Registered number: 04023140

COMPUTER SOFTWARE GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

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COMPANY INFORMATION

Director	G J Wilson
Registered number	04023140
Registered office	The Mailbox Level 3 101 Wharfside Street Birmingham B1 1RF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022

Principal activities

The principal activity of Computer Software Group Limited (the "Company") during the year under review was that of the development and marketing of computer software and the provision of associated computer consultancy and managed services primarily in the Not for Profit ("NFP") sector.

Business review

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

The Company made a profit for the year of £5,201 thousand (2021: £3,689 thousand). The main drivers of the increase in profit in the current year are reduced Administrative Expenses of £344 thousand and a reduction in the Tax charge of £1,000 thousand.

The Company has a well-established customer base with an increasing focus on the NFP sector. Revenues are generated through a combination of software licence sales, software maintenance and support, professional services and managed services.

The Company uses the total of maintenance and managed services revenue (which together comprise the Company's "recurring revenue") as a key performance measure, as the willingness of customers to renew contracts is a measure of customer satisfaction. Recurring revenue totalled £3,914 thousand (2021: £3,600 thousand), representing 86% of total revenue (2021: 73%). The core products, NG, OpenEngage, Profile Concept and Donor Strategy, continue to be well received by the market with performance in line with expectations. Overall reported revenue was £4,555 thousand (2021: £4,911 thousand), a reduction of 7 % overall. The Company recorded profit for the year of £5,201 thousand (2021: £3,689 thousand). The Company had net assets of £63,689 thousand (2021: £58,488 thousand).

Research and development costs as a percentage of total revenue is another key performance indicator. The company continues to invest in its software products. Spending on research and development of £140 thousand (2021: £407 thousand) represents a decrease from 10% to 8% of total revenue. The reduction primarily attributable to the transfer of certain staff to other group companies during the year as part of a wider group centralisation of activities. Expenditure is fully expensed through the Statement of Comprehensive Income in the year that it is incurred.

The main focus areas for development in the year have been adapting and enhancing the existing Advanced Document Management solution for the Donor market and integrating the NG solution with CRM Marketing capability.

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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022

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 the nature of and 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 director seeks 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.

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.

Future Developments

The director believes that there is considerable 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.

This report was approved by the board on 29 March 2023 and signed on its behalf.

G. Wilson

G J Wilson
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022

The director presents his report and the audited financial statements for the year ended 28 February 2022.

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 which starts on page 1.

Dividends

The director does not recommend the payment of a dividend (2021: £NIL).

Directors

The directors who held office during the period and up to the date of signature of the financial statements were, unless otherwise stated, as follows:

G J Wilson
R J Kerr (appointed 1 February 2022, resigned 10 February 2023)
A W Hicks (resigned 1 February 2022)

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

Political contributions

There were no political donations made during the year (2021: £NIL).

Going Concern

At the balance sheet date, the company has net current assets and has reported a profit for the year. The director has reviewed the cash flow forecasts of the Company and the wider Group, including additional funding commitments from the Group's shareholders if required, and considers that there are sufficient resources to allow the Company 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 director has considered it is appropriate to adopt the going concern basis in preparing the annual financial statements.

In reaching this position, a downside severe scenario has been reviewed for the Aston Midco Limited group of companies. The assumptions modelled in this scenario are based on estimated potential downside trading impacts (including the acquisition and renewal of software contracts, the success of obtaining professional services assignments and the ability to achieve price increases) and interest rates being higher than the current forward projections.

Consideration was also given to the potential mitigating actions that could be taken by the Group over the next 12 months, specifically those matters which are wholly within management's control. These could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend, although no such responses are currently anticipated to be required. Management have assessed that any mitigations are not considered to have a significant impact on customer experience.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director,s report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare audited financial statements for each financial year. Under that law the director has elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements, the director is required to:

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

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

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

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

Independent Auditors

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

This report was approved by the board on 29 March 2023 and signed on its behalf.

G. Wilson

G J Wilson
Director

Independent auditors' report to the members of Computer Software Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Computer Software Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 28 February 2022; the Statement of Comprehensive Income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

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 director is 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 Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's Report for the year ended 28 February 2022 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 Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's responsibilities statement, the director is 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 director is 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the employment regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and Direct taxes. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate manual journals to manipulate the financial position of the business and management bias in estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including enquiries into the existence and response to any known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing of journals which may appear to have unusual accounting entries;
- Challenging assumptions and judgements made by management in relation to estimates; and
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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 director's 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.

Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 March 2023

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Note	2022 £000	*2021 £000*
Turnover	4	**4,555**	*4,911*
Cost of sales		**(1,226)**	*(1,101)*
Gross profit		**3,329**	*3,810*
Administrative expenses– ongoing		**(1,120)**	*(1,233)*
Administrative expenses– exceptionals		**-**	*(231)*
Other operating income		**-**	*(231)*
Operating profit	7	**2,209**	*2,115*
Interest receivable and similar income	9	**3,913**	*3,364*
Interest payable and similar expenses	10	**(921)**	*(792)*
Profit before tax		**5,201**	*4,687*
Tax on profit	11	**-**	*(998)*
Total comprehensive income for the year		**5,201**	*3,689*

The notes on pages 11 to 25 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

	Note		2022 £000		*2021 £000*
Fixed assets					
Intangible assets	13		-		*-*
Tangible assets	14		-		*-*
Investments	15		-		*-*
			-		*-*
Current assets					
Debtors: amounts falling due within one year	16	**88,153**		*82,031*	
Cash at bank and in hand		**235**		*492*	
		88,388		*82,523*	
Creditors: amounts falling due within one year	17	**(24,699)**		*(24,035)*	
Net current assets			**63,689**		*58,488*
Total assets less current liabilities			**63,689**		*58,488*
Net assets			**63,689**		*58,488*
Capital and reserves					
Called up share capital	18		-		*-*
Capital redemption reserve			**7,139**		*7,139*
Retained earnings			**56,550**		*51,349*
Total shareholders' funds			**63,689**		*58,488*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 March 2023.

G. Wilson

G J Wilson
Director

The notes on pages 11 to 25 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Called up share capital	Capital redemption reserve	Retained earnings	Total shareholders' funds
	£000	£000	£000	£000
At 1 March 2020	-	7,139	47,660	54,799
Profit for the year	-	-	3,689	3,689
At 28 February 2021	-	7,139	51,349	58,488
Profit for the year	-	-	5,201	5,201
At 28 February 2022	-	7,139	56,550	63,689

The notes on pages 11 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

1. General information

Computer Software Group Limited 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 Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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") as issued in August 2014 and the 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 director, 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 3.

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

2.2 Going concern

At the balance sheet date, the company has net current assets and has reported a profit for the year. The director has reviewed the cash flow forecasts of the Company and the wider Group, including additional funding commitments from the Group's shareholders if required, and considers that there are sufficient resources to allow the Company 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 director has considered it is appropriate to adopt the going concern basis in preparing the annual financial statements.

In reaching this position, a downside severe scenario has been reviewed for the Aston Midco Limited group of companies. The assumptions modelled in this scenario are based on estimated potential downside trading impacts (including the acquisition and renewal of software contracts, the success of obtaining professional services assignments and the ability to achieve price increases) and interest rates being higher than the current forward projections.

Consideration was also given to the potential mitigating actions that could be taken by the Group over the next 12 months, specifically those matters which are wholly within management's control. These could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend, although no such responses are currently anticipated to be required. Management have assessed that any mitigations are not considered to have a significant impact on customer experience.

2. Accounting policies (continued)

2.3 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Aston Midco Limited as at 28 February 2022 and these financial statements may be obtained from Companies House.

2.4 Exemption from preparing consolidated financial statements

The financial statements contain information about Computer Software Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent undertaking Aston Midco Limited, a company registered in Jersey.

2.5 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the company retains no continuing involvement or control over the goods;
- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the company;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;

2. Accounting policies (continued)

2.5 Turnover (continued)

and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Subject to the revenue recognition conditions noted above being met, the company recognises revenue as follows:

- Software licence fee income is recognised in full in the statement of comprehensive income on delivery of the licence and the issue of authorisation codes to activate the software.
- Support and maintenance income is deferred at the date of invoicing and released to the statement of comprehensive income over the duration of the maintenance contract.
- The balance of maintenance income not released to the statement of comprehensive income is carried in the balance sheet within deferred revenue.
- Services income is recognised in the statement of comprehensive income in the month the services are performed.
- Income from the sale of hardware is recognised in the statement of comprehensive income when the goods are shipped to the customer.

2.6 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the group. They are items that are material either because of their size, their nature, or they are nonrecurring and are presented within the line items to which they best relate.

2.7 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.

2.8 Tangible 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:

The estimated useful lives range as follows:

Fixtures and fittings	- between 5 and 6 years straight line
Computer equipment	- between 2 and 5 years straight line

2. Accounting policies (continued)

2.9 Investment

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

2.10 Research and development

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

2.11 Amortisation

Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

2.12 Current and deferred taxation

Current tax
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.

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.

2. Accounting policies (continued)

2.13 Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

2.14 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.

2.15 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.

2.16 Cash and cash equivalents

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

2.17 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.

3. Judgements in applying accounting policies 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:

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.

4. 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 as follows:

	2022	*2021*
	£000	*£000*
Licences	**301**	*785*
Consulting services	**339**	*526*
Maintenance & managed services	**3,914**	*3,600*
	4,554	*4,911*

No material part of the turnover is derived from outside the United Kingdom for the year ended 2022 and 2021.

5. Employees

	2022	2021
	£000	£000
Wages and salaries	1,585	1,711
Social security costs	140	115
Other pension costs	63	46
	1,788	1,872

In April 2021, all the employees were transferred to another Group company. Staff costs of £1,753 thousand were recharged to the company in the current year (2021: £NIL).

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

	2022	2021
	No.	No.
Sales	-	6
Technical	2	25
Administration	1	5
	3	36

The average number of employees for the year has been calculated by taking the total employees for the one month before employees were transferred, then dividing this by 12 months. Consequently, average employee numbers are not comparable to prior years.

The Company operates a personal pension scheme which is open to all staff. Total pension costs charged to the Statement of Comprehensive Income represent contributions payable to those schemes by the Company at rates specified in the rates of the plan.

6. Directors' remuneration

The directors who served in the year were also directors of other companies in the Group. These directors' services to the Company did not occupy a significant amount of their time and as such the directors did not receive any remuneration for their incidental services to the Company during the year (2021: £NIL). The directors were remunerated for their services to this Company by another Group company.

7. Operating profit

The operating profit is stated after charging:

	2022	*2021*
	£000	*£000*
Research & development	**140**	*407*
Depreciation - owned assets	**-**	*1*

Amounts receivable by the company's auditors and their associates in respect of the audit of these financial statements of associated is £12 thousand (2021: £11 thousand).

8. Administrative expenses– exceptionals

	2022	*2021*
	£000	*£000*
Exceptional items	**-**	*231*
	-	*231*

Exceptional items in the prior primarily relating to information technology systems implementation and finance transformation as well as office closures.

9. Interest receivable and similar income

	2022	*2021*
	£000	*£000*
Intercompany interest received	**3,913**	*3,364*
	3,913	*3,364*

10. Interest payable and similar expenses

	2022	*2021*
	£000	*£000*
Intercompany interest payable	**921**	*792*
	921	*792*

11. Tax on profit

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2022	*2021*
	£000	*£000*
Corporation tax		
Current tax on profits for the year	-	*2*
Adjustments in respect of previous periods	**18**	*996*
	18	*998*
Total current tax	**18**	*998*
Deferred tax		
Changes to tax rates	**(18)**	-
Total deferred tax	**(18)**	-
Tax on profit on ordinary activities	-	*998*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2021 - higher than)* the standard rate of corporation tax in the UK of 19% *(2021 - 19%)*. The differences are explained below:

	2022	*2021*
	£000	*£000*
Profit before tax	**5,201**	*4,687*
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**988**	*891*
Effects of:		
Income not taxable for tax purposes	-	*(2)*
Adjustments to tax charge in respect of prior periods	-	*996*
Adjustment from previous periods	**18**	-
Changes in the tax rate	**(18)**	-
Group relief	**(988)**	*(887)*
Total tax charge for the year	-	*998*

11. Tax on profit (continued)

Factors that may affect future tax charges

The current period corporation tax rate is 19%. However, the Finance Bill 2021 had its third reading on 24 May 2021 and is now considered substantively enacted with a 25% rate applying from 1 April 2023. Deferred tax is provided at 25% being the rate enacted at the balance sheet date.

12. Deferred taxation

	2022 **£000**	*2021* *£000*
At beginning of year	**60**	*60*
Tax rate changes	**18**	-
At end of year	**78**	*60*

The deferred tax asset is made up as follows:

	2022 **£000**	*2021* *£000*
Depreciation in excess of capital allowances	**-**	*50*
Short term timing differences	**25**	*10*
Fixed asset timing differences	**53**	-
Deferred tax asset (note 16)	**78**	*60*

13. Intangible assets

	Goodwill £000
Cost	
At 1 March 2021	**14,990**
At 28 February 2022	**14,990**
Accumulated Amortisation	
At 1 March 2021	**14,990**
At 28 February 2022	**14,990**
Net book value	
At 28 February 2022	**-**
At 28 February 2021	-

14. Tangible assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 March 2021	34	16	50
At 28 February 2022	34	16	50
Accumulated Depreciation			
At 1 March 2021	34	16	50
At 28 February 2022	34	16	50
Net book value			
At 28 February 2022	-	-	-
At 28 February 2021	-	-	-

15. Investments

	Shares in group undertakings £000
Cost or valuation	
At 1 March 2021	**224**
At 28 February 2022	**224**
Impairment	
At 1 March 2021	**224**
At 28 February 2022	**224**
Net book value	
At 28 February 2022	**-**
At 28 February 2021	-

Undertaking	Country of registration or incorporation	Principal activities	Direct Holding	Indirect Holding	
Charity Software Limited	England & Wales	In liquidation	100	-	%

Charity Software Limited's registered address is Ditton Park, Riding Court Road, Datchet, Berkshire, SL3 9LL. It has been put into liquidation as of 28 December 2020 as part of a group rationalisation project.

16. Debtors: amounts falling due within one year

	2022 £000	*2021 £000*
Trade debtors	**958**	*1,396*
Amounts owed by group undertakings	**86,619**	*79,981*
Deferred taxation	**78**	*60*
Prepayments and accrued income	**498**	*594*
	88,153	*82,031*

16. Debtors: amounts falling due within one year (continued)

Included within amounts owed by group undertakings is an amount of £86,247 thousand (2021: £76,686 thousand) which bears interest at LIBOR plus 4.5%. All amounts are unsecured and repayable on demand.

Trade debtors are stated after provisions for impairment of £89 thousand (2021: £46 thousand).

17. Creditors: Amounts falling due within one year

	2022 **£000**	*2021* *£000*
Trade creditors	**28**	*42*
Amounts owed to group undertakings	**22,256**	*21,264*
Taxation and social security	**-**	*22*
VAT	**155**	*227*
Accruals	**19**	*134*
Deferred income	**2,241**	*2,346*
	24,699	*24,035*

Included within amounts owed to group undertakings is an amount of £22,130 thousand (2021: £18,052 thousand) which bears interest at LIBOR plus 4.5%. All amounts are unsecured and repayable on demand.

18. Called up share capital

	2022 **£**	*2021* *£*
Allotted, called up and fully paid		
10 *(2021 - 10)* Ordinary shares of £0.10 each	**1**	*1*

19. Contingent liabilities

The Company has guaranteed bank borrowings of fellow group undertakings. As at period end, the company is an obligor to a banking facility held by Aston Finco Sarl, comprising of a first Lien loan of $330,000,000 (2021: $330,000,000) ($323,400,000 outstanding as at 28 February 2022 (2021: $326,700,000 outstanding)) and £495,000,000 (2021: £395,000,000) (£486,900,000 outstanding as at 28 February 2022 (2021: £391,350,000 outstanding)) repayable at 1% per annum with the balance payable on 9 October 2026, a £75,000,000 (2021: £75,000,000) revolving credit facility (£22,000,000 drawn (2021:£6,500,000)) and a second Lien loan of $115,000,000 (2021: $115,000,000) and £175,000,000 (2021: £175,000,000) falling due on 9 October 2027. The interest rates on both loans vary between 4.25% and 8.25% over LIBOR and SONIA.

20. Related party transactions

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.

21. Controlling party

The immediate parent company is Computer Software Holdings 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.

The director does not consider there to be an ultimate controlling party.