REGISTERED NUMBER: 04023140 (England and Wales)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 29 February 2020

for

Computer Software Group Limited

Contents of the Financial Statements
for the Year Ended 29 February 2020

Company Information
for the Year Ended 29 February 2020

DIRECTORS:	A W Hicks G J Wilson
REGISTERED OFFICE:	Ditton Park Riding Court Road Datchet Berkshire SL3 9LL
REGISTERED NUMBER:	04023140 (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 year ended 29 February 2020.

PRINCIPAL ACTIVITIES
The principal activity of 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 sector.

REVIEW OF BUSINESS AND PERFORMANCE MEASUREMENT
The results for the year and financial position of the company are shown in the financial statements.

The Company has a well-established customer base with an increasing focus on the Not for Profit (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 £4,189,000 (2019 £4,564,000), representing 74% of total revenue (2019: 59%). 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 £5,646,000 (2019: £7,737,000). A reduction of 27% overall. This market segment was particularly impacted as a result of Covid-19 and as a consequence the more discretionary and new activity sales to customers, who focused on cost containment reduced significantly (Licence and Consulting) by 46%. The underlying customer bases was also impacted by an overall 8% which indicates a high retention of customers. The company took actions to reduce its costs during the year as a result of the trading headwind and overall, excluding exceptional items, the operating profit % reduced by 4% from 66% to 62%.

Research and development costs as a percentage of total revenue is another key performance indicator. The company continues to invest in the products as explained above. Spending on research and development of £556,000 (2019: £385,000) represents a increase from 5% to 10% of total revenue and is in line with expectations.

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.

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.

Strategic Report
for the Year Ended 29 February 2020

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 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 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. 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.

FUTURE DEVELOPMENTS

The directors believe 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.

ON BEHALF OF THE BOARD:

....
A W Hicks - Director

Date: 20 May 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 which starts on page 2.

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.

A W Hicks
G J Wilson

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 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 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.

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.

Directors' Report
for the Year Ended 29 February 2020

STATEMENT OF 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.

INDEPENDENT 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 W Hicks - Director

Date: 20 May 2021

Independent Auditors' Report to the Members of Computer Software Group Limited (Registered number: 04023140)

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 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.

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.

Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
20 May 2021

Statement of Comprehensive Income
for the Year Ended 29 February 2020

	Notes	2020 £'000	2019 £'000
TURNOVER	3	**5,646**	7,737
Cost of sales		**(1,461)**	(2,007)
GROSS PROFIT		**4,185**	5,730
Administrative expenses - ongoing		**(1,596)**	(1,960)
Administrative expenses – exceptional	7	**(35)**	(627)
OPERATING PROFIT	6	**2,554**	3,143
Interest receivable and similar income	8	**3,135**	3,190
		5,689	6,333
Interest payable and similar expenses	9	**(743)**	(768)
PROFIT BEFORE TAXATION		**4,946**	5,565
Tax on profit	10	**(12)**	1,009
PROFIT FOR THE FINANCIAL YEAR		**4,934**	6,574
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,934**	6,574

The notes on pages 11 to 19 form part of these financial statements

Statement of Financial Position
29 February 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Intangible assets	11	-	-
Tangible assets	12	1	4
Investments	13	-	-
		1	4
CURRENT ASSETS			
Debtors	14	77,881	72,756
Cash at bank		600	689
		78,481	73,445
CREDITORS:			
Amounts falling due within one year	15	(23,683)	(23,584)
NET CURRENT ASSETS		54,798	49,861
TOTAL ASSETS LESS LIABILITIES		54,799	49,865
CAPITAL AND RESERVES			
Called up share capital	16	-	-
Other reserves		7,139	7,139
Retained earnings		47,660	42,726
TOTAL SHAREHOLDERS' FUNDS		54,799	49,865

The financial statements on pages 8 to 19 were approved by the Board of Directors on 20 May 2021 and were signed on its behalf by:

....

A W Hicks - Director

The notes on pages 11 to 19 form part of these financial statements

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

	Called up share capital £'000	Other reserves £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 March 2018	-	7,139	36,152	43,291
Changes in equity				
Total comprehensive income for the year	-	-	6,574	6,574
Balance at 28 February 2019	-	7,139	42,726	49,865
Changes in equity				
Total comprehensive income for the year	-	-	4,934	4,934
Balance at 29 February 2020	-	7,139	47,660	54,799

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

1. **ACCOUNTING POLICIES**

Basis of preparation
Computer Software Group 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") 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 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 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.

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.

Preparation of 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.

continued...

1. **ACCOUNTING POLICIES - continued**

Turnover

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:
- 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; and
- managed services - Where the group provides hosting services, revenue is recognised rateably over the duration of the contract.

Typically, a number of the above elements maybe sold together as a bundled contract. Revenue is recognised separately for each component if it is considered to represent a separable good or service and a fair value can be reliably established.

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.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

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

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1. **ACCOUNTING POLICIES - Continued**

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.

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:

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

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

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.

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.

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.

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.

continued...

1. **ACCOUNTING POLICIES - continued**

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 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

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.

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:

	2020	2019
	£'000	£'000
Licences	**778**	1,397
Consulting services	**679**	1,776
Maintenance & managed services	**4,189**	4,564
	5,646	7,737

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

continued...

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

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£'000	£'000
Wages and salaries	2,210	2,224
Social security costs	172	243
Other pension costs	59	71
	2,441	2,538

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

	2020	2019
	No.	No.
Sales	8	4
Technical	31	34
Administration	6	8
	45	46

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.

5. DIRECTORS' EMOLUMENTS

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.

6. OPERATING PROFIT

	2020	2019
	£'000	£'000
Depreciation - owned assets	3	11
Goodwill amortisation	-	243
Foreign exchange differences	(1)	3
Research and development	556	385

Amounts receivable by the company's auditors and their associates in respect of the audit of these financial statements of associated is £11,000 (2019: £10,000).

7. EXCEPTIONAL ITEMS

	2020	2019
	£'000	£'000
Exceptional items	(35)	(627)

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

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£'000	£'000
Intercompany interest received	3,135	3,190

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£'000	£'000
Intercompany interest payable	743	768

continued...

10. TAX ON PROFIT

Analysis of the tax charge/(credit)

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

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax	1	-
Prior year adjustment	-	(1,022)
Total current tax	1	(1,022)
Deferred tax:		
Deferred tax timing difference	11	17
Change in tax rate	-	(2)
Prior year adjustment	-	(2)
Total deferred tax	11	13
Tax on profit	12	(1,009)

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

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

	2020 £'000	2019 £'000
Profit before tax	4,946	5,565
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	940	1,057
Effects of:		
Expenses not deductible for tax purposes	7	45
Adjustments to tax charge in respect of previous periods	-	(1,024)
Group relief	(935)	(1,085)
Difference in tax rates	-	(2)
schemes		
Total tax charge/(credit)	12	(1,009)

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%.

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	(54)	(65)
Other short term timing differences	(6)	(6)
Deferred tax asset	(60)	(71)
Opening deferred tax asset	(71)	(84)
Deferred tax debit in the Statement of Comprehensive Income for the year	11	13
Closing deferred tax asset	(60)	(71)

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11. INTANGIBLE ASSETS

	Goodwill £'000
COST	
At 1 March 2019 and 29 February 2020	14,990
ACCUMULATED AMORTISATION	
At 1 March 2019 and 29 February 2020	14,990
NET BOOK VALUE	
At 29 February 2020	-
At 28 February 2019	-

12. TANGIBLE ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST			
At 1 March 2019 and 29 February 2020	34	16	50
ACCUMULATED DEPRECIATION			
At 1 March 2019	32	14	46
Charge for year	1	2	3
At 29 February 2020	33	16	49
NET BOOK VALUE			
At 29 February 2020	1	-	1
At 28 February 2019	2	2	4

13. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 March 2019 and 29 February 2020	224
PROVISIONS	
At 1 March 2019 and 29 February 2020	224
NET BOOK VALUE	
At 29 February 2020	-
At 28 February 2019	-

Undertaking	Country of registration or incorporation	Principal activity	Percentage of ordinary shares held Direct	Percentage of ordinary shares held Indirect
Charity Software Limited	England & Wales	In liquidation	100%	0%

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.

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14. **DEBTORS**

	2020	2019
	£'000	£'000
Trade debtors	1,741	1,499
Amounts owed by group undertakings	75,125	69,726
Tax	3	-
Deferred tax asset	60	71
Prepayments and accrued income	952	1,460
	77,881	72,756

Included within amounts owed by group undertakings is an amount of £73,231,000 (2019: £69,726,000) which bears interest at LIBOR plus 4%. All amounts are unsecured and repayable on demand.

Trade debtors are stated after provisions for impairment of £59,000 (2019: £28,000).

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£'000	£'000
Trade creditors	45	79
Amounts owed to group undertakings	20,345	20,090
Other taxation and social security	32	35
VAT	221	215
Other creditors	1	1
Accruals	117	174
Deferred income	2,922	2,990
	23,683	23,584

Included within amounts owed to group undertakings is an amount of £17,259,000 (2019: £20,014,000) which bears interest at LIBOR plus 4%. All amounts are unsecured and repayable on demand.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
10 (2019: 10)	Ordinary	£0.10	1	1

17. **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 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 with 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.

18. **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.

19. **ULTIMATE 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.

On 9 October 2019, the Advanced Group of companies was jointly acquired by Aston Lux Acquisition S.à.r.l (which is owned 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.

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20. 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.