

Company Registration No. 05301607

Jonas Computing (UK) Limited

Annual Report and consolidated financial statements

For the year ended 31 December 2018



JONAS COMPUTING (UK) LIMITED

COMPANY INFORMATION

Directors	B Symons J R MacKinnon S R Saklad D P Boxall R Clancy
Secretary	T Baptie
Company number	05301607
Registered office	Gladstone House Hithercroft Road Wallingford Oxfordshire OX10 9BT
Independent auditors	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3140 Rowan Place John Smith Drive Oxford OX4 2WB

JONAS COMPUTING (UK) LIMITED

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JONAS COMPUTING (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

The Directors present the Strategic report and Financial Statement for the period ended 31 December 2018.

Business review

Jonas Computing (UK) Limited and its subsidiaries ("the Group") are wholly owned subsidiaries of Constellation Software Inc. a Canadian company listed on the Toronto Stock Exchange ("TSX").

As a wholly owned subsidiary, the Group benefits from the operational and financial support of its ultimate parent and intermediate parent company, Gary Jonas Computing Ltd ("Jonas"). Jonas Software is the leading provider of enterprise management software solutions to the Club, Leisure Fitness and Sports, Salon and Spa, Foodservice, Construction, Attractions, Metal Service Centres, Moving and Storage, Education, Hotel and Hospitality, Camps, Event Management, Radiology/Laboratory Information Systems, Consumer Product Licensing, Payment Processing, Dynamic Case Management and Retail industries.

Principal risks and uncertainties

Retail

Competitive pressure in all regions of the UK is a continuing risk for the Group, which could result in it losing sales to its key competitors. To manage this risk, the Group strives to provide added-value products and services to its customers; prompt response times in the supply of products and services and in the handling of customer queries; and through the maintenance of strong relationships with customers.

Education

Competitive pressures within the UK Education market remain and could result in the Group losing some new sales and existing customers to key competitors. To manage this risk, the Group aims to provide added-value products and excellent services to its customers and prompt response times in the handling of customer queries. The Group regularly surveys its customers base to better understand customer opinions and market trends.

Club

Competitive pressures exist within the UK market arising out of the introduction of new product offerings by competitors which has impacted on our market share at the lower end of the club spectrum. At the middle and upper end, the Group continues to perform well securing new contracts and expanding the markets in which it operates. Investments in the product offering continues to make us an attractive option and our financial stability is a strong benefit when tendering to the high end market. We see continued opportunities for growth in the expanding club industry and our strategic plan is for growth by expansion in to new and developing markets. Since the EU referendum the weakening of the pound sterling has caused additional costs for those who import consumables in to the UK, this is expected to affect their margins in the coming year.

The majority of Springer-Miller Systems (SMS) customers are based in North America and as such, one of our biggest challenges with our UK customers is them feeling a lack of attention from our business relating to their country specific needs. It is a shrinking market for SMS and as such, our attention levels are matching our expected returns from the market. We continue to develop services as an add on to our offering to secure existing customers and to attract those operating in the market that require a specific high end offering.

JONAS COMPUTING (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Paper

The directors have considered risks and uncertainties pertaining to the Group and have identified potential increased competition and exchange rate fluctuations particularly in light of Brexit, as current potential risk areas. However, the Group has continued to develop its product offerings in order to maintain a competitive advantage, and actively assess how currency risk can be mitigated and take action accordingly.

Health & Leisure

The Health & Leisure group's core client base of local authority funded service providers (trusts, contractors and direct service organisations) are experiencing reductions in traditional government funding as austerity measures and budget cuts bite harder. This will continue to force existing clients to test for market value and seek fee reductions from all service providers.

In parallel to the changes on the customer side of the market, TRP and EZ Facility UK are seeing rapidly increasing competition. A plan to diversify and create a range of products over the last 3-4 years has progressed well and TRP can now offer a suite of products. However, for each part of that suite there are a range of competitors who are specialists in that particular area meaning TRP competes on many fronts against many other businesses. EZ Facility are focussed on providing added-value services to its customers, prompt response times in the supply of services and handling of customers queries and building even stronger relationships with customers.

New opportunities in the market for Cap2 are reducing and so the need to diversify becomes ever more important – particularly in other areas/sports. Strategic alliances within the sector will help to overcome this, as well as diversifying the use of the product in the new few years.

Salon

The Group operates within an extremely competitive environment. There are many competitors with lower cost offerings and the cost of entry into the market is relatively low.

The Group's products and offerings need to remain current and relevant to the needs of our market, the Group has a history of predicting and leading developments in the market.

Payment Processing

The Group operates within a competitive market, however by developing its products, infrastructure and customer service the Company is in an excellent position to retain customers and develop the business revenue streams.

Metals

The impact of Brexit short term has seen pressures on the Steel Industry due to rising import costs, leading to company closures and consolidation, Tata steel in particular have divested heavily. On the upside investments by Greybull and Liberty has seen capacity saved and with continued price increases, meant that the sector has been performing positively with higher than predicted investment in Information Systems which has lead to good UK sales in smaller systems for the company. The long term UK future is still very uncertain and the continued low price of Gas and Oil has meant a reduction in investment in this important Market, leading to a number of high profile projects being put on hold. This further strengthens the argument for the allocation of resources to the rest of world market for the future of the business.

JONAS COMPUTING (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial key performance indicators

In alignment with group policy, the Company considers its Key Performance Indicators ("KPIs") to be those which drive shareholder value, namely Growth in Gross Profit ("GGP") and Profitability.

	2018	2017	2016
Growth in Gross Profit	17.0%	22.9%	n/a
Profit before exceptional items and taxation	6,985,652	5,592,150	11,162,104

In addition to the above KPIs, the Group also pays close attention to its net current assets position. Jonas requires that the Group is party to a central corporate treasury function which allows the group to centrally manage its liquidity and financial risks whilst ensuring capital is deployed globally in the most effective manner. However, this can mean that locally the financial strength of the Group is not necessarily conveyed by the net current asset position when reading these financial statements in isolation. To fully understand the size and strength of the corporate group of which the Group is a part, these financial statements should be read in conjunction with those of Constellation Software Inc.

Future developments

Retail

The Group continues to invest in its product range with new innovative features as well as developing new products to differentiate its offering and also to explore additional routes to market and strengthen existing working relationships with other related parties within the group, thus providing significant confidence of future sales growth through diversification of customers.

Education

The Group continues to invest in its product range with new innovative features as well as developing new products to differentiate its offering. These new products are designed to create new revenue streams for the company and drive future growth.

Club

The Group continues to invest in its product range with new innovative features as well as developing new products to differentiate its offering. These features and products are designed to ensure the retention of existing customers, the creation of new revenue streams for the company and driving future growth through expansion in to new and developing markets. The Company will continue to acquire new companies on behalf of the group.

Health & Leisure

The Group now operates under 4 different divisions, and as such, faces a more diverse range of future developments. These are summarised below:

TRP will continue to operate as it has been doing, with a future focus on building an even more competitive suite of customer experience management tools and adding to its distribution network to sell into new markets.

Cap2 is still seeing solid growth despite the onset of competitors slowly reaching the market. With this in mind additional commercial modules and bolt-ons are being built to support the growth and aide retention rates. International expansion is possible over the next 18 months via strategic partnerships. A new location for Cap2's office base is planned to support the future predicted growth.

JONAS COMPUTING (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Health & Leisure (continued)

EZ Facility continues to work and improve the products they offer with regular system updates and larger development improvements, as well as adding to integrated partners.

Xn Leisure will continue to operate as it has been doing with a future focus on developing online services which have more functional depth.

Salon

The Group will continue to operate as it has been doing, with a future focus on developing better online services and mobile applications which have more functional depth.

Payment Processing

The Group continues to invest in its product range with new innovative features as well as developing new products to differentiate its offering. These new products are designed to create new revenue streams for the company and drive future growth.

Metals

The 7% improvement in distributed steel consumption has lead to much higher activity in this market and currently we are seeing a high level of interest in the Group's products in the USA. We have also seen enquires from rest of world countries and this falls in line with our plans to develop this market as a sustainable growth sector.

This report was approved by the board on

10/12/19

and signed on its behalf.



S R Saklad
Director

JONAS COMPUTING (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the Company was that of a holding company. The principal activity of the Group was the provision of computer software and consultancy services.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows.

B Symons	(resigned 31 October 2018, appointed 1 January 2019)
J R MacKinnon	(resigned 31 October 2018, appointed 1 January 2019)
S R Saklad	(appointed 1 November 2018)
D P Boxall	(appointed 1 November 2018)
R Clancy	(appointed 1 November 2018)

Results and dividends

The results for the period are set out on page 11.

Ordinary dividends of £14,433,526 (2017 - £9,863,329) were paid. The directors do not recommend payment of a final dividend (2017 - £nil).

Going concern

The consolidated financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the group for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Group will be able to meet its liabilities as they fall due.

Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment with section 485 of the Companies Act 2006.

Strategic Report

The Directors have chosen in accordance with section 414C(11) of the Companies Act 2006 to include in the Strategic Report matters otherwise required to be disclosed in the Directors' Report as the directors consider these are of strategic importance to the company.

JONAS COMPUTING (UK) LIMITED

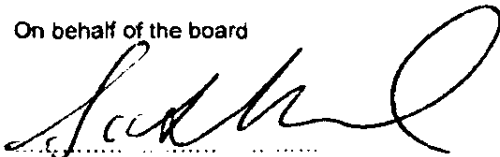
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of disclosure to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



S R Saklad

Director

..... 10/12/19

JONAS COMPUTING (UK) LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Strategic Report, Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. The directors have elected under company law to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Accounting Standards and applicable law).

The group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the group, the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

In preparing each of the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- for the group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU and for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statement;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED

Opinion

We have audited the financial statements of Jonas Computing (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise which comprises the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent company Statement of Financial Position, the Parent company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, Financial Reporting Standard (FRS) 101 'Reduced Disclosure Framework' and the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended,
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with FRS 101; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the 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 group's or the parent 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JONAS COMPUTING (UK) LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Amanda James
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Southampton
Date 10 December 2019

JONAS COMPUTING (UK) LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Revenue	4	63,232,547	56,467,211
Cost of sales	5	(6,604,393)	(8,075,266)
Gross profit		56,628,154	48,391,945
Administrative expenses	5	(49,164,551)	(42,232,826)
Other operating income	6	31,686	20,697
Operating profit		7,495,289	6,179,816
Finance income	9	328	143
Finance costs	10	(509,965)	(587,809)
Profit before tax		6,985,652	5,592,150
Income tax expense	11	(1,696,341)	(879,382)
Profit for the year		5,289,311	4,712,768
Other comprehensive income		45,814	187,604
Total comprehensive income for the year		5,335,125	4,900,372

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED

Company Registration No. 05301607

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018	2017	As at 1 January 2017
	Notes	£	£	£
ASSETS				
Non-current assets				
Property, plant and equipment	13	3,853,900	1,330,529	1,011,545
Goodwill	14	7,024,571	6,662,908	5,073,245
Other intangible assets	15	28,440,999	19,639,197	16,068,413
Contract assets		703,652	-	-
Total non-current assets		40,023,122	27,632,634	22,153,203
Current assets				
Inventories	17	1,134,198	1,427,240	1,131,127
Contract assets		214,036	-	-
Trade and other receivables	18	62,015,025	41,357,828	32,065,906
Deferred tax assets	23	404,094	333,637	302,570
Cash and cash equivalents	19	4,635,879	2,818,583	3,110,225
Total current assets		68,403,232	45,937,288	36,609,828
Total assets		108,426,354	73,569,922	58,763,031
LIABILITIES				
Non-current liabilities				
Borrowings	20	(4,727,287)	(4,702,836)	(4,748,617)
Deferred income		(528,010)	-	-
Total non-current liabilities		(5,255,297)	(4,702,836)	(4,748,617)
Current liabilities				
Borrowings	20	(677,414)	(799,137)	(117,808)
Trade and other payables	21	(69,346,052)	(38,211,505)	(25,837,414)
Current tax liabilities		(2,121,607)	(1,496,111)	(2,369,064)
Deferred income		(14,365,133)	(12,913,353)	(12,750,308)
Deferred tax liabilities	23	(4,772,352)	(2,058,702)	(388,585)
Total current liabilities		(91,282,558)	(55,478,808)	(41,463,179)
Total liabilities		(96,537,855)	(60,181,644)	(46,211,796)
Net assets		11,888,499	13,388,278	12,551,235

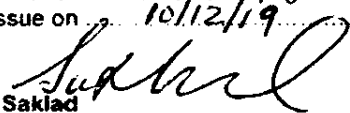
JONAS COMPUTING (UK) LIMITED

Company Registration No. 05301607

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £	As at 1 January 2017 £
EQUITY				
Called-up share capital	25	1	1	1
Share premium account		16,859,737	16,859,737	16,859,737
Capital contribution		12,655,000	5,800,000	-
Retained earnings		(17,626,239)	(9,271,460)	(4,308,503)
Total equity		11,888,499	13,388,278	12,551,235

The financial statements on pages 11 to 53 were approved by the Board of Directors and authorised for issue on 10/12/19 and are signed on its behalf by.



S R Saklad
Director

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium £	Capital contribution £	Retained earnings £	Total £
Balance at 1 January 2017		1	16,859,737	-	(4,308,503)	12,551,235
Profit for the year		-	-	-	4,712,768	4,712,768
Currency translation differences		-	-	-	187,604	187,604
Total comprehensive income for the year		-	-	-	4,900,372	4,900,372
Transactions with owners in their capacity as owners	12					
Dividends		-	-	-	(9,863,329)	(9,863,329)
Capital contribution		-	-	5,800,000	-	5,800,000
Balance at 31 December 2017		1	16,859,737	5,800,000	(9,271,460)	13,388,278
Adjustment for IFRS 15		-	-	-	(1,645,595)	(1,645,595)
Profit for the year		-	-	-	5,289,311	5,289,311
Currency translation differences		-	-	-	45,814	45,814
Total comprehensive income for the year		-	-	-	5,335,125	5,335,125
Transactions with owners in their capacity as owners	12					
Dividends		-	-	-	(12,044,309)	(12,044,309)
Capital contribution		-	-	6,855,000	-	6,855,000
Balance at 31 December 2018		1	16,859,737	12,655,000	(17,626,239)	11,888,499

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Operating activities			
Cash generated from operations	27	24,307,393	16,185,410
Interest paid		(509,965)	(587,809)
Income taxes paid		(1,694,448)	(2,115,024)
Net cash generated from operating activities		<u>22,102,980</u>	<u>13,482,577</u>
Investing activities			
Purchase of property, plant and equipment		(406,053)	(630,729)
Purchase of intangible assets		-	(15,000)
Purchase of subsidiaries (net of cash acquired)		(14,593,378)	(9,630,666)
Interest received		328	143
Net cash used in investing activities		<u>(14,999,103)</u>	<u>(10,276,252)</u>
Financing activities			
Capital contribution		6,855,000	5,800,000
Dividends paid to owners of the parent company		(12,044,309)	(9,863,329)
Payment of obligations under finance leases		(36,405)	(108,839)
Net cash used in financing activities		<u>(5,225,714)</u>	<u>(4,172,168)</u>
Net increase/(decrease) in cash and cash equivalents		1,878,163	(965,843)
Cash and cash equivalents at 1 January		<u>2,144,382</u>	<u>3,110,225</u>
Cash and cash equivalents at 31 December 2018		<u>4,022,545</u>	<u>2,144,382</u>
Cash and cash equivalents per the statement of financial position		4,635,879	2,818,583
Less bank overdrafts		(613,349)	(674,201)
Cash and cash equivalents for the statement of cash flows purpose		<u>4,022,545</u>	<u>2,144,382</u>

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2018

General information

Jonas Computing (UK) Limited ("the Company") is a private company limited by shares and incorporated and domiciled in England. The address of the Company's registered office and principal place of business is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

The principal activity of Jonas Computing (UK) Limited, together with its subsidiaries ("the Group"), is the provision of computer software and consultancy services.

The Group is ultimately controlled by Constellation Software Inc. incorporated and domiciled in Canada, which holds 100% of the ordinary shares of Jonas Computing (UK) Limited

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee interpretations ("IFRS IC"), as adopted by the European Union. They have been prepared under the historical cost convention in accordance with those parts of the Companies Act 2006 that are applicable to companies that prepare consolidated financial statements in accordance with IFRS.

For periods from 31 December 2010 up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with UK generally accepted accounting practice (UK GAAP). These financial statements for the year ended 31 December 2018 are the first since 31 August 2009 that the Group has prepared in accordance with IFRS. Refer to note 2 for information on how the Group adopted IFRS.

The consolidated financial statements comprise a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows, and notes. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

The Group presents the statement of comprehensive income using the classification by function of expenses. The Group believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current / non-current distinction.

Measurement bases

The consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates and management judgements in applying the accounting policies. The significant estimates and judgements have been made and their effect is disclosed in note 1.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Basis of consolidation

The consolidated financial statements incorporate those of Jonas Computing (UK) Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

Going concern

The consolidated financial statements have been prepared on the going concern basis which assumes that the Group will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the group for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the Group will be able to meet its liabilities as they fall due.

Foreign and functional currencies

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Group is Sterling (£). The financial statements are presented in Sterling, this being the currency of the economic environment of the Group. Monetary amounts in these financial statements are rounded to the nearest £1.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Revenue

Revenue represents the amount the Group expects to receive for products and services in its contracts with customers, net of discounts and VAT. The Group recognises revenue under four revenue categories being, License, Hardware and other, Professional services, and Maintenance and other recurring revenue. Software license revenue is comprised of non-recurring license fees charged for the use of software products licensed under multiple-year or perpetual arrangements. Professional service revenue consists of fees charged for implementation services, custom programming, product training and consulting. Hardware and other revenue includes the resale of third party hardware as part of customised solutions, as well as sales of hardware assembled internally and the reimbursement of travel costs. Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes recurring fees derived from combined software/support contracts, transaction revenues, managed services, and hosted products.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Revenue (continued)

Contracts with multiple products or services

Typically, the Group enters into contracts that contain multiple products and services such as software licenses, hosted software-as-a-service, maintenance professional services, and hardware. The Group evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Group's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer. Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their estimated standalone selling price (SSP).

Nature of products and services

The Group sells on-premise software licenses on both a perpetual and specified-term basis. Revenue from the license of distinct software is recognised at the time that both the right-to-use the software has commenced and the software has been made available to the customer. Certain of the Group's contracts with customers contain provisions that require the customer to renew optional support and maintenance in order to maintain the active right to use a perpetual or term license. The renewal payments after the initial bundled support and maintenance term in these cases apply to both the continued right-to-use the license and the support and maintenance renewal. Where the fees payable for the initial term are incremental to the fees for the renewal terms, the excess is treated as a prepayment for expected renewals and allocated (amortised) evenly over the expected customer renewals, up to the estimated life of the software that is typically 4-6 years. Revenue from the license of software that involves complex implementation or customisation that is not distinct, and/or includes sales of hardware that is not distinct, is recognised as a combined performance obligation using the percentage-of-completion method based either on the achievement of contractually defined milestones or based on labour hours.

A portion of the Group's sales, categorised as hardware and other revenue, are accounted for as product revenue. Product revenue is recognised when control of the product has transferred under the terms of an enforceable contract.

Revenue related to the customer reimbursement of travel related expenses incurred during a project implementation where the Group is the principal in the arrangement is included in the hardware and other revenue category. Revenue is recognised as costs are incurred which is consistent with the period in which the costs are invoiced. Reimbursable travel expenses incurred for which an invoice has not been issued, are recorded as part of unbilled revenue on the statement of financial position.

Maintenance and other recurring revenue primarily consists of fees charged for customer support on software products post-delivery and also includes, to a lesser extent, recurring fees derived from software licenses that are not distinct from maintenance, transaction revenues, managed services, and hosted products.

Revenue from software-as-a-service (SaaS) arrangements, which allows customers to use hosted software over a term without taking possession of the software, are provided on a subscription basis. Revenue from the SaaS subscription, which includes the hosted software and maintenance is recognised rateably over the term of the subscription. Significant incremental payments for SaaS in an initial term are recognised rateably over the expected renewal periods, up to the estimated life of the software.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Revenue (continued)

Professional services revenue including installation, implementation, training and customization of software is recognised by the stage of completion of the performance obligation determined using the percentage of completion method noted above or as such services are performed as appropriate in the circumstances. The revenue and profit of fixed price contracts is recognised on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably but the Company expects to recover its costs, the amount of expected costs is treated as variable consideration and the transaction price is updated as more information becomes known.

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in unbilled revenue. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

Other income

Interest income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Freehold property	50 years straight line
Leasehold improvements	over the term of the lease or 100 years, whichever is shorter
Fixtures and fittings	3-5 years straight line
Computer equipment	2-5 years straight line
Motor vehicles	3-5 years straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

JONAS COMPUTING (UK) LIMITED
CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses.

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Other intangible assets

Other intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are acquired and available for use, since this most closely reflects the expected usage and pattern of consumption of the future economic benefits embodied in the asset. To determine the useful life of the technology assets, the Group considers the length of time over which it expects to earn or recover the majority of the present value of the forecasted cash flows of the related intangible assets. The estimated useful lives for the current and comparative periods are as follows:

Customer relationships	13-20% straight line
Intellectual property	17-25% straight line

Impairment of intangible assets and property, plant and equipment

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

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

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

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

JONAS COMPUTING (UK) LIMITED
CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Inventories

Inventories are carried in the consolidated statement of financial position at the lower of cost and net realisable value. Cost is determined on a first-in first-out (FIFO) basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads based on normal levels of activity.

Write-down is made for obsolete and slow-moving items based on their expected future use and net realisable value. Net realisable value is the estimated sales price in the ordinary course of business after allowing for all further costs of completion and disposal.

Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (FVTPL) are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each end of reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or*
- default or delinquency in interest or principal payments; or*
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.*

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial instruments (continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Reclassification of financial assets

Reclassification is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short-term. In all cases, reclassifications of financial assets are limited to debt instruments. Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss.

A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

JONAS COMPUTING (UK) LIMITED

CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Financial instruments (continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position includes cash in hand, deposits held at call with banks and cash equivalents. Bank accounts held which have an original maturity of more than three months, or which are subject to significant restrictions over access, are not presented as cash at bank and in hand. Such amounts are shown separately as short-term investments or other financial assets with appropriate disclosure of the related terms.

JONAS COMPUTING (UK) LIMITED
CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is recognised on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is released or the deferred income tax liabilities is settled.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Pensions

The Group operates a defined contribution pension scheme for employees. Contributions are paid as fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Dividends

Dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

JONAS COMPUTING (UK) LIMITED
CONSOLIDATED ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Research and development

In the research phases of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence expenditure on research and development shall be recognised as an expense when incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the assets will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 4 to 16 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were incurred in the research phase only.

To date, no material development expenditures have been capitalised.

New standards and interpretations not yet adopted

In January 2016, the IASB issued the final publication of the IFRS 16 Leases standard, which will supersede the current IAS 17, Leases standard. Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 introduces a single accounting model for lessees and all leases will require an asset and liability to be recognised on the statement of financial position at inception. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted, but only if the entity is also applying IFRS 15. The Group is required to retrospectively apply IFRS 16 to all existing leases as of the date of transition and has the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

As a practical expedient, an entity is not required to reassess whether a contract is, or contains, a lease at the date of initial application.

The Group will be adopting IFRS 16 on January 1, 2019 and is assessing the impact of this standard on its consolidated financial statements; however, the Group believes that on adoption of the standard there will be an increase to assets and liabilities, as the Group will be required to record a right-of-use asset and a corresponding lease liability on its Consolidated Statements of Financial Position, as well as a decrease to operating costs, an increase to finance costs (due to accretion of the lease liability) and an increase to depreciation (due to depreciation of the right-of-use asset).

JONAS COMPUTING (UK) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Judgement in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the statement of comprehensive income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Group's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes to the measurement of deferred tax assets.

In recognising provisions, the Group evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgement used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units (CGUs) have been determined based on value-in use calculations. These calculations require the use of estimates.

The annual amortisation charge for other intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments and economic utilisation. See note 15 for the carrying amount of the other intangible assets and the accounting policies for the useful economic lives for each class of assets.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment and the accounting policies for the useful economic lives for each class of assets.

The Group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. See note 18 for the net carrying amount of the receivables.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 First time adoption of IFRS

These financial statements, for the year ended 31 December 2018, are the first the Group has prepared in accordance with IFRS. For periods up to and including the year ended 31 December 2017, the Group prepared its financial statements in accordance with UK generally accepted accounting principle (UK GAAP – FRS 101).

Accordingly, the Group has prepared financial statements that comply with IFRS applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017, as described in the summary of significant accounting policies. In preparing the financial statements, the Group's opening statement of financial position was prepared as at 1 January 2017, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its UK GAAP financial statements, including the statement of financial position as at 1 January 2017 and the financial statements for the year ended 31 December 2017.

Exemptions applied

IFRS 3 Business Combinations has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 January 2017. Use of this exemption means that the UK GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position. The Group did not recognise or exclude any previously recognised amounts as a result of IFRS recognition requirements.

IFRS 1 also requires that the Local GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was deemed necessary at 1 January 2017.

The Group has not applied IAS 21 retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.

Remeasurement at transition

No figures included in the statement of comprehensive income, statement of financial position, statement of changes in equity, or the statement of cash flows at 1 January 2017 or 31 December 2017 have changed as a result of remeasurement under IFRS.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Changes in accounting policies

IFRS 9 Financial Instruments

IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. IFRS 9 eliminates the existing IAS 39 categories of held to maturity, available for-sale and loans and receivable.

Financial assets are classified into one of two categories on initial recognition.

- financial assets measured at amortized cost; or
- financial assets measured at fair value.

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Gains and losses on remeasurement of financial assets measured at fair value will be generally recognized in profit or loss, except for an investment in an equity instrument which is not held-for-trading. IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income ("OCI") ("FVOCI"). The election is available on an individual investment-by-investment basis. Amounts presented in OCI will not be reclassified to profit or loss at a later date. IFRS 9 also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets at amortized cost, contract assets and debt instruments measured at FVOCI.

The Group adopted this standard on January 1, 2018 and it had a nominal impact on the Group's consolidated financial statements and related disclosures.

IFRS 15 Revenue from Contracts with Customers

On May 28, 2014 the IASB issued IFRS 15, Revenue from Contracts with Customers. The standard contains a single model that applies to contracts with customers. The model features a contract-based five step analysis of transactions to determine whether, how much and when revenue is recognised. New estimates and judgemental thresholds have been introduced, which may affect the amount and timing of revenue recognised. The Group has adopted IFRS 15, effective January 1, 2018, using the cumulative effect method. Under the cumulative effect method, the Group has recognised the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings as at January 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

The details of the primary changes on adoption of IFRS 15 are set out below.

A. Software license arrangements (including subscription arrangements)

Under the Group's previous revenue recognition policies, license revenue from term-based licenses was generally deferred and amortised on a rateable basis over the license term. Under IFRS 15, the Group has deemed the licenses to be generally distinct from other performance obligations. Revenue allocated to the distinct license is recognised at the time that both the right-to-use the software has commenced for the term and the software has been made available to the customer.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Changes in accounting policies (continued)

Certain of the Group's contracts with customers contain provisions that require the customer to renew optional support and maintenance in order to maintain the active right-to-use a perpetual or term license. The renewal payments after the initial bundled support and maintenance term in these cases apply to both the continued right-to-use the license and the support and maintenance renewal. Where the fees payable for the initial term are incremental to the fees for the renewal terms, the excess is treated as a prepayment for expected renewals and allocated (amortised) evenly over the expected customer renewals, up to the estimated life of the software, that is typically 4-6 years. The Group's previous policy with respect to such incremental upfront license fees was to recognise the fee primarily over the initial first year term of the arrangements.

B. Costs to obtain a contract

Under the Group's previous accounting policies, the Group generally expensed incremental commission costs paid to employees or third parties to obtain customer contracts as incurred. Under IFRS 15, the Group allocates these incremental commission costs to the various performance obligations to which they relate using the expected-based allocation for bundled commissions (relative expected margins). For those performance obligations that are expected to be renewed at the end of the initial period without a further commission (such as post-contract customer support), the Group has considered expected renewals over the life of the intellectual property when determining the expected margins from the arrangement. For performance obligations not delivered upfront, the allocated commissions are deferred and amortised over the pattern of transfer of the related performance obligation. For commissions allocated to term-based license arrangements and post-contract customer support the amortisation period is expected to be approximately 4-6 years. Capitalised costs to obtain a contract are included in other non-current assets on the consolidated statement of financial position.

The following table details the impact on our opening statement of financial position as a result of adopting the new standard.

	1 January 2018 prior to adoption of IFRS 15 £	Adjustments £	1 January 2018 after adoption of IFRS 15 £
Assets			
Current assets:			
Contract assets	-	454,929	454,929
Deferred tax assets	333,637	459,476	793,113
Inventories (work in progress)	337,706	6,929	344,635
Liabilities			
Current liabilities			
Deferred revenue	(12,913,353)	(2,566,931)	(15,480,284)
Net assets	12,551,235	(1,645,596)	10,905,639
Equity			
Shareholders equity			
Retained earnings	(9,271,460)	(1,645,596)	(10,917,056)

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Changes in accounting policies (continued)

The following tables summarises the impacts of adopting IFRS 15 on the consolidated financial statements for the year ended December 31, 2018

	31 December 2018 as reported £	Adjustments £	31 December 2018 without adoption of IFRS 15 £
Assets			
Non-current assets:			
Contract assets	703,652	(703,652)	-
Current assets:			
Contract assets	214,036	(214,036)	-
Deferred tax	404,094	(137,074)	267,020
Inventories (work in progress)	317,151	(5,079)	312,072

Liabilities			
Non-current liabilities			
Deferred revenue	(528,010)	528,010	-
Current liabilities			
Deferred revenue	(14,365,133)	2,261,333	(12,103,800)

Net assets	11,888,499	1,729,502	13,618,001
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Equity			
Shareholders equity			
Retained earnings	(17,626,239)	1,729,502	15,896,737

	31 December 2018 as reported £	Adjustments £	31 December 2018 without adoption of IFRS 15 £
Revenue	63,232,547	(1,486,340)	61,747,207
Expenses	(56,246,895)	29,076	(56,217,819)
Profit before tax	6,985,652	(1,457,264)	5,519,388
Income tax expenses	(1,696,341)	408,237	(1,288,104)
Profit for the year	5,289,311	(1,049,027)	4,240,284

The adoption of IFRS 15 had no impact to cash from or used in operating, financing, or investing activities on our consolidated statement of cash flows.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3 Changes in accounting policies (continued)

The following tables provides information about unbilled revenue (contract asset) and deferred revenue (contract liability).

Unbilled revenue	£
At 1 January 2018	383,694
Increase from IFRS 15 opening adjustment	6,929
Decrease from transfers to accounts receivable	(447,041)
Increase from changes as a result of the measure of progress	324,690
Business combinations	48,879
At 31 December 2018	317,151
	£
Unbilled revenue classified as a current asset	317,151
Deferred revenue	£
At 1 January 2018	12,913,352
Increase from IFRS 15 opening adjustment	2,566,931
Decrease from revenue recognised that was included in the deferred revenue balance at the beginning of the period	(15,323,860)
Increase due to cash received, excluding amounts recognised as revenue during the period	12,675,289
Business combinations	2,061,431
At 31 December 2018	14,893,143
	£
Deferred revenue classified as a current liability	14,365,132
Deferred revenue classified as a non-current liability	528,010

The amount of revenue recognised in the year ended 31 December 2018 from performance obligations satisfied in previous periods was £nil.

Revenue allocated to remaining performance obligations represents contracted revenue that has not yet been recognised ("contracted not yet recognised") and includes unearned revenue and amounts that will be invoiced and recognised as revenue in future periods. Contracted not yet recognised revenue was approximately £32,235,133 as of 31 December 2018, of which the Group expect to recognise an estimated 89% of the revenue over the next 12 months and the remainder thereafter.

Under IFRS 15, the Group has capitalised and amortised incremental commission costs on a systematic basis, consistent with the pattern of transfer of the good(s) or service(s) to which the commission relates as the Group believes these costs are recoverable. The total capitalised commission costs as of 31 December 2018 is £917,688. The amount of amortisation was £732,927 and there was no impairment loss in relation to the costs capitalised.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Revenue

Revenue is derived from the principal activity of the Group, which is considered to be the sole class of business. Analysis of the Group's revenue by geographical location is as follows.

	2018 £	2017 £
United Kingdom	49,045,032	42,544,076
Rest of Europe	12,628,522	12,885,494
Rest of the world	1,558,993	1,037,641
	<u>63,232,547</u>	<u>56,467,211</u>

5 Analysis of expenses by nature

The breakdown by nature of cost of sales, distribution costs and other administrative expenses is as follows:

	2018 £	2017 £
Employee remuneration	<u>28,200,833</u>	<u>24,123,629</u>
Intangible assets		
Amortisation of other intangible assets	<u>8,177,538</u>	<u>6,332,892</u>
Property, plant and equipment		
Depreciation of property, plant and equipment	<u>476,360</u>	<u>404,620</u>
Operating leases	277,135	415,221
Foreign exchange loss	209,735	510,276
Consumables and raw materials used	4,591,852	5,346,378
Telecommunications	398,042	427,452
Maintenance costs	2,767,292	2,384,750
Small equipment purchases	380,513	272,367
Travel	1,572,403	1,437,117
Advertising	1,171,648	1,058,266
Bad debt expense	118,831	90,103
Royalty costs	2,367,766	2,099,324
Other expenses	<u>5,021,850</u>	<u>9,238,601</u>
Total cost of sales, distribution costs and administrative expenses	<u>55,737,258</u>	<u>54,140,996</u>

6 Other operating income

	2018 £	2017 £
Customer settlements	<u>31,686</u>	<u>20,697</u>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Auditor's remuneration

Fees payable to Grant Thornton UK LLP and its associates in respect of both audit and non-audit services are as follows:

	2018 £	2017 £
Audit services – statutory audit of the parent and consolidated accounts	12,885	7,500
Audit services – statutory audit of associates of the Company	63,462	98,458
Taxation compliance services	43,258	27,856
All other non-audit services	-	5,549
	<u>119,605</u>	<u>139,363</u>

8 Employees and directors

The average number of persons (including directors) employed by the Group during the year was:

	2018 No	2017 No
Professional services	95	87
Maintenance	160	151
Research and development	99	97
Sales and marketing	68	71
Management, general and administration	83	58
	<u>505</u>	<u>465</u>

The employee costs for the persons above:

	2018 £	2017 £
Wages and salaries	25,600,981	21,919,780
Social security costs	2,087,665	1,830,709
Defined contribution costs	512,187	373,140
	<u>28,200,833</u>	<u>24,123,629</u>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Employees and directors

Directors

In respect of the Directors of Jonas Computing (UK) Limited:

	2018 £	2017 £
Emoluments	491,319	-
Company contributions to money purchase pension schemes	7,047	-
	<u>498,366</u>	<u>-</u>
	2018 No	2017 No
The number of Directors to whom retirement benefits are accruing under money purchase schemes was:	<u>2</u>	<u>-</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director.

	2018 £	2017 £
Emoluments	209,898	-
Company contributions to money purchase pension schemes	5,917	-

In the comparative year all directors were remunerated for their services by other Group entities.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9	Finance income	2018	2017
		£	£
	Other interest receivable	328	143
		<u> </u>	<u> </u>
 10	 Finance costs	 2018	 2017
		£	£
	Interest on bank overdrafts and loans	70	75,882
	Interest on finance leases and hire purchase contracts	4,615	8,221
	Loans from group undertakings	505,280	503,706
		<u>509,965</u>	<u>587,809</u>
 11	 Income tax expense	 2018	 2017
		£	£
	Current tax		
	UK Corporation tax on profits of year	535,234	1,279,973
	Adjustments recognised in the year for current tax of prior periods	44,836	(798,108)
	Total UK current tax	<u>580,070</u>	<u>481,865</u>
	Foreign current tax on profits for the current period	<u>1,141,499</u>	<u>455,208</u>
	Total current tax	<u>1,721,569</u>	<u>937,073</u>
	 Deferred tax		
	Origination and reversal of timing difference	(25,228)	(63,757)
	Change in tax rates	-	5,796
	Adjustment in respect of prior periods	-	270
	Total deferred tax	<u>(25,228)</u>	<u>(57,691)</u>
	 Total tax charge	 <u>1,696,341</u>	 <u>879,382</u>

JONAS COMPUTING (UK) LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018**

10 Income tax expense (continued)**Tax expense reconciliation**

	2018 £	2017 £
Profit before income tax	6,985,652	5,592,150
Corporation tax charge thereon at 19% (2017 – 19.25%)	1,327,275	1,141,303
Effects of:		
Expenses not deductible for tax purposes	1,389,510	802,683
Utilisation of tax losses not previously recognised	-	(95,539)
Non-taxable income	(342,727)	(81,240)
Tax losses not recognised as a deferred tax asset	(3,393)	(4,893)
Capital allowances for year in excess of depreciation	(62,147)	(5,064)
Adjustments to tax in respect of prior periods	(144,077)	6,358
Adjustment in research and development tax credit leading to a decrease in the tax charge	(19,718)	(30,762)
Short term timing difference leading to a decrease in taxation	(5,872)	(10,730)
Other timing differences leading to a decrease in taxation	(600,800)	(683,980)
Other differences	158,290	(158,754)
	<u>1,696,341</u>	<u>879,382</u>

The effective tax rate for 2018 was 19% (19.25% in 2017). The theoretical income taxes are determined by applying the domestic corporate tax rate in The United Kingdom, where the parent is domiciled. The effective tax rate is calculated including the share of post-tax results of associates. This calculation is consistent with that used in prior years.

In the prior year, the Finance Act 2016 was enacted so as to reduce the UK corporation tax rate to 17% for the financial year 2020. As a result of previous legislation affecting the UK tax rate, the main rate of corporation tax reduced from 20% to 19% with effect from 1 April 2017. These rates have been used to measure deferred tax assets and liabilities where applicable.

12 Dividends on equity shares

	2018 £	2017 £
Interim dividends paid £12,044,309 (2017 - £9,863,329) per share	12,044,309	9,863,329
	<u>12,044,309</u>	<u>9,863,329</u>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

13	Property, plant and equipment	Freehold buildings £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
	Cost						
	As at 1 January 2017	-	313,968	811,735	2,375,134	1,139,274	4,640,111
	Exchange differences	-	6,788	(1,326)	11,121	-	16,583
	Additions	-	394,072	154,860	51,507	30,290	630,729
	Business combinations	-	9,151	231	39,754	102,045	151,181
	Disposals	-	-	(38,122)	(96,619)	(135,222)	(269,963)
	As at 1 January 2018	-	723,979	927,378	2,380,897	1,136,387	5,168,641
	Exchange differences	-	4,506	394	3,460	-	8,360
	Additions	-	138,041	65,489	119,987	82,536	406,053
	Business combinations	1,850,373	712,300	19,875	45,771	-	2,628,319
	Disposals	-	(23,378)	(25,700)	(10,541)	(265,888)	(325,507)
	As at 31 December 2018	1,850,373	1,555,448	987,436	2,539,574	953,035	7,885,866
	Depreciation						
	As at 1 January 2017	-	(204,294)	(539,555)	(2,137,342)	(747,375)	(3,628,566)
	Exchange differences	-	(5,194)	(1,970)	(9,931)	-	(17,095)
	Charge for the period	-	(50,747)	(70,830)	(111,985)	(171,058)	(404,620)
	Disposals	-	-	22,937	79,013	110,219	212,169
	As at 1 January 2018	-	(260,235)	(589,418)	(2,180,245)	(808,214)	(3,838,142)
	Exchange differences	-	(1,731)	(344)	(3,232)	-	(5,307)
	Charge for the period	(737)	(104,695)	(110,721)	(141,578)	(118,629)	(476,360)
	Disposals	-	23,378	25,361	10,541	228,563	287,843
	As at 31 December 2018	(737)	(343,313)	(675,122)	(2,314,514)	(698,280)	(4,031,966)

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2018**

14	Property, plant and equipment (continued)	Freehold buildings £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
	Net book value						
	As at 31 December 2018	1,849,636	1,212,135	312,314	225,060	254,755	3,853,900
	As at 31 December 2017	-	463,744	337,960	200,652	328,173	1,330,529
	As at 1 January 2017	-	109,674	272,180	237,792	391,899	1,011,545
	Carrying value of assets held under finance leases						
	As at 31 December 2018	-	-	-	-	44,586	44,586
	As at 31 December 2017	-	-	-	-	79,065	79,065
	As at 1 January 2017	-	-	-	-	164,374	164,374

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15	Goodwill	Goodwill £
	Cost	
	As at 1 January 2017	5,073,245
	Business combinations	1,589,663
		<hr/>
	As at 1 January 2018	6,662,908
	Business combinations	361,663
	As at 31 December 2018	<hr/> 7,024,571 <hr/>
	Impairment	
	As at 1 January 2017, 1 January 2018 and 31 December 2018	<hr/> - <hr/>
	Carrying amount:	
	As at 31 December 2018	<hr/> 7,024,571 <hr/>
	As at 31 December 2017	<hr/> 6,662,908 <hr/>
	As at 1 January 2017	<hr/> 5,073,245 <hr/>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Other intangible assets	Customer relationships £	Intellectual property £	Total £
Cost or valuation:			
As at 1 January 2017	7,407,011	12,947,745	20,354,757
Exchange differences	37,121	208,821	245,942
Additions	-	15,000	15,000
Business combinations	4,395,000	5,380,000	9,775,000
Disposals	-	(55,000)	(55,000)
As at 1 January 2018	11,839,132	18,496,566	30,335,698
Exchange differences	11,358	63,893	75,251
Business combinations	4,991,720	11,290,821	16,282,541
As at 31 December 2018	16,842,210	29,851,280	46,693,490
Amortisation and impairment:			
As at 1 January 2017	(757,671)	(3,528,672)	(4,286,343)
Exchange differences	(14,567)	(117,699)	(132,266)
Amortisation for the year	(1,960,011)	(4,372,881)	(6,332,892)
Disposals	-	55,000	55,000
As at 1 January 2018	(2,732,249)	(7,964,252)	(10,696,501)
Exchange differences	68,452	553,096	621,548
Amortisation for the year	(2,294,496)	(5,883,042)	(8,177,538)
As at 31 December 2018	(4,958,293)	(13,294,198)	(18,252,491)
Carrying amount:			
As at 31 December 2018	11,883,917	16,557,082	28,440,999
As at 31 December 2017	9,106,883	10,532,314	19,639,197
As at 1 January 2017	6,649,340	9,419,073	16,068,413

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Acquisition of business

On 12 October 2018 the parent entity acquired 100% of the issued share capital of Greycon Limited, through this acquisition the group also gained control of Greycon Software SA, Greycon Software Support & Development MEPE, and Shandong Greycon Software Technology Limited

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	2,573,120	-	2,573,120
Other intangibles assets	-	13,488,420	13,488,420
Cash and cash equivalents	3,634,394	-	3,634,394
Trade receivables	489,821	-	489,821
Other receivables	1,426,372	-	1,426,372
Amounts due from fellow group undertakings	265,698	-	21,855
Trade payables	(101,705)	-	(101,705)
Current tax liabilities	(129,440)	-	(129,440)
Accrued liabilities	(2,353,722)	-	(2,353,722)
Deferred income	(1,495,167)	-	(1,495,167)
Deferred tax liability	-	(2,562,800)	(2,562,800)
Net identifiable assets acquired	<u>4,309,371</u>	<u>10,925,620</u>	<u>15,234,991</u>
Goodwill			3,978
Total consideration			<u>15,238,969</u>
Consideration was satisfied by			£
Cash paid			6,000,000
Net tangible assets adjustment			4,309,371
Deferred consideration			4,929,598
Total consideration			<u>15,238,969</u>

The acquired business contributed revenues of £1,397,146 and net profit of £109,864 to the group for the period from 15 October to 31 December 2018.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Acquisition of business (continued)

On 15 January 2018 the parent entity acquired 100% of the issued share capital of Blayhall Marine Limited, through this acquisition the group also gained control of Havenstar MMS Limited, Havenstar Software Solutions Limited, and Star Marina Solutions LLC.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	7,207	-	7,207
Other intangibles assets	-	655,000	655,000
Cash and cash equivalents	656,401	-	656,401
Trade receivables	246,505	-	246,505
Other receivables	2,237	-	2,237
Trade payables	(3,057)	-	(3,057)
Current tax liabilities	(28,961)	-	(28,961)
Other tax and social security	(42,688)	-	(42,688)
Accrued liabilities	(208,883)	-	(208,883)
Deferred income	(20,526)	-	(20,526)
Deferred tax liability	-	(117,900)	(117,900)
Net identifiable assets acquired	608,235	537,100	1,145,335
Goodwill			305,989
Total consideration			1,451,324
Consideration was satisfied by			£
Cash paid			600,000
Net tangible assets adjustment			371,324
Deferred consideration			480,000
Total consideration			1,451,324

The acquired business contributed revenues of £451,397 and net loss of £15,375 to the group for the period from 15 January to 31 December 2018.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Acquisition of business (continued)

On 31 July 2018 the parent entity acquired 100% of the issued share capital of EZ-Runner Systems Limited.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Property, plant and equipment	11,405	-	11,405
Other intangibles assets	-	1,635,930	1,635,930
Cash and cash equivalents	866,787	-	866,787
Trade receivables	128,297	-	128,297
Other receivables	12,060	-	12,060
Trade payables	(38,447)	-	(38,447)
Other tax and social security	(49,252)	-	(49,102)
Other payables	(10,834)	-	(10,985)
Deferred income	(75,256)	-	(75,256)
Deferred tax liability	(1,828)	(310,827)	(312,655)
Net identifiable assets acquired	842,932	1,325,103	2,168,035
Goodwill			49,465
Total consideration			2,217,500
Consideration was satisfied by			£
Cash paid			1,000,000
Net tangible assets adjustment			517,500
Deferred consideration			700,000
Total consideration			2,217,500

The acquired business contributed revenues of £595,801 and net loss of £24,557 to the group for the period from 1 August to 31 December 2018.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

17 Acquisition of business (continued)

On 1 November 2018 the parent entity acquired 100% of the issued share capital of Minted Box Education Limited.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	Book value £	Adjustments £	Fair value £
Other intangibles assets	-	503,191	503,191
Cash and cash equivalents	141,793	-	141,793
Trade receivables	74,022	-	74,022
Other receivables	82,976	-	82,976
Current tax liability	(21,262)	-	(21,262)
Other tax and social security	(26,205)	-	(26,205)
Accrued liabilities	(1,140)	-	(1,140)
Deferred tax liability		(95,606)	(95,606)
Net identifiable assets acquired	<u>250,184</u>	<u>407,585</u>	<u>657,769</u>
Goodwill			<u>2,231</u>
Total consideration			<u>660,000</u>
Consideration was satisfied by			£
Cash paid			375,000
Net tangible assets adjustment			10,000
Deferred consideration			275,000
Total consideration			<u>660,000</u>

The acquired business contributed revenues of £4,848 and net profit of £4,846 to the group for the period from 1 November to 31 December 2018.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

18 Inventories	2018 £	2017 £	As at 1 January 2017 £
Work in progress	317,151	383,694	155,602
Finished goods and goods for resale	817,047	1,043,546	975,525
	<u>1,134,198</u>	<u>1,427,240</u>	<u>1,131,127</u>

19 Trade and other receivables	2018 £	2017 £	As at 1 January 2017 £
Current portion			
Trade receivables	10,527,336	9,458,713	8,500,486
Amounts due from fellow group undertakings	47,852,537	29,550,807	22,396,797
Prepayments and accrued income	2,091,887	1,532,593	1,075,563
Other receivables	1,543,265	815,715	93,060
	<u>62,015,025</u>	<u>41,357,828</u>	<u>32,065,906</u>

The amounts due from fellow group undertakings are unsecured and are repayable on demand

20 Cash and cash equivalents	2018 £	2017 £	As at 1 January 2017 £
Current portion			
Cash in hand	4,635,879	2,818,583	3,110,225
Balance as stated in the statement of financial position at 31 December	4,635,879	2,818,583	3,110,225
Less bank overdrafts shown as liabilities in the statement of financial position	(613,334)	(674,201)	-
Balance as state in the statement of cash flows at 31 December	<u>4,022,545</u>	<u>2,144,382</u>	<u>3,110,225</u>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

21 Borrowings	2018 £	2017 £	As at 1 January 2017 £
Current portion			
Bank loans and overdrafts	613,334	674,201	-
Finance leases	64,080	124,936	117,808
Balance at 31 December	<u>677,414</u>	<u>799,137</u>	<u>117,808</u>
Non-Current portion			
Loans from fellow group undertakings	4,680,384	4,680,384	4,680,384
Finance leases	46,903	22,452	68,233
Balance at 31 December	<u>4,727,287</u>	<u>4,702,836</u>	<u>4,748,617</u>

The bank overdrafts are unsecured and repayable on demand

During January 2015 Jonas Computing (UK) Ltd entered in to 3 loan agreements with CSI Luxembourg for; £1,824,840, £1,875,000 and £950,160. The loans were later assigned from CSI Luxembourg to Constellation Software Holdco Ltd, however Jonas Computing (UK) Ltd is still required to remit interest at 8% to Constellation Software Holdco Ltd, in line with the agreements. Repayment is due on 1st October 2021, 14th August 2021 and 10th December 2021, respectively.

22 Trade and other payables	2018 £	2017 £	As at 1 January 2017 £
Current portion			
Trade payables	778,626	1,374,995	446,337
Amounts due to fellow group undertakings	40,752,978	23,854,142	17,210,333
Other tax and social security	2,358,949	1,972,558	1,867,907
Accrued liabilities	12,445,001	5,458,236	4,871,470
Other payables – Earnout liability	12,921,944	5,120,376	945,372
Other payables	88,554	431,198	495,995
	<u>69,346,052</u>	<u>38,211,505</u>	<u>25,837,414</u>

The amounts due from fellow group undertakings are unsecured and are repayable on demand

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Financial instruments and financial risks

Financial instruments

The Group's principal financial instruments, from which financial risk arises, comprise of the following:

- Trade and other receivables
- Cash and cash equivalents
- Borrowings
- Trade and other payables

The Group does not issue or use financial instruments of a speculative nature.

The totals for each category of financial instruments, measured in accordance with IFRS 9 as detailed in the accounting policies to these consolidated financial statements, are as follows:

Loans and receivables held at amortised cost			
	2018	2017	As at 1 January 2017
	£	£	£
Current assets			
Trade and other receivables	59,214,264	39,722,016	30,919,858
Cash and cash equivalents	4,635,879	2,818,583	3,110,225
Contract assets	1,140,702	-	-
Total financial assets	64,990,845	42,540,599	34,030,083

Financial liabilities held at amortised cost			
	2018	2017	As at 1 January 2017
	£	£	£
Current liabilities			
Borrowings	5,404,701	5,501,973	4,866,425
Trade and other payables	54,791,444	31,118,571	23,024,135
Total financial liabilities	60,196,145	36,620,544	27,890,560

Financial risks

Overview

The Group is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth. The main objectives of the Group's risk management process are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal financial risks to which the Group is exposed are described below.

Market risk

The Group operates internationally, giving rise to exposure to market risks from changes in foreign exchange rates which impact sales and purchases that are denominated in a currency other than the respective functional currencies of certain of its subsidiaries. The Group currently does not typically use derivative instruments to hedge its exposure to those risks. Most of the Group's businesses are organised geographically so that many of its expenses are incurred in the same currency as its revenues thus mitigating some of its exposure to currency fluctuations

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

23 Financial instruments and financial risks (continued)

Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Group manages liquidity risk through the management of its capital structure and financial leverage.

The majority of the Group's financial liabilities recorded in accounts payable and accrued liabilities are due within 60 days.

Given the Group's available liquid resources and credit capacity as compared to the timing of the payments of liabilities, the Group assesses its liquidity risk to be low.

Credit risk

Credit risk represents the financial loss that the Group would experience if a counterparty to a financial instrument, in which the Group has an amount owing from the counterparty failed to meet its obligations in accordance with the terms and conditions of its contracts with the Group. The carrying amount of the Group's financial assets, including receivables from customers, represents the Group's maximum credit exposure.

The majority of the accounts receivable balance relates to maintenance invoices to customers that have a history of payment.

The maximum exposure to credit risk for trade and other receivable at the reporting date was:

	2018 £	2017 £	As at 1 January 2017 £
Current assets			
Trade receivables	10,527,336	9,458,713	8,500,486

There is no concentration of credit risk because of the Group's diverse and disparate number of customers with individual receivables that are not significant to the Group on a consolidated basis. In addition, the Group typically requires up front deposits from customers to protect against credit risk.

The Group manages credit risk related to cash by maintaining the majority of the Group's bank accounts with Schedule 1 banks.

Fair values versus carrying amounts

The carrying values of cash, trade receivables, trade payables, accrued liabilities, and borrowings and other payables, approximate their fair values due to the short-term nature of these instruments. Bank debt is subject to market interest rates.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

24 Deferred tax

The movement on the deferred income tax account is as shown below:

	Liabilities £	Assets £
As at 1 January 2017	(388,585)	302,570
Debit/(credit) to profit and loss	(5,456)	31,067
Recognised on business combination	(1,664,661)	-
As at 31 December 2017	(2,058,702)	333,637
Debit/(credit) to profit and loss	373,483	70,457
Recognised on business combination	(3,087,133)	-
As at 31 December 2018	(4,772,352)	404,094

The deferred tax asset is made up as follows:

	2018 £	2017 £	As at 1 January 2017 £
Decelerated capital allowances	326,245	71,295	39,691
Retirement benefit obligations	-	2,079	7,029
Tax losses carried forward	77,849	255,989	251,626
Other short term timing differences	-	4,274	4,224
	<u>404,094</u>	<u>333,637</u>	<u>302,570</u>

The deferred tax liability is made up as follows:

	2018 £	2017 £	As at 1 January 2017 £
Recognised on business combination	(4,751,794)	(1,664,661)	-
Other short term timing differences	(19,024)	(394,041)	(388,585)
Retirement benefit obligations	(1,534)	-	-
	<u>(4,772,352)</u>	<u>(2,058,702)</u>	<u>(388,585)</u>

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

25 Share capital and reserves

Share capital

	2018 £	2017 £	As at 1 January 2017 £
Allotted, issued and fully paid			
Ordinary shares of £1 each	1	1	1

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital contribution

The capital contribution reserve includes additional capital received on existing issue of share capital.

Retained earnings

Retained earnings include cumulative profit and loss net of distributions to owners.

26 Capital risk management

The Group's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Group manages its capital with the objective of ensuring that there are adequate capital resources while maximising the return to shareholders.

The Board of Directors determine if and when dividends should be declared and paid based on all relevant circumstances, including the desirability of financing further growth of the Group and its financial position at the relevant time.

The Group makes adjustments to its capital structure in light of general economic conditions, the risk characteristics of the underlying assets and the Group's working capital requirements. In order to maintain or adjust its capital structure, the Group, upon approval from its Board of Directors, may increase or decrease dividends, take out a line of credit or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions not in the ordinary course of business, as well as significant acquisitions and other major investments above pre-determined quantitative thresholds.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

27 Notes to the statement of cash flows

Reconciliation of profit to cash flows generated from operations

	2018 £	2017 £
Profit before tax	6,985,652	5,592,150
Adjustments for:		
Finance costs	509,965	587,809
Finance income	(328)	(143)
Unrealised foreign exchange movements	(654,038)	74,440
Loss on disposal of property, plant and equipment	37,664	57,794
Depreciation of property, plant and equipment	476,360	404,620
Amortisation of intangible assets	8,177,538	6,332,892
Decrease/(increase) in inventories	293,042	(122,918)
Increase in receivables	(18,563,730)	(6,558,695)
Increase in payables	27,045,268	9,817,461
Cash generated from operations	24,307,393	16,185,410

28 Contingent liabilities

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Group and Company.

29 Commitments under non-cancellable operating leases

The total future minimum lease payments under non-cancellable operating lease agreements are as follows:

	2018 £	2017 £
Amounts due:		
Within one year	1,315,508	969,069
Between one and five years	3,709,580	2,196,136
After five years	4,101,117	1,167,835
	9,126,205	4,333,040

30 Retirement benefits

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost represents contributions payable by the Group to the fund and amounted to £538,027 (2017: £360,302). Contributions totalling £nil (2017: £60,451) were payable to the fund at the year end.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

31 Related party transactions

Key management compensation

	2018 £	2017 £
Wages, salaries and short-term benefits	1,054,368	837,337
Post-employment benefits	8,814	12,468
Share-based payments	192,420	136,749
	<u>1,255,602</u>	<u>986,554</u>

During the year the Group paid £16,193 (2017: £16,10) to Arrow Business Communications Ltd, a company of which some shares are owned by the wife of a Director. £nil (2017: £nil) was owing from Arrow Business Communications Ltd as at the year end.

32 Ultimate parent company

The immediate parent undertaking is Constellation Software UK Holdco Ltd, a company incorporated in England and Wales.

Constellation Software Inc. heads the largest group which prepares consolidated financial statements in which the results of the Company and the Group are included. The financial statements of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.

33 Events after the reporting date

On 11 March 2019 Jonas Computing (UK) Ltd purchased Green 4 Solutions Limited who subsequently own 4Sight Sport and Leisure Limited for an initial consideration of £1,850,000, plus other contingent considerations.

On 21 June 2019 Jonas Computing (UK) Ltd purchased Corvid Paygate Limited for an initial consideration of £720,000, plus other contingent considerations.

On 30 August 2019 Jonas Computing (UK) Ltd purchased Uniware Systems Limited who subsequently own UPay Limited for an initial consideration of £7,800,000, plus other contingent considerations.

On 30 November 2019 Jonas Computing (UK) Ltd purchased Motion Software Limited for an initial consideration of £2,325,000, plus other contingent considerations.

On 3 December 2019 Jonas Computing (UK) Ltd purchased Retail & Sports Systems Limited for an initial consideration of £850,000, plus other contingent considerations.

JONAS COMPUTING (UK) LIMITED

Company Registration No. 05301607

PARENT COMPANY STATEMENT OF FINANCIAL POSITION**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Non-current assets			
Property, plant and equipment	2	-	1,189
Other intangible assets	3	-	50,446
Investments in subsidiaries	4	69,300,917	49,328,279
Contract assets		65,453	-
		<u>69,366,370</u>	<u>48,379,914</u>
Current assets			
Inventories	6	19,050	14,560
Contract assets		80,419	
Trade and other receivables	7	39,067,945	24,939,447
Cash and cash equivalents	8	797,563	622,216
		<u>39,964,977</u>	<u>25,576,223</u>
Trade and other payables, amounts falling due within one year	9	(72,774,230)	(45,335,061)
Deferred income		(822,453)	(687,808)
Net current liabilities		<u>(33,631,706)</u>	<u>(20,446,646)</u>
Total assets less current liabilities		<u>35,734,664</u>	<u>28,933,268</u>
Trade and other payables: amounts falling due after more than one year	10	(4,680,384)	(4,680,384)
Non-current deferred income		(81,153)	-
Net assets		<u>30,973,127</u>	<u>24,252,884</u>

JONAS COMPUTING (UK) LIMITED

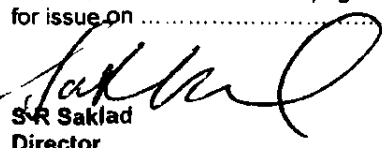
Company Registration No. 05301607

PARENT COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
EQUITY			
Called-up share capital	12	1	1
Share premium account		16,859,737	16,859,737
Capital contribution reserve		12,655,000	5,800,000
Retained earnings		1,458,389	1,593,146
Total equity		30,973,127	24,252,884

As permitted by s408 Companies Act 2006, the company has not presented its own income statement, nor a statement of comprehensive income, and related notes. The Company's profit for the year was £11,986,629 (2017: £10,165,065).

The financial statements on pages 54 to 70 were approved by the Board of Directors and authorised for issue on and are signed on its behalf by:



S.R. Saklad
Director

The adoption of IFRS 15 had no impact to cash from or used in operating, financing, or investing activities or our statement of cash flows.

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED
PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Share premium £	Capital contribution reserve	Retained earnings £	Total £
Balance at 1 January 2017	1	16,859,737	-	1,291,410	18,151,148
Profit and total comprehensive income for the year	-	-	-	10,165,065	10,165,065
Transactions with owners in their capacity as owners:					
Capital contribution	-	-	5,800,000	-	5,800,000
Dividends	-	-	-	(9,863,329)	(9,863,329)
Balance at 31 December 2017	1	16,859,737	5,800,000	1,593,146	24,252,884
Adjustment for IFRS 15	-	-	-	(77,077)	(77,077)
Profit and total comprehensive income for the year	-	-	-	11,986,629	11,986,629
Transactions with owners in their capacity as owners:					
Capital contribution	-	-	6,855,000	-	6,855,000
Dividends	-	-	-	(12,044,309)	(12,044,309)
Balance at 31 December 2018	1	16,859,737	12,655,000	1,458,389	30,973,127

The adoption of IFRS 15 had no impact to cash from or used in operating, financing, or investing activities on our consolidated statement of cash flows.

The accompanying accounting policies and notes form an integral part of the financial statements.

JONAS COMPUTING (UK) LIMITED

PARENT COMPANY ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2018

General information

Jonas Computing (UK) Limited is a limited liability company incorporated in the United Kingdom. Its registered office is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

The principal activity of the Company is the provision of software solutions and services to the club market, including golf courses, city clubs and yacht clubs, trading under the Jonas and Clubminder brands.

Basis of preparation

The parent company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies (see note 1).

The following principal accounting policies have been applied:

Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed the working capital requirements of the group for a period of at least 12 months from the anticipated date of signing of the financial statements and are satisfied that the company will be able to meet its liabilities as they fall due.

Financial reporting standard 101 -reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of IAS 16 Property, Plant and Equipment to present a comparative reconciliation
- the requirements in IAS 24, 'Related party disclosures' (key management compensation)
- the requirements of paragraphs 134-136 of IAS 1 Presentation of Financial Statements for capital management disclosures
- the effect of future accounting standards not adopted
- presentation of comparative recognition of the number of shares outstanding at the beginning and end of the period

JONAS COMPUTING (UK) LIMITED

PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from January 1, 2018.

IFRS 15

From January 1, 2018, the Company has applied IFRS 15 using the cumulative effect method. There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from January 1, 2018.

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive Income, within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income, Within 'other operating income'.

Revenue

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

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

JONAS COMPUTING (UK) LIMITED
PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Revenue (continued)

Software licenses are recognised on delivery of the software license. When delivery of goods is delayed at the customers' request, and the customer specifically acknowledges the deferred delivery instructions and the usual payment terms apply, revenue is recognised when the customer takes title of the goods.

Consultancy and training revenues provided on a time and material basis are recognised when the service has been performed. For services performed on a fixed price basis, revenue is recognised proportionately to the percentage of planned costs incurred.

Rental payments are recognised in accordance with the substance of the relevant agreement.

Maintenance renewals are recognised over the period of which the maintenance contract covers.

Where a contract consists of various components that operate independently of each other, the Company recognises revenue for each component as if it were one individual contract.

Operating leases: the Company as lessee

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

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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.

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.

JONAS COMPUTING (UK) LIMITED
PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Current and deferred 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

Property, plant and equipment

Property, plant and equipment 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.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. *Repairs and maintenance are charged to profit or loss during the period in which they are incurred.*

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

Depreciation is provided on the following basis:

Office equipment	- 20-25%
Computer equipment	- 20-25%
Other fixed assets	- 33%

JONAS COMPUTING (UK) LIMITED
PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Property, plant and equipment (continued)

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.

Impairment of non-financial assets

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.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Inventories

Inventories are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Receivables

Short term receivables are measured at transaction price, less any impairment. Loans receivables 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.

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.

JONAS COMPUTING (UK) LIMITED

PARENT COMPANY ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the statement of comprehensive income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

The recognition of deferred tax assets is based on forecasts of future taxable profit. The measurement of future profit for the purposes of determining whether or not to recognise deferred tax assets depends on many factors, including the Company's ability to generate such profits and the implementation of effective tax planning strategies. The occurrence or non-occurrence of such events in the future may lead to significant changes to the measurement of deferred tax assets.

In recognising provisions, the company evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

Management estimate that net realisable values of inventory, taking into account the most reliable evidence at each reporting date. The future realisation of these inventories may be affected by future technology or other market driven changes that may reduce future selling prices.

The Company also makes an estimate of the recoverable value of investments. When assessing impairment of investments, management review discounted future cashflows forecasts along with the current financial position and industry knowledge.

The Company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the aging profile of receivables and historical experience. See note 5 for the net carrying amount of the receivables.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Property, plant and equipment

	Computer equipment £	Hardware £	Total £
Cost			
As at 1 January 2018	3,942	651	4,593
Additions	3,078	590	3,668
As at 31 December 2018	7,020	1,241	8,261
Depreciation			
As at 1 January 2018	2,854	550	3,404
Charge for the period	4,166	691	4,857
As at 31 December 2018	7,020	1,241	8,261
Net book value			
As at 31 December 2018	-	-	-
As at 31 December 2017	1,088	101	1,189

3 Other intangible assets

	Customer relationships £	Development £	Total £
Cost			
As at 1 January and 31 December 2018	525,444	15,000	540,444
Depreciation			
As at 1 January 2018	489,998	-	489,998
Charge for the period	35,446	15,000	50,446
As at 31 December 2018	525,444	15,000	540,444
Net book value			
As at 31 December 2018	-	-	-
As at 31 December 2017	35,446	15,000	50,446

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

4 Investments

	Investments in subsidiary entities £
Cost	
As at 1 January 2018	49,328,279
Additions	19,567,793
Revaluations	404,845
As at 31 December 2018	69,300,917
Net book value	
As at 31 December 2018	69,300,917
As at 31 December 2017	48,292,707

5 Subsidiaries

All companies listed below are owned by the Company and all interests are in the ordinary share capital, except where otherwise indicated. All subsidiaries have been consolidated.

The Company holds a majority of the voting rights of the following undertakings:

Entity	Country of incorporation	Interest	Holding	Address (see below for full)
XN Leisure Systems Limited	UK	100%	Direct	Warwick Road
Fitronics Limited	UK	100%	Direct	Monmouth Place
WebCreative UK Limited	UK	100%	Direct	Gladstone House
AMI Education Solutions Limited	UK	100%	Direct	Gladstone House
Tucasi Limited	UK	100%	Direct	Wessex House
London & Zurich Limited	UK	100%	Direct	The Courtyard
London & Zurich Finance Limited	UK	100%	Indirect	The Courtyard
Card Management Services Limited	UK	100%	Indirect	The Courtyard
Metalogic Holdings Limited	UK	100%	Direct	Gladstone House
Metalogic Limited	UK	100%	Indirect	Gladstone House
Cash Registers (Buccleuch) Limited	UK	100%	Direct	Dryden Road
CRB Solutions Limited	UK	100%	Indirect	Dryden Road
EZ-Runner Systems Limited	UK	100%	Direct	Gladstone House
PCI Systems Limited	UK	100%	Direct	Pci House
Vela Software Spain, S.L.U.	Spain	100%	Direct	Gremi Fusters
Juniper Consulting, S.L.	Spain	100%	Indirect	Gremi Fusters
Juniper S.A.S	Columbia	100%	Indirect	Carrera
Salon Software Solutions Limited	UK	100%	Direct	Warwick Road
Cunningham Cash Registers Limited	UK	100%	Direct	Headley Technology Park
Jonas Event Technology Limited	UK	100%	Direct	Gladstone House
Show Data Systems Limited	UK	100%	Indirect	Gladstone House
Interchange Communications Limited	UK	100%	Indirect	Gladstone House
FashionMaster Limited	UK	100%	Direct	Gladstone House
Invicta Business Machines Limited	UK	100%	Indirect	Gladstone House
ePOS Development Limited	UK	100%	Indirect	Gladstone House
Stockmaster Metals Limited	UK	100%	Indirect	Gladstone House

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

5 Subsidiaries (continued)

Entity	Country of incorporation	Interest	Holding	Address (see below for full)
MCR Enterprise Solutions Limited	UK	100%	Direct	High View Close
MCR Systems Limited	UK	100%	Indirect	Vantage House
Blayhall Marine Limited	UK	100%	Direct	Warwick Road
Havenstar MMS Limited	UK	100%	Indirect	Warwick Road
Havenstar Software Solutions Limited	UK	100%	Indirect	Warwick Road
Star Marina Solutions LLC	USA	100%	Indirect	W.Bryn Mawr
Greycon Limited	UK	100%	Direct	Calico House
Greycon Software SA	Uruguay	100%	Indirect	Javier de Viana
Greycon Software Support & Development MEPE	Greece	100%	Indirect	Karneadou
Shandong Greycon Software Technology Limited	China	100%	Indirect	Suite 905
Minted Box Education Limited	UK	100%	Direct	Wessex House
Address	Full address			
Warwick Road	Unit 5, 707 Warwick Road Top Floor, Warwick Road, Solihull, B91 3DA.			
Monmouth Place	18 Monmouth Place, Bath, BA1 2AY			
Gladstone House	Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, England, OX10 9BT			
Wessex House	Wessex House, Upper Market Street, Eastleigh, Hampshire, SO50 9FD			
The Courtyard	Unit 5, The Courtyard, 707 Warwick Road, Solihull, B91 3DA			
Dryden Road	32 Dryden Road, Units 1-9, Loanhead, Bilston Glen, EH20 9LZ			
Pci House	Pci House Unit 1 Woodseats Close, Woodseats Close, Sheffield, S. Yorkshire, S8 0TB			
Headley Technology Park	Headley Technology Park, Middle Lane Wythall, Birmingham, Warwickshire, B38 0DS			
High View Close	14 High View Close, Leicester, LE4 9LJ			
Vantage House	Vantage House, Vantage Park, Leicester, LE4 9LJ			
Calico House	7 Calico House, Plantation Wharf, York Road, London, SW11 3TN			
W.Bryn Mawr	8870 W.Bryn Mawr, Suite 1300, Chicago, IL 60631, United States of America			
Javier de Viana	Javier de Viana 2384, Montevideo, Uruguay, CP 11200			
Karneadou	Karneadou 15, Kolonaki, Athens, 106 75			
Suite 905	Suite 905, Financial Center B, East Sheng Cheng Road, Shouguang City, Shandong, 262700, China			
Gremi Fusters	Gremi Fusters 33, Oficina 302, 07009 Palma de Mallorca, Spain			
Carrera	Carrera 100 # 5-169, Torre Oasis, Piso 7, Oficinas 712 - 713, Cali, Colombia			

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Subsidiaries (continued)

Parent company guarantee

The following subsidiary companies are exempt from the requirements under the Companies Act 2006 relating to the audit of financial statements under section 479A of that Act. Jonas Computing (UK) Limited has provided a parent company guarantee over the liabilities of each of these subsidiary companies, pursuant to section 479C of the Companies Act 2006.

Company name	Company number
XN Leisure Systems Limited	05961469
Fitronics Limited	04530620
WebCreative UK Limited	03907760
AMI Education Solutions Limited	02613240
Tucasi Limited	05060375
London & Zurich Limited	03279428
Card Management Services Limited	03206476
Metalogic Holdings Limited	06329035
Metalogic Limited	02648289
Cash Registers (Buccleuch) Limited	SC044087
CRB Solutions Limited	SC200096
PCI Systems Limited	03336338
Salon Software Solutions Limited	08930241
Cunningham Cash Registers Limited	01221095
Jonas Event Technology Limited	06565756
Show Data Systems Limited	07864900
Interchange Communications Limited	02581005
FashionMaster Limited	08264830
Invicta Business Machines Limited	01035809
Stockmaster Metals Limited	03943927
MCR Enterprise Solutions Limited	08242670
MCR Systems Limited	01349701
Havenstar MMS Limited	09296184
EZ-Runner Systems Limited	07034097
Minted Box Education Limited	08704772

6 Inventories	2018 £	2017 £
Work in progress	5,148	-
Finished goods and goods for resale	13,902	14,560
	<u>19,050</u>	<u>14,560</u>
7 Trade and other receivables	2018 £	2017 £
Trade receivables	1,211,526	302,354
Amounts due from fellow group undertakings	36,925,623	23,816,875
Prepayments and accrued income	157,699	38,029
Other receivables	769,493	653,663
Deferred taxation	3,604	128,526
	<u>39,067,945</u>	<u>24,939,447</u>

The amounts due from fellow group undertakings are unsecured and are repayable on demand.

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8	Cash and cash equivalents	2018	2017
		£	£
	Cash at bank and in hand	797,563	622,216
		<u> </u>	<u> </u>
9	Trade and other payables: amounts falling due within one year	2018	2017
		£	£
	Trade payables	13,267	19,475
	Amounts due to fellow group undertakings	60,143,460	40,714,460
	Other tax and social security	25,811	43,039
	Other payables - Earnout Liability	11,897,639	4,377,751
	Accrued liabilities	694,053	180,336
		<u>72,774,230</u>	<u>45,335,061</u>

The amounts due to fellow group undertakings are unsecured and are repayable on demand.

10	Trade and other payables: amounts falling due after more than one year	2018	2017
		£	£
	Amounts due to fellow group undertakings	4,680,384	4,680,384
		<u> </u>	<u> </u>

During January 2015 Jonas Computing (UK) Ltd entered in to 3 loan agreements with CSI Luxembourg for; £1,824,840, £1,875,000 and £950,160. The loans were later assigned from Jonas Computing (UK) Limited to Constellation Software Holdco Ltd, however Jonas Computing (UK) Ltd is still required to remit interest at 8% to Constellation Software Holdco Ltd, in line with the agreements. Repayment is due on 1st October 2021, 14th August 2021 and 10th December 2021, respectively.

- 11 Deferred tax**
The movement on the deferred income tax account is as shown below:

	Assets
	£
As at 1 January 2018	128,526
Debit to profit and loss	(124,922)
	<u> </u>
As at 31 December 2018	3,604
	<u> </u>

The deferred tax asset is made up as follows.

	2018	2017
	£	£
Decelerated capital allowances	418	326
Retirement benefit obligations	(622)	195
Tax losses carried forward	3,808	128,005
	<u>3,604</u>	<u>128,526</u>
As at 31 December 2018		

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12	Share capital	2018 £	2017 £
	Allotted, called up and fully paid		
	1 Ordinary share of £1	1	1

The Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

13 Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital contribution

The capital contribution reserve includes additional capital received on existing issue of share capital.

Retained earnings

Retained earnings include cumulative profit and loss net of distributions to owners.

14 Contingent liabilities

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Company and other group undertakings.

15 Pension commitments

The Company operates a defined contribution 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 £15,145 (2017: £13,044). Contributions totalling £nil (2017: £1,249) were payable to the fund at the end of the year end date.

16 Commitments under non-cancellable operating leases

The total future minimum lease payments under non-cancellable operating lease agreements are as follows:

	2018 £	2017 £
Amounts due:		
Within one year	-	484

JONAS COMPUTING (UK) LIMITED

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

17 Related party transactions

As permitted by FRS 101, related party transactions with wholly owned members of Constellation Software Inc. have not been disclosed.

18 Controlling party

The largest and smallest group in which the results are consolidated is that headed by Constellation Software Inc. Constellation Software Inc. is also the ultimate controlling part of the Company. The consolidated accounts of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.