

Company registration number 10389350 (England and Wales)

Mitrefinch Holdings Limited
Annual Report And Financial Statements
For The Period Ended 28 February 2021

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MITREFINCH HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr G J Wilson Mr R J Kerr
Secretary	Mrs J L Aspell
Company number	10389350
Registered office	The Mailbox 101 Wharfside Street Birmingham B1 1RF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

MITREFINCH HOLDINGS LIMITED

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MITREFINCH HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2021

The directors present the strategic report for the period ended 28 February 2021.

Fair review of the business

The directors present their strategic report, the report of the Directors and the audited financial statements of Mitrefinch Holdings Limited (the 'Company'), for the 15-month period ended 28 February 2021.

Principal activities

The principal activity of the company is that of an investment holding company.

Business review

The Company was acquired by Advanced Business Software and Solutions Limited on 15 October 2020. The Company's financial year was subsequently extended to 28 February 2021.

Results and financial position

The results of the Company are set out on pages 9-23 of these financial statements.

The Company made a loss for the financial period of £4,729,416 (12 months ended 30 November 2019: £4,009,553). The increase in the loss for the period is due to an increase in the Company's interest payable and tax charge.

The Company's net assets are £41,508,210 (2019 – net liabilities of £12,134,297). The increase in net assets is primarily due to the repayment of the Company's external borrowings on the acquisition by Advanced Business Software and Solutions Limited.

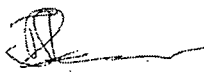
Key performance indicators

As the Company is a holding company with the purpose of holding the investment in Mitrefinch Limited as opposed to trading, the Directors are focused on the Balance Sheet performance. Therefore, the key performance indicator of the Company is its net asset position as detailed above. The Directors are satisfied with the Company's Balance Sheet position.

Future developments

As mentioned above, the Company is a holding company which joined the Advanced Group on 15 October 2020. Therefore, the future developments of the Company are largely dependent on the future developments taken by the Advanced Group. For these Group future developments, refer to the Aston Midco consolidated Group financial statements.

On behalf of the board



.....
Mr R J Kerr
Director

Date: 3 October 2022

MITREFINCH HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 28 FEBRUARY 2021

The directors present their annual report and audited financial statements for the 15-month period ended 28 February 2021.

Reporting requirements on the Company's principal activities, business review, results and financial position, key performance indicators and future developments can be found in the Strategic Report which starts on page 1.

Results and dividends

The Company was acquired by Advanced Business Software and Solutions Limited on 15 October 2020.

The Company's financial year was subsequently extended to 28 February 2021.

The results for the period are set out on pages 9 - 23.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr J S Bell	(Resigned 5 May 2020)
Mr R Ibbett	(Resigned 15 October 2020)
Mr I F Kelly	(Resigned 15 October 2020)
Mr I D Jefferson	(Resigned 5 November 2020)
Mr M R Jenkins	(Resigned 5 November 2020)
Mr K C Hills	(Resigned 15 October 2020)
Mr A W Hicks	(Appointed 15 October 2020 and resigned 1 February 2022)
Mr G J Wilson	(Appointed 15 October 2020)
Mr D B Alderson	(Appointed 5 May 2020 and resigned 15 October 2020)
Mr R J Kerr	(Appointed 1 February 2022)

Qualifying third party indemnity provisions

The directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Independent auditors

During the period, KPMG LLP resigned as the Company's auditors and PricewaterhouseCoopers LLP were appointed.

The independent auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

MITREFINCH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

Statement of directors' responsibilities

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 of the company and of the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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.

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

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.

MITREFINCH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

Going concern

The Company has net current liabilities of £4,320,232 (as at 30 November 2019: £4,541,563) and has received support from group companies that the intercompany loans are not repayable in the next 12 months. The directors have reviewed the cash flow forecasts of the Group and consider there to be sufficient resources to allow the Company to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements).

Therefore, the directors' have considered it is appropriate to adopt the going concern basis in preparing the financial statements. In reaching this position, a downside severe cash flow scenario has been reviewed. The assumptions modelled in this scenario are based on an estimated potential impact of Covid 19 restrictions and regulations, and also considering the Group's potential responses over the next 12 months.

The downside scenario assumptions include a range of estimated impacts primarily based on the rate of acquiring new software contracts and professional services assignments while also assessing the retention of the existing client base. The business has positively traded throughout the Covid period; however, it has seen a lower level of new business activity than in the pre Covid period. For this downside assessment scenario revenue, profit and cash flow are assumed not to return to the pre Covid levels within the next 12-month period.

The Aston Midco Limited Group (the "Group") operates business divisions which are focused on key market segments. Each unit has experienced sensitivity in its results arising from the impact on their markets due to Covid-19. Overall, as a portfolio of markets the business has remained consistent with Health and Care outperforming expectations and others such as Legal operating below historic levels.

Additional further areas could be assessed in mitigating the downside scenario. These are within management's control and could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend. We have assumed no significant structural changes to the business will be needed in the scenario modelled and any mitigations are not considered to have any significant impacts on customer experience.

Employees

The Company is committed to offering equal employment opportunities and its policies are designed to attract, retain, and motivate the best staff regardless of gender, sexual orientation, race, religion, age or disability.

The Company encourages the participation of all employees in the operation and development of the business and has a policy of regular communications. The Company incentivises its employees and senior management through the payment of bonuses linked to performance objectives.

The Company has a wide range of other written policies, designed to ensure that it operates in a legal and ethical manner. These include policies related to health and safety, "whistle blowing", anti-bribery and corruption, business gifts, grievance, career planning, parental leave, systems and network security. All of the Company's policies are published internally.

Political contributions

There were no political donations made during the period (12 months ended 30 November 2019: £NIL).

Subsequent events

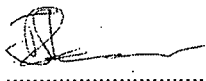
There have been no subsequent events.

MITREFINCH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

On behalf of the board



.....
Mr R J Kerr
Director

Date: 3 October 2022

Independent auditors' report to the members of Mitrefinch Holdings Limited

Report on the audit of the financial statements

Qualified Opinion on the Financial Performance

In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion paragraph below, Mitrefinch Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its loss for the 15 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 28 February 2021; the Statement of comprehensive income and the Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

On 15 October 2020, the Company was acquired by Advanced Business Software and Solutions Limited. Prior to acquisition and until the period ended 28 February 2021, the accounting records were maintained by a firm of external accountants where the records have not been properly maintained as required by the Companies Act 2006. As a result, it has not been possible for us to obtain sufficient appropriate audit evidence in respect of the transactions reported within the Statement of comprehensive income for the whole period from 1 December 2019 to 28 February 2021. As a result, we were unable to determine whether adjustments might have been necessary in respect of the loss for the period reported in the Statement of comprehensive income. Our audit opinion has been qualified in this respect.

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 qualified opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material

misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 28 February 2021 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, except for the possible effects of the matter referred to in the Basis for qualified opinion above and the inability to determine whether adjustments might have been necessary in respect of the loss for the period reported in the Statement of comprehensive income, 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, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

In respect solely of the limitation on our work relating to the transactions reported within the Statement of comprehensive income for the period, as described in the Basis for qualified opinion paragraph above:

- we have not obtained all the information and explanations which we consider necessary for the purposes of our audit; and
- in our opinion, adequate accounting records have not been kept by the company.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
3 October 2022

MITREFINCH HOLDINGS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 28 FEBRUARY 2021

		Period ended 28 February 2021 £	Year ended 30 November 2019 £
	Note		
Administrative expenses		(1,545,460)	(721,488)
Other operating income		1,622,734	795,734
Operating profit	2	77,274	74,246
Interest payable and similar expenses	5	(4,523,636)	(4,366,853)
Loss before taxation		(4,446,362)	(4,292,607)
Tax on loss	6	(283,054)	283,054
Loss for the financial period/year		(4,729,416)	(4,009,553)
Total comprehensive expense for the period/year		(4,729,416)	(4,009,553)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for the period ended 28 February 2021 (Year ended 30 November 2019: £nil).

The notes on pages 12 - 23 form part of these financial statements.

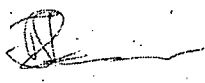
MITREFINCH HOLDINGS LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2021

	Notes	28 February 2021 £	£	30 November 2019 £	£
Fixed assets					
Investments	7		46,580,554		46,580,554
Current assets					
Debtors	9	106,372		383,054	
Creditors: amounts falling due within one year	10	(5,178,716)		(4,924,617)	
Net current liabilities			(5,072,344)		(4,541,563)
Total assets less current liabilities			41,508,210		42,038,991
Creditors: amounts falling due after more than one year	11		-		(54,173,288)
Net assets/(liabilities)			41,508,210		(12,134,297)
Capital and reserves					
Called up share capital	15		1,952		1,954
Share premium account			376,070		376,070
Capital redemption reserve	16		14,449		14,449
Capital contribution reserve			58,371,925		-
Profit and loss account			(17,256,186)		(12,526,770)
Total equity			41,508,210		(12,134,297)

The financial statements were approved by the board of directors and authorised for issue on 3 October 2022 and are signed on its behalf by:



Mr R J Kerr
Director

Company Registration No. 10389350

MITREFINCH HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 1 December 2018		1,954	376,070	14,449	-	(8,517,217)	(8,124,744)
Year ended 30 November 2019:							
Loss and total comprehensive expense for the year		-	-	-	-	(4,009,553)	(4,009,553)
Balance at 30 November 2019		1,954	376,070	14,449	-	(12,526,770)	(12,134,297)
Period ended 28 February 2021:							
Loss and total comprehensive expense for the period		-	-	-	-	(4,729,416)	(4,729,416)
Reduction of shares	15	(2)	-	-	-	-	(2)
Capital contribution	16	-	-	-	58,371,925	-	58,371,925
Balance at 28 February 2021		1,952	376,070	14,449	58,371,925	(17,256,186)	41,508,210

The notes on pages 12 - 23 form part of these financial statements.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

Company information

Mitrefinch Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Mailbox, 101 Wharfside Street, Birmingham, B1 1RF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. The accounting policies have been applied consistently, other than where new policies have been adopted.

On the grounds that the company's results are consolidated into its parent, the company has taken advantage of certain exemptions conferred by section 1.11 of FRS102 as follows:

- Exemption from presenting a statements of cashflows as a primary note to the financial statements;
- Exemption from disclosing details of its financial instruments;
- Exemption from disclosing key management remuneration

Aston Midco Limited is the smallest and largest group into which Mitrefinch Holdings Limited is consolidated. The registered office of Aston Midco Limited is 13-14 Esplanade, St Helier, Jersey, JE1 1EE.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated financial statements. The financial statements present information about the company as an individual entity and not about its group.

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS102 which permit it to not present details of its transactions with members of the group headed by Aston Midco Limited where relevant group companies are all wholly owned. Details of outstanding balances as at the period end are given in note 10.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.2 Going concern

The Company has net current liabilities of £4,320,232 (as at 30 November 2019: £4,541,563) and has received support from group companies that the intercompany loans are not repayable in the next 12 months. The directors have reviewed the cash flow forecasts of the Group and consider there to be sufficient resources to allow the Company to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements).

Therefore, the directors' have considered it is appropriate to adopt the going concern basis in preparing the financial statements. In reaching this position, a downside severe cash flow scenario has been reviewed. The assumptions modelled in this scenario are based on an estimated potential impact of Covid 19 restrictions and regulations, and also considering the Group's potential responses over the next 12 months.

The downside scenario assumptions include a range of estimated impacts primarily based on the rate of acquiring new software contracts and professional services assignments while also assessing the retention of the existing client base. The business has positively traded throughout the Covid period; however, it has seen a lower level of new business activity than in the pre Covid period. For this downside assessment scenario revenue, profit and cash flow are assumed not to return to the pre Covid levels within the next 12-month period.

The Aston Midco Limited Group (the "Group") operates business divisions which are focused on key market segments. Each unit has experienced sensitivity in its results arising from the impact on their markets due to Covid-19. Overall, as a portfolio of markets the business has remained consistent with Health and Care outperforming expectations and others such as Legal operating below historic levels.

Additional further areas could be assessed in mitigating the downside scenario. These are within management's control and could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend. We have assumed no significant structural changes to the business will be needed in the scenario modelled and any mitigations are not considered to have any significant impacts on customer experience.

1.3 Reporting period

These financial statements present a 15-month period to 28 February 2021. As such, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate. Entities in which the company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction; where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. The company incurred significant borrowing costs in obtaining finance, and these amounts have been used to calculate an internal rate of return using expected close dates on the liability to which each cost relates, and the borrowing costs have been netted off the initial value of the loan recognised, with values disclosed in note 11. Interest costs are then recognised based on the internal rate of return, rather than the face value of interest charged by the financier.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

1 Accounting policies

(Continued)

1.8 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 period/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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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.

1.9 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 stock 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.

1.10 Retirement benefits

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

1.11 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 in the period are included in profit or loss.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

2 Operating profit

	2021 £	2019 £
Operating profit for the period/year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	62,099	7,200
Other operating income	(1,622,734)	(795,734)
	<u> </u>	<u> </u>

Fees in 2019 were paid to KPMG LLP. Fees in 2021 were paid to Pricewaterhouse Coopers LLP.

Other operating income is earned from services provided to the Company's subsidiaries.

3 Employees

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

	2021 Number	2019 Number
Administration and sales	4	4
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021 £	2019 £
Wages and salaries	728,612	389,166
Social security costs	95,461	48,999
Pension costs	44,065	35,487
	<u>868,138</u>	<u>473,652</u>

4 Directors' remuneration

	2021 £	2019 £
Remuneration for qualifying services	728,612	389,166
Company pension contributions to defined contribution schemes	44,065	35,487
	<u>772,677</u>	<u>424,653</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (year ended 30 November 2019 - 4).

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

4 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2019 £
Remuneration for qualifying services	385,625	207,666
Company pension contributions to defined contribution schemes	25,000	19,917

The directors appointed after the acquisition of the Company by Advanced Business Software and Solutions Limited on 15 October 2020 are also directors of other companies in the Aston Midco Limited Group. These directors' services to the Company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the Company during the period. These directors are remunerated for their services to this Company by another Group company.

5 Interest payable and similar expenses

	2021 £	2019 £
Interest on bank overdrafts and loans	1,038,389	941,515
Interest on debenture loans	3,485,247	3,425,338
	<u>4,523,636</u>	<u>4,366,853</u>

6 Tax on loss

	2021 £	2019 £
Deferred tax		
Origination and reversal of timing differences	-	257,947
Adjustment in respect of prior periods	283,054	(541,001)
Total deferred tax	<u>283,054</u>	<u>(283,054)</u>

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

6 Tax on loss

(Continued)

The actual charge/(credit) for the period/year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2021 £	2019 £
Loss before taxation	(4,446,362)	(4,292,607)
Expected tax credit based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	(844,809)	(815,595)
Tax effect of expenses that are not deductible in determining taxable profit	79,896	454,164
Adjustments in respect of prior years	283,054	(541,001)
Group relief	197,293	619,378
Transfer pricing adjustment	662,196	-
Deferred tax not recognised	(94,576)	-
Taxation charge/(credit) for the period/year	283,054	(283,054)

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023, the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

7 Investments

	Notes	2021 £	2019 £
Investments in subsidiaries	8	46,580,554	46,580,554

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2021

8 Subsidiaries

Details of the company's subsidiaries at 28 February 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Advance Systems Access Control Solutions Limited	Eire (6)	Access control systems	Ordinary	-	100.00
Advance Systems International Limited	Eire (4)	Time management systems	Ordinary	-	100.00
Mitrefinch (Australia) Pty Limited	Australia (2)	Time management systems	Ordinary	-	100.00
Mitrefinch Inc	USA (5)	Time management systems	Ordinary	-	100.00
Mitrefinch Holdings Inc.	USA (7)	Holding company	Ordinary	-	100.00
Mitrefinch Limited	United Kingdom (1)	Time management systems	Ordinary	100.00	-
Mitrefinch LLC	USA (3)	Time management systems	Ordinary	-	100.00

The registered offices of these companies are as follows:

- (1) The Mailbox, 101 Wharfside Street, Birmingham B1 1RF
- (2) Unit 30, 11-21 Underwood Road, Homebush, NSW 2140, Australia
- (3) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339
- (4) Unit 4L, The Square Industrial Complex, Tallaght, Dublin, Ireland
- (5) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339
- (6) Unit 4L, The Square Industrial Complex, Tallaght, Dublin, Ireland
- (7) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339

During the period Mitrefinch Limited acquired the remaining 50% of shares in Advance Systems International Limited and 45% of shares in Mitrefinch Holdings Inc.

Advance Systems International Limited is a wholly owned subsidiary of Mitrefinch Limited. Advance Systems Access Control Solutions Limited is a wholly owned subsidiary of Advance Systems International Limited.

Mitrefinch Holdings Inc is a wholly owned subsidiary of Mitrefinch Limited. Mitrefinch Inc is a wholly owned subsidiary of Mitrefinch Holdings Inc.

9 Debtors

	2021	2019
Amounts falling due within one year:	£	£
Other debtors	106,372	100,000
Deferred tax asset (note 13)	-	283,054
	<u>106,372</u>	<u>383,054</u>

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

10 Creditors: amounts falling due within one year

	Notes	2021 £	2019 £
Bank loans	12	-	945,000
Amounts owed to group undertakings		5,128,304	3,940,617
Accruals and deferred income		50,412	39,000
		<u>5,178,716</u>	<u>4,924,617</u>

Amounts owed to group undertakings are interest free and repayable on demand.

11 Creditors: amounts falling due after more than one year

	Notes	2021 £	2019 £
Debenture loans	12	-	39,523,489
Bank loans and overdrafts	12	-	14,649,799
		<u>-</u>	<u>54,173,288</u>

12 Loans and overdrafts

	2021 £	2019 £
Debenture loans	-	39,523,489
Bank loans	-	15,594,799
	<u>-</u>	<u>55,118,288</u>
Payable within one year	-	945,000
Payable after one year	-	54,173,288

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

12 Loans and overdrafts

(Continued)

Non-convertible loan notes

The debenture loans comprised non-convertible loan notes issued by the company in order to fund investments in subsidiaries. At 1 December 2019 the company had five loan note instruments classified A-E in issue, totalling £30,529,224. The loan notes were redeemed in the period. Interest was charged at 9% on each of the loan notes and was accrued and compounded annually up to the date of settlement of the principal.

Arrangement fees of £800,500 were incurred on inception of the non-convertible loan notes. The balance was included within the total balance of debt loans and released as a finance cost in order to reflect the implicit rate of interest applying to the loan notes.

The loan notes classified A and B were listed on the Guernsey stock exchange.

Bank loans

During the period the company repaid the three bank loan facilities in place.

The first facility comprised capital of £5,400,000, repayable over the period to October 2022. Interest was charged on the loan at 3.5% + LIBOR (3m), with a staged repayment facility in place reducing the capital owed and interest charges over the life term of the loan.

The second facility comprised capital of £12,600,000 repayable over the period to October 2023. Interest on the loan was charged at 4% + LIBOR (3m). Interest payments on the loan facility were paid quarterly, with the capital balance falling due in full at the end of the loan term.

The final facility comprises a revolving loan facility of £3,000,000 which can be drawn as required by the company. The term of the loan was to October 2022 and interest was charged at 3.5% + LIBOR (3m) on drawn funds and 1.225% on the unused available balance. Interest payments were made quarterly.

Arrangement fees of £720,000 were incurred on the arrangement of the bank loans. The balance was included within the total balance of bank loans and overdrafts and released as a finance cost in order to reflect the implicit rate of interest applying to the loan notes.

Bank loans were secured over the assets and operations of the company and its subsidiaries.

13 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2021 £	Assets 2019 £
Balances:		
Tax losses	-	283,054

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 28 FEBRUARY 2021

13 Deferred taxation

(Continued)

	2021 £
Movements in the period:	
Asset at 1 December 2019	(283,054)
Prior year tax charge	283,054
Liability at 28 February 2021	

The Company has an unprovided deferred tax asset of £752,666 (as at 30 November 2019: £513,597) relating to carried forward losses. No deferred tax asset has been recognised on these amounts as it is not regarded as more likely than not that there will be suitable taxable profits/gains against which they can be deducted in the foreseeable future.

14 Retirement benefit schemes

	2021 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	44,065	35,487

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.

15 Called up share capital

	2021 £	2019 £
Ordinary share capital		
Issued and fully paid		
47,844 (2019: 58,200) Ordinary A of 1p each	478	582
19,722 (2019: 23,800) Ordinary B of 2p each	394	476
7,000 (2019: 7,000) Ordinary C of 2p each	140	140
3,667 (2019: 3,667) Ordinary D of 15p each	550	550
3,799 (2019: 3,999) Ordinary E of 1p each	37	39
2,835 (2019: 3,334) Ordinary F of 5p each	142	167
10,356 (2019: 0) Deferred Ordinary A of 1p each	104	-
8,156 (2019: 0) Deferred Ordinary B of 1p each	82	-
2,495 (2019: 0) Deferred Ordinary F of 1p each	25	-
	<u>1,952</u>	<u>1,954</u>

During the period, 200 Ordinary E shares were repurchased by the company at nominal value of £2 and subsequently cancelled. Furthermore 10,356 Ordinary A shares were re-designated as Deferred ordinary A shares, 4,078 Ordinary B shares were re-designated as 8,156 Deferred ordinary B shares and 499 Ordinary F shares were re-designated as 2,495 Deferred ordinary F shares.

MITREFINCH HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 28 FEBRUARY 2021

16 Capital contribution reserve

During the period the immediate holding company, Advanced Business Software and Solutions Limited, settled the total bank loans and loan notes on behalf of Mitrefinch Holdings Limited creating a capital contribution reserve increase of £58,371,925 (as at 30 November 2019: £nil).

17 Events after the reporting date

There are no post balance sheet events to be reported.

18 Related party transactions

Transactions with related parties

During the period/year the company entered into the following transactions with related parties:

	Interest on debenture loans	
	2021	2019
	£	£
Entities with control, joint control or significant influence over the company	2,388,525	2,348,162
Key management personnel	83,701	82,287
Other related parties	1,013,021	995,902

The following amounts were outstanding at the reporting end date:

	2021	2019
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	-	26,437,440
Key management personnel	-	995,180
Other related parties	-	12,061,303

19 Ultimate controlling party

The immediate holding company is Advanced Business Software and Solutions Limited, which is incorporated in Great Britain and registered in England and Wales.

Aston Midco Limited is the smallest and largest group into which Mitrefinch Holdings Limited is consolidated.

Copies of the financial statements are available from Aston Midco Limited with registered office 13-14 Esplanade, St Helier, Jersey, JE1 1EE.

The directors do not consider there to be an ultimate controlling party.