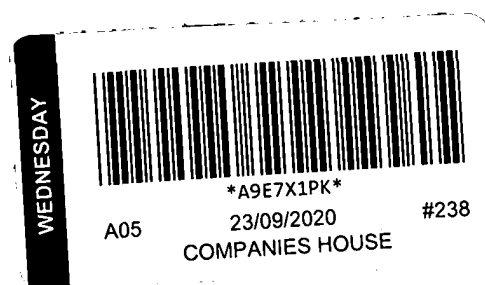


Registered number: 05824170

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

COMPANY INFORMATION

Directors	N J Bedford I B Bendelow
Registered number	05824170
Registered office	Charnham Park Herongate Hungerford Berkshire England RG17 0YU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS
Bankers	HSBC PLC High Street Crawley West Sussex RH10 1DL

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Principal activity

Kerridge Commercial Systems (KSE) Limited is a trading company whose principal activity is the supply of accounting (ERP) software and hardware. The provision of associated professional support and other services to the distributive trade. The trading company operates predominately within the United Kingdom and wholly within the European Union.

Results and dividends

The profit for the year, after taxation, amounted to £826,000 (2018 - £609,000).

Dividends of £520,000 were paid during the year (2018: £200,000). The directors do not recommend a payment of a final dividend.

Coronavirus and Brexit

These events are potentially likely to be among the most significant economic events for the UK and the Global economy, respectively, in recent history, and at the date of approval of these accounts their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown.

We are monitoring the spread of the virus and considering our people movements on a case by case basis. The majority of our customer support and delivery can be managed through remote working and access to customer systems and as such we do not see travel restrictions affecting our business significantly. We are closely monitoring our supply chain to ensure availability of equipment and materials in order to allow us to continue to deliver high levels of customer service.

The UK formally left the EU on 31 January 2020 and has entered a transition period which is due to end on 31 December 2020. During the transition period, we will monitor and identify key risks and opportunities and how we might need to make changes to our business to ensure we mitigate the risks and maximise the opportunities. Being globally diversified we have a degree of protection against UK economic shocks but the level of uncertainty facing our UK customers is unprecedented making outcomes difficult to predict.

Directors

The directors who served during the year were:

N J Bedford
I B Bendelow

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

This report was approved by the board on 16/3/20.

and signed on its behalf.



N J Bedford
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

Opinion

We have audited the financial statements of Kerridge Commercial Systems (KSE) Limited (the 'Company') for the year ended 30 September 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The impact of uncertainties arising from the UK exiting the European Union on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with a course of action such as Brexit.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERRIDGE COMMERCIAL SYSTEMS (KSE)
LIMITED (CONTINUED)**

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERRIDGE COMMERCIAL SYSTEMS (KSE)
LIMITED (CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KERRIDGE COMMERCIAL SYSTEMS (KSE)
LIMITED (CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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

Grant Thornton UK LLP

Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date:

16 March 2020

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	30 September 2019 £000	<i>Period ended 30 September 2018 £000</i>
Revenues	3,025	3,013
Cost of sales	(297)	(269)
Gross profit	2,728	2,744
Administrative expenses	(1,921)	(2,096)
Operating profit	807	648
Tax on profit	19	(39)
Profit for the financial year	826	609
Other comprehensive income for the year		
Total comprehensive income for the year	826	609

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Comprehensive Income.

The notes on pages 10 to 20 form part of these financial statements.


KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED
REGISTERED NUMBER:05824170

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

		2019	30 September 2018
	Note	£000	£000
Fixed assets			
Tangible assets	7	30	39
		<u>30</u>	<u>39</u>
Current assets			
Stocks	8	15	3
Debtors: amounts falling due within one year	9	1,991	1,613
Cash at bank and in hand	10	470	762
		<u>2,476</u>	<u>2,378</u>
Creditors: amounts falling due within one year	11	(1,532)	(1,749)
Net current assets		<u>944</u>	<u>629</u>
Total assets less current liabilities		<u>974</u>	<u>668</u>
Net assets		<u>974</u>	<u>668</u>
Capital and reserves			
Called up share capital	14	50	50
Profit and loss account		924	618
		<u>974</u>	<u>668</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16/3/20


M J Bedford
 Director

The notes on pages 10 to 20 form part of these financial statements.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Kerridge Commercial Systems (KSE) Limited (the 'Company') is a private company limited by shares & incorporated in England and Wales. Registered number 05824170 Its registered head office is located at Charnham Park, Herongate, Hungerford, Berkshire, England, RG17 0YU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have been consistently applied.

The functional and presentation currency is GBP Sterling (£).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue represents amounts derived from the sale of software licences, installation, consultancy support, training services and maintenance, which falls within the Company's ordinary continuing activities after deduction of trade discounts and value added tax.

Revenues from software licence sales are recognised on delivery to a customer, when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In instances where significant vendor obligations exist, revenue recognition is delayed until the obligation has been satisfied. Revenues from maintenance contracts are recognised on a straight line basis over the period of the contract. Revenues from installation training services and consultancy support are recognised when the services are performed. Revenue from subscription agreements contain a mix of both software license and maintenance, these are recognised over a straight line basis across the term of the contract.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.3 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided to write off the cost or valuation of assets, less estimated residual values, evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	-	Over the shorter of the minimum period of the lease and the useful economic life of the asset.
Fixtures and fittings	-	25% - 27%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the Statement of comprehensive income.

2.4 Inventories

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

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

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.5 Going concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, taking into account expected level of recurring revenue and current pipeline for new business. The board closely monitor overheads and aim to keep the Company's cost base as low as possible. The directors are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirement for at least 12 months from the date of signing of these financial statements. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs.

2.7 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.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method

2.9 Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.12 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.13 Dividends

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

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.15 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2.16 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.17 Reserves

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Trade Debtors

Management applies judgement in evaluating the recoverability of debtors. To the extent that the directors believe debtors to be irrecoverable, they have been provided for in the financial statements.

4. Employees

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

	30 September 2019 No.	<i>Period ended 30 September 2018 No.</i>
Development	4	4
Support	15	15
Administration and sales	9	9
	28	28

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Key management remuneration

	<i>Period ended 30 September</i>	
	2019	2018
	£000	£000
Emoluments	-	24
Pension contribution	-	-
	<u>-</u>	<u>24</u>

Key management in the current and prior year include the directors and members of the senior management team. Upon acquisition by Kerridge Commercial Systems Limited, the Company remunerated the directors through one of the wider group companies, Kerridge Commercial Systems (Bidco) Limited. Proportion of directors' remuneration is recharged back to the Company through management charges.

6. Dividends

	<i>30 September</i>	
	2019	2018
	£000	£000
Dividends on ordinary shares	<u>520</u>	<u>200</u>

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Tangible fixed assets

	Fixtures and fittings £000	Long-term leasehold property £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 October 2018	85	125	111	321
Additions	4	-	10	14
At 30 September 2019	<u>89</u>	<u>125</u>	<u>121</u>	<u>335</u>
Depreciation				
At 1 October 2018	81	123	78	282
Charge for the year	2	1	20	23
At 30 September 2019	<u>83</u>	<u>124</u>	<u>98</u>	<u>305</u>
Net book value				
At 30 September 2019	<u>6</u>	<u>1</u>	<u>23</u>	<u>30</u>
At 30 September 2018	<u>4</u>	<u>2</u>	<u>33</u>	<u>39</u>

8. Inventories

	2019 £000	30 September 2018 £000
Finished goods and goods for resale	<u>15</u>	<u>3</u>

The replacement cost of the above stock would not be significantly different from the values stated.

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Debtors

	2019	30 September 2018
	£000	£000
Trade debtors	555	432
Amounts owed by group undertakings	1,182	833
Prepayments and accrued income	243	339
Deferred taxation	11	9
	1,991	1,613

10. Cash and cash equivalents

	2019	30 September 2018
	£000	£000
Cash at bank and in hand	470	762

11. Creditors: Amounts falling due within one year

	2019	30 September 2018
	£000	£000
Trade creditors	138	158
Amounts owed to group undertakings	128	160
Corporation tax	-	28
Other taxation and social security	134	175
Other creditors	4	3
Accruals and deferred income	1,128	1,225
	1,532	1,749

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Deferred taxation

	2019 £000
At beginning of year	9
Charged to profit or loss	2
At end of year	11

The deferred tax asset is made up as follows:

	2019 £000	30 September 2018 £000
Fixed asset timing differences	5	7
Short term timing differences	6	2
	11	9

13. Commitments under operating leases

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	30 September 2018 £000
In less than one year	119	117
In two to five years	189	304

KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. Share capital

	2019 £000	30 September 2018 £000
Allotted, called up and fully paid		
50,100 (2018 - 50,100) Ordinary shares of £1.00 each	50	50
100 (2018 - 100) 'A' Ordinary shares of £1.00 each	-	-
	<u>50</u>	<u>50</u>

On 25 April 2018, the 'A' Ordinary shares were redesignated as Ordinary shares.

15. Pension commitments

The Company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid and payable by the Company to the fund and amounted to £26,000 (2018: 12,000). Contributions totalling £4,000 (2018: £3,000) were payable to the fund at the balance sheet date.

16. Contingent liabilities

The Company is part of a group cross guarantee in respect of bank loans held by Kerridge Commercial Systems (Bidco) Limited and Kerridge Commercial Systems US Holdco Inc.. The total amount due at 30 September 2019 by the Group was £54,005,678, €5,300,000 and \$19,650,000 (2018: £57,005,678, €5,300,000 and \$19,650,000).

17. Related party transactions

In accordance with FRS 102 Section 33, the Company has taken advantage of the exemption for subsidiary undertakings, where all of the voting rights are controlled within a group, not to disclose related party transactions within that group.

18. Controlling party

The Company's immediate controlling party is Kerridge Commercial Systems Limited, a company incorporated in England and Wales, which owns 100% of the issued share capital of the company. The Company's ultimate controlling party is Kerridge Commercial Systems Group Limited. Copies of their financial statements can be obtained from Companies House.

The largest and smallest Group of which the Company is a member and for which Group financial statements are drawn up is headed by Kerridge Commercial Systems Group Limited. Copies of the financial statements of that entity are available from Companies House.

The ultimate controlling party is considered to be funds managed by Accel-KKR Management Company LLC.