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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**COMPANY INFORMATION**

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | N J Bedford<br>I B Bendelow   |
| <b>Registered number</b> | 05824170  |
| <b>Registered office</b> | Charnham Park<br>Herongate<br>Hungerford<br>Berkshire<br>England<br>RG17 0YU                                      |
| <b>Accountants</b>       | Grant Thornton UK LLP<br>Chartered Accountants<br>One Valpy<br>20 Valpy Street<br>Reading<br>Berkshire<br>RG1 1AR |
| <b>Bankers</b>           | HSBC PLC<br>High Street<br>Crawley<br>West Sussex<br>RH10 1DL   |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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## KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

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The directors present their report and the financial statements for the year ended 30 September 2021.

#### Principal activity

The principal activity of Kerridge Commercial Systems (KSE) Limited (the Company) is the supply of accounting (ERP) software and hardware, and the provision of associated professional support and other services to the distributive trades.

#### Results and dividends

The profit for the year, after taxation, amounted to £890,000 (2020 - £1,010,000).

Dividends of £900,000 were paid during the year (2020: £600,000). The directors do not recommend a payment of a final dividend.

#### Directors

The directors who served during the year were:

N J Bedford  
I B Bendelow

#### Covid-19 Pandemic

This event continues to be one of the most significant economic shocks for the global economy in recent history. At the date of approval of these accounts its effects continue to impact all levels of society but, as the pandemic progresses the level of associated uncertainty is decreasing as the world takes steps back towards normality.

We are continuing to monitor the progression of the pandemic and, when necessary, we are able to deliver the majority of our services remotely if required including customer support to implementation activities. We are continuing to monitor our supply chain to ensure availability of equipment and materials in order to allow us to continue to deliver high levels of customer service.

#### Brexit

The UK formally left the EU on 31 January 2020 and the transition period ended on 31 December 2020. During the transition period we monitored key risks and opportunities to assess how we might make changes to our business to ensure we mitigate any risks and maximise the opportunities. To date, Brexit has had limited impact upon our business.

#### Subsequent Events

On 6 October 2021, the Company entered into an agreement to transfer the trade and assets and liabilities with Kerridge Commercial Systems Ltd. The transfers were part of an ongoing Group rationalisation process and were effective 30 September 2021.

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

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

**Small companies exemptions**

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

This report was approved by the board on 16/3/22

and signed on its behalf.



**N J Bedford**  
Director

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KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

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|  | Note | 2021<br>£000 | 2020<br>£000 |
|--|------|--------------|--------------|
| Turnover                                       | 4    | 2,537        | 2,841        |
| Cost of sales                                  |      | (182)        | (367)        |
| <b>Gross profit</b>                            |      | <b>2,355</b> | <b>2,474</b> |
| Administrative expenses                        |      | (1,458)      | (1,470)      |
| Other operating income                         | 5    | -            | 6            |
| <b>Operating profit</b>                        | 6    | <b>897</b>   | <b>1,010</b> |
| Tax on profit/(loss) on ordinary activities    |      | (7)          | -            |
| <b>Profit for the financial year</b>           |      | <b>890</b>   | <b>1,010</b> |
| <b>Other comprehensive income for the year</b> |      |              |              |
| <b>Total comprehensive income for the year</b> |      | <b>890</b>   | <b>1,010</b> |

There were no recognised gains and losses for 2021 or 2020 other than those included in the Statement of Comprehensive Income.

The notes on pages 6 to 18 form part of these financial statements.

**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**  
**REGISTERED NUMBER:05824170**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

|  | <b>Note</b> | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|--|-------------|----------------------|----------------------|
| <b>Fixed assets</b>                            |             |                      |                      |
| Tangible assets                                | 10          | -                    | 40                   |
|  |             | <u>-</u>             | <u>40</u>            |
| <b>Current assets</b>                          |             |                      |                      |
| Stocks   | 11          | -                    | 6                    |
| Debtors: amounts falling due within one year   | 12          | 1,374                | 2,210                |
| Cash at bank and in hand                       | 13          | -                    | 950                  |
|  |             | <u>1,374</u>         | <u>3,166</u>         |
| Creditors: amounts falling due within one year | 14          | -                    | (1,822)              |
| <b>Net current assets</b>                      |             | <u>1,374</u>         | <u>1,344</u>         |
| <b>Total assets less current liabilities</b>   |             | <u>1,374</u>         | <u>1,384</u>         |
| <b>Net assets</b>                              |             | <u>1,374</u>         | <u>1,384</u>         |
| <b>Capital and reserves</b>                    |             |                      |                      |
| Called up share capital                        | 18          | 50                   | 50                   |
| Profit and loss account                        |             | 1,324                | 1,334                |
|  |             | <u>1,374</u>         | <u>1,384</u>         |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**  
**REGISTERED NUMBER:05824170**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 SEPTEMBER 2021**

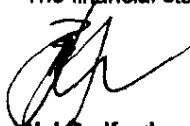
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The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 *with respect to accounting records and the preparation of financial statements.*

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**M.J. Bedford**

Director

Date: 16/3/22

The notes on pages 6 to 18 form part of these financial statements.

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## KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 1. General information

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

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Going concern

The financial statements have been prepared under the going concern basis. The directors have prepared forecasts, including relevant sensitivity and downside scenario analyses, to assess the future financing requirements of the Company, and wider Group, after considering levels of contractual revenues and renewal and reoccurrence rates, orders backlog, new order run rate, sales pipeline and employee costs and other operating costs.

Based on the work undertaken, the directors are satisfied that sufficient cash facilities are secured from cash on hand, available borrowing facilities and cash inflows from forecast trading to meet the Company's and Group's working capital requirements for a period ending not less than 12 months after the signature of these financial statements. The directors therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

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## KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

##### 2.4 Revenue

Revenue represents services supplied during the year after deduction of trade discounts and value added tax.

Revenue from ordinary activities includes sales of software licenses, installation, consultancy support, training services and maintenance.

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

##### 2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.6 Research and development**

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

**2.7 Pensions**

**Defined contribution plan**

The Company operates a defined contribution plan, a pension plan under which the Company pays fixed contributions into a separate entity. The assets of the plan are held separately from the Company in independently administered funds and once the contributions have been paid the Company has no further payment obligations.

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

**2.8 Operating leases: the Company as lessee**

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

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

**2.9 Dividends**

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

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.10 Current and deferred taxation**

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

**2.11 Tangible fixed assets and depreciation**

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

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

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## KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.11 Tangible fixed assets and depreciation (continued)

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

|                        |                   |
|------------------------|-------------------|
| Leasehold improvements | - Length of lease |
| Office equipment       | - 2 to 5 years    |

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

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

##### 2.12 Impairment of fixed assets, goodwill and other intangible assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.13 Inventories

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

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

##### 2.14 Debtors

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

##### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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## KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.16 Creditors

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

##### 2.17 Provision for liabilities

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

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

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

##### 2.18 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

##### 2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)**

**2.19 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

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

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

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

***Impairment of trade and inter-company debtors***

The Company make an estimate of the recoverable value of trade and inter-company debtors. When assessing the impairment of trade and inter-company debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

|                                    | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|------------------------------------|----------------------|----------------------|
| Rendering of services              | 2,376                | 2,477                |
| Licensing of intellectual property | 99                   | 111                  |
| Sale of goods                      | 33                   | 204                  |
| Other revenue                      | 14                   | 49                   |
| Charges to related parties         | 15                   | -                    |
|                                    | <b>2,537</b>         | <b>2,841</b>         |

**5. Other operating income**

|  | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|--|----------------------|----------------------|
| Coronavirus Job Retention Scheme grants received | -                    | 6                    |

**6. Operating profit**

The operating profit is stated after charging:

|                                   | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|-----------------------------------|----------------------|----------------------|
| Operating lease charges           | 113                  | 114                  |
| Defined contribution pension cost | 31                   | 26                   |

**7. Employees**

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

|                          | <b>2021<br/>No.</b> | <b>2020<br/>No.</b> |
|--------------------------|---------------------|---------------------|
| Sales and administration | 3                   | 4                   |
| Technical                | 7                   | 10                  |
| Operations               | 8                   | 3                   |
|                          | <b>18</b>           | <b>17</b>           |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**8. Directors' remuneration**

During the financial year, no directors received any emoluments and no pension contributions were made on behalf of the directors. The directors were remunerated through one of the wider group companies, Kerridge Commercial Systems (Bidco) Limited, and so there have been no charges with this Company during the financial period.

**9. Dividends**

|                              | <b>2021</b> | <b>2020</b> |
|------------------------------|-------------|-------------|
|                              | <b>£000</b> | <b>£000</b> |
| Dividends on ordinary shares | <b>900</b>  | <b>600</b>  |

**10. Tangible fixed assets**

|                                     | <b>Fixtures and<br/>fittings<br/>£000</b> | <b>Leasehold<br/>property<br/>£000</b> | <b>Computer<br/>equipment<br/>£000</b> | <b>Total<br/>£000</b> |
|-------------------------------------|---|--|--|-----------------------|
| At 1 October 2020                   | <b>106</b>                                | <b>125</b>                             | <b>133</b>                             | <b>364</b>            |
| Disposals                           | <b>(6)</b>                                | <b>-</b>                               | <b>(100)</b>                           | <b>(106)</b>          |
| Transfer of assets on hive-up       | <b>(100)</b>                              | <b>(125)</b>                           | <b>(33)</b>                            | <b>(258)</b>          |
| At 30 September 2021                | <b>-</b>                                  | <b>-</b>                               | <b>-</b>                               | <b>-</b>              |
| At 1 October 2020                   | <b>85</b>                                 | <b>124</b>                             | <b>115</b>                             | <b>324</b>            |
| Charge for the year on owned assets | <b>5</b>                                  | <b>1</b>                               | <b>10</b>                              | <b>16</b>             |
| Disposals                           | <b>(6)</b>                                | <b>-</b>                               | <b>(99)</b>                            | <b>(105)</b>          |
| Transfer of assets on hive-up       | <b>(84)</b>                               | <b>(125)</b>                           | <b>(26)</b>                            | <b>(235)</b>          |
| At 30 September 2021                | <b>-</b>                                  | <b>-</b>                               | <b>-</b>                               | <b>-</b>              |
| <b>Net book value</b>               |   |  |  |                       |
| At 30 September 2021                | <b>-</b>                                  | <b>-</b>                               | <b>-</b>                               | <b>-</b>              |
| At 30 September 2020                | <b>21</b>                                 | <b>1</b>                               | <b>18</b>                              | <b>40</b>             |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**11. Inventories**

|                                     | <b>2021</b> | <b>2020</b> |
|-------------------------------------|-------------|-------------|
|                                     | <b>£000</b> | <b>£000</b> |
| Finished goods and goods for resale | -           | 6           |

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

**12. Debtors**

|                                    | <b>2021</b>  | <b>2020</b>  |
|------------------------------------|--------------|--------------|
|                                    | <b>£000</b>  | <b>£000</b>  |
| Trade debtors                      | -            | 604          |
| Amounts owed by group undertakings | 1,374        | 1,450        |
| Prepayments and accrued income     | -            | 145          |
| Deferred taxation                  | -            | 11           |
|                                    | <b>1,374</b> | <b>2,210</b> |

**13. Cash and cash equivalents**

|                          | <b>2021</b> | <b>2020</b> |
|--------------------------|-------------|-------------|
|                          | <b>£000</b> | <b>£000</b> |
| Cash at bank and in hand | -           | 950         |

**14. Creditors: Amounts falling due within one year**

|                                    | <b>2021</b> | <b>2020</b>  |
|------------------------------------|-------------|--------------|
|                                    | <b>£000</b> | <b>£000</b>  |
| Trade creditors                    | -           | 114          |
| Amounts owed to group undertakings | -           | 18           |
| Other taxation and social security | -           | 532          |
| Other creditors                    | -           | 5            |
| Accruals and deferred income       | -           | 1,153        |
|                                    | <b>-</b>    | <b>1,822</b> |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Financial instruments**

|   | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|---|----------------------|----------------------|
| <b>Financial assets</b>   |                      |                      |
| Cash at bank and in hand  | -                    | 932                  |
| Financial assets that are debt instruments measured at amortised cost | <b>1,374</b>         | <b>2,082</b>         |
| <b>Financial assets - Total</b>                                       | <b><u>1,374</u></b>  | <b><u>3,014</u></b>  |
| <b>Financial liabilities</b>  |                      |                      |
| Financial liabilities measured at amortised cost                      | <b><u>-</u></b>      | <b><u>(263)</u></b>  |

**16. Deferred taxation**

|                                | <b>2021<br/>£000</b> |
|--------------------------------|----------------------|
| At beginning of year           | 11                   |
| Charged to profit or loss      | (7)                  |
| Transferred as part of hive-up | (4)                  |
| <b>At end of year</b>          | <b><u>-</u></b>      |

The deferred tax asset is made up as follows:

|                                | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|--------------------------------|----------------------|----------------------|
| Fixed asset timing differences | -                    | 5                    |
| Short term timing differences  | -                    | 6                    |
|                                | <b><u>-</u></b>      | <b><u>11</u></b>     |

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Commitments under operating leases**

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|                       | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|-----------------------|----------------------|----------------------|
| In less than one year | -                    | 119                  |
| In two to five years  | -                    | 70                   |
|                       | <u>-</u>             | <u>189</u>           |

**18. Share capital**

|  | <b>2021<br/>£000</b> | <b>2020<br/>£000</b> |
|--|----------------------|----------------------|
| <b>Allotted, called up and fully paid</b>            |                      |                      |
| 50,100 (2020 - 50,100) Ordinary shares of £1.00 each | <u>50</u>            | <u>50</u>            |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

**19. Pension commitments**

The Company operates a defined contribution scheme for the benefit of its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid and payable by the Company to the fund and amounted to £31,000 (2020: £26,000). Contributions totalling £Nil (2020: £4,000) were payable to the fund at the balance sheet date.

**20. Contingent liabilities**

The Company is part of a group cross guarantee in respect of bank loans held by Kerridge Commercial Systems (Bidco) Limited and Kerridge Commercial Systems US Holdco Inc. The total amount due at 30 September 2021 by the Group is £104,189,000, \$76,936,000 and €41,252,000 (2020: £111,689,000, \$76,936,000 and €41,252,000).

**21. Related party transactions**

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

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**KERRIDGE COMMERCIAL SYSTEMS (KSE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Post balance sheet events**

On 6 October 2021, the Company entered into an agreement to transfer the trade and assets and liabilities with Kerridge Commercial Systems Ltd. The transfers were part of an ongoing Group rationalisation process and were effective 30 September 2021.

**23. Controlling party**

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

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

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