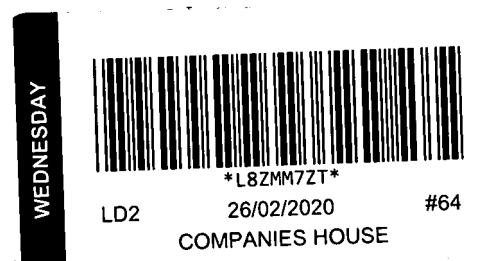


Company Registration No. 07336400 (England and Wales)

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED
(FORMERLY BROADWAY FINANCIAL TECHNOLOGY LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019



ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

COMPANY INFORMATION

Directors	Mr I McKenzie Mr J Cameron Mr R Ashton
Secretary	Mr J Cameron
Company number	07336400
Registered office	10 Brick Street Mayfair London UK W1J 7HQ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Business address	Floor 32, Euston Tower 286 Euston Road London UK NW1 3DP

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

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ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present the strategic report and audited financial statements for the year ended 31 August 2019.

Review of the Business

The Company continues, for the moment, to have only one customer, which is its fellow group company Indigo Michael Limited. The Company provides software.

Turnover has remained broadly consistent to the previous year (£11,477,283 (2018: £11,772,585)). This was expected following a 590% increase in the prior year. The increase generated in prior years resulted from an increase in the number of active users and an increase in the user licence fee, from £1 to £5, which reflected the significant costs incurred in enabling open banking functionality. This upgrade was completed in the financial year and the license fee has been reduced from £5 to £0.50 to reflect this. As a result of this, the turnover is expected to decrease in the upcoming financial year. The increase in active users was driven by successful marketing campaigns and improved processes on acquiring new customers.

Description of Principal Risks and Uncertainties

The key business risks and uncertainties affecting the business are considered to relate to competition for developers in the London jobs market and reliance on key suppliers and service providers, as well as access to loans which are used to provide long term finance. The Board and management of the Company monitor these risks and potential mitigating actions on a regular basis.

Key Performance Indicators

Given the straightforward nature of its business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

On behalf of the board



Mr R Ashton
Director

26/02/2020

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The directors present their annual report and audited financial statements for the year ended 31 August 2019.

Principal Activities

The Company's principal activity during the year continued to be that of software development for resale.

The Company is domiciled in the United Kingdom.

Results and Dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £2,500,000. The directors do not recommend payment of a final dividend.

On 29th January 2020 a dividend of £1.6m was paid to Account Technologies Holdings Limited, the immediate parent entity. On the same day the entity received £1.6m from Indigo Michael Limited, a fellow subsidiary, settled by way of repaying intercompany balances.

Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company is in a position to continue trading for at least 12 months from the date of signing of these financial statements. In making this assessment the Directors have considered the cash reserves, future forecast cash flows and the company's ability to meet its creditors as they fall due for the period specified above. The directors believe that the current net asset position of £5.9m coupled with expected future cash flows for the entity is sufficient to form this conclusion.

Directors

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

Mr I McKenzie
Mr J Cameron
Mr R Ashton

Directors' Insurance

The Company has made qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were on force during the course of the financial year and at the date of signing these financial statements, for the benefit of the directors.

Charitable Donations

During the year the company made no charitable donations. No charitable donations were made in the prior year.

Financial Risk Management

The Company continually monitors the financial risk facing the organisation and the funding requirements support the growth of the business, through weekly cash flow meetings.

The Company itself does not hedge.

Research and Development

The Company is currently undertaking research and development activities in regard to the development of an online platform that has the aim of making credit scoring an entirely technological process, and developing processes to enrich "open banking".

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Future Developments

The directors anticipate the business environment will remain competitive. They believe that the Company is in a good financial position and will continue to grow.

Independent Auditors

The auditors PricewaterhouseCoopers LLP are reappointed under section 487(2) of the Companies Act 2006.

Statement of Directors' Responsibilities in Respect of the Financial Statements

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 101 "Reduced Disclosure Framework", 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:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Directors' Confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Statement of Disclosure to Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors, in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements on pages 8 to 25 were approved by the Board of Directors in February 2020 and signed on its behalf by:



Mr R Ashton
Director

26/02/2020

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

Report on the Audit of the Financial Statements

Opinion

In our opinion, Account Technologies Software Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2019, 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 101 "Reduced Disclosure Framework", 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 balance sheet as at 31 August 2019; the profit and loss account, 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, customers, suppliers and the wider economy.

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.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

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 31 August 2019 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 in respect of the financial statements set out on page 3, 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.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

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.



Timothy Lawrence (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 February 2020

26/02/2020

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Turnover	3	11,477,283	11,772,585
Cost of sales		(307,079)	(339,812)
Gross profit		11,170,204	11,432,773
Administrative expenses		(4,101,194)	(4,453,796)
Operating profit	4	7,069,010	6,978,977
Interest receivable and similar income	7	2,252,983	666,884
Interest payable and similar expenses	8	(4,548)	(233,404)
Other interest payable and similar charges	8	-	(9,472)
Profit on ordinary activities before taxation		9,317,445	7,402,985
Tax on profit on ordinary activities	9	(2,072,597)	(1,573,244)
Profit for the financial year	18	7,244,848	5,829,741

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2019

	2019	2018
	£	£
Profit/(Loss) for the financial year	7,244,848	5,829,741
	<u> </u>	<u> </u>
Other comprehensive income	-	-
	<u> </u>	<u> </u>
Total other comprehensive income for the year	-	-
	<u> </u>	<u> </u>
Total comprehensive income/(expenses) for the year	7,244,848	5,829,741
	<u> </u>	<u> </u>

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

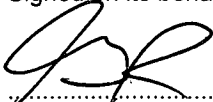
BALANCE SHEET

AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	440,298	492,058
Tangible fixed assets	12	10,595	21,481
		<u>450,893</u>	<u>513,539</u>
Current assets			
Debtors	14	9,916,702	4,554,753
Cash at bank and in hand		5,389	2,126
		<u>9,922,091</u>	<u>4,556,879</u>
Creditors: amounts falling due within one year			
Trade creditors and other payables	15	2,348,036	2,263,867
Taxation and social security		2,078,576	1,605,027
		<u>4,426,612</u>	<u>3,868,894</u>
Net current assets		<u>5,495,479</u>	<u>687,985</u>
Total assets less current liabilities		<u>5,946,372</u>	<u>1,201,524</u>
Net assets/(liabilities)		<u>5,946,372</u>	<u>1,201,524</u>
Capital and reserves			
Called up share capital	17	900	900
Profit and loss account	18	5,945,472	1,200,624
Total equity		<u>5,946,372</u>	<u>1,201,524</u>

25 The financial statements on pages 8 to 25 were approved by the Board of directors and authorised for issue in February 2020.

Signed on its behalf by:



Mr R Ashton
Director

Company Registration No. 07336400

26/02/2020

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 September 2017		900	(2,489,117)	(2,488,217)
Profit and total comprehensive income for the year		-	5,829,741	5,829,741
Dividends	10	-	(2,140,000)	(2,140,000)
Balance at 31 August 2018		900	1,200,624	1,201,524
Profit and total comprehensive income for the year		-	7,244,848	7,244,848
Dividends	10	-	(2,500,000)	(2,500,000)
Balance at 31 August 2019		900	5,945,472	5,946,372

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Company Information

Account Technologies Software Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Brick Street, Mayfair, London, W1J 7HQ.

1.1 Basis of Preparation

The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company has transitioned to Financial Reporting Standard 101, "Reduced Disclosure Framework (FRS 101) from previously extant UK Generally Accepted Accounting Practice for all periods presented. The financial statements have been prepared on the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets,
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, and related party transactions.

Where required, equivalent disclosures are given in the group financial statements of Loudwater Ventures Limited. The group financial statements of Loudwater Ventures Limited are available to the public and can be obtained as set out in note 21.

Account Technologies Software Limited is a wholly owned subsidiary of Account Technologies Holdings Limited, and the results of Account Technologies Software Limited are included in the consolidated financial statements of Loudwater Ventures Limited which are available from 10 Brick Street, Mayfair, London, W1J 7HQ.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

(Continued)

1.2 Going Concern

The financial statements have been prepared on a going concern basis, which assumes that the company is in a position to continue trading for at least 12 months from the date of signing of these financial statements. In making this assessment the Directors have considered the cash reserves, future forecast cash flows and the company's ability to meet its creditors as they fall due for the period specified above. The directors believe that the current net asset position of £5.9m coupled with expected future cash flows for the entity is sufficient to form this conclusion.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown gross. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. All turnover relates to amounts charged to a company under common control for the use of software developed by the Company.

1.4 Intangible Assets Other than Goodwill

Software development costs represent internally capitalised time that was spent specifically on software development in respect of the Safetynet Credit and Tappily technology and is capitalised at cost. Such assets are capitalised where there is a clearly defined project, the related expenditure is identifiable and where it relates to projects which are technically viable and commercially feasible. Amortisation has been charged on a straight-line basis over their estimated useful lives of 3 years to the profit and loss account within cost of sales. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.5 Tangible Fixed Assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses:

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

(Continued)

1.6 Impairment of Tangible and Intangible Assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

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

1.7 Fair Value Measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.8 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

(Continued)

1.9 Financial Assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Loans and Receivables

Trade Debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of Financial Assets

Financial assets, other than those at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of Financial Assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial Liabilities

The Company recognizes financial debt when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other Financial Liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of Financial Liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

(Continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account, because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement Benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, less any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.15 Foreign Exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting Policies

(Continued)

1.16 Adoption of International Accounting Standards

At the date of signing these financial statements, the following standards and interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 16 "leases" will be effective for the year ending 31st August 2020 onwards and the impact is not expected to be significant. IFRS 16 requires lessees to recognise the future liability reflecting the future lease payments and a right-of-use asset for all lease contracts.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amount of the assets or the liabilities is only that of the recognition of capitalised development costs.

3 Turnover

An analysis of the Company's turnover is as follows:

	2019 £	2018 £
By activity:		
Software sales	11,477,283	11,772,585
By geographical market		
	2019 £	2018 £
UK	11,477,283	11,772,585

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

4 Operating Profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Net foreign exchange losses	-	598
Fees payable to the Company's auditors for the audit of the Company's financial statements	11,000	10,000
Depreciation of property, plant and equipment	14,434	18,399
Operating lease rentals - land and buildings	239,480	191,702
Amortisation of intangible assets	307,079	339,812
Provision against amounts due from related parties (see note 20)	2,024,631	2,370,754

5 Auditor's Remuneration

	2019	2018
	£	£
Fees payable to the Company's auditor and associates:		
For audit services		
Audit of the Company's financial statements	11,000	10,000
For other services		
Other services	-	25,000

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Employees

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

	2019 Number	2018 Number
Development	19	17
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	664,133	606,562
Social security costs	76,958	56,396
Other pension costs	14,756	6,097
	<u>755,847</u>	<u>669,055</u>

Directors:

The directors' remuneration was as follows:

	2019 £	2018 £
Aggregate remuneration	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Employees

(Continued)

Highest paid director:

The highest paid director's remuneration was as follows:

	2019 £	2018 £
Aggregate remuneration	-	-
	-	-

The directors were paid by a fellow group undertaking, and no recharges have been made to the group entity.

7 Interest Receivable and Similar Income

	2019 £	2018 £
Interest income		
Interest receivable from group companies	2,252,983	666,884

Total interest income for financial assets that are not held at fair value through profit or loss is £2,252,983 (2018 - £666,884).

8 Interest Payable and Similar Expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	4,548	233,404
Interest on director loans	-	9,472
	4,548	242,876

9 Tax on Profit

	2019 £	2018 £
Current tax		
Current year taxation	2,083,611	1,574,000
Prior year adjustment to corporation tax	(11,014)	(756)
	2,072,597	1,573,244

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

(Continued)

9 Tax on Profit

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2019 £	2018 £
Profit on ordinary activities before taxation	9,317,445	7,402,985
Expected tax charge based on a corporation tax rate of 19% (2018: 19%)	1,770,315	1,406,567
Expenses not deductible in determining taxable profit	396,716	441,033
Utilisation of tax losses not previously recognised	-	(173,280)
Adjustment in respect of prior years	(11,014)	(756)
R&D tax credit	(83,420)	(100,320)
Total tax charge for the year	2,072,597	1,573,244

10 Dividends

	2019 per share	2018 per share	2019 £	2018 £
Amounts recognised as distributions to equity holders:				
Ordinary shares				
Interim dividend paid	3.33	1.85	2,166,667	1,440,000
Ordinary B shares				
Interim dividend paid	3.33	5.83	333,333	700,000
Total dividends				
Final dividends paid			-	-
Interim dividends paid			2,500,000	2,140,000
			2,500,000	2,140,000

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Intangible Assets

	Development costs £
Cost	
At 1 September 2018	1,753,714
Additions	255,319
	<hr/>
At 31 August 2019	2,009,033
	<hr/>
Accumulated Amortisation	
At 1 September 2018	1,261,656
Charge for the year	307,079
	<hr/>
At 31 August 2019	1,568,735
	<hr/>
Carrying amount	
At 31 August 2019	440,298
	<hr/>
At 31 August 2018	492,058
	<hr/>

12 Tangible Assets

	Plant and equipment £
Cost	
At 1 September 2018	76,453
Additions	3,548
	<hr/>
At 31 August 2019	80,001
	<hr/>
Accumulated depreciation	
At 1 September 2018	54,972
Charge for the year	14,434
	<hr/>
At 31 August 2019	69,406
	<hr/>
Carrying amount	
At 31 August 2019	10,595
	<hr/>
At 31 August 2018	21,481
	<hr/>

13 Credit Risk

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Debtors

	Note	2019 £	2018 £
Other receivables		50,947	25,346
VAT recoverable		49,799	28,029
Amounts due from fellow group undertakings		9,785,967	4,427,803
Prepayments		29,989	73,575
		<u>9,916,702</u>	<u>4,554,753</u>

Amounts due from fellow group undertakings are unsecured, repayable on demand and attract interest at 20%.

15 Trade Creditors and Other Payables

	Due within one year	
	2019 £	2018 £
Trade creditors	60,097	5,280
Amount due to parent undertaking	2,140,000	2,140,000
Accruals	99,046	63,075
Other creditors	48,893	55,512
	<u>2,348,036</u>	<u>2,263,867</u>

Loudwater Ventures Limited (previously known as Account Technologies Limited) and its subsidiaries Account Technologies Holdings Limited, Indigo Michael Limited and Account Technologies Software Limited (previously known as Broadway Financial Technology Limited) have each entered into a debenture creating fixed and floating charges over all of its assets, property, business, undertaking and uncalled share capital as continuing security in favour of Midtown Madison Management LLC as security for the obligations of the Obligors under the Facility Agreement entered into with Midtown Madison Management LLC dated 4th April 2019. Under the Facility Agreement each company cross-guarantees the obligations of each other Obligor under the Facility Agreement.

Amounts due to parent and fellow group undertakings are unsecured, repayable on demand and attract interest at 20% (2018: 20%).

16 Retirement Benefit Schemes

Defined Contribution Schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £14,756, (2018 - £6,097).

At the balance sheet date, the Company had outstanding pension commitments totaling £4,386, (2018 - £3,297).

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Called up Share Capital	2019 £	2018 £
Called up ordinary share capital		
<i>Issued and fully paid</i>		
780,000 (2018: 780,000) Ordinary shares of £0.001 each	780	780
120,000 (2018: 120,000) Ordinary B shares of £0.001 each	120	120
	<u>900</u>	<u>900</u>

The share classes have similar entitlements in respect of voting rights and dividends. The full details are outlined in the company's Articles of Association.

18 Profit and Loss Account

	£
At 1 September 2017	(2,489,117)
Profit for the financial year	5,829,741
Dividends	<u>(2,140,000)</u>
At 31 August 2018	1,200,624
Profit for the financial year	7,244,848
Dividends	<u>(2,500,000)</u>
At 31 August 2019	<u>5,945,472</u>

19 Operating Lease Commitments

Lessee

Amounts recognised in profit or loss as an expense during the year in respect of operating lease arrangements are as follows:

	2019 £	2018 £
Minimum lease payments under operating leases	<u>239,480</u>	<u>191,702</u>

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	<u>173,384</u>	<u>-</u>
	<u>173,384</u>	<u>-</u>

ACCOUNT TECHNOLOGIES SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Events after the reporting date

On 29th January 2020 a dividend of £1.6m was paid to Account Technologies Holdings Limited, the immediate parent entity. On the same day the entity received £1.6m from Indigo Michael Limited, a fellow subsidiary, settled by way of repaying intercompany balances.

21 Related Party Transactions

FRS 101.8(k) exempts the Company from disclosing transactions between this Company and other members of the Account Technologies Group as it is a wholly owned subsidiary of the Parent Company.

Loudwater Ventures Limited (previously Account Technologies Limited) is the highest Company that includes the Company's financial statements in their consolidated financial statements.

The consolidated financial statements of Loudwater Ventures Limited can be obtained from 10 Brick Street, Mayfair, London, W1J 7HQ.

The Company also entered into the following related party transactions:

AccountScore Limited

A Company under common control.

At the year end, the Company was owed £Nil, (2018: £4,321,025). During the year, the Company forgave the full loan outstanding totaling £6,449,512. This amount had been fully provided for in prior years due to uncertainty over the collectability of the amounts owed.

22 Controlling Party

The ultimate controlling party is Mr I McKenzie by virtue of his majority shareholding in the ultimate Parent Company, Loudwater Ventures Limited (previously known as Account Technologies Limited), a Company incorporated in the United Kingdom.

Account Technologies Software Limited is a wholly owned subsidiary of Account Technologies Holdings Limited, and the results of Account Technologies Software Limited are included in the consolidated financial statements of Account Technologies Holdings Limited and Loudwater Ventures Limited which are available from 10 Brick Street, Mayfair, London, W1J 7HQ.