Access Systems (UK) Limited

Annual report and financial statements

Registered number 08033029

30 April 2018

Contents

Officers and professional advisors

Director:	Mr A Kapoor
Company Secretary:	Mr P Burnett
Registered Office:	City Tower Piccadilly Plaza Manchester United Kingdom M1 4BT
Equity funders:	Route 66 Ventures LLC 2nd Floor, 118 King St, Alexandria, VA 22314, United States
	True Ventures 27 S Park St, San Francisco, CA 94107, United States
	NPIF NW Clarence House Clarence St Manchester M2 4DW
Auditor:	KPMG LLP 1 St Peter's Square Manchester United Kingdom M2 3AE
Bankers:	Barclays Bank Plc 3 Hardman Street Manchester United Kingdom M3 3HF
	Columbia Lake Partners 1-45 Durham St London SE11 5JH

Director's report

The director presents his report and the audited financial statements of Access Systems (UK) Limited ("the Company") for the year ended 30 April 2018.

Principal activities

The principal activity of the Company during the period was the design, development and implementation of cloud-based payment and cash management solutions.

Business review

A leader in fin-tech innovation

AccessPay continues to be at the forefront of developing technology solutions for businesses to automate payment and cash management processes.

The Company has enjoyed another year of significant progress across all areas. Research and development continues to be a priority with £1.4m invested in 2018 (2017: £1.1m). Total revenues in 2018 were £2,801,000 (2017: £2,379,000) and the company made a loss for the year of £1,967,000 (2017: £993,000) as a result of the increased development spend. Recurring revenues have increased by 22% across the year and there have been notable customer wins across a range of industry verticals. Many of our new blue-chip customers are part of significant groups which provide the Company with a pipeline of further opportunities once customers have experienced the benefits of the technology platform.

In December 2017 AccessPay won the Swift GPI Industry challenge which will add a payment tracking solution to the broadening product range.

A solid financial foundation

The Company continues to value the support and backing of our investors, True Ventures and Route 66 Ventures. True Ventures is a US Silicon Valley-based venture capital firm that invests in technology firms providing funding to the most talented entrepreneurs in today's fastest growing markets. Route 66 Ventures is a US venture capital firm that specialises in Fin-tech investment, providing finance to a select number of high quality businesses that will transform the fin-tech industry.

In December 2017, the Company raised £2,600,000 through technology venture debt specialist Columbia Lake Partners and repaid its facility with Clydesdale.

In February 2018, the Company raised £1,000,000 through NPIF NW, a fund which specialises in high growth businesses.

The NPIF funds are being used to accelerate product development and geographical expansion as AccessPay seeks to maximise the opportunities presented by technical and regulatory factors.

Proposed dividend

The director does not recommend the payment of a dividend *(2017: £nil).*

Directors

The sole director who held office during the year was:

Mr A Kapoor

Political contributions

The Company made no political donations or incurred any political expenditure during the year *(2017: £nil).*

Director's report *(continued)*

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and he has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small company provisions

This report has been prepared in accordance with special provisions in relation to small companies within Part 15 of the Companies Act 2006.

By order of the board

A Kapoor
Director

City Tower
Piccadilly Plaza
Manchester
United Kingdom
M1 4BT

6 July 2018

Statement of Director's responsibilities in respect of the Director's report and the financial statements

The Director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the Director 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 these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Director is 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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Access Systems (UK) Limited

Opinion

We have audited the financial statements of Access Systems (UK) Limited ("the company") for the year ended 30 April 2018, which comprise the profit and loss account, balance sheet, statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Director's report

The Director is responsible for the Director's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Director's report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Access Systems (UK) Limited *(continued)*

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

Director's responsibilities

As explained more fully in their statement set out on page 4, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at: www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

6 July 2018

Profit and loss account
for the year ended 30 April 2018

	Note	**2018** **£000**	2017 £000
Turnover	*2*	**2,801**	2,379
Cost of sales		**(759)**	(706)
Gross profit		**2,042**	1,673
Administrative expenses		**(4,245)**	(3,042)
Operating Loss		**(2,203)**	(1,369)
Interest Payable		**(229)**	-
Loss before taxation		**(2,432)**	(1,369)
Tax on loss	*6*	**465**	376
Loss for the financial period		**(1,967)**	(993)

All amounts relate to continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

Balance sheet
as at 30 April 2018

	Note	**2018** £	£	2017 £	£
Fixed assets					
Tangible assets	*7*		**97**		27
Investments	*8*		**57**		120
			154		147
Current assets					
Debtors	*9*	**910**		914	
Cash at bank and in hand		**717**		1,148	
		1,627		2,062	
Creditors: amounts falling due within one year	*10*	**(1,333)**		(617)	
Net current assets			**294**		1,445
Total assets less current liabilities			**448**		1,592
Creditors: amounts falling due after more than one year	*11*		**(2,415)**		(1,715)
Provisions for liabilities	*13*		**-**		(18)
Accruals and deferred income	*14*		**(1,616)**		(1,475)
Net liabilities			**(3,583)**		(1,616)
Capital and reserves					
Called up share capital	*15*		**6**		6
Share premium account			**5,258**		5,258
Profit and loss account			**(8,847)**		(6,880)
Shareholders' deficit			**(3,583)**		(1,616)

The notes on pages 10 to 21 form part of these financial statements.

These financial statements were approved by the board of directors on 6 July1018 and were signed on its behalf by:

A Kapoor
Director

Company registered number: 08033029

Statement of changes in equity

	Called up share capital £000	Share premium £000	Profit and loss £000	Total equity £000
Balance at 1 May 2016	6	5,258	(5,887)	(623)
Total comprehensive income for the period				
Loss	-	-	(993)	(993)
Total comprehensive income for the period	-	-	(993)	(993)
Issue of shares	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 30 April 2017	**6**	**5,258**	**(6,880)**	**(1,616)**

	Called up share capital £000	Share premium £000	Profit and loss £000	Total equity £000
Balance at 1 May 2017	6	5,258	(6,880)	(1,616)
Total comprehensive income for the year				
Loss	-	-	(1,967)	(1,967)
Total comprehensive income for the year	-	-	(1,967)	(1,967)
Issue of shares	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Balance at 30 April 2018	**6**	**5,258**	**(8,847)**	**(3,583)**

The notes on page 10 to 21 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Access Systems (UK) Limited (the "Company") is a private Company limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 08033029 and the registered address is City Tower, Piccadilly Plaza, Manchester, United Kingdom, M1 4BT.

These financial statements were prepared in accordance with *Section 1A of the Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")* as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to Section 1A of FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company meets its day to day capital requirements through cash generated from trading and its cash resources raised from investors. The Director believes that the Company has access to considerable financial resources and, as a consequence, believe that it is well placed to manage its business risks successfully.

The Company's forecasts and projections show that the Director has a reasonable expectation that the Company has sufficient resources to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Financial instruments

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4 Basic financial instruments

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Basic financial instruments (continued)

Investments in parent company shares

These are separate financial statements of the Company. Investments in parent Company shares are carried at cost less impairment.

1.5 Foreign currency

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 balance sheet 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 profit and loss account.

1.6 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Fixtures and fittings	-	5 years
Equipment	-	3 years
Leasehold	-	3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.7 Intangible assets

Research and development

All expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Turnover

The recurring income of contracts spanning multiple accounting periods is recognised over the term of the contract. Any recurring income received but not recognised end of the accounting period is held on the balance sheet as deferred income.

Professional services income is recognised on the basis of percentage of contract completion.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable and unwinding of the discount on provisions.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

Notes *(continued)*

2 Turnover

	2018 £000	2017 £000
Subscription turnover	**2,392**	1,959
Professional services turnover	**409**	420
Total turnover	**2,801**	2,379

By geographical market	2018 £000	2017 £000
United Kingdom	**2,540**	2,260
Other	**261**	119
Total turnover	**2,801**	2,379

3 Auditor's remuneration

Auditor's remuneration:

	2018 £000	2017 £000
Audit of these financial statements	**24**	22
Amounts receivable by the Company's auditor and its associates in respect of:		
Taxation compliance services	**8**	4
Other tax advisory services	**8**	6

4 Staff numbers

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2018	2017
Sales and Marketing	**18**	12
Research and Development	**17**	7
Service Delivery	**10**	10
General and Administration	**6**	6
	51	35

Notes *(continued)*

5 Director's remuneration

The Company's directors received the following amounts for services to the Company in the year:

	2018	2017
	£000	£000
Director's remuneration	**135**	120
Compensation for loss of office	-	20

As the sole director, the remuneration figures disclosed also represent that of the highest paid director.

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2018	2017
	£000	£000
Current tax		
Current tax on income for the period	**(465)**	(375)
Adjustments in respect of prior periods	-	(1)
Total tax	**(465)**	(376)

Analysis of current tax recognised in profit and loss

	2018	2017
	£000	£000
UK corporation tax	**(465)**	(376)
Total current tax recognised in profit and loss	**(465)**	(376)

Notes *(continued)*

6 Taxation *(continued)*

Reconciliation of effective tax rate

	2018 £000	2017 £000
Loss for the year	**(1,967)**	(993)
Total tax credit	**(465)**	(376)
Loss excluding taxation	**(2,432)**	(1,369)
Tax using the UK corporation tax rate of 19% *(2017: 20%)*	**(462)**	(273)
Surrender of tax losses for R&D tax credit refund	**144**	140
Expenses not deductible for tax purposes	**4**	5
Fixed Asset Differences	**1**	-
Additional deduction for R&D expenditure	**(344)**	(291)
Adjust closing deferred tax to average rate	**-**	147
Adjust opening deferred tax to average rate	**-**	(92)
Deferred tax not recognised	**200**	(11)
Adjustment to tax credit in respect of previous periods	**-**	(1)
Other permanent differences	**(8)**	-
Total tax credit included in profit or loss	**(465)**	(376)

Factors that may affect future current tax changes

A reduction in the UK Corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. Further reductions to 18% (effective 1 April 2020) and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 30 April 2018 has been calculated based on these rates.

Deferred tax asset

A deferred tax asset of £1,032,843 *(2017: £859,000)* related to brought forward tax losses has not been recognised on the grounds that its recoverability is not sufficiently certain.

Notes *(continued)*

7 Tangible fixed assets

	Leasehold	Fixtures and fittings	Equipment	Total
	£000	£000	£000	£000
Cost				
At beginning of year	-	10	46	56
Additions	28	26	57	111
At end of year	28	36	103	167
Depreciation				
At beginning of year	-	5	24	29
Charge for year	6	6	29	41
At end of year	6	11	53	70
Net book value				
At 30 April 2018	**22**	**25**	**50**	**97**
At 30 April 2017	-	5	22	27

8 Fixed asset investments

	2018
	£000
Cost and net book value	
At 1 May 2017	120
Disposals	(63)
At 30 April 2018	**57**

On 31 August 2017, the Company sold £63,911 of the issued share capital of its parent company, Access Systems Inc to the director. The Company holds 9.3% of the issued share capital in the parent company at the year end (*2017: 20%*).

9 Debtors

	2018	2017
	£000	£000
Trade debtors	**223**	383
Corporation tax	**465**	375
Other debtors	**12**	6
Prepayments and accrued income	**207**	150
Amounts owed by group undertakings	**3**	-
	910	914

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Bank Loans	**751**	209
Trade creditors	**339**	281
Taxation and social security	**83**	117
Amount due to group undertakings	**151**	-
Other creditors	**9**	10
	1,333	617

11 Creditors: amounts falling due after more than one year

	2018 £000	2017 £000
Bank loans	**1,474**	1,715
Unsecured loan notes	**941**	-
	2,415	1,715

12 Interest-bearing loans and long term financial instruments

This note provides information about the contractual terms of the Company's interest-bearing loans and financial instruments, which are measured at amortised cost.

	2018 £000	2017 £000
Creditors falling due within less than one year		
Bank loans	**751**	209
	751	209
Creditors falling due more than one year		
Bank loans	**1,474**	1,715
Unsecured loan notes	**941**	-
	2,415	1,715

All amounts are repayable within five years as at the year-end date.

Notes *(continued)*

12 Interest-bearing loans and financial instruments *(continued)*

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2018 £000	2017 £000
Clydesdale bank loan facility	GBP	LIBOR + 6.75%	2021	Instalments	-	1,924
Columbia Lake loan facility	GBP	12.00%	2020	Instalments	**2,225**	-
NPIF NW Equity investment	GBP	15.00%	2023	On maturity	**941**	-
					3,166	1,924

Clydesdale Bank Plc loan facility

On 31 March 2017, the Company entered into a £2,000,000 term loan facility agreement with Clydesdale Bank Plc ("the bank"), which was fully drawn down on 31 March 2017. The bank loan was settled on 22 December 2017 and a deed of release was obtained from the bank in respect of all security granted to it by the Company and its parent company.

Columbia Lake Partners loan facility

On 22 December 2017, the Company entered into a £3,500,000 term loan facility agreement with Columbia Lake Partners ("CLP") of which £2,600,000 was drawn down on 27 December 2017. The remainder of the loan is available to be drawn down until 1 October 2018 subject to agreed additional terms.

The initial drawdown of £2,600,000 is repayable via equal instalments over the loan term. Interest is payable monthly in arrears at a fixed rate of 12.00% per annum. The amounts stated above for the loan includes capitalised transaction costs of £115,000 incurred. The facility agreement also provides for a fixed exit cost of £52,500, payable on a number of events, including repayment of the loan in full, change in control of the Company, and default on the loan. The loan is secured via a debenture granted by the Company in favour of CLP comprising full fixed and floating security over the assets of the Company, and its parent company, Access Systems Inc., for satisfaction of the loan.

As part of the loan agreement the parent issued CLP with a warrant that gives it the right to subscribe to £420,000 of the parent's share capital for a subscription price of either $0.40 per share or the lowest price paid by an investor in the next equity round. The expiration date of the warrant is 22 December 2027.

No amounts have been recognised in the financial statements with regards to the warrant.

NPIF loan notes

On 21 February 2018, the Company, the parent and the director entered into a £1,000,000 loan agreement with NPIF NW Equity LP ("NPIF") which was fully drawn down on 22 February 2018. The investment amount including accrued interest is repayable in one repayment on 21 February 2023. Interest accrues daily at the rate of 15% per annum.

The investment is unsecured.

Notes *(continued)*

12 Interest-bearing loans and financial instruments *(continued)*

NPIF loan notes (continued)

As part of the loan agreement the Company gave NPIF a warrant to subscribe for 1,790,000 ordinary shares in the Company for the subscription price of £134,250. The exercise of the warrant is limited to certain exercisable events arising. The expiration date of the warrant is 21 February 2038.

As part of the transaction, the Company's parent company, Access Systems Inc. entered into a put option agreement with NPIF. The put option gives the warrant holder the right to sell the shares received in the Company on exercise of the warrant to the parent company, at fair value, on the date of sale.

The agreement gives NPIF the right to increase the number of shares subject to the warrant agreement, to the equivalent of 3.5% of the fully diluted share capital of the parent, as part of the next fund raise.

No amounts have been recognised in the financial statements with regards to the warrant or the put options.

Barclays warrants

In 2016, the Company entered into venture debt loan facility agreement with Barclays ("the bank"). The loan facility settled on 31 March 2018 and a deed of release was obtained from the bank in respect of all security granted to it by the Company and its parent company.

As part of the facility arrangements, the Company also entered into a warrant agreement with the bank which continues to be in place. That agreement gave the bank a warrant that gives it the right to subscribe to 1.1% of the Company's share capital for a subscription price of the greater of £150,000 and the nominal value of the shares received. The exercise of the warrant is limited to certain exercisable events arising.

As part of the transaction, the Company's parent company, Access Systems Inc. entered into a put option agreement with the bank. The put option gives the warrant holder the right to sell the shares received in the Company on exercise of the warrant to the parent company at fair value on the date of sale.

No amounts have been recognised in the financial statements with regards to the warrant or the put options.

13 Provisions for liabilities

	Other provisions £000
At beginning of year	18
Provision release	(18)
At end of year	-

14 Accruals and deferred income

	2018 £000	2017 £000
Accruals	**184**	112
Deferred income	**1,432**	1,363
	1,616	1,475

Notes *(continued)*

15 Called up share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
5,981 *(2017: 5,981)* Ordinary shares of £1 each	**6**	6

16 Employee Benefits

EMI employee share option scheme

The Company operates an Enterprise Management Incentive (EMI) employee share option scheme.

Under the scheme, on 8 August 2017 the Company granted 250,000 share options to three employees of the Company. The vesting start dates for two employees was 1 May 2017 and one employee 1 August 2017.

On 7 March 2018, the Company granted 335,000 share options to twenty seven employees of the Company. The vesting start date for all employees was 1 March 2018.

The share options give the holder the right to buy shares in the Company's parent company, Access Systems Inc. Each option entitles the holder to acquire one ordinary share in Access Systems Inc. at a cost of $0.10 per share.

Employees can acquire 25% of their allocation twelve months after the vesting start date and thereafter $1/48^{th}$ of the balance every month of employment to the 48^{th} month after the vesting start date.

No option may be exercised more than ten years after its date of grant. As at 30 April 2018 six employees had exercised some of their options.

The number of share options outstanding at the start and end of the year are as follows:

	2018	2017
Outstanding at start of the year	**7,095,000**	3,202,500
Granted during year	**585,000**	4,170,000
Lapsed during year	**(751,439)**	(269,800)
Exercised during year	**(58,561)**	(7,700)
Outstanding at end of year	**6,870,000**	7,095,000
Exercisable at the end of the year	**3,579,375**	1,797,917

Notes *(continued)*

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018	2017
	£000	£000
Less than one year	180	112
Between one and five years	475	229
More than five years	-	-
	655	341

During the year £166,000 *(2017: £146,000)* was recognised as an expense in the profit and loss account in respect of operating leases.

18 Related party relationships and transactions

Parent and Subsidiary Entities

The company was wholly owned throughout the period by Access Systems Inc.

During the period the company had two wholly owned subsidiaries, Access Systems EBT Ltd. and Access Financial Analytics Ltd. The registered office of both wholly owned subsidiaries is City Tower, Piccadilly Plaza, Manchester, United Kingdom, M1 4BT.

The company has taken advantage of the exemptions available under Financial Reporting Standard 102 not to disclose key management personnel compensation, and not to disclose transactions with wholly owned subsidiaries or the parent company.

AJK Consulting

AJK Consulting is an unincorporated entity managed by Mr A Kapoor who was a director during the period.

As at the year-end date, the Company owed AJK Consulting £nil *(2017: £2,000)*.

During the year, AJK Consulting provided services to the Company to the value of £5,000 *(2017: £6,000)*.

19 Ultimate parent company and parent company of larger group

The Company is controlled by Access Systems Inc., which is also the ultimate controlling party. Access Systems Inc. is also the ultimate and immediate parent company and is incorporated in the United States of America. Access Systems Inc.'s registered office is 2711 Centerville Road, Wilmington, Delaware 19808, USA.

No other group financial statements include the results of the Company.