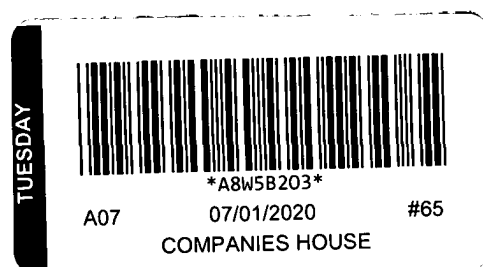


**Couple Holdco Limited
("The ATCORE Group")**

**Annual report and consolidated financial statements
for the year ended 30 April 2019**

Registered number: 11042500



Couple Holdco Limited

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Couple Holdco Limited

Officers and professional advisers

Directors

D Cruickshank
N Kelly
D Bench
N G Morris
S Nightingale
D Bains
I M Hemmers

Registered office

353 Buckingham Avenue
Slough
Berkshire
SL1 4PF
United Kingdom

Bankers

HSBC Bank plc
26 Broad Street
Reading
Berkshire
United Kingdom
RG1 2BU

Solicitors

Gowling WLG (UK) LLP
Two Snowhill
Birmingham
B4 6WR
United Kingdom

Auditor

Deloitte LLP
1 New Street Square
London
EC4A 3HQ
United Kingdom

Couple Holdco Limited

Strategic report

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

Couple Holdco Limited ("the Company") is the ultimate parent company of the ATCORE group, and heads up the largest and smallest group into which the results of the Company are consolidated ("the Group").

Principal activities

As part of an investment vehicle, Couple Holdco Limited was incorporated on 1 November 2017 with the intention of facilitating the purchase of the share capital of ATCORE Technology Group Limited and its subsidiaries, via a 100% investment in Couple Midco Limited. The Company was non-trading until 14 November 2017 when the acquisition was finalised.

ATCORE, the travel technology group, provides market leading reservation and distribution platforms for the leisure travel sector. As a group ATCORE travel solutions power over £21 billion of travel bookings for our customers and 18 million passenger journeys across the UK, Europe and North America.

The principal activity of Couple Holdco Limited is that of a holding company.

Principal risks and uncertainties

Principal risks faced by the business are a dependence on large contracts and associated payments which can be subject to timing variability and the successful delivery of projects within agreed timescales. These risks are actively managed by the business to mitigate any potential adverse impact.

Brexit continues to be a significant macro-economic issue. Given the importance of the European market to the business, we closely monitor events and the potential impact. While the final outcome is unclear, we do believe the business to be resilient to this exit due to nature of the services we provide, the strong demand we continue to see from Europe and the active management and mitigation of risk by the business.

Review of business

2019 was the first full year of operation of Couple Holdco Limited. The Group generated an operating profit before costs on acquisition of £5.7 million in 2019, compared to the £2.7 million for the six months period ended April 2018. Once finance and acquisition costs are deducted and investment revenue included, this resulted in a loss before taxation of £14.3 million (2018: £6.7 million). Acquisition costs for the year included an impairment which was recognised in the acquired customer intangibles of £2.5 million (2017: £nil) following the post year end liquidation of Thomas Cook. The results are in line with management expectations and reflects the ownership structure of the Group.

At the same time, we continue to invest in the business with key resources being recruited and new data centre capability being added.

Future developments

The Company will continue to act as holding company. The future growth of the Group will be based on the continued development of our existing customer base as well as securing new customers globally through increase both within and outside of our core markets of the UK and Europe. A key element of this will be the continued expansion of our already high levels of recurring revenues.

In tandem, the organic development of the platform to stay at the forefront of technology, while increasing our footprint, remains core to our ongoing plans. Acquisitions may be considered to support the delivery of this objective.

Key performance indicators

The Group uses a range of performance measures to monitor and manage the business, including order intake, revenue, margins and cash flow.

Couple Holdco Limited

Strategic report (continued)

Going concern

After making enquiries and considering the principal risks and uncertainties set out above and the Group's forecasts, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. This view is based on the high level of commitment from the existing customer base, as evidenced by the significant order backlog, combined with the continued strong presence in the core tour reservation systems market. Accordingly, the Company continues to adopt the going concern basis in preparing its consolidated and company financial statements.



Noel Kelly
Director

30 September 2019

353 Buckingham Avenue
Slough
SL1 4PF
United Kingdom

Couple Holdco Limited

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report for the year ended 30 April 2019.

Strategic report

The information that fulfils the Companies Act requirements of the business review is included in the strategic report. This includes a review of business, its position at the year end and future developments.

Subsequent events

Details of significant events since the balance sheet date are contained in note 32 to the financial statements.

Future developments

Details of future developments can be found in the strategic report on page 2.

Financial instruments

Information about the use of financial instruments by the Company and its subsidiaries is given in note 31 to the financial statements.

Dividends

The directors do not recommend a dividend to be paid to ordinary shareholders (2018: £nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

J D Harper	(resigned 15 May 2018)
G P Healy	(resigned 18 June 2018)
D Cruickshank	
N Kelly	
D Bench	(appointed 19 March 2019)
M Kingswood	(resigned 15 May 2018)
N G Morris	
D T Kelly	(resigned 19 March 2019)
S Nightingale	(appointed 15 May 2018)
I M Hemmers	(appointed 20 July 2018)
D Bains	(appointed 31 July 2019)

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Political and charitable contributions

The Company did not make any political or charitable contributions during the year (2018: £nil).

Couple Holdco Limited

Directors' report

Auditor

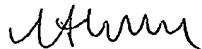
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is not aware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor in accordance with Section 386 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



Noel Kelly
Director

30 September 2019

353 Buckingham Avenue
Slough
SL1 4LN
United Kingdom

Couple Holdco Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 year.

In preparing the parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Couple Holdco Limited

Independent auditor's report to the members of Couple Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Couple Holdco Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated balance sheet;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement;
- the company balance sheet;
- the company statement of changes in equity; and
- the related notes 1 to 43.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Couple Holdco Limited

Independent auditor's report to the members of Couple Holdco Limited (continued)

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 group's or the parent 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 these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Couple Holdco Limited

Independent auditor's report to the members of Couple Holdco Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

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



Sandy Sullivan FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom
30 September 2019

Couple Holdco Limited

Consolidated income statement
For the year ended 30 April 2019

	Note	2019 £000	6 month period 2018 £000
Revenue	5, 6	25,454	11,208
Cost of sales		(13,624)	(5,903)
Gross profit		11,830	5,305
Selling expenses		(776)	(562)
Administrative expenses		(5,414)	(2,104)
Share of results of associates		22	16
Operating profit before acquisition costs		5,662	2,655
Costs on acquisition		-	(1,415)
Amortisation of intangible assets arising on acquisition		(5,389)	(2,516)
Impairment of intangible assets arising on acquisition		(2,539)	-
Operating loss	7	(2,266)	(1,276)
Investment revenue	10	33	14
Finance costs	11	(12,104)	(5,465)
Loss before taxation		(14,337)	(6,727)
Tax	12	1,585	113
Loss for the financial year attributable to owners of the Group		(12,752)	(6,614)
Total comprehensive loss for the financial year attributable to owners of the Group		(12,752)	(6,614)

Couple Holdco Limited

Consolidated balance sheet

As at 30 April 2019

	Note	2019 £000	2018 £000
Non-current assets			
Goodwill	13	63,925	63,925
Intangible assets	14	35,957	43,820
Property, plant and equipment	15	747	849
Interests in associates	17	38	86
Contract assets	18	367	699
		<u>101,034</u>	<u>109,379</u>
Current assets			
Contract assets	18	2,663	1,556
Trade and other receivables	19	5,469	5,129
Corporation tax		272	-
Cash at bank and in hand		4,345	3,308
		<u>12,749</u>	<u>9,993</u>
Total assets		<u>113,783</u>	<u>119,372</u>
Current liabilities			
Contract liabilities	21	(3,346)	(3,351)
Trade and other payables	22	(2,802)	(2,132)
Corporation tax		-	(220)
Provisions	24	(30)	(30)
		<u>(6,178)</u>	<u>(5,733)</u>
Net current assets		<u>6,571</u>	<u>4,260</u>
Total assets less current liabilities		<u>107,605</u>	<u>113,639</u>

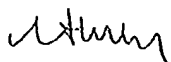
Couple Holdco Limited

Consolidated balance sheet (continued)

As at 30 April 2019

	Note	2019 £000	2018 £000
Non-current liabilities			
Borrowings	20	(119,647)	(111,262)
Provisions	24	(536)	(536)
Deferred tax liability	23	(6,500)	(8,176)
		<u>(126,683)</u>	<u>(119,974)</u>
Total liabilities		<u>(132,861)</u>	<u>(125,707)</u>
Net liabilities		<u>(19,078)</u>	<u>(6,335)</u>
 Equity			
Share capital	25	16	15
Share premium account	26	272	264
Accumulated deficit	27	(19,366)	(6,614)
Equity attributable to owners of the Company		<u>(19,078)</u>	<u>(6,335)</u>

The financial statements of Couple Holdco Limited (registered number 11042500) were approved by the board of directors and authorised for issue on 30 September 2019. They were signed on its behalf by:



Noel Kelly
Director

Couple Holdco Limited

Consolidated statement of changes in equity

For the year ended 30 April 2019

	Share capital £000	Share premium account £000	Retained earnings £000	Total £000
Balance at 1 November 2017	-	-	-	-
Loss for the period	-	-	(6,614)	(6,614)
Issue of share capital	15	264	-	279
Balance at 30 April 2018	15	264	(6,614)	(6,335)
Loss for the year	-	-	(12,752)	(12,752)
Issue of share capital	1	8	-	9
Balance at 30 April 2019	16	272	(19,366)	(19,078)

Couple Holdco Limited

Consolidated cash flow statement
For the year ended 30 April 2019

		2019	6 month period 2018
	Note	£000	£000
Net cash from operating activities	28	1,256	606
		<u>1,256</u>	<u>606</u>
Investing activities			
Purchases of property, plant and equipment	15	(191)	(278)
Purchases of intangible assets	14	(98)	-
Acquisition of subsidiary, net of cash acquired		-	(60,012)
Director's loan	33	(50)	-
		<u>(339)</u>	<u>(60,290)</u>
Financing activities			
Repayments of acquired borrowings		-	(42,793)
Transaction costs		-	(7,381)
Proceeds on the issue of shares	25, 26	9	279
Proceeds on the issue of loan notes	20	41	62,887
New bank loans raised	20	-	50,000
Associate company loan repayment	17	70	-
		<u>120</u>	<u>62,992</u>
Net cash used in financing activities		120	62,992
Net increase in cash and cash equivalents		1,037	3,308
Cash and cash equivalents at beginning of year		3,308	-
Cash and cash equivalents at end of year		4,345	3,308

Couple Holdco Limited

Notes to the consolidated financial statements

For the year ended 30 April 2019

1. General information

Couple Holdco Limited (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates.

A 6 month short accounting period was used in the previous year for the first set of accounts. As such, the amounts presented in the financial statements are not entirely comparable.

For the year ending 30 April 2019 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies.

<i>Subsidiary Name</i>	<i>Companies House Registration Number</i>
Couple Midco Limited	11042589
Couple Bidco Limited	11042851
ATCORE Technology Group Limited	09022905

The following dormant subsidiaries of the Company have taken advantage under s394A of the Companies Act 2006 exemption from preparing individual accounts. These subsidiaries are exempt from the requirement to prepare individual accounts by virtue of this section.

<i>Subsidiary Name</i>	<i>Companies House Registration Number</i>
AT NEWCO 20 Limited	09042596

2. Adoption of new and revised Standards

New and amended IFRS Standards that are effective for the current year

IFRS 9 Financial Instruments	<p>IFRS 9 introduces changes relating to the recognition, classification and measurement of financial assets and liabilities, replacing IAS 39 'Financial Instruments: Recognition and Measurement'. The standard provides new impairment models based on expected credit losses and brings changes to the hedging rules.</p> <p>The expected credit loss (ECL) model has been adopted when estimating the impairment loss in relation to financial assets, and the calculated impairment is materially in line with previous methodology. Where the standard allows, the simplified ECL model has been utilised.</p> <p>The Group does not participate in any hedging or complex derivative-based arrangements.</p>
IFRS 15 Revenue from Contracts with Customers	<p>IFRS 15 establishes new requirements for recognising revenue from contracts with customers. The standard introduces a five-step model which, in summary, requires entities to determine the total transaction price of the contract and allocate that value to individual performance obligations within the contract based on their relative stand-alone selling prices. Revenue is then recognised as each performance obligation is satisfied, either at a point in time (generally for the transfer of goods) or over time (for the provision of services).</p>

Couple Holdco Limited

Notes to the consolidated financial statements

For the year ended 30 April 2019

2. Adoption of new and revised Standards (continued)

The adoption of IFRS 9 Financial Instruments and IFRS 15 *Revenue from Contracts with Customers* has had no material impact on the Group.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however, the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in IFRS 15 to describe such balances.

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2018. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

<p>IFRS 2 (amendments) <i>Classification and Measurement of Share-based Payment Transactions</i></p>	<p>The Group has adopted the amendments to IFRS 2 for the first time in the current year. The amendments clarify the following:</p> <ol style="list-style-type: none"> (1) In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments. (2) Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority (typically in cash), i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature. (3) A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows: <ol style="list-style-type: none"> i) the original liability is derecognised; ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in the income statement immediately.
<p>IAS 40 (amendments) <i>Transfers of Investment Property</i></p>	<p>The Group has adopted the amendments to IAS 40 Investment Property for the first time in the current year. The amendments clarify that a transfer to, or from, investment property necessitates an assessment of whether a property meets, or has ceased to meet, the definition of investment property, supported by observable evidence that a change in use has occurred. The amendments further clarify that the situations listed in IAS 40 are not exhaustive and that a change in use is possible for properties under construction (i.e. a change in use is not limited to completed properties).</p>

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

2. Adoption of new and revised Standards (continued)

<p><i>Annual Improvements to IFRS Standards 2014 - 2016 Cycle</i></p> <p>Amendments to IAS 28 <i>Investments in Associates and Joint Ventures</i></p>	<p>The Group has adopted the amendments to IAS 28 included in the <i>Annual Improvements to IFRS Standards 2014–2016 Cycle</i> for the first time in the current year. The amendments clarify that the option for a venture capital organisation and other similar entities to measure investments in associates and joint ventures at FVTPL is available separately for each associate or joint venture, and that election should be made at initial recognition.</p> <p>In respect of the option for an entity that is not an investment entity (IE) to retain the fair value measurement applied by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture.</p>
<p>IFRIC 22 <i>Foreign Currency Transactions and Advance Consideration</i></p>	<p>IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability (for example, a non-refundable deposit or deferred revenue).</p> <p>The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.</p>

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

IFRS 16	<i>Leases</i>
IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
Annual Improvements to IFRS Standards 2015 - 2017 Cycle	<i>Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i>

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

2. Adoption of new and revised Standards (continued)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future years, except as noted below:

IFRS 16 Leases

IFRS 16, which was endorsed by the EU on 9 November 2017, provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 January 2019.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected because operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 30 April 2019, the Group has non-cancellable operating lease commitments of £3.2 million. IAS 17 does not require the recognition of any right-of-use asset or liability for future payments for these leases; instead, certain information is disclosed as operating lease commitments in note 29. A preliminary assessment indicates that these arrangements will meet the definition of a lease under IFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of IFRS 16.

The latest assessment of the impact of IFRS 16 Leases (effective for periods beginning on or after 1 January 2019) revealed that, when adopted based on the operating leases at the reporting date, fixed assets and lease obligations of around £2.9 million would be recognised on the consolidated balance sheet with no material impact on operating profit.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

Going concern

The directors have undertaken a detailed assessment on going concern. This assessment included specific consideration of the post year end liquidation of Thomas Cook which was a significant recurring customer of the Group. In addition, typical of this form of investment structure, the loan notes in issue are not due to be redeemed in the near future and the associated interest is not assumed to be paid in the interim.

Having conducted this review, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 30 April each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in the income statement as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the income statement as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year.

On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Under the equity method, an investment in an associate is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the income statement in the year in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to the income statement on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to the income statement (as a reclassification adjustment) when the equity method is discontinued.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to the income statement the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

The Group recognises revenue from the following major sources:

- own product software licences;
- maritime (services, systems integration and implementation of software products);
- software maintenance and support;
- managed services; and
- sale of third party products and services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Couple Holdco Limited

Notes to the consolidated financial statements (continued) **For the year ended 30 April 2019**

3. Significant accounting policies (continued)

Own product software licences

Revenue from sale of perpetual software licences, which provide the customer with the right to use the Group's software platforms, is generally recognised upon delivery to the customer. Term licences are provided alongside other services (for example hosting and support), the revenue for which is bundled and recognised over the term of the agreement.

Mantime (services, systems integration and implementation of software products)

Mantime services are recognised as a performance obligation satisfied over time. Revenue is recognised for these services based on the stage of completion of the contract. The directors have assessed that the stage of completion determined as the proportion of the total time expected that has elapsed at the end of the reporting period is an appropriate measure of progress towards complete satisfaction of these performance obligations under IFRS 15. While payment for mantime services is not due from the customer, a contract asset is recognised over the period in which the services are performed representing the entity's right to consideration for the services performed to date. Excess payments are included in trade and other payables as payments on account.

Software maintenance and support

Software maintenance and support revenue is recognised from the date support services are provided (delivery of the related licence). Between the date of delivery and the "go-live" date, generally being the date the software is operational and accepted by the customer, 5% of post go-live support fees are recognised rateably. This percentage is based on the level of support effort required in this period. Where support cannot contractually be charged until go-live, the contractual support fee is diluted to address this fair value adjustment. Following go-live, support fees are recognised on a straight-line basis over the life of the related agreement, taking into account any free maintenance periods.

Managed services

Managed services revenue is recognised over the life of the contract. Costs incurred on a contract from third parties, which are directly related to the contract, are capitalised and recognised over the life of the contract. Contract profitability is regularly reviewed and if necessary provision for any forecast loss arising is made. Sales, operational and administrative costs are written off as incurred.

Sale of third party products and services

Revenue recognition from the sale of third party products and services reflects the nature of the product sold. Where the product sold is hardware or a perpetual software licence, the revenue and the cost is recognised at the time of the transaction. Where the product sold is software or hardware maintenance and support, if the revenue value is material, (i.e. greater than £60k per annum) then the revenue and cost is recognised on a straight-line basis over the life of the agreement. Where the revenue is less than £60k per annum, both the revenue and the cost of the agreement is recognised in full at the time of the transaction. Revenue and cost recognised this manner is monitored on an annual basis to ensure the financial impact of this accelerated recognition compared to the straight-line approach is not material.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non-controlling interests as appropriate).

Exchange differences are recognised in the income statement in the year in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the initial cost of those assets.

All other borrowing costs are recognised in the income statement in the year in which they are incurred.

Operating profit (before and after acquisition costs)

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

The Directors believe that the operating profit before acquisition costs and the amortisation of intangible assets arising on acquisition better represents the underlying trading performance of the Group as it is a more accurate reflection of the operating performance of the business.

Retirement benefit costs

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

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 income statement 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 balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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 the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Property, plant and equipment

Leasehold improvements, and fixtures and equipment are stated at cost, net of accumulated depreciation and any recognised impairment loss.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost over their estimated useful lives, on a straight-line basis, as follows:

Leasehold improvements	Length of lease
Fixtures and equipment	25%-33% per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

An internally-generated intangible asset arising from the Company's internal software development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the income statement in the year in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the income statement when the asset is derecognised.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 the income statement, 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 the income statement, 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.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Financial assets

All financial assets are recognised and derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL.
- Debt instruments that do not meet the amortised cost criteria are classified as at FVTPL. In addition, debt instruments that meet the amortised cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the income statement to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the income statement includes any dividend or interest earned on the financial asset.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically for financial assets measured at amortised cost or FVTPL, exchange differences are recognised in the income statement.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) the financial instrument has a low risk of default;
- (2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the income statement.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in the income statement for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of a financial asset

The Group derecognises a financial asset 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 of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the income statement.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

i) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the income statement. The remaining amount of change in the fair value of liability is recognised in the income statement. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to the income statement; instead, they are transferred to retained earnings upon derecognition of the financial liability.

ii) Financial liabilities measured subsequently at amortised cost

Financial liabilities that do not meet the criteria for being measured at FVTPL are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the income statement.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the income statement.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in the income statement as the modification gain or loss within other gains and losses.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate caps. Further details of derivative financial instruments are disclosed in note 31.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

3. Significant accounting policies (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Property provisions

Property provisions are established on a property-by-property basis to meet the estimated liabilities, including dilapidations, of all properties surplus to the requirements of the business. The provision covers all ongoing unavoidable costs net of rental income.

Any dilapidation costs are expensed directly to income statement. Provisions are not recognised for future operating losses.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition on maritime contracts in progress

The revenue and profit of fixed price contracts is recognised on a percentage-of-completion basis when the outcome of a contract can be estimated reliably. Management exercises judgement in determining whether a contract's outcome can be estimated reliably. Management also makes estimates of the total cost of professional services, or in some instances total contract costs, which are used in determining the value of amounts recoverable on contracts and any related provisions required for onerous contracts. Estimates are continually revised based on changes in the facts relating to each contract.

Goodwill impairment

The determination of whether or not goodwill has been impaired requires an estimate to be made of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation includes estimates about the future financial performance of the cash-generating unit, including management's estimates of long-term operating margins and discount rates. Further information regarding the assumptions can be found in note 13. The directors consider this to be a key area of estimation uncertainty in the preparation of the accounts.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

5. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major categories:

	2019 £000	6 month period 2018 £000
Disaggregation of revenue		
Own product software licences	2,345	679
Mantime (services, systems integration and implementation of software products)	8,291	3,957
Software maintenance and support	7,742	3,437
Managed services	5,422	2,499
Sale of third party products and services	1,654	636
Other	-	-
	<u>25,454</u>	<u>11,208</u>

As permitted under the transitional provisions in IFRS 15, the transaction price allocated to partially unsatisfied performance obligations as of 30 April 2018 is not disclosed.

6. Operating segments

Management believe that the Group has a single operating segment.

Geographical information

The business operates from the United Kingdom but makes sales to two principal geographic areas with further sales to a third geographic area, as set out below. All of the Group's assets are held in the United Kingdom.

An analysis of the Group's revenue by geographical market is set out below.

	2019 £000	6 month period 2018 £000
Revenue:		
United Kingdom	16,091	7,449
Europe	7,628	3,277
Rest of the World	1,735	482
	<u>25,454</u>	<u>11,208</u>

Information about major customers

Included in the Group's revenues are revenues of approximately £7.1 million (2018: £6.1 million) which arose from sales to the Group's largest two customers. No other single customers contributed 10% or more to the Group's revenue in the year.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

7. Loss for the year

Loss for the year has been arrived at after charging:

	2019 £000	6 month period 2018 £000
Net foreign exchange losses	27	23
Depreciation of property, plant and equipment (see note 15)	353	171
Amortisation of intangible assets (see note 14)	83	40
Impairment of intangible assets (see note 14)	2,539	-
Amortisation of acquired intangible assets arising on acquisition (see note 14)	5,389	2,516
Staff costs (see note 9)	13,453	5,940
Operating lease rentals (see note 29)	499	231

Amortisation of intangible assets are included in cost of sales. The amortisation of acquired intangible assets arising on acquisition is presented as a separate line on the consolidated income statement.

8. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	2019 £000	2018 £000
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	25	44
Fees payable to the Company's auditor and their associates for other services to the Group		
The audit of the Company's subsidiaries	60	61
Total audit fees	85	105
Taxation compliance services	15	15
Taxation advisory services	12	12
Total non-audit fees	27	27

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

9. Staff costs

The average monthly number of employees (including executive directors) was:

	2019 Number	6 month period 2018 Number
Technical	167	166
Administration	22	22
Selling	6	6
	<u>195</u>	<u>194</u>

Their aggregate remuneration comprised:

	2019 £000	6 month period 2018 £000
Wages and salaries	11,710	5,200
Social security costs	1,255	557
Other pension costs (see note 30)	488	183
	<u>13,453</u>	<u>5,940</u>

10. Investment revenue

	2019 £000	6 month period 2018 £000
Interest receivable:		
Bank deposits	33	14
Total interest receivable	<u>33</u>	<u>14</u>

11. Finance costs

	2019 £000	6 month period 2018 £000
Interest on bank loans	4,093	1,816
Interest on loan notes	8,011	3,557
Total interest expense	<u>12,104</u>	<u>5,373</u>
Interest rate cap fees	-	92
	<u>12,104</u>	<u>5,465</u>

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

12. Tax

	2019 £000	6 month period 2018 £000
Corporation tax:		
UK corporation tax	391	393
Adjustment in respect of prior years	(299)	-
	<u>92</u>	<u>393</u>
Deferred tax: (note 23)		
Current year	(1,019)	(531)
Adjustment in respect of prior years	6	-
Changes in tax rates	(664)	25
	<u>(1,585)</u>	<u>(113)</u>

Corporation tax is calculated at 19% of the estimated taxable profit for the year.

The credit for the year can be reconciled to the loss in the income statement as follows:

	2019 £000	6 month period 2018 £000
Loss before tax	(14,337)	(6,727)
Tax at the UK corporation tax rate of 19% (2018: 19%)	(2,724)	(1,278)
Adjustment in respect of prior years	(293)	-
Change in the UK corporation tax rate	(664)	(137)
Tax effect of expenses that are not deductible in determining taxable profit	1,509	1,340
Amounts not recognised	596	-
Other	(9)	(38)
	<u>(1,585)</u>	<u>(113)</u>

Couple Holdco Limited

Notes to the consolidated financial statements (continued) For the year ended 30 April 2019

13. Goodwill

	£000
Cost	
At 1 November 2017	-
Recognised on acquisition of a subsidiary	63,925
	<hr/>
At 30 April 2018	63,925
	<hr/>
At 30 April 2019	63,925
	<hr/> <hr/>
Accumulated impairment losses	
At 1 November 2017	-
	<hr/>
At 30 April 2018	-
	<hr/>
At 30 April 2019	-
	<hr/> <hr/>
Carrying amount	
At 30 April 2019	63,925
	<hr/> <hr/>
At 30 April 2018	63,925
	<hr/> <hr/>

The Company tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount is determined from a value in use calculation. The key assumptions for this calculation are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. These assumptions have been revised in the year in light of the current economic environment which has resulted in more conservative estimates about the future. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the Company.

The Company has conducted a sensitivity analysis on the impairment test. An increase in the discount rate of 4.1% would cause the carrying value of goodwill to equal its recoverable amount.

The Company prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next five years, with no long term growth rate in perpetuity. Management are sensitive to the technology risk within the software industry and do not deem it appropriate to forecast growth for products more than five years into the future.

The rate used to discount the forecast cash flows is 12%. This is based on the weighted average cost of capital (WACC) for the group as adjusted for risk.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

14. Intangible assets

	Development costs £000	Software licences £000	Acquired technology intangibles £000	Acquired customer intangibles £000	Total £000
Cost					
At 1 November 2017	-	-	-	-	-
Acquired on acquisition of a subsidiary	-	123	12,597	33,404	46,124
Additions from purchases	-	116	-	-	116
Additions from internal development	136	-	-	-	136
At 30 April 2018	136	239	12,597	33,404	46,376
Additions from purchases	-	68	-	-	68
Additions from internal development	80	-	-	-	80
At 30 April 2019	216	307	12,597	33,404	46,524
Amortisation and impairment					
At 1 November 2017	-	-	-	-	-
Charge for the period	-	40	392	2,124	2,556
At 30 April 2018	-	40	392	2,124	2,556
Charge for the year	11	71	840	4,549	5,472
Impairment loss	-	-	-	2,539	2,539
At 30 April 2019	11	112	1,232	9,212	10,567
Carrying amount					
At 30 April 2019	205	195	11,365	24,192	35,957
At 30 April 2018	136	199	12,205	31,280	43,820

The amortisation period for development costs incurred on the Company's internal software development is 5 years. Amortisation for one of the two projects commenced in September 2018.

Development costs have been capitalised in accordance with IAS 38 *Intangible Assets* and are therefore not treated, for dividend purposes, as a realised loss.

Software licences are amortised over their estimated useful lives, which is on average 2 to 3 years.

Acquired technology intangibles are amortised over a period of 15 years. Acquired customer intangibles are amortised over 5 or 10 years.

The impairment loss in the acquired customer intangibles was recognised following the post year end liquidation of Thomas Cook.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

15. Property, plant and equipment

	Leasehold improvements £000	Fixtures and equipment £000	Total £000
Cost			
At 1 November 2017	-	-	-
Acquired on acquisition of a subsidiary	579	259	838
Additions	18	164	182
At 30 April 2018	597	423	1,020
Additions	6	245	251
Disposals	-	-	-
At 30 April 2019	603	668	1,271
Accumulated depreciation and impairment			
At 1 November 2017	-	-	-
Charge for the period	72	99	171
At 30 April 2018	72	99	171
Charge for the year	154	199	353
At 30 April 2019	226	298	524
Carrying amount			
At 30 April 2019	377	370	747
At 30 April 2018	525	324	849

16. Subsidiaries

The Group consists of a parent company, Couple Holdco Limited, incorporated in the United Kingdom and a number of subsidiaries and associates held directly and indirectly by Couple Holdco Limited, which operate and are incorporated around the world. Note 37 to the Company's separate financial statements lists details of the interests in subsidiaries.

Couple Holdco Limited

Notes to the consolidated financial statements (continued) For the year ended 30 April 2019

17. Interests in associates

	Associates £000
Cost	
At 1 May 2017	70
Additions	16
	<hr/>
At 30 April 2018	86
Additions	22
Repayment	(70)
	<hr/>
At 30 April 2019	<u>38</u>

Details of the Company's associates at 30 April 2018 are as follows:

Name	Address	Place of Incorporation	Proportion of ownership of ordinary share capital	Proportion of voting power held	Principal Activity
Accordion Technology Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	40%	40%	Provision of software and services to the leisure travel sector
Accordion Technology Private Limited	Unit No. 302, Hi-Tech Pearl, Shilpi Valley, Gafoor Nagari Madhapur, Sirilingampally Mandal, Rangareddi, Hyderabad. Telangana 500081. India.	India	40%	40%	Provision of software and services to the leisure travel sector
Accordion Technology (Canada) Limited	1175-1212 Douglas Street, Victoria, British Columbia, V81 2E1. Canada.	Canada	40%	40%	Provision of software and services to the leisure travel sector

No interests in associates are held directly by Couple Holdco Limited.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

18. Contract assets

	2019 £000	2018 £000
Own product software licences	1,525	1,022
Mantime (services, systems integration and implementation of software products)	250	122
Software maintenance and support	943	1,073
Sale of third party products and services	312	8
	<u>3,030</u>	<u>2,225</u>
Included in current assets	<u>2,663</u>	<u>1,556</u>
Included in non-current assets	<u>367</u>	<u>669</u>

Contract assets arise when the Group has satisfied performance obligations in its contracts with customers but is not yet entitled to payment per the agreed invoicing schedule. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

19. Trade and other receivables

	2019 £000	2018 £000
Trade receivables	4,655	4,164
Loss allowance	(2)	(26)
	<u>74</u>	<u>5</u>
Other receivables	742	986
Prepayments	<u>5,469</u>	<u>5,129</u>

Trade receivables

The average credit period on sales of goods is 56 days (2018: 57 days). No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance of 100% against all receivables over 120 days formal indication of recovery from the customer, because historical experience has indicated that these receivables are generally not recoverable. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities.

19. Trade and other receivables (continued)

	2019 £000	2018 £000
Amount receivable not past due	2,209	2,026
Amount receivable past due but not impaired	2,446	2,138
Amount receivable impaired (gross)	-	-
Less impairment	(2)	(26)
Amounts falling due within one year:	<u>4,653</u>	<u>4,138</u>

Ageing of past due but not impaired trade receivables

	2019 £000	2018 £000
31-60 days	1,778	1,620
61-90 days	494	392
91-120 days	174	126
Total	<u>2,446</u>	<u>2,138</u>

Movement in the loss allowance

	2019 £000	2018 £000
Balance at the beginning of the year	26	-
Impairment losses recognised	(24)	26
Balance at the end of the year	<u>2</u>	<u>26</u>

Ageing of impaired trade receivables

	2019 £000	2018 £000
61-90 days	-	-
91-120 days	2	26
121+ days	-	-
Total	<u>2</u>	<u>26</u>

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

20. Borrowings

	2019 £000	2018 £000
Unsecured borrowing at amortised cost		
Loan notes subscribed by management	5,501	4,890
Loan notes subscribed by Inflexion Private Equity	48,177	43,713
Loan notes subscribed by Lloyds Development Capital	20,597	17,805
Bank loan	50,796	50,748
Deferred finance costs	(5,424)	(5,894)
Total borrowings	119,647	111,262
Amount due for settlement within 12 months	-	-
Amount due for settlement after 12 months	119,647	111,262

All borrowings are denominated in sterling.

The other principal features of the Group's borrowings are as follows:

i) Loan notes

On 14 November 2017, a "Triple Newco" company structure was created to facilitate the purchase of ATCORE Technology Group Limited and its subsidiaries. At this time, Couple Midco Limited issued loan notes totalling £58,319,115 to Inflexion Private Equity. The loan notes subsequently listed on The International Stock Exchange ("TISE") at face value on 16 May 2018.

The loan notes comprise £58,319,115 Fixed rate Subordinated Guaranteed Secured series A Loan Notes with a 7 year term maturing in November 2024.

At the time of the acquisition of ATCORE Technology Group Ltd, Lloyds Development Capital (LDC) were granted an option to invest in the business. On 28 March this option was exercised and LDC acquired £17,445,889 of B Loan notes from Inflexion Private Equity.

In addition, Management and employees have invested £4,633,292 in B Loan Notes issued by Couple Holdco Limited which mature on 13 November 2024. Further investment of £40,909 was made by the management during the year.

The above loans include accrued interest charged at 12%.

ii) Bank loan

On 14 November 2017, the Company entered into a new loan facility agreement and raised £50m from Alcentra Capital. The new loan facility comprised a Facility B term Loan of £50m with a 7 year term, maturing 13 November 2024.

At the same time, Couple Holdco Limited entered into a revolving credit facility of £4m with HSBC. This has not been drawn-down in the year.

The weighted average interest rates paid during the year were as follows:

	2019 %	2018 %
Unsecured borrowing at amortised cost		
Loan notes	12.0	12.0
Bank loans	7.6	7.2

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

21. Contract liabilities

	2019 £000	2018 £000
Amounts received in advance	3,346	3,351
Included in current liabilities	3,346	3,351
Included in non-current liabilities	-	-

The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities. There was no revenue recognised in the current reporting period that related to performance obligations that were satisfied in a prior year.

	2019 £000	2018 £000
Revenue relating to brought-forward contract liabilities	2,976	-

22. Trade and other payables

	2019 £000	2018 £000
Trade payables	676	546
Other taxation and social security	1,079	598
Other payables	105	158
Accruals	942	830
Amounts falling due within one year:	2,802	2,132

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 38 days (2018: 30 days) and do not bear interest. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

23. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current and prior reporting period.

	Intangible assets acquired on acquisition £000	Fixed assets £000	Tax losses £000	Other temporary differences £000	Total £000
At 1 November 2017	-	-	-	-	-
Acquisition of subsidiary	(8,740)	-	-	-	(8,740)
Charge to profit	478	30	50	6	564
At 30 April 2018	(8,262)	30	50	6	(8,176)
Charge to profit	1,687	-	(5)	(6)	1,676
At 30 April 2019	(6,575)	30	45	-	(6,500)

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2019 £000	2018 £000
Deferred tax assets	75	86
Deferred tax liabilities	(6,575)	(8,262)
	(6,500)	(8,176)

At the balance sheet date, the Company has unused tax losses carried forward of £64k (2018: £294k) available for offset against future profits. A deferred tax asset has been recognised in respect of £61k of such losses. No deferred tax asset has been recognised in respect of the remaining £3k (2018: £nil) as it is not considered probable that there will be future taxable profits available. All losses may be carried forward indefinitely.

24. Provisions

	2019 £000	2018 £000
Dilapidations	566	566
Current	30	30
Non-current	536	536
	566	566

Couple Holdco Limited

Notes to the consolidated financial statements (continued) For the year ended 30 April 2019

24. Provisions (continued)

	Property £000	Total £000
At 1 May 2018	566	566
At 30 April 2019	566	566

The provision is in respect of property dilapidation for three properties currently in use. The provision is calculated in accordance with IAS 37 as disclosed in note 3 to the accounts.

The leases expire in the next 1 to 7 years and the remedial works or settlement costs will be negotiated with the landlords toward these dates.

25. Share capital

Class of ordinary shares	A	B	C1	C2
Authorised:				
Number of ordinary shares	723,540	56,670	100,000	120,000
Nominal price	£0.0150	£0.0001	£0.0500	£0.0001
Issued and fully paid:				
Number of ordinary shares at 1 November 2017	-	-	20,000	16,497
Number of ordinary shares issued in the period	723,540	56,670	80,000	103,503
Number of ordinary shares at 30 April 2018	723,540	56,670	100,000	120,000
Number of ordinary shares issued in the year	-	-	20,000	-
Number of ordinary shares at 30 April 2018	723,540	56,670	120,000	120,000
Value of ordinary shares at 30 April 2019	£10,853	£6	£6,000	£12
Value of ordinary shares at 30 April 2018	£10,853	£6	£5,000	£12

The Company has four classes of ordinary shares that carry no right to fixed income.

Class A ordinary shares

- Each A ordinary share, subject to certain limitations, is entitled to one vote in any circumstances and shall confer on the holders of A ordinary shares (as a class) in aggregate of 75% of the total number of voting rights of all Shares in issue at the relevant time (allocated pro rata among such holders according to the number of A ordinary Shares held).
- Each A ordinary share is subject to investor approval, entitled pari passu to any dividend payments or any other distribution.
- Each A ordinary share, subject to certain limitations, is entitled pari passu to participate in distribution of capital (including from a winding-up of the Company).
- The shares are non-redeemable.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

25. Share capital

Class B ordinary shares

- a) Each B ordinary share shall confer on each holder of B ordinary shares (in that capacity) right to receive notice of and to attend, speak but not vote at any general meetings of the Company and no right to vote on written resolutions.
- b) Each B ordinary share is subject to investor approval, entitled pari passu to any dividend payments or any other distribution.
- c) Each B ordinary share, subject to certain limitations, is entitled pari passu to participate in distribution of capital (including from a winding-up of the Company).
- d) The shares are non-redeemable.

Class C1 ordinary shares

- a) Each C ordinary share, subject to certain limitations, is entitled to one vote in any circumstances and shall confer on the holders of C ordinary shares (as a class) in aggregate of 25% of the total number of voting rights of all shares in issue at the relevant time (allocated pro rata among such holders according to the number of C1 ordinary shares held).
- b) Each C1 Ordinary share is subject to investor approval, entitled pari passu to any dividend payments or any other distribution (up to the C share percentage).
- c) Each C1 ordinary share, subject to certain limitations, is entitled pari passu to participate in distribution of capital (including from a winding-up of the Company).
- d) The shares are non-redeemable.

C2 ordinary shares

- a) Each C2 ordinary share shall confer on each holder of C2 ordinary shares (in that capacity) right to receive notice of and to attend, speak but not vote at any general meetings of the Company and no right to vote on written resolutions (up to the C share percentage)
- b) Each C2 ordinary share is subject to investor approval, entitled pari passu to any dividend payments or any other distribution
- c) Each C2 ordinary share, subject to certain limitations, is entitled pari passu to participate in distribution of capital (including from a winding-up of the Company)
- d) The shares are non-redeemable.

26. Share premium account

	£000
Balance at 1 November 2017	-
Premium arising on issue of equity shares	264
Balance at 30 April 2018	264
Premium arising on issue of equity shares	8
Balance at 30 April 2019	272

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

27. Accumulated deficit

	£000
Balance at 1 November 2017	-
Net loss for the period	(6,614)
Balance at 30 April 2018	(6,614)
Net loss for the year	(12,752)
Balance at 30 April 2019	(19,366)

28. Notes to the cash flow statement

	2019 £000	6 month period 2018 £000
Loss for the year/period	(12,752)	(6,614)
Adjustments for:		
Share of profit of associates	(22)	(16)
Investment revenues	(33)	(14)
Other gains and losses	27	23
Finance costs	12,104	5,465
Income tax credit	(1,585)	(113)
Depreciation of property, plant and equipment	353	171
Amortisation of intangible assets	5,472	2,556
Impairment of intangible assets	2,539	-
Operating cash flows before movements in working capital	6,103	1,458
(Decrease)/increase in receivables	(1,618)	900
Decrease/(increase) in payables	1,124	(272)
Cash generated by operations	5,609	2,086
Incomes taxes paid	(648)	(563)
Interest paid	(3,738)	(917)
Interest received	33	-
Net cash from operating activities	1,256	606

Cash and cash equivalents

	2019 £000	2018 £000
Cash and bank balances		
Bank deposits	4,345	3,308
	4,345	3,308

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow statement can be reconciled to the related items in the consolidated balance sheet position shown above.

Couple Holdco Limited

Notes to the consolidated financial statements (continued) For the year ended 30 April 2019

29. Operating lease arrangements

	2019 £000	6 month period 2018 £000
Minimum lease payments under operating leases recognised as an expense in the year	499	231

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

	2019 £000	2018 £000 Restated
Within one year	503	546
In the second to fifth years inclusive	1,876	1,921
After five years	869	1,327
	<u>3,248</u>	<u>3,794</u>

Operating lease payments represent rentals payable by the Company for certain of its office properties. Leases are negotiated for an average term of 1-10 years and rentals are fixed for an average of 1-5 years.

The prior year comparative figures have been restated due to an error in calculation and to reflect the actual pattern of usage of the leased property.

Liabilities recognised in respect of non-cancellable operating leases:

	2019 £000	2018 £000
Lease incentives		
Current	68	68
Non-current	145	213
	<u>213</u>	<u>281</u>

Lease incentives relate to (i) previous rent-free periods (totalling 16 months) on the leased offices in Slough. The annual, contractual rent after rent-free periods is £458k. The lease will expire in 7 years.

30. Retirement benefit schemes

Defined contribution schemes

The Group made contributions to one defined contribution group personal pension plan in the UK. The contributions payable by the Group in respect of the year to these schemes are charged to the income statement on an accruals basis. The total pension charge for the year ended 30 April 2019, which related to defined contribution schemes, is £488k (2018: £183k. The Group does not operate any defined benefit pension schemes and no accrued amounts were applicable at year end (2018: £nil).

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

31. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings disclosed in note 20 after deducting cash and bank balances) and equity of the Group (comprising issued capital, reserves and accumulated deficit as disclosed in note 25, 26 and 27.)

Under the bank loan agreement, the Group is subject to financial covenants relating to net leverage. The Group has complied with these covenants and requirements.

Gearing ratio

The gearing ratio at the year end is as follows:

	2019 £000	2018 £000
Debt	119,647	111,262
Less: Cash and cash equivalents	(4,345)	(3,308)
Net debt	115,302	107,954
Equity	(18,142)	(6,335)
Net debt to equity ratio	(6.4)	(17.0)

Debt is defined as long-term borrowings as detailed in note 20.

Equity includes all capital and reserves of the Group that are managed as capital.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in note 3.

Categories of financial instruments

	2019 £000	2018 £000
Financial assets		
Cash	4,345	3,308
Contract assets (note 18)	3,030	1,556
Trade and other receivables (note 19)	5,972	5,129
Financial liabilities		
Borrowings (note 20)	(119,647)	(111,262)
Contract liabilities (note 21)	(3,346)	(3,351)
Trade and other payables (note 22)	(3,205)	(2,132)

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

31. Financial instruments (continued)

Financial risk management objectives

The main financial risks relating to the operations of the Group are market risk, liquidity risk and credit risk. The board of directors review and agree policies for managing each of these risks, which are summarised below:

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see below). The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- forward foreign exchange contracts to hedge the exchange rate risk of contracts denominated in Euros; and
- interest rate caps to mitigate the risk of rising interest rates.

Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	2019 £000	2018 £000
Euro	1,442	949
Australian Dollars	12	21
Canadian Dollars	521	380
United States Dollars	-	(3)
	<u>1,975</u>	<u>1,347</u>

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where sterling strengthens 10% against the relevant currency. For a 10% weakening of sterling against the relevant currency, there would be a comparable impact on the profit and the balances below would be negative.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

31. Financial instruments (continued)

	Euro impact		Canadian Dollar impact	
	2019 £000	2018 £000	2019 £000	2018 £000
Profit or loss				
- 10% strengthening	(131)	(86)	(48)	(36)
- 10% weakening	160	105	59	45

This is mainly attributable to the exposure outstanding on cash, receivables and payables in the Group at the balance sheet date.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Foreign exchange forward contracts

It is the policy of the Group to enter into foreign exchange forward contracts to cover specific foreign currency payments and receipts. These are not designated as foreign currency hedges.

Interest rate risk management

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate caps.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the balance sheet date was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's profit for the year ended 30 April 2019 would decrease by £464k (2018: decrease by £470k). This is mainly attributable to the Group's exposure to interest rates on its bank loan.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure is continuously monitored.

Trade receivables consist of a large number of customers within the travel industry, spread across the United Kingdom and abroad. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Apart from the largest customer, the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defined counterparties as having similar characteristics if they are related entities.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

31. Financial instruments (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Details of undrawn facilities that the Group has at its disposal to further reduce the liquidity risk are set out below.

Financing facilities

	2019 £000	2018 £000
Unsecured bank loan facility		
Amount used	50,000	50,000
Amount unused	-	-
	<u>50,000</u>	<u>50,000</u>
Unsecured rolling credit facility		
Amount used	-	-
Amount unused	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

Fair value measurements

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

31. Financial instruments (continued)

Financial assets/ financial liabilities	Fair value as at 30 April 2019	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Foreign currency forward contracts	Assets: £1k Liabilities: £nil	Level 2	Discounted cash flow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate to their fair values.

32. Events after the balance sheet date

One of the Group's customers, Thomas Cook, entered compulsory liquidation on 23 September 2019. As a historically significant customer of the Group, these financial statements have been reviewed in respect of this news. From this review, we confirm that the business is well positioned for growth into future and that the unfortunate news does not affect the Group's ability to trade as a going concern and Goodwill has not been impaired after reassessment.

33. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Loan notes

Inflexion Private Equity ("Inflexion"), a private equity house, has invested in the Group through the following funds:

£40.8 million 12% coupon IFX unsecured A loan notes maturing in May 2025.

Lloyds Development Capital (LDC) has invested in the Group through the following funds:

£17.4 million 12% coupon IFX unsecured A loan notes maturing in May 2025.

In addition to the above, the following loan notes were issues to senior management:

£4.6 million 12% coupon IFX unsecured B loan notes maturing in May 2025.

Couple Holdco Limited

Notes to the consolidated financial statements (continued)

For the year ended 30 April 2019

33. Related party transactions (continued)

Interest on the loan notes accrues at a rate of 12%. The interest payable in respect of loan notes held by Inflexion in the year is £5.0 million (2018: £2.9 million). The interest payable in respect of loan notes held by LDC in the year is £2.2 million (2018: £0.4 million).

A loan made to a director, secured against issued shares and loan notes, was outstanding during the year. The amount of the liability payable at year end was £50k.

Remuneration of key management personnel

The remuneration of the directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2019 £000	2018 £000
Short-term employee benefits	-	-
Post-employee benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Aggregate directors' remuneration

The total amounts for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

	Highest paid director 2019 £000	Highest paid director 2018 £000	Total 2019 £000	Total 2018 £000
Salaries, fees, bonuses and benefits in kind	216	113	675	264
Amounts receivable under long-term incentive schemes	-	-	-	-
Money purchase pension contributions	10	4	26	11
	<u>226</u>	<u>117</u>	<u>701</u>	<u>275</u>

3 directors (2018: 3) were members of a money purchase pension scheme in the year.

34. Off-balance sheet arrangements

There are no off-balance sheet arrangements as at 30 April 2019.

Couple Holdco Limited

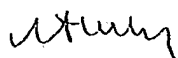
Company balance sheet

As at 30 April 2019

	Note	2019 £000	2018 £000
Non-current assets			
Investment in subsidiaries	37	-	-
Interests in associates	17	-	-
Trade and other receivables	38	4,212	3,749
		<u>4,212</u>	<u>3,749</u>
Current assets			
Trade and other receivables	38	1,465	1,284
		<u>1,465</u>	<u>1,284</u>
Total assets		<u>5,677</u>	<u>5,033</u>
Current liabilities		<u>(8)</u>	<u>(8)</u>
Net current assets		<u>1,457</u>	<u>1,276</u>
Total assets less current liabilities		<u>5,669</u>	<u>5,025</u>
Non-current liabilities			
Borrowings	40	(5,425)	(4,823)
		<u>(5,425)</u>	<u>(4,823)</u>
Total liabilities		<u>(5,433)</u>	<u>(4,831)</u>
Net assets		<u>244</u>	<u>202</u>
Equity			
Share capital	25, 41	17	16
Share premium account	26, 41	272	264
Accumulated deficit	42	(44)	(77)
Equity attributable to owners of the Company		<u>244</u>	<u>202</u>

The Company reported a profit for the financial year ended 30 April 2019 of £33k (2018: loss of £77k).

The financial statements of Couple Holdco Limited (registered number 11042500) were approved by the board of directors and authorised for issue on 30 September 2019. They were signed on its behalf by:



Noel Kelly
Director

Couple Holdco Limited

Company statement of changes in equity

For the year ended 30 April 2019

	Share capital £000	Share premium account £000	Accumulat- ed deficit £000	Total £000
Balance at 1 November 2017	-	-	-	-
Loss for the period	-	-	(77)	(77)
Issue of share capital	15	264	-	279
Balance at 30 April 2018	15	264	(77)	202
Profit for the year	-	-	33	33
Issue of share capital	1	8	-	9
Balance at 30 April 2019	16	272	(44)	244

Couple Holdco Limited

Notes to the company financial statements

For the year ended 30 April 2019

35. Significant accounting policies

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Where required, equivalent disclosures are given in the consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for the re-measurement of certain financial instruments that are measured at fair values at the end of each reporting period. The principal accounting policies adopted are the same as those set out in note 3 to the consolidated financial statements except as noted below.

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the parent company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

36. Profit for the year

As permitted by s408 of the Companies Act 2006, no separate income statement or statement of other comprehensive income is presented in respect of the parent company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

The auditor's remuneration for audit and other services is disclosed in note 8 to the consolidated financial statements.

The Company did not have employees in the year. Employees and directors were remunerated by other group undertakings, disclosed in aggregate in notes 9 and 33 to the consolidated financial statements.

Couple Holdco Limited

Notes to the company financial statements

For the year ended 30 April 2019

37. Investments in subsidiaries

	Subsidiaries £000
Cost	
At 1 May 2017	-
At 30 April 2018	-
At 30 April 2019	-

Details of the Company's subsidiaries at 30 April 2019 are as follows:

Name	Registered address	Place of incorporation	Proportion of ownership of ordinary share capital	Proportion of voting power held	Principal Activity
Couple Midco Limited +	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Holding company
Couple Bidco Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Holding company
ATCORE Technology Group Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Holding company
ATCORE Technology Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Provision of software and services to the leisure travel sector
Tiger Bay Software Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Provision of software and services to the leisure travel sector
ATCORE Technology (Australia) Pty Limited	243 Miler Street, North Sydney, NSW 2060. Australia.	Australia	100%	100%	Provision of software and services to the leisure travel sector
ATNEWCO20 Limited	353 Buckingham Avenue, Slough SL1 4PF. United Kingdom.	United Kingdom	100%	100%	Dormant company

+ Held directly by Couple Holdco Limited.

Couple Holdco Limited

Notes to the company financial statements

For the year ended 30 April 2019

38. Trade and other receivables

	2019 £000	2018 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,415	1,284
Other debtors	50	-
Included in current assets	<u>1,465</u>	<u>1,284</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	4,212	3,749
Included in non-current assets	<u>4,212</u>	<u>3,749</u>
Total trade and other receivables	<u><u>5,677</u></u>	<u><u>5,033</u></u>

Amounts repayable from group undertakings are short term and carry interest of 12% per annum charged on the outstanding loan balances.

39. Finance guarantee

The Company has provided a finance guarantee to Couple Midco Limited and Couple Bidco Limited in respect of the debt held by subsidiary companies. Details of the borrowings are given in note 20 to the consolidated financial statements.

40. Borrowings

	2019 £000	2018 £000
Unsecured borrowing at amortised cost		
Management loan notes	5,425	4,823
	<u>5,425</u>	<u>4,823</u>
Amounts due for settlement between one and five years:		
Management loan notes	-	-
	<u>-</u>	<u>-</u>
Amounts due for settlement after five years:		
Management loan notes	5,425	4,823
	<u>5,425</u>	<u>4,823</u>

Details of the loan notes are given in note 20 to the consolidated financial statements.

Couple Holdco Limited

Notes to the company financial statements For the year ended 30 April 2019

41. Share capital and share premium account

The movements on these items are disclosed in notes 25 and 26 to the consolidated financial statements.

42. Accumulated deficit

	£000
Balance at 1 November 2017	-
Loss for the period	(77)
Balance at 30 April 2018	(77)
Profit for the year	33
Balance at 30 April 2019	(44)

43. Controlling party

The ultimate controlling party is Inflexion Buyout Fund IV (No 1) LP.