

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 29 February 2020**
for
P.C.T.I. Solutions Limited



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for the Year Ended 29 February 2020**

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

DIRECTORS:

G J Wilson
A W Hicks

REGISTERED OFFICE:

Ditton Park
Riding Court Road
Datchet
Berkshire
SL3 9LL

REGISTERED NUMBER:

03342552 (England and Wales)

INDEPENDENT AUDITORS:

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

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

The directors present their Strategic Report for the period ended 28 February 2020.

PRINCIPAL ACTIVITIES

The principal activity of the company is the development, sales and marketing of healthcare related computer software and services.

REVIEW OF BUSINESS

The results for the period and financial position of the company are shown in the financial statements.

During the period, the Company had revenue of £12,962,000 (2019 £9,265,000), and recorded a profit after tax for the period of £5,815,000 (2019: £857,000).

The average number of employees employed by the company in the year was 121 (2019 133).

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

Going Concern

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

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

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

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial Risk Management

Credit risk

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

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

Liquidity risk

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

Other Principal Risks and Uncertainties

Macroeconomic risk

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

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

Innovation risk

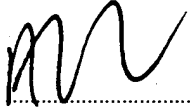
The IT market is subject to rapid, and often unpredictable, change. As a result the Company's products and services might become unattractive to its customer base. The Company monitors technology and market developments and invests to keep its existing offerings up-to-date as well as seeking out new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

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

FUTURE DEVELOPMENTS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a series of loops and a final flourish, positioned above a dotted line.

A W Hicks - Director

Date: 22nd July 2021

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

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

Reporting requirements on the Company's principal activities and future developments, financial risk management, its principal risks and uncertainties and its key performance can be found in the Strategic report on page 2 and page 3.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of the development, sales and marketing of healthcare related computer software and services.

DIVIDENDS

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 March 2019 to the date of this report.

G J Wilson
A W Hicks

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

POLITICAL DONATIONS AND EXPENDITURE

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

EMPLOYEES

The Company is committed to offering equal employment opportunities and its policies are designed to attract, retain, and motivate the best staff regardless of gender, sexual orientation, race, religion, age or disability.

The Company encourages the participation of all employees in the operation and development of the business and has a policy of regular communications. The Company incentivises its employees and senior management through the payment of bonuses linked to performance objectives.

The Company has a wide range of other written policies, designed to ensure that it operates in a legal and ethical manner. These include policies related to health and safety, "whistle blowing", anti-bribery and corruption, business gifts, grievance, career planning, parental leave, systems and network security. All of the Company's policies are published internally.

EVENTS AFTER THE BALANCE SHEET DATE

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

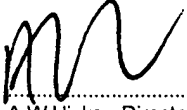
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware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

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

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a series of loops and a final upward stroke, positioned above a dotted line.

A W Hicks - Director

Date: 22nd July 2021

**Independent Auditors' Report to the Members of
P.C.T.I. Solutions Limited (Registered number: 03342552)**

Report on the audit of the financial statements

Opinion

In our opinion, P.C.T.I. Solutions Limited's financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

**Independent Auditors' Report to the Members of
P.C.T.I. Solutions Limited (Registered number: 03342552)**

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
22nd July 2021

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

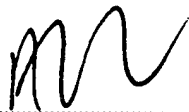
		Year Ended 29.2.20 £'000	Period 1.5.18 to 28.2.19 £'000
	Notes		
TURNOVER	3	12,962	9,265
Cost of sales		<u>(2,795)</u>	<u>(2,381)</u>
GROSS PROFIT		10,167	6,884
Administrative expenses – ongoing		(3,991)	(5,840)
Administrative expenses - exceptional	6	<u>(334)</u>	<u>(217)</u>
OPERATING PROFIT	5	5,842	827
Interest receivable and similar income		<u>2</u>	<u>17</u>
PROFIT BEFORE TAXATION		5,844	844
Tax (charge)/credit on profit	7	<u>(29)</u>	<u>13</u>
PROFIT FOR THE FINANCIAL YEAR		5,815	857
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>5,815</u>	<u>857</u>

The notes on pages 11 to 18 form part of these financial statements

Statement of Financial Position
29 February 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Intangible assets	8	-	2
Tangible assets	9	<u>151</u>	<u>198</u>
		<u>151</u>	<u>200</u>
 CURRENT ASSETS			
Debtors	10	23,065	18,993
Cash at bank and in hand		<u>1,148</u>	<u>724</u>
		24,213	19,717
CREDITORS:			
Amounts falling due within one year	11	<u>(13,988)</u>	<u>(15,406)</u>
NET CURRENT ASSETS		<u>10,225</u>	<u>4,311</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,376	4,511
PROVISIONS FOR LIABILITIES	13	<u>(50)</u>	-
NET ASSETS		<u>10,326</u>	<u>4,511</u>
 CAPITAL AND RESERVES			
Called up share capital	14	1	1
Retained earnings		<u>10,325</u>	<u>4,510</u>
TOTAL SHAREHOLDERS' FUNDS		<u>10,326</u>	<u>4,511</u>

The financial statements on pages 8 to 18 were approved by the Board of Directors on 22nd July 2021 and were signed on its behalf by:



.....
A W Hicks - Director

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

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 May 2018	1	3,653	3,654
Changes in equity			
Total comprehensive income for the year	-	857	857
Balance at 28 February 2019	1	4,510	4,511
Changes in equity			
Total comprehensive income for the year	-	5,815	5,815
Balance at 29 February 2020	1	10,325	10,326

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

1. ACCOUNTING POLICIES

Basis of preparation

P.C.T.I. Solutions Limited (the "Company") is a private company, limited by shares, registered in England and Wales. The registered number and the address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

These financial statements were prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

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

The Company has considerable financial resources together with long contracts with a number of UK based customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current economic outlook. The Directors have a reasonable expectation that the Company has adequate resource to continue in operational existence for the foreseeable future.

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

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

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

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

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

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

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

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

1. ACCOUNTING POLICIES - Continued

Turnover

The Company's revenues are derived from the sale of software product licences, the associated consultancy services, hardware, maintenance, managed services and supplies of third party software. All revenue is reported exclusive of value added tax.

The Company will only recognise revenue when:

- persuasive evidence of an arrangement exists. This is typically a signed contract or customer purchase order;
- the price to the customer is fixed or determinable;
- delivery has occurred; and
- collectability is reasonably assured and there are no material outstanding conditions or contingencies attaching to the receipt of monies due.

The Company recognises revenue on each element of a contract as follows:

- The Company recognises revenue on each element of a contract as follows:
- software product licence - revenue is recognised when risks and rewards have passed to the customer and there is no significant ongoing obligation on the group. Where software is sold as part of a bundled arrangement, the group allocates revenue to each component based on its fair value;
 - hardware - revenue is recognised on delivery of the goods;
 - consultancy services (including training) - the group performs a number of professional services to its customers. These can include implementation and configuration of the software and training of the customer's staff. Revenue is recognised as the services are performed;
 - product maintenance - The group provides software updates to its customers as part of the ongoing maintenance contract. Revenue is recognised rateably over the duration of the contract;
 - cloud based services- where the group provides cloud based services, revenue is recognised rateably over the duration of the contract. Revenue in relation to implementation of the cloud enablement application and other related implementation tools is recognised rateably in line with the provision of cloud based services and
 - managed services - Where the group provides hosting services, revenue is recognised rateably over the duration of the contract.

The Company derives fair value for its consultancy services based on day rates for consultants and for product maintenance based on maintenance renewal prices. Where software is included within a bundled arrangement, the residual value of the contract is ascribed to the software after a fair value has been allocated to all other components.

Revenues for arrangements that involve significant modification, or customisation of the software maybe recognised based on achievement of contract specific milestones, or using the percentage of completion method depending on the terms of the contract. The group determines the stage of completion based on an assessment of direct labour costs incurred to date as a percentage of total estimated project costs required to complete the project.

If collectability is not reasonably assured at the outset of a contract, the group defers revenue and only recognises revenue on receipt of the cash and to the extent that it has discharged its obligations under the contract.

Deferred revenues primarily relate to managed services and customer support fees, which have been invoiced to the customer prior to the performance of these services. Deferred revenue is generally recognised over a period of one to three years.

Interest receivable and Interest payable

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

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

Intangible assets

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided at rates calculated to write off the cost less estimated residual value of tangible assets by equal instalments over their expected useful economic lives as follows:

Computer Software - 3 years straight line

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of tangible assets by equal instalments over their expected useful economic lives as follows:

Fixtures, fittings and equipment	- 5 years straight line
Leasehold improvements	- 5 years straight line
Computer equipment	- 3 years straight line

Taxation

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

Current or deferred taxation assets and liabilities are not discounted. Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

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

1. ACCOUNTING POLICIES - continued

Deferred tax

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

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Trade and other debtors / creditors

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

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Financial guarantee contracts

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

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty

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

Revenue recognition

Revenue for arrangements that involve significant modification or customisation of the software may be recognised based on achievement of contract-specific milestones. The Company determines the stage of completion based on an assessment of direct labour costs incurred to date as a percentage of total estimated project costs required to complete the project.

If collectability is not reasonably assured at the outset of a contract, the Company defers revenue and only recognises revenue on receipt of the cash and to the extent that it has discharged its obligations under the contract.

Useful lives of tangible and intangible assets

Intangible and tangible assets are amortised or depreciated over their useful lives. These useful lives are based on management's estimates of the length of the period that the assets will generate revenue. These estimates are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the Statement of Comprehensive Income in specific periods.

Taxation

The Company is subject to UK corporate taxation and judgement is required in determining the provision for income and deferred taxation. The Company recognises taxation assets and liabilities based upon estimates and assessments of many factors including past experience, advice received on the relevant taxation legislation and judgements about the outcome of future events. To the extent that the final outcome of these matters is different from the amounts recorded, such differences will impact on the taxation charge made in the Statement of Comprehensive Income in the period in which such determination is made.

Recoverability of intercompany debtors

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

Critical accounting judgements in applying the Company's accounting policies

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

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

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Licences	1,157	4,514
Consulting services	2,520	2,107
Maintenance & managed services	9,285	2,643
Other	-	1
	<u>12,962</u>	<u>9,265</u>

No material part of the turnover is derived from outside the United Kingdom for the year ended 2020 and period ended 2019.

4. **EMPLOYEES AND DIRECTORS**

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Wages and salaries	4,279	3,858
Social security costs	425	2,596
Other pension costs	186	146
	<u>4,890</u>	<u>6,600</u>

The average number of employees during the year was as follows:

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
Administration	14	12
Operations	92	101
Sales and Marketing	15	15
	<u>121</u>	<u>128</u>

The operating profit is stated after charging:

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Directors' remuneration	-	124
Directors' pension contributions to money purchase schemes	-	10
	<u>-</u>	<u>134</u>

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

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

5. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 29. 2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Hire of plant and machinery	77	102
Depreciation - owned assets	90	70
Computer software amortisation	2	3
Auditors' remuneration - audit of the financial statements	22	5
Foreign exchange differences	-	1
Other operating lease rentals	<u>57</u>	<u>56</u>

6. EXCEPTIONAL ITEMS

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Exceptional items	<u>(334)</u>	<u>(217)</u>

Exceptional items primarily relate to information technology systems implementation and finance transformation.

7. TAX ON PROFIT

Analysis of the tax charge/(credit)

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

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Current tax:		
UK corporation tax	42	-
Deferred tax timing difference	<u>(13)</u>	<u>(13)</u>
Tax on profit	<u>29</u>	<u>(13)</u>

UK corporation tax was charged at 19% in 2019.

Reconciliation of total tax charge/(credit) included in profit and loss

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

	Year Ended 29.2.20	Period 1.5.18 to 28.2.19
	£'000	£'000
Profit before tax	<u>5,844</u>	<u>844</u>
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,110	160
Effects of:		
Expenses not deductible for tax purposes	66	-
Capital allowances in excess of depreciation	-	(13)
Adjustments to tax charge in respect of previous periods	41	-
Effects of group or other loss relief	<u>(1,188)</u>	<u>(157)</u>
Tax rate changes	-	(3)
Total tax charge/(credit)	<u>29</u>	<u>(13)</u>

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

7. TAXATION - continued**Factors that may affect future tax charges**

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

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

Deferred tax

	2020 £'000	2019 £'000
Depreciation in excess of capital allowances	10	23
Deferred tax	<u>10</u>	<u>23</u>
Opening provision	23	36
Deferred tax credit in the profit and loss account for the year	(13)	(13)
Closing deferred tax liability	<u><u>10</u></u>	<u><u>23</u></u>

8. INTANGIBLE ASSETS

	Computer software £'000
COST	
At 1 March 2019 and 29 February 2020	<u>25</u>
ACCUMULATED AMORTISATION	
At 1 March 2019	23
Amortisation for year	<u>2</u>
At 29 February 2020	<u>25</u>
NET BOOK VALUE	
At 29 February 2020	<u><u>-</u></u>
At 28 February 2019	<u><u>2</u></u>

9. TANGIBLE ASSETS

	Leasehold improvements Totals £'000	Fixtures and £'000	Computer fittings £'000	equipment £'000
COST				
At 1 March 2019	31	180	315	526
Additions	<u>19</u>	<u>23</u>	<u>1</u>	<u>43</u>
At 29 February 2020	<u>50</u>	<u>203</u>	<u>316</u>	<u>569</u>
ACCUMULATED DEPRECIATION				
At 1 March 2019	-	115	213	328
Charge for year	<u>10</u>	<u>41</u>	<u>39</u>	<u>90</u>
At 29 February 2020	<u>10</u>	<u>156</u>	<u>252</u>	<u>418</u>
NET BOOK VALUE				
At 29 February 2020	<u><u>40</u></u>	<u><u>47</u></u>	<u><u>64</u></u>	<u><u>151</u></u>
At 28 February 2019	<u><u>31</u></u>	<u><u>65</u></u>	<u><u>102</u></u>	<u><u>198</u></u>

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

10. DEBTORS

	2020	2019
	£'000	£'000
Trade debtors	1,578	3,574
Amounts owed by group undertakings	19,845	14,995
Other debtors	2	5
Tax	22	-
Prepayments and accrued income	1,618	419
	<u>23,065</u>	<u>18,993</u>

Trade debtors are stated after provisions for impairment of £16,000 (2019: £50,000). Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Trade creditors	268	369
Amounts owed to group undertakings	10,039	10,066
Deferred tax	10	23
Other taxation and social security	87	112
VAT	245	462
Other creditors	26	-
Accruals	635	697
Deferred income	2,678	3,677
	<u>13,988</u>	<u>15,406</u>

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

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£'000	£'000
Within one year	72	89
Between one and five years	-	104
	<u>72</u>	<u>193</u>

13. PROVISIONS FOR LIABILITIES

	2020	2019
	£'000	£'000
Dilapidations provision	50	-

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£'000	£'000
998 (2019: 998)	Ordinary share	£1	1	1
92 (2019: 92)	Ordinary A	£1	-	-
			<u>1</u>	<u>1</u>

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

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

15. CONTINGENT LIABILITIES

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

16. RELATED PARTY DISCLOSURES

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

17. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Advanced Health and Care Limited, a company registered in England and Wales..

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

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

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

18. POST BALANCE SHEET EVENTS

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