defined contribution pension schemes	15	33
	<u>1,297</u>	<u>1,324</u>

During the year retirement benefits were accruing to 2 directors (2019 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £308k (2019 - £298k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7k (2019 - £11k).

10. Income from shares in group undertakings

During the year the Company received dividends of £3,025k (2019: £29,505k). £791k from VRD Group Limited and £2,234k from Procure Wizard Limited (2019: £7,005k from Intelligent Business Services Limited and £22,500k from Safe Computing Limited).

11. Interest receivable and similar income

	2020 £000	2019 £000
Interest receivable	<u>16</u>	<u>-</u>

12. Interest payable and similar expenses

	2020 £000	2019 £000
Intra-group loan interest	42,237	14,618
Remeasurement adjustment	(42,237)	(14,618)
Finance leases and hire purchase contracts	113	117
Imputed interest arising on deferred consideration	1,558	1,640
	<u>1,671</u>	<u>1,757</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13. Tax on profit

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	1,781	1,093
Adjustment in respect of prior periods	682	(411)
Total current tax	<u>2,463</u>	<u>682</u>
Deferred tax		
Origination and reversal of timing differences	346	113
Changes to tax rates	5,549	-
Adjustment in respect of prior periods	53	(1,021)
Effect of amortisation of Intangible assets	(4,675)	(2,885)
Total deferred tax	<u>1,273</u>	<u>(3,793)</u>
Total tax expense/(income)	<u>3,736</u>	<u>(3,111)</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

13. Tax on profit (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit before tax	28,839	23,103
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	5,480	4,390
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,510	3,508
Fixed asset differences	7,140	5,120
Other tax adjustments, reliefs and transfers	191	312
Adjustments in respect of prior periods	735	(1,432)
Remeasurement of deferred tax - change in tax rate	5,549	-
Non-taxable income	(575)	(5,606)
Effect of amortisation of Intangible assets	(4,675)	(2,885)
Other differences	-	120
Group relief claimed	(11,636)	(6,772)
Deferred tax not recognised	17	134
Total tax charge/(credit) for the year	3,736	(3,111)

Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted on 17 March 2020 under a UK Budget resolution which has statutory effect under the provisions of the Provisional Collection of Taxes Act 1968. This resolution cancelled the previously enacted reduction to 17%, such that the UK corporation tax main rate applicable from 1 April 2020 remains at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

14. Intangible assets

	Technology £000	Internal capitalised development costs £000	Customer base and trade names £000	Goodwill £000	Acquired software £000	Total £000
Cost						
At 1 July 2019	64,014	23,047	145,787	213,988	3,745	450,581
Additions	40,197	6,091	76,062	137,777	3,958	264,085
Disposals	-	-	-	-	(3,963)	(3,963)
At 30 June 2020	104,211	29,138	221,849	351,765	3,740	710,703
Accumulated Amortisation						
At 1 July 2019	10,831	13,168	22,898	25,643	2,471	75,011
Charge for the year	7,384	4,636	16,478	13,416	3,096	45,010
On disposals	-	-	-	-	(3,963)	(3,963)
At 30 June 2020	18,215	17,804	39,376	39,059	1,604	116,058
Net book value						
At 30 June 2020	85,996	11,334	182,473	312,706	2,136	594,645
At 30 June 2019	53,183	9,879	122,889	188,345	1,274	375,570

Additions includes adjustments to deferred consideration on previously hived acquisitions of £9,584k.

ACCESS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

15. 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 2019	195	2,782	4,954	140	8,736	16,807
Additions	-	370	631	-	3,671	4,672
Acquisition of subsidiary	537	5	-	29	512	1,083
Disposals	-	-	-	(87)	(186)	(273)
At 30 June 2020	732	3,157	5,585	82	12,733	22,289
Accumulated Depreciation						
At 1 July 2019	-	697	3,645	58	3,680	8,080
Charge for the year on owned assets	5	294	-	24	2,581	2,904
Charge for the year on financed assets	-	-	713	-	-	713
Disposals	-	-	-	(47)	(186)	(233)
At 30 June 2020	5	991	4,358	35	6,075	11,464
Net book value						
At 30 June 2020	727	2,166	1,227	47	6,658	10,825
At 30 June 2019	195	2,085	1,309	82	5,056	8,727

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

	2020 £000	2019 £000
Hosting equipment	1,227	1,309
	<u>1,227</u>	<u>1,309</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

16. Investments

	Investments in subsidiary companies £000
Cost	
At 1 July 2019	69,767
Additions	419,438
Amounts written off	(3,331)
Eliminated on hive up	(233,358)
At 30 June 2020	<u>252,516</u>
Impairment	
At 1 July 2019	2,635
At 30 June 2020	<u>2,635</u>
Net book value	
At 30 June 2020	<u>249,881</u>
At 30 June 2019	<u>67,132</u>

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. Investments (continued)

On the 1st July 2019 Access UK Ltd acquired the entire share capital of Safety Media Limited for a total consideration of £37,771k.

On the 31st October 2019 Access UK Ltd acquired the entire share capital of The Payroll Services Company Limited for a total consideration of £8,312k.

On the 01st November 2019 Access UK Ltd acquired the entire share capital of Attaché Australia for a total consideration of £24,742k.

On the 12th November 2019 Access UK Ltd acquired the entire share capital of People Apps Limited for a total consideration of £90,414k.

On the 13th December 2019 Access UK Ltd acquired the entire share capital of Microlearn and Jenison Limited for a total consideration of £3,736k.

On the 10th January 2020 Access UK Ltd acquired the entire share capital of Mintsoft Limited for a total consideration of £5,984k.

On the 10th March 2020 Access UK Ltd acquired the entire share capital of Webroster Limited for a total consideration of £9,497k.

On the 26th March 2020 Access UK Ltd acquired the entire share capital of ELearning For You Limited for a total consideration of £7,021k.

On the 30th April 2020 Access UK Ltd acquired the entire share capital of Core BidCo Limited for a total consideration of £175,906k.

On the 30th June 2020 Access UK Ltd acquired the entire share capital of Eclipse (Hardware) Limited for a total consideration of £53,573k.

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 Company also made adjustments to additions of £2,482k in respect of prior year acquisitions.

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

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. 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%
Rapidata Services Limited	Dormant	Ordinary	100%
Safe Computing Limited	Dormant	Ordinary	100%
P.P.M and Associates 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%
Socrates Training Limited	Dormant	Ordinary	100%
Gamebrain Studios Limited	Dormant	Ordinary	100%
Raising IT Limited	Dormant	Ordinary	100%
Joyful (Aus) Pty Ltd	Consulting, software and solutions	Ordinary	100%
Eazy Collect Services Limited	Payment processing	Ordinary	100%
Access Workspace PTY Ltd	Holding Company	Ordinary	100%
Attaché Australia	Consulting, software and solutions	Ordinary	100%
Attaché New Zealand	Consulting, software and solutions	Ordinary	100%
Safety Media Limited	Dormant	Ordinary	100%
The Payroll Service Company	Dormant	Ordinary	100%
People Apps Limited	Dormant	Ordinary	100%
Microlearn Limited	Dormant	Ordinary	100%
Jenison Limited	Dormant	Ordinary	100%
Mintsoft Limited	Dormant	Ordinary	100%
Webroster Limited	Dormant	Ordinary	100%
Elearning For You Limited	Dormant	Ordinary	100%
Core BidCo Limited	Holding Company	Ordinary	100%
Core Computer Consultants Limited	Consulting, software and solutions	Ordinary	100%
Core Computer Consultants UK Limited	Dormant	Ordinary	100%
Eclipse (Hardware) Limited	Dormant	Ordinary	100%

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

16. 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 Microdec Limited, iCH Software Services Sdn Bhd, Volcanic Technology Pty, Volcanic Technology Asia, Riliance Software Limited, Riliance Training Limited, Socrates Training Limited, Gamebrain Studios Limited, Joyful (Aus) Pty Ltd, Attaché Australia, Attaché New Zealand and Core Computer Consultants Limited which are indirectly held, all other investments are directly held.

All of the above subsidiaries, with the exception of StratoGen Inc, Intelligent Software Systsems SRL, iCH Software Services Sdn Bhd, Volcanic Technology Pty Australia, Volcanic Technology Asia, Joyful (Aus) Pty Ltd, Access Workspace PTY Ltd, Attaché Australia, Attaché New Zealand, Core BidCo Limited and Core Computer Consultants Limited have a registered office address at The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

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.

Access Workspace PTY Ltd and Attaché Australia is registered at Level 5, Macquarie View Corporate Park, 112-118 Talavera Road, Macquarie Park, Sydney, Australia.

Attaché New Zealand is registered at Part level 4, 48 Greys Avenue, Auckland, New Zealand.

Core BidCo Limited and Core Computer Consultants Limited are registered at Core House, Westpoint Business Park, Ballincollig, Cork, Ireland.

ACCESS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

17. Debtors

	2020 £000	2019 £000
Amounts falling due within one year		
Trade debtors	35,808	31,160
Amounts owed by group undertakings	23,836	6,601
Other debtors	1,512	1,261
Corporation tax	2,160	4,826
Prepayments and accrued income	19,677	16,669
	<u>82,993</u>	<u>60,517</u>

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Trade debtors are stated after provisions for impairment of £3,674k (2019: £2,920k).

18. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	37,287	8,607
	<u>37,287</u>	<u>8,607</u>

19. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	3,457	3,638
Amounts owed to group undertakings	42,265	23,940
Other taxation and social security	20,723	7,856
Obligations under finance lease and hire purchase contracts	631	1,352
Other creditors	932	1,121
Deferred consideration	6,992	17,789
Accruals and deferred income	96,207	74,792
	<u>171,207</u>	<u>130,488</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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

	2020 £000	2019 £000
Net obligations under finance leases and hire purchase contracts	417	235
Amounts owed to group undertakings	579,765	232,364
Deferred consideration	4,366	12,100
	<u>584,548</u>	<u>244,699</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable 12 months and two days after a demand for repayment is made. The counterparty has not made any such demand for repayment at the date of the signing of these financial statements. Net obligations under finance leases are due between 1 - 2 years.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

21. Deferred tax

	2020 £000	2019 £000
At beginning of year	(31,459)	(15,236)
(Charged)/credited to profit or loss	(1,273)	3,793
Arising on business combinations	(20,515)	(20,016)
At end of year	(53,247)	(31,459)

The provision for deferred taxation is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	(2,238)	(1,527)
Arising on business combinations	(51,009)	(29,932)
	(53,247)	(31,459)

The net deferred tax liability expected to reverse in 2021 is £5,503k. This primarily relates to the reversal of timing differences between the amount that can be deducted for tax on business combinations and the value at which they are recognised in the accounts.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

22. Called up share capital and other reserves

	2020 £000	2019 £000
Allotted, called up and fully paid		
26,392 (2019: 26,392) Ordinary shares of £1.00 each	26	26

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

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.

Other reserves

Other reserves consists of capital contributions received from fellow group companies.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions

Acquisition of Safety Media Limited

The whole of the issued share capital of Safety Media Limited was acquired on 01 July 2019 for total consideration of £37,771k. The following schedule sets out the net assets acquired.

Net assets of Safety Media Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	6,003	6,003
Trade Name and Customer Base (1)	-	11,653	11,653
Tangible Fixed Assets	93	-	93
Debtors (2)	867	(7)	860
Cash at Bank	4,923	-	4,923
Other creditors (3)	(548)	(2,869)	(3,417)
Deferred tax (4)(5)	2	(3,004)	(3,002)
Net assets acquired	5,337	11,776	17,113
Consideration			37,771
Goodwill			20,658
Consideration satisfied by:			
Cash			37,771
			37,771

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 align to group policy.
- 3) Fair value adjustments to deferred income (£2,821k) and to accruals (£48k) to align to group policy.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments (£3,004k).
- 5) Fair value adjustment to deferred tax asset to align to group policy (£2k).

In the Company's last financial year to 31 December 2018, Safety Media Limited made a profit after tax of £2,450k. For the period since that date to the date of acquisition, the management accounts of Safety Media Limited show the following:

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of Safety Media Limited to the date of acquisition:

	Period ended 01 July 2019 £'000
Turnover	2,776
Cost of sales	(120)
Gross profit	2,656
Net operating expenses	(1,043)
Operating profit before tax	1,613
Tax	(241)
Profit for financial period	1,372

The trade and assets of Safety Media 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of The Payroll Service Company Limited

The whole of the issued share capital of The Payroll Service Company Limited was acquired on 31 October 2019 for total consideration of £ 8,312k. The following schedule sets out the net assets acquired.

Net assets of The Payroll Service Company Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	1,274	1,274
Trade Name and Customer Base (1)	-	2,474	2,474
Tangible Fixed Assets (2)	725	(707)	18
Debtors (3)	455	(5)	450
Cash at Bank	875	-	875
Stock	10	-	10
Other creditors (4)	(400)	(6)	(406)
Deferred tax (5)	(132)	(637)	(769)
Net assets acquired	1,533	2,393	3,926
Consideration			8,312
Goodwill			4,386
Consideration satisfied by:			
Cash			8,312
			8,312

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) Align Fixed Asset recognition to group policy.
- 3) Fair value adjustment to prepayments to align to group policy.
- 4) Fair value adjustments to accruals to align to group policy.
- 5) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 March 2019, The Payroll Service Company Limited made a profit after tax of £425k. For the period since that date to the date of acquisition, the management accounts of The Payroll Service Company Limited show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23 Acquisitions (continued)

Trading result of The Payroll Service Company Limited to the date of acquisition:

	Period ended 31 October 2019 £'000
Turnover	1,442
Cost of sales	(789)
Gross profit	653
Net operating expenses	(294)
Operating profit before tax	359
Tax	(44)
Profit for financial period	315

The trade and assets of The Payroll Service Company Limited were transferred into Access UK Ltd immediately following the 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of People Apps Limited

The whole of the issued share capital of People Apps Limited was acquired on 12 November 2019 for total consideration of £90,414k. The following schedule sets out the net assets acquired.

Net assets of People Apps Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets (1)	360	(360)	-
Technology (2)	-	15,176	15,176
Trade Name and Customer Base (2)	-	29,459	29,459
Tangible Fixed Assets (3)	179	(117)	62
Debtors	680	-	680
Cash at Bank	5,297	-	5,297
Other creditors (4)	(4,747)	(148)	(4,895)
Deferred tax (5)	-	(7,588)	(7,588)
Net assets acquired	1,769	36,422	38,191
Consideration			90,414
Goodwill			52,223
Consideration satisfied by:			
Cash			86,827
Deferred consideration payable			3,587
			90,414

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 tangible Fixed assets to align to group policy.
- 4) Fair value adjustments to accruals (£19k) and other creditors (£129k) to align to group policy.
- 5) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 October 2019, People Apps Limited made a profit after tax of £3,330k. For the period since that date to the date of acquisition, the management accounts of People Apps Limited show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of People Apps Limited to the date of acquisition:

	Period ended 12 November 2019 £'000
Turnover	397
Cost of sales	(35)
Gross profit	362
Net operating expenses	(159)
Operating profit before tax	203
Profit for financial period	203

The trade and assets of People Apps 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of Microlearn Limited and Jenison Limited

The whole of the issued share capital of Microlearn Limited and Jenison Limited was acquired on 13 December 2019 for total consideration of £3,736k. The following schedule sets out the net assets acquired.

Net assets of Microlearn Limited and Jenison Limited on acquisition:

	Book value	Adjustments	Fair value
	£000	£000	£000
Existing intangible fixed Assets (1)	111	(111)	-
Technology (2)	-	725	725
Trade Name and Customer Base (2)	-	1,408	1,408
Tangible Fixed Assets	22	-	22
Debtors	204	-	204
Cash at Bank	486	-	486
Other creditors (3)	(624)	(617)	(1,241)
Deferred tax (4)	-	(363)	(363)
Net assets acquired	199	1,042	1,241
Consideration			3,736
Goodwill			2,495
Consideration satisfied by:			
Cash			3,736
			3,736

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. (£504k) to deferred revenue and (£113k) to accruals.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Companies last financial year to 31 December 2018, Microlearn Limited and Jenison Limited made a profit after tax of £126k and £92k respectively. For the period since that date to the date of acquisition, the management accounts of Microlearn Limited and Jensions limited collectively show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of Microlearn Limited and Jenison Limited to the date of acquisition:

	Period ended 13 December 2019 £'000
Turnover	1,262
Cost of sales	(104)
Gross profit	1,158
Net operating expenses	(843)
Operating profit before tax	315
Tax	(59)
Profit for financial period	256

The trade and assets of both Microlearn Limited and Jenison 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of Mintsoft Limited

The whole of the issued share capital of Mintsoft Limited was acquired on 10 January 2020 for total consideration of £5,984k. The following schedule sets out the net assets acquired.

Net assets of Mintsoft Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	982	982
Trade Name and Customer Base (1)	-	1,907	1,907
Tangible Fixed Assets	27	-	27
Debtors (2)	128	(1)	127
Cash at Bank	164	-	164
Stock	1	-	1
Other creditors (3)	(112)	(1)	(113)
Deferred tax (4)	-	(491)	(491)
Net assets acquired	208	2,396	2,604
Consideration			5,984
Goodwill			3,380
Consideration satisfied by:			
Cash			2,924
Deferred consideration payable			3,060
			5,984

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) Adjustment to prepayments to align to group policy.
- 3) Fair value adjustment to VAT balance.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 28 February 2019, Mintsoft Limited made a profit after tax of £84k. For the period since that date to the date of acquisition, the management accounts of Mintsoft Limited show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of Mintsoft Limited to the date of acquisition:

	Period ended 10 January 2020 £'000
Turnover	649
Cost of sales	(3)
Gross profit	646
Net operating expenses	(419)
Operating profit before tax	227
Profit for financial period	227

The trade and assets of Mintsoft 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of Webroster Limited

The whole of the issued share capital of Webroster Limited was acquired on 10 March 2020 for total consideration of £9,497k. The following schedule sets out the net assets acquired.

Net assets of Webroster Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	1,521	1,521
Trade Name and Customer Base (1)	-	2,953	2,953
Tangible Fixed Assets	99	-	99
Debtors (2)	287	(28)	259
Cash at Bank	696	-	696
Other creditors (3)	(383)	(122)	(505)
Deferred tax (4)	-	(761)	(761)
Net assets acquired	699	3,563	4,262
Consideration			9,497
Goodwill			5,235
Consideration satisfied by:			
Cash			9,497
			9,497

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 align to group policy. (£26k) bad debt provision and (£2k) other debtors.
- 3) Fair value adjustment to align to group deferred revenue policy.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 October 2019, Webroster Limited made a profit after tax of £211k. For the period since that date to the date of acquisition, the management accounts of Webroster Limited show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of Webroster Limited to the date of acquisition:

	Period ended 10 March 2020 £'000
Turnover	929
Cost of sales	(54)
Gross profit	875
Net operating expenses	(643)
Operating profit before tax	232
Tax	14
Profit for financial period	246

The trade and assets of Webroster 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of eLearning For You Limited

The whole of the issued share capital of eLearning For You Limited was acquired on 26 March 2020 for total consideration of £7,021k. The following schedule sets out the net assets acquired.

Net assets of eLearning For You Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed Assets (1)	1	(1)	-
Technology (2)	-	1,126	1,126
Trade Name and Customer Base (2)	-	2,186	2,186
Tangible Fixed Assets	25	-	25
Debtors (3)	3,093	(5)	3,088
Cash at Bank	7	-	7
Other creditors (3)	(2,671)	(51)	(2,722)
Deferred tax (4)	(1)	(563)	(564)
Net assets acquired	454	2,692	3,146
Consideration			7,021
Goodwill			3,875
Consideration satisfied by:			
Cash			7,021
			7,021

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

- 1) Fair value adjustment to existing intangibles of 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. £5k to prepayments, £43k to deferred revenue and £8k to accruals.
- 4) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 28 February 2018, eLearning For You Limited made a profit after tax of £393k. For the period since that date to the date of acquisition, the management accounts of eLearning For You Limited show the following:

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of eLearning For You Limited to the date of acquisition:

	Period ended 26 March 2020 £'000
Turnover	1,855
Cost of sales	(446)
Gross profit	1,409
Net operating expenses	(759)
Operating profit before tax	650
Profit for financial period	650

The trade and assets of eLearning For You 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.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of Core Bidco Limited

The whole of the issued share capital of Core Bidco Limited ("The Core Group") was acquired on 30 April 2020 for total consideration of £175,906k. The total purchase price has been allocated between the trading entities based on historic turnover. Immediately following the acquisition the trade and assets of the UK subsidiary, Core Computer Consultants UK Limited, were transferred to the Company. The following schedule sets out the acquired net assets of Core Computer Consultants UK Limited and the remaining consideration was recorded as an addition to Investments in the year (note 16).

Net assets of Core Computer Consultants UK Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	8,987	8,987
Trade name and customer base (1)	-	5,508	5,508
Tangible fixed assets	281	-	281
Debtors	6,970	-	6,970
Cash at bank	388	-	388
Other creditors (2)	(5,019)	(46)	(5,065)
Deferred tax (3)	-	(2,464)	(2,464)
Net assets acquired	2,620	11,985	14,605
Consideration			31,565
Goodwill			16,960
Consideration satisfied by:			
Cash			31,565
			31,565

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 align to group policy (£46k) to accruals.
- 3) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the group's last financial year to 30 June 2019, "The Core Group" made a loss after tax of £15,432k. For the period since that date to the date of acquisition, the management accounts of "The Core Group" show the following:

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Trading result of The Core Group to the date of acquisition:

	Period ended 30 April 2020 £'000
Turnover	35,934
Cost of sales	(5,144)
Gross profit	30,790
Net operating expenses	(16,824)
Operating profit before tax	13,966
Tax	(519)
Profit for financial period	13,447

The trade and assets of Core Computer Consultants UK Limited were transferred into Access UK Ltd immediately following the acquisition of "The Core Group". 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.

In the period from acquisition to the balance sheet date the remaining group companies reported revenue of £5,423k and profit before tax of £1,074k.

ACCESS UK LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

23. Acquisitions (continued)

Acquisition of Eclipse (Hardware) Limited

The whole of the issued share capital of Eclipse (Hardware) Limited was acquired on 30 June 2020 for total consideration of £53,573k. The following schedule sets out the net assets acquired.

Net assets of Eclipse (Hardware) Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Existing intangible fixed assets (1)	3,181	(3,181)	-
Technology (2)	-	9,568	9,568
Trade name and customer base (2)	-	18,573	18,573
Tangible fixed assets	593	-	593
Debtors (3)	7,558	(1,237)	6,321
Cash at bank (4)	3,155	1	3,156
Other creditors (3)	(12,459)	(320)	(12,779)
Deferred tax (5)	-	(4,784)	(4,784)
Net assets acquired	2,028	18,620	20,648
Consideration			53,573
Goodwill			32,925
Consideration satisfied by:			
Cash			53,573
			53,573

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

- 1) Fair value adjustments 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 accrued income align to group policy.
- 4) Fair value adjustment to align to group policy.
- 5) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 December 2019, Eclipse (Hardware) Limited made a profit after tax of £4,485k. For the period since that date to the date of acquisition, the management accounts of Eclipse (Hardware) Limited show the following:

ACCESS UK LTD

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

Trading result of Eclipse (Hardware) Limited to the date of acquisition:

	Period ended 30 June 2020 £'000
Turnover	6,963
Cost of sales	(3,362)
Gross profit	3,601
Net operating expenses	(1,680)
Operating profit before tax	1,921
Tax	(371)
Profit for financial period	1,550

The trade and assets of Eclipse (Hardware) 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.

Useful life of goodwill

In line with company policy, Management have estimated the useful life of the goodwill on all acquisitions in the year to be 20 years, in line with expected value achieved by the assembled workforce, future technology and future customers of the acquired business.

24. 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 £3,545k (2019 - £2,259k). Contributions totalling £713k (2019 - £565k) were payable to the fund at the balance sheet date.

25. Guarantees and financial commitments

Armstrong Topco Limited has secured its guarantee obligations in respect of credit agreements entered into, comprising a £310m (2019: £310m) senior facilities agreement, a £400m (2019: £225m) acquisition facility, a £20m Revolving Credit Facility and a £305m (2019: £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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26. Commitments under operating leases

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

	2020 £000	2019 £000
Land and buildings		
Not later than 1 year	3,056	2,171
Later than 1 year and not later than 5 years	6,797	5,817
Later than 5 years	1,022	1,564
	<u>10,875</u>	<u>9,552</u>
	2020 £000	2019 £000
Motor vehicles		
Not later than 1 year	472	954
Later than 1 year and not later than 5 years	92	430
	<u>564</u>	<u>1,384</u>

27. Related party transactions

During the year the Company incurred £123k (2019:£123 k) 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 2020 were £NIL (2019: £NIL).

The Company had an outstanding directors loan of £56k (2019: £nil) at the year end. This is included in other debtors in note 17, there have been no amounts repaid, written off or waived in the year. This loan is interest bearing at the rate set by HMRC for Directors loans and is repayable in the event of a qualifying event.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

28. Post balance sheet events

The Company acquired the entire share capital of UK based PageStyle Limited on 15 July 2020 and Abintegro Limited on 27 November 2020. PageStyle Limited is a legal practice management software focused company which was acquired to expand the new Access Legal Division and Abintegro Limited is a career development and digital learning technology company adding to the breadth of the HCM division.

On 20 October 2020 the Access Group confirmed it has secured further investment from its two largest shareholders Hg and TA Associates, to enable it to continue its ambitious growth plans. At the date of signing these accounts the transaction, which will create a new Ultimate Parent company, is pending customary regulatory approval and is expected complete during the first calendar quarter of 2021.

On 11 November 2020 the Company announced the acquisition of Unleashed Software, a New Zealand based inventory management software focused company which is pending regulatory approvals and is expected to complete by December 2020.

29. 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.