Registered number: 05965280

ADVANCED COMPUTER SOFTWARE GROUP LIMITED

AMENDED AND REVISED ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2023

ADVANCED COMPUTER SOFTWARE GROUP LIMITED

COMPANY INFORMATION

Directors	A R Alonso B Hung M O Richards M S Saroya P T Schwalber S D Walsh S E Dews A Jorgens
Registered number	05965280
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Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present the Strategic Report for Advanced Computer Software Group Limited and its subsidiary undertakings (the "Group") for the year ended 28 February 2023.

Principal activities & objectives

The Group's principal activity is the provision of vertical specific software which 'power the world of work' becoming the silent foundation upon which our customers rely, enabling them to drive efficiencies, create savings and grow.

As a customer centric organisation we are focussed on understanding the industries we serve to ensure we can evolve with their changing needs. The Group achieves this through the expertise of its people and by taking an industry led approach to software development and delivering excellent customer service that ensures high retention levels and growth. This is complemented with carefully selected acquisitions to create further value for the Group's customer base.

The Group serves organisations predominantly in the United Kingdom but has selected international presence. The Group's software vertical categories include specific solutions for Health and Social Care, Legal and Education, Public Sector / Social Housing, as well as Distribution, Logistics & Retail. In addition to providing leading vertical solutions, the Group also provides its customers with Financial Management; People Management; Spend Management; Governance, Risk & Compliance products.

All solutions are supported by the Group's internal hosting and managed services capabilities.

The principal activity of the company is that of a holding company for its subsidiaries.

Results and performance
The Group's performance in the year ended 28 February 2023 was impacted by significant one off events (principally, an August 2022 Health & Care cyber attack (the "cyber attack") and a difficult internal systems implementation). At a revenue level, the Group continued to meet its strategic and financial objectives, total revenue grew by 2% (2022: 23%), while recurring revenue (subscriptions) grew at 8% and increased its share to 79% (2022: 74%) of total revenues. At a reported EBITDA level, the cyber attack and system implementation issues had a large impact on margin with 18% adjusted EBITDA margin (2022: 32%). This margin decline is not reflective of current year margin expectation.

In spite of the margin headwinds, the Group continued to ramp up investment in product development to maintain and strengthen market positions, spending £43.6 million (2022: £34.8 million) on research and development and investing in other strategic initiatives to accelerate future growth.

In addition, the Group continued to deploy its M&A strategy during the year ended 28 February 2023, albeit more cautiously, making three small acquisitions to support our existing customer base, reinforcing the Group's product offering and strengthening its market position. These acquisitions include the provider of a procurement and supplier management application, a virtual learning tool and a risk management and governance tool.

The Directors review various Key Performance Indicators (KPIs) for the Group's performance namely revenue growth (in particular recurring revenue growth), recurring revenue as percentage of revenue and adjusted EBITDA growth and margin.

During the year the Group delivered a strong top line performance with revenue for the 12 month period reaching £321.7 million (2022: £316.5 million), growing overall by 2% (2022: 23%) on a year on year basis. The lower growth partly was caused by the impact of the cyber attack on non recurring revenue (license, services), with non recurring revenue falling by 16%.

Recurring revenue was £254.0 million (2022: £235.6 million) with growth of 8% in the year (2022: 28%). In 2023 subscription revenues grew 28% (driven in part by M&A), underlining the quality and demand for our products albeit offset by outage credits relating to the cyber attack (the 'cyber attack') of £4.4million (2022: £nil).

As explained above, in contrast to a solid revenue performance, adjusted EBITDA was £58.7 million (2022: £101.1 million) reducing by 42% (2022: 7% increase) during the year. The Group saw a reduction in adjusted EBITDA margin from 32% in the year ended 28 February 2022 to 18% in the year ended 28 February 2023. The margin reduction was caused by a combination of the cyber attack, a new Salesforce implementation beset with problems, additional investment in research and development and general inflationary increases in cost of goods sold and operating costs. This also reflected increased investment in areas within the business, in particular marketing and R&D, to drive future growth.

Reflective of the one off nature of some of the factors affecting Adjusted EBITDA in the 2023 period, management have added in the table below an indicative "Management Adjusted EBITDA" that better reflects a *more normalised level of profitability.*

The Group is very confident in returning to normal levels of profitability (in line with prior years) in the current financial year, given both the one off nature of some of the impacts affecting FY23 as well as some judicious and already implemented cost containment measures.

Adjusted EBITDA is used by the Directors as an indicator of ongoing trading profitability of the Group. EBITDA is defined as Operating Profit before foreign exchange, amortisation and depreciation.

A reconciliation between EBITDA and adjusted EBITDA is detailed below:

	Year Ended 28 Feb 23	Year Ended 28 Feb 22
	£'m	£'m
Operating (loss) / profit	(37.8)	22.8
Net foreign exchange loss	0.8	(0.1)
Amortisation	67.4	64.3
Depreciation	4.1	4.8
EBITDA	34.5	91.8
One off acquisition and restructuring costs	24.3	6.0
Statutory Adjusted EBITDA	58.8	97.8
Other one off and non trading costs	-	3.3
Adjusted EBITDA	58.8	101.1
Management add backs	27.0	
Management Adjusted EBITDA	85.8	

As mentioned, FY2023 was impacted by significant one off factors affecting Adjusted EBITDA and management has included £27.0 million of normalised management one off costs to give a better representation of Management run rate EBITDA. These add backs include management defined one off costs £5.0 million, incremental late credit note provision £5.2 million, onerous lease provision £3.6 million, the impact of system and process adjustments £6.5 million, revenue cyber attack outage credits £4.4 million, and other incremental costs £2.3 million.

The one off acquisition and restructuring costs incurred in the year are detailed in note 24 to these financial statements.

Other one off and non trading costs are non recurring costs incurred because of changes made to business operations and non trading board and associated advisor costs. Amortisation has increased year on year as a result of additional investment in business combinations.

Cash Flow
Cash generated from operating activities was £58.6 million (2022: £98.5 million) and at the end of the period the Group had a cash balance of £31.2 million (2022: £20.2 million).

One off exceptional costs

During the period the Group incurred £24.3 million (2022: £6.0 million) of one off exceptional costs. The costs can be analysed as follows:

	Year Ended 28 Feb 23 £'m	Year Ended 28 Feb 22 £'m
Type		
Acquisition credit	(1.0)	1.2
Transformation projects	6.6	3.4
Property rationalisation	0.6	1.4
Cyber attack remediation	18.1	-
One off cost	24.3	6.0

Acquisition, transformation and property rationalisation costs
The Group undertook various transformation projects including information technology systems implementations and finance transformation and property rationalisation by consolidating the Group's office properties and those of the businesses acquired.

Cyber attack
On the morning of 4 August 2022, the group's IT teams identified disruptions to subsidiary environment, which were subsequently determined to be the result of a cybersecurity incident caused by ransomware.

The Group has provided details of this incident to the Information Commissioner's Office (ICO) and continues to cooperate in their investigation, to ensure that all appropriate steps are carried out from a legal, regulatory and compliance perspective. The ICO's investigation is ongoing.

As a result of this incident, the group has invested heavily in resolving the issues caused to customers as well as improving its cyber security across the business. These costs are charged to one off acquisition and restructuring costs (note 24).

Acquisitions costs relate to costs incurred during the acquisition of new business during the year. In 2023, the group received compensation and the return of previously paid deferred consideration relating to a historic acquisition. As the acquisition took place more than 12 months ago the group has not restated the acquisition accounting and a credit has been taken to the Statement of Comprehensive Income.

Research and development activity

During the period, research and development gross expenditure was £43.6 million (2022: £34.8 million). A successful research and development agenda is a strategic priority of the Group as it transitions to a Software as a Service (SaaS) provider. Its effective research and development strategy supports and maintains the competitive advantage the Group enjoys.

The Group remains committed to the continuous development of a portfolio of industry specific products including its Platform as a Service (PaaS) My Workplace. The development of My Workplace as a single platform through which all software will be delivered, will continue into the next financial year. Ongoing investment in new technology and functionality will continue to enable the Group to maintain and strengthen its market leading position.

Non financial key performance indicators

The Group's primary non financial KPIs are:

•Customer satisfaction, which is measured by regularly surveying the Group's customers, and aggregating the results in a KPI of NPS ("Net Promoter Score"). NPS improved from 16 in 2015 to +19 in 2023. Our aim is to continue to grow our NPS score with a score of greater than 0 being considered good;

•Employee base: number of employees and number of new hires (see note 4 to these financial statements for details of employee numbers). Our aim is to continue to invest in talent and grow our employee numbers in line with growth in the business; and

•ESG performance, with a commitment to carbon neutrality and significant on going diversity and inclusion investment (see Inclusivity section later in this Directors Report).

Principal and financial Risks and Uncertainties

Risk Category	Specific Risks	Mitigation
Economic	The Group's markets fall into decline. Weak economic conditions affect the ability of the Group's clients to do business. Uncertainty and volatility in the economy arising from the United Kingdom's exit from the European Union in January 2020. Risks to the UK economy from the impact of Covid 19 variants and higher inflationary environment, in particular caused by the Russian invasion of Ukraine.	The Group has a diversified portfolio of products, services, and markets, so as to mitigate dependence on any one product, service or market. Innovative solutions are offered in a variety of ways to best suit each customer's business needs, including the traditional licence and services model or payment by subscription via Software as a Service. A significant portion of the Group's revenue is recurring from existing customers which provides highly predictable cash flows. The company has expanded into a portfolio of markets, products and services which overall reduces the risk on any single element. The business is not directly dependent on sales between the UK and the EU as the business is focused materially on UK businesses and enterprises.

Strategic	The Group fails to execute its M&A strategy successfully or to properly integrate acquisitions made.	The Group applies clearly defined criteria to identify and make earnings enhancing acquisitions, with strong recurring revenue streams, which are complementary to the Group's existing portfolio. Due diligence appropriate to the size and complexity of the company, is carried out before any acquisition is made. The Group has extensive experience of integrating acquisitions.
Product Development	The Group operates in highly competitive markets characterised by rapidly changing technology and increasingly sophisticated customer requirements. Failure to respond promptly and effectively may lead to loss of market share.	Significant investment is made in product development. Dedicated development resource centres exist in Bangalore and Baroda, India, which continually review and update products. Use of third party software is kept to a minimum.
Systems Failure	A range of events may lead to the disruption or failure of our core processes and operational capabilities, causing reputational damage and/or operational loss to our customers and internal activities. Cyber security threats present a persistent risk to the Group's data and systems. Disruptive attacks such as ransomware are a lucrative revenue source for criminals, and there is an increasing risk of national state attacks as the war in Ukraine exacerbates political divisions. Failure to have appropriate controls and oversight related to cyber security and systems stability risk would have a significant impact on business performance and security of customer and business information and data.	Following a ransomware attack in the current year the group continues to mitigate against the risk of future cyber attacks. Our strategic and operational plans are regularly reviewed by the Board. At a project, programme, portfolio and strategic execution level there is specific change programme management and reporting. We continue to invest in our security systems to strengthen them beyond our core controls and reduce vulnerabilities. Our security is proactive with advanced monitoring, prevention and testing. Cyber security awareness is a key part of our training; this training includes practical examples and testing to assess the effectiveness of our cyber security culture. All critical new business and client focused systems have High Availability built in by design. Regular testing of business continuity/ disaster recovery plans is carried out, including annual full live scheduled testing.
Project Delivery	The Group contracts for multiple projects each year to deliver products and services to clients. Failure to deliver large or even smaller projects can result in significant financial loss.	The Group has proven procedures and policies for project delivery and regularly measures and reviews project progress. Problem projects involve senior management at an early stage.

Financial Reporting	Incomplete management/ financial information informing Board/ management decisions could result in the business being managed sub optimally and adversely affect performance.	Detailed management information is circulated monthly and reviewed by the management board and Group Board.
Liquidity Risk	The Group may have insufficient cash reserves and working capital to pay its debts as they fall due or to finance growth or acquisitions.	The Group has loan facilities to continue providing support for its operations. The Group will manage its liquidity risk by continuously monitoring forecasted and actual cash flows and managing the maturity dates of its loan facilities to ensure continuity of funding.
Foreign exchange risk	The Group's financial performance may be materially impacted by foreign exchange volatility.	The Group's main exposure to foreign exchange risk is on its $ borrowing. The Group enters into financial instruments to hedge 100% of its foreign exchange risk on these balances. The Directors monitor the foreign exchange exposure on the Group's working capital balances and as the majority of the Group's trading is in £, the foreign exchange risk on these balances is not deemed significant.
People	The Group's success relies on recruiting, developing and incentivising senior management and other key employees, the loss of whom may affect the financial performance of the Group.	A comprehensive vetting and recruitment process exists. There is continual development of employees through objective setting and regular appraisals. An in house development and training facility provides a structured learning environment for the professional development of all staff. Key employees are incentivised via bonus plans and share schemes.

Credit risk

Credit risk is the risk that a counterpart to a transaction with the Group fails to discharge its obligations in respect of the instrument. The Group's credit risk arises on (i) transactions with customers following delivery of goods and/or services or (ii) cash and cash equivalents placed with banks and financial institutions.

The Group provides services to Government-backed organisations and commercial businesses. A small proportion of revenue is generated outside of the UK. Management focuses strongly on working capital management and the collection of due invoices. Regular reports of overdue invoices are circulated amongst senior management and the Board reviews debtor days each month as part of the monthly reporting cycle. The risk with any one customer is limited by constant review of debtor balances and action to resolve any issues preventing discharge of obligations.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. In managing interest rate and currency risks, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, permanent changes in interest rates and foreign exchange would have an impact on consolidated earnings. At the statement of financial position date there were no significant concentrations of market risk.

Liquidity risk

Liquidity risk is the risk that the Group cannot meet financial liabilities when they fall due. The Group's policy for managing liquidity risk is to ensure that the business has enough financial resources to meet its day-to-day activities at any point in time.

The wider Group has loan facilities to continue providing support for its operations. The Group will manage its liquidity risk by continuously monitoring forecasted and actual cash flows and managing the maturity dates of its loan facilities to ensure continuity of funding.

As a business we continue to invest in improving and monitoring the review of our risks. One way we have achieved this in the year is in hiring a new risk manager.

Future developments

Over the coming year the Group's focus will be on driving new product innovation and vertical expertise, an improved user experience for customers and driving deeper integration across its product set.

It will prioritise resource into high growth industries and product categories to drive and grow the business, optimising cost controls and increasing productivity, investing in people, digitising the customer experience, and continuing to support ethical business practices.

Section 172(1) statement

The directors have acted in a way that they considered, in good faith, to be the most likely to promote the success of the company for the benefit of its members as a whole (having regard for stakeholders and matters set out in s172 (1) (a f) of the Act) in the decisions taken in the year.

The likely consequences of any decision in the long term

The directors understand the business and the wider environment in which the company operates. The strategy of the company is aligned with its subsidiary group and is intended to strengthen its position as a leading supplier of software and IT services.

The business plan is designed to have a long term beneficial impact on the company, to optimise and improve its existing assets and consider new market opportunities.

The interests of the group's employees

The directors recognise that employees are core to the business and delivery of the strategy. The success of the business depends on attracting, retaining and motivating its employees. As a responsible employer, the group is committed to providing pay and benefits based upon talent, merit and performance and upholding a healthy and safe working environment. The directors factor in the impact of their decisions on employees when relevant and feasible.

The need to foster the group's business relationships with suppliers, customers and others

True partnership is what differentiates us from our competition. We deliver focused solutions for public sector, enterprise, commercial and health & care organisations that simplify complex business challenges, deliver immediate value and enable our customers to deliver their strategic goals.

As mentioned above we have a zero tolerance approach on bribery, inappropriate offers and any other item of this nature both with our customers and suppliers.

Our core ESG principles are also applied to the way we select and work with customers and suppliers and we expect would only engage with Customers and Suppliers who uphold a similarly high level of ethical and professional standards as we expect of ourselves.

Supplier terms would normally be set at 30 days.

The desirability of the group maintaining a reputation for high standards of business conduct

Consideration of the group's stakeholder engagement is intrinsically linked to the wider group strategy. Decisions made by the directors consider the group's strategic goals, seeking to maintain high standards of business conduct, with due regard to relevant policies, frameworks and business conduct.

The need to act fairly between members of the group

As a board of directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they may benefit from the success of the company.

The impact of the group's operations on the community and environment

The directors are committed to undertaking the business in a way to minimise as far as is appropriate the adverse impact on the environment of its activities. The objective is to continually improve its performance by reducing the impact against the environments.

Our vision is underpinned by five core principles:
•To protect the environment by reducing our carbon footprint
•To reduce the environmental impact of our operational activities through effective management of our estate
•To create and maintain a positive environmental sustainability culture
•To maximise the positive impact of our sustainability actions through effective communication, collaboration, and partnership
•To fulfil all environmental compliance obligations and seek to exceed regulatory requirements

To achieve this vision, we have a multi step sustainability strategy, containing details of the overarching objectives, performance targets, key performance indicators and implementation mechanisms. It is continuously reviewed to ensure it is as strong as it can be. Our success also relies on effective engagement with staff, customer and suppliers utilising and developing their skills, knowledge and understanding.

Our plans and initiatives continue to evolve and develop. Our active plans focus on the following areas:

•Property Management - We are proactive in our property management, maintaining a strategy of working with landlords and staff to ensure energy efficiency.

•Remote working - We trust and empower our employees to enable home working, with mobile technology enabling effective communication through audio and video meetings, as well as webinars and online training. For our customers, we seek to offer our consulting, implementation, and training services remotely where appropriate and when necessary, placing our consultants on customer sites which are closest to home minimising unnecessary travel.

•*Recycling - Reducing the amount of paper we generate is a key focus, and we use recycled paper which we* then recycle ourselves. We have also taken steps to recycle other materials such as plastics and cardboard. We comply with WEEE regulations and recycle our electrical items. Our corporate responsibility to the environment is central to how we run our business. We minimise our consumption of natural resources and manage waste through responsible disposal reusing and recycling materials wherever possible.

•Software solutions for our customers - From invoicing departments using our electronic document imaging with optical character recognition (OCR) to medical practices and the many venues of care transferring critical patient data securely via the Cloud, we are enabling our customers with solutions and services that support the transformation to a paperless society. We are focused on our transition to a Cloud service company ensuring our customers have solutions which are future proofed and don't require costly or energy inefficient hardware.

We closely manage key sustainability elements water, gas and electricity consumption, waste disposal and green procurement. Energy efficiency is a priority when purchasing appliances and office equipment, and we select suppliers who promote environmental solutions.

The business has identified areas of impact on the environment: energy consumption, emissions to air, use of resources, waste to landfill, the environmental impacts of suppliers, design, and development customer IT solutions.

Gender and Ethnicity

The Advanced group continually strives to ensure diversity within the business in all aspects, and with this in mind, reports annually on the Diversity Pay Gap across multiple demographics beyond the legal requirement to report on Gender Pay Gap.

Gender Pay data: Figure 1. Mean and median gender pay gap between current and prior reporting years (UK).

Since the commencement of Gender Pay Gap reporting in 2017 our mean gender pay gap has reduced by 16 percentage points from 22.8% to 6.8%.

Overall, the group has 75.4% male and 24.6% female employees.

	Mean %	**Median** %
2022	6.8	11.4
2021	12.2	10.0

Disability Pay data: Figure 2. Mean and median disability pay gap between 2022 and 2021.

	Mean %	**Median** %
2022	13.4	12.2
2021	23.6	29.4

Sexual Orientation Pay data: Figure 3. Mean and median sexual orientation pay gap between 2022 and 2021.

	Mean %	**Median** %
2022	12.5	20.5
2021	21.8	24.0

Ethnicity Pay Gap Figure 4. Mean and median ethnicity pay gap between 2022 and 2021.

	Mean %	Median %
2022	20.1	24.3
2021	17.3	26.2

The analysis given above is measured for the UK at April 2022 and 2021, consistent with our statutory reporting obligations at those dates.

We as a business focus on all areas of inclusivity and in addition to the above we focus on and support the inclusion from an aspect of disability, sexual orientation, and education levels. More information can be found in our series of Diversity Pay Gap reports on www.oneadvanced.com.

Corporate governance statement

The directors are committed to ensuring business integrity and high ethical values with appropriate corporate responsibility and professionalism. The group has not adopted a specific corporate governance code but rather has developed corporate governance practices organically in order to best place the Group to address the challenges it faces. A summary of these practices is included below.

Purpose and leadership

The Directors have a duty to promote the success of the company and drive purpose and leadership through dialogue with key stakeholders.

The Group is committed to doing business in a fair, responsible manner and we expect our supplier and partners to share this commitment. This includes upholding certain principles on human rights, labour practices, and other areas of corporate responsibility.

Going forward, the Group will only wish to work with suppliers and partners who share our values, within their own business and their respective supply chains as follows:
•Ethics: The Group encourages a principle of fair market behaviour. This includes protecting the confidential nature of information exchanged whilst doing business and only using that information for the purpose it was supplied
•Legislative Compliance: All transactions must be conducted in accordance with all applicable international, national, and regional laws and regulations. Health and Safety: The Group endeavours at all times to operate responsibly, adhering to best practice health and safety standards and relevant legislation. In this way, the Group aims to protect its employees, contractors, customers, and the wider community
•Anti Bribery and Corruption: A zero tolerance approach is applied and as such no form of bribery, including improper offers for payments, commissions or kickbacks in whatever form is tolerated
•Human Rights and Modern Slavery: Abuse of any human right, any form of modern slavery, involvement in any human trafficking activity, any child, forced, bonded or compulsory labour or servitude, by or in relation to the Suppliers employees, or the Supplier's suppliers will not be tolerated
•Workplace: The Group supports a position of social sustainability in relation to its employees with a view to contributing to quality of life and job satisfaction. This includes treating employees with respect and dignity, providing a safe and respectful workspace.

Board composition

The size and structure of the Board is appropriate to meet the strategic needs and challenges of the group. The board members, have extensive experience in managing businesses. The combination of skills, background, experience, and knowledge enables robust thinking and constructive challenge, providing effective decision making for the Group.

Opportunity and risk

Advanced operates in a competitive environment requiring a balance between risk taking and risk mitigation to secure delivery of our strategy and continued identification of opportunities. In order to deliver this balance a number of processes and policies are in place.

•A clear organisation structure with defined levels of responsibility delegated to operational management
•Maintenance of a risk register, which identifies and evaluates risks, control procedures and monitoring arrangements
•A structured process for approval of capital projects and significant contracts which includes appropriate authorisation levels
•All significant acquisitions or investments are subject to detailed internal appraisal involving both Group and operating personnel and due diligence procedures, prior to being presented to the Board for approval
•Comprehensive business planning procedures which include a rigorous annual budget process. Forecasts are updated quarterly and presented to the Board for review and comment
•Monthly management accounts which report on trading performance by operation against budget and previous year, including relevant key performance indications and latest year end forecasts, are provided to management and the Board
•Regular review of business operations throughout the Group by operating and executive management.

Remuneration

The directors recognise the importance of attracting and retaining high calibre directors and senior management and provide salary, benefits and opportunities to align remuneration with deliverables of the group. The pay and conditions of the wider workforce are considered by management and the director to ensure that we provide appropriate levels of pay, benefits and incentives to motivate and retain our teams.

Stakeholders

The Directors recognise the importance of stakeholder relationships as further disclosed in our section 172 statement.

Going concern

The Directors have considered it is appropriate to adopt the going concern basis in preparing the financial statements.

At the balance sheet date, the Group has net current liabilities of £224.2 million (2022: £194.2 million) which, in part, arises from the deferred income balance of £142.1 million representing amounts invoiced for which revenue will be recognised in future periods.

The company has received confirmation from its intermediate parent undertaking, Aston Midco Limited, that it will provide sufficient resources to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Post year end Aston Midco Limited had an equity injection of £20.0m received in July 2023 and £30.0m received in October 2023 from shareholders. The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Note 29, Analysis of changes in net debt) and the Directors consider that there are sufficient resources to allow the Group to remain within its covenant limits and to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements).

In reaching this position, a downside severe scenario has been reviewed for the Group. The assumptions modelled in this scenario are based on estimated potential downside trading impacts (including the acquisition and renewal of software contracts, the success of obtaining professional services assignments and the ability to achieve price increases) and interest rates being higher than the current forward projections.

Consideration was also given to the potential mitigating actions that could be taken by the Group over the next 12 months, specifically those matters which are wholly within management's control. These could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend, although no such responses are currently anticipated to be required. Management have assessed that any mitigations are not considered to have a significant impact on customer experience.

This report was approved by the board on 12 February 2024 and signed on its behalf.

S E Dews
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

The directors present their report and the audited financial statements of the group and company for the year ended 28 February 2023.

Results and dividends

The results for the year are set out on page 21.

The directors do not recommend the payment of a dividend (Group 2022: £NIL).

Directors

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

A R Alonso
C J Arhanchiague (resigned 10 October 2023)
B Hung
M O Richards
M S Saroya
P T Schwalber
G J Wilson (resigned 5 July 2023)
R J Kerr (resigned 10 February 2023)
S D Walsh (appointed 9 June 2023)
S E Dews (appointed 9 June 2023)
A Jorgens (appointed 10 October 2023)

Qualifying third party indemnity provisions

The directors in place during the year and also at the date of approval benefit from qualifying third party indemnity provisions.

Events after the statement of financial position date

Information regarding the company's post-balance sheet events is disclosed in note 28 of the financial statements.

Political contributions

There were no political donations made during the year (Group 2022: £NIL).

Employee engagement

The group recognises the important of its employees and their commitment to the groups service, standards, and customers. The group's personnel policies ensure that all employees are made aware on a regular basis of the groups policies. The Directors have regard for employee engagement both in day to day operations and in key decision making with training and development programmes, internal communications and a regular appraisal and review process with opportunity for feedback.

Inclusivity

Building an environment where our employees feel they belong is a key priority when considering our diversity and inclusion strategy. Diversity of experience, age, race, ethnicity, culture, gender and sexual orientation provides a wide range of talent from entry level through to our leadership teams creating richer perspectives and a powerful frame of reference. In seeking to give all employees the opportunity to thrive, our processes and procedures are assessed to remove unconscious bias, build equity in each stage of the employee life cycle and most importantly turn up the employee voice around how we can learn, grow and celebrate our diversity. The Advanced group strategy partners with our six inclusion networks, led by employees on topics most important to them and their communities. This partnership allows for focused activity across the themes of celebrating advocating and educating for employee communities which may not have historically been heard.

We partner with communities and charities close to our employee inclusion networks including being a Diversity Champion with Stonewall, whereby we are working towards our first submission on the Workplace Equality Index around LGBTQ+ inclusion. Further we are a partner and charity sponsor for Astriid who work with those who have disabilities or long term health conditions to find them routes into meaningful employment. This later work helped us secure "Disability Confident Employer" status and we aim to be assessed for "Disability Confident Leader" status in the coming year.

Disabled persons

The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons and rotraining of employees who become disabled whilst employed by the group.

Streamlined Energy and Carbon Reporting ("SECR")

The Group is determined to build a better tomorrow for our staff, customers and wider community. We are proud to be taking our first big climate commitments, sharing what we are doing to reduce negative impacts and raise awareness about environmental sustainability performance.

Our key goals are to reduce our entire carbon footprint, run our operations on 100 per cent renewable energy, achieve carbon neutrality and do our part to contribute to a sustainable future.

These goals and principles have formed our sustainability strategy, kick started accurate emissions tracking and secured the engagement of staff, partners and customers. The strategy is continuously reviewed to ensure it is as robust and impactful as it can be.

	Consumption kWh ('000)		Emissions tCO	
	FY23	**FY22**	**FY23**	**FY22**
Scope 1 direct emissions from combustion of gas	157,331	418,461	29	70
Scope 2 direct emissions from purchased electricity	3,303,117	2,366,707	813	729
Scope 3 direct emissions from business trave	-	-	472	518
Total energy consumption used to calculate emissions/total gross emissions	**3,460,448**	**2,785,168**	**1,314**	**1,317**
Statutory Adjusted EBITDA			**FY23**	**FY22**
Intensity ratio - Total emissions / total employees			0.45	0.49

The group continues to reduce energy and associated carbon emissions, through operational and technological improvements including optimising locations and closing any properties that are surplus to demand.

Quantification and reporting methodology

The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also *used the GHG Reporting Protocol - corporate standard and have used the* 2023 *UK Government's Conversion* Factors for Company Reporting. Data has been collected as part of our management system in accordance with the 2023 UK government's greenhouse gas conversion factors for company reporting. The data collection utilises actual kWh based on twelve months usage and covers the 12 months to 28 February 2023.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

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

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Strategic Report

The group has chosen in accordance with S.414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (accounts and reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments, research and development and engagement with stakeholders being included in the Strategic Report.

This report was approved by the board on 12 February 2024 and signed on its behalf.

S E Dews
Director

Independent auditors' report to the members of Advanced Computer Software Group Limited

Report on the audit of the revised financial statements

Opinion

In our opinion, Advanced Computer Software Group Limited's revised group financial statements and revised company financial statements (the "revised financial statements"):

- give a true and fair view, seen as at the date the original financial statements were approved, of the state of the group's and of the company's affairs as at 28 February 2023 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) seen as at the date the original financial statements were approved; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

We have audited the revised financial statements, included within the Amended and Revised Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company statement of financial position as at 28 February 2023; the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and Company statements of changes in equity and the Consolidated statement of cash flows for the year then ended; and the notes to the revised financial statements, which include a description of the significant accounting policies, and which replace the original financial statements approved by the directors on 14 December 2023. The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and accordingly do not take account of events which have taken place after the date the original financial statements were approved.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the revised financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Emphasis of matter – Revision of Note 21 in Group Financial statements

In forming our opinion on the revised financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1.2 to these revised financial statements concerning the need for revision of note 21 to the consolidated financial statements, because of the correction of administrative errors made. The original financial statements were approved on 14 December 2023, and our previous auditors' report was signed on that date. We have not performed a subsequent events review for the period from the date of our previous auditors' report to the date of this report.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the revised financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

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

In connection with our audit of the revised financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the revised financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the revised financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 28 February 2023 is consistent with the revised financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the revised financial statements and the audit

Responsibilities of the directors for the revised financial statements

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

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

Auditors' responsibilities for the audit of the revised financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to laws and regulations related to the employment regulations, and we considered the extent to which non-compliance might have a material effect on the revised financial statements. We also considered those laws and regulations that have a direct impact on the revised financial statements such as the Companies Act 2006 and Direct tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the revised financial statements (including the risk of override of controls),and determined that the principal risks were related to inappropriate manual journals to manipulate the financial performance of the business and management bias in estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including enquiries into the existence and response to any known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing of journals which may appear to have unusual accounting entries;
- Challenging assumptions and judgements made by management in relation to estimates; and
- Reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the revised financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of auditors' responsibilities for the audit of financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. In the context of an audit of revised financial statements, in respect of our conclusion relating to going concern, we are only required to consider audit evidence up to the date of our original auditors' report. In other respects, this description forms part of our auditors' report.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors. The audit of revised financial statements includes the performance of procedures to assess whether the revisions made by the directors are appropriate and have been properly made.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion prescribed by the Companies (Revision of Defective Accounts and Reports) Regulations 2008

The original financial statements for the year ended 28 February 2023 failed to comply with the requirements of the Companies Act 2006 in the respects identified by the directors in note 1.2 to these revised consolidated financial statements.

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 28 February 2022, forming the corresponding figures of the revised financial statements for the year ended 28 February 2023, are unaudited.

Alex Hookway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

14 February 2024

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	28 Feb 23 £000	*Unaudited* *28 Feb 22* *£000*
Turnover	3	**321,708**	*316,494*
Gross profit		**321,708**	*316,494*
Administrative expenses		**(359,555)**	*(293,673)*
Adjusted EBITDA		**58,669**	*97,945*
One-off exceptional costs	24	**(24,265)**	*(6,066)*
Amortisation		**(67,356)**	*(64,289)*
Depreciation		**(4,137)**	*(4,846)*
Net foreign exchange (loss)/gain		**(758)**	*77*
Operating (loss) / profit		**(37,847)**	*22,821*
Interest payable and similar expenses	6	**(9,095)**	*(6,672)*
(Loss)/ profit before tax	7	**(46,942)**	*16,149*
Tax on (loss)/profit	8	**(6,829)**	*(14,218)*
Total comprehensive (loss)/ profit for the year		**(53,771)**	*1,931*
(Loss)/ profit for the year attributable to: Owners of the parent		**(53,771)**	*1,931*
		(53,771)	*1,931*

The notes on pages 30 to 69 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	2023 £000	Unaudited 2022 £000
(Loss)/profit for the financial year		(53,771)	1,931
Other comprehensive income			
Currency translation differences		2,383	389
Other comprehensive income for the year		2,383	389
Total comprehensive (expense) / income for the year		(51,388)	2,320
Total comprehensive (expense) / income attributable to:			
Owners of the parent Company		(51,388)	2,320
		(51,388)	2,320

The notes on pages 30 to 69 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

	Note		2023 £000		Unaudited 2022 £000
Fixed assets					
Intangible assets	10		448,857		462,399
Property, plant and equipment	11		9,666		9,028
Investments	12		517		517
Deferred tax asset	17		-		224
			459,040		472,168
Current assets					
Inventories	13	847		927	
Debtors	14	169,789		138,089	
Current income tax assets		-		2,874	
Cash at bank and in hand		31,243		20,204	
		201,879		162,094	
Current liabilities					
Trade and other payables	15	(277,743)		(255,256)	
Deferred income	16	(139,988)		(98,377)	
Provisions for liabilities	18	(8,315)		(2,648)	
Net current liabilities			(224,167)		(194,187)
Total assets less current liabilities			234,873		277,981
Non-current liabilities					
Lease liabilities			(62)		-
Deferred income	16		(2,153)		(1,500)
Deferred tax liabilities	17		(45,476)		(45,163)
Provisions for liabilities	18		(5,128)		(2,290)
Net assets			182,054		229,028
Capital and reserves					
Called up Share capital	19		52,656		52,656
Share premium account	26		16,126		11,712
Merger reserve	26		7,826		7,826
Translation reserve	26		1,030		(1,353)
Profit and loss account	26		104,416		158,187
Total equity			*182,054*		*229,028*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 FEBRUARY 2023

The financial statements on pages 21 to 69 were approved and authorised for issue by the board on 12 February 2024 and were signed on its behalf by:

S E Dews
Director

The notes on pages 30 to 69 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

	Note		2023 £000		2022 £000
Fixed assets					
Fixed asset investments	12		151,235		146,821
			151,235		146,821
Current assets					
Debtors: amounts falling due within one year	14	224,612		188,289	
Cash at bank and in hand		-		61	
		224,612		188,350	
Creditors: amounts falling due within one year	15	(213,267)		(176,252)	
Net current assets			11,345		12,098
Total assets less current liabilities			162,580		158,919
Net assets			162,580		158,919
Capital and reserves					
Called up share capital	19		52,656		52,656
Share premium account	26		16,126		11,712
Merger reserve	26		7,826		7,826
Profit and loss account carried forward			85,972		86,725
Total equity			162,580		158,919

As permitted by S408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £753 thousand (2022: £1,740 thousand).

The financial statements on pages 21 to 69 were approved and authorised for issue by the board on 12 February 2024 and were signed on its behalf by:

S E Dews
Director

The notes on pages 30 to 69 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Called up share capital	Share premium account	Merger reserve	Translation reserve	Retained earnings	Equity attributable to owners of parent Company	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 March 2021	52,656	11,712	7,826	(1,742)	156,256	226,708	226,708
Comprehensive income for the year							
Profit for the year	-	-	-	-	1,931	1,931	1,931
Currency translation differences	-	-	-	389	-	389	389
At 28 February 2022	52,656	11,712	7,826	(1,353)	158,187	229,028	229,028
Loss for the year	-	-	-	-	(53,771)	(53,771)	(53,771)
Currency translation differences	-	-	-	2,383	-	2,383	2,383
Contributions by and distributions to owners							
Shares issued during the year	-	4,414	-	-	-	4,414	4,414
At 28 February 2023	52,656	16,126	7,826	1,030	104,416	182,054	182,054

The notes on pages 30 to 69 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 March 2021	52,656	11,712	7,826	88,465	160,659
Loss for the year	-	-	-	(1,740)	(1,740)
28 February 2022	52,656	11,712	7,826	86,725	158,919
Loss for the year	-	-	-	(753)	(753)
Contributions by and distributions to owners					
Shares issued during the year	-	4,414	-	-	4,414
At 28 February 2023	52,656	16,126	7,826	85,972	162,580

The notes on pages 30 to 69 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023 £000	*Unaudited* 2022 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(53,771)	1,931
Adjustments for:		
Amortisation of intangible assets	67,356	64,289
Depreciation of tangible assets	4,137	4,846
Interest paid	9,095	6,672
Taxation charge	6,829	14,442
Foreign exchange	758	(77)
Increase in trade and other payables	10,721	36,206
Increase in deferred income	38,886	4,967
(Increase) in trade and other receivables	(27,972)	(34,286)
Decrease/ (Increase) in inventory	80	(194)
Increase / (decrease) in provisions	2,480	(69)
Cash generated from operating activities	58,599	98,727
Corporation tax paid	(8,936)	(195)
Net cash generated from operating activities	49,663	98,532
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,695)	(3,970)
Sale of tangible fixed assets	46	-
Loans to related parties	(2,993)	-
Purchase of trade investments	(31,849)	(90,814)
Net cash used in investing activities	(39,491)	(94,784)
Cash flows from financing activities		
Interest paid	-	(6,672)
Net cash used in financing activities	-	(6,672)
Net increase/(decrease) in cash and cash equivalents	10,172	(2,924)
Cash and cash equivalents at beginning of year	20,202	23,003
Foreign exchange gains and losses	869	123
Cash and cash equivalents at the end of year	31,243	20,202

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

	2023 £000	2022 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	31,243	20,202
	31,243	20,202

The notes on pages 30 to 69 form part of these financial statements.

1. Accounting policies

1.1 Nature of entity operations and principal activities

Advanced Computer Software Group Limited (the "Company") is a private company limited by shares, incorporated and registered in the United Kingdom. The Company's address is The Mailbox Level 3, 101 Wharfside Street, Birmingham, United Kingdom, B1 IRF.

The Company's principal activity is the acquisition and holding of investments.

The Company's subsidiaries (the "Group") are engaged in the provision of software and IT services. The Group's principal place of business is The Mailbox Level 3, 101 Wharfside Street, Birmingham, United Kingdom, B1 IRF.

1.2 Basis of preparation of revised financial statements

The financial statements of the group for the year ended 28 February 2023, were approved on 14 December 2023. Those original financial statements had 3 administrative errors within Note 21 to the consolidated financial statements, where the spelling for Isosec Limited, Certainty The National Will Register Limited and Mitrefinch Holdings Limited were incorrectly stated and have now been corrected in this revised version. As such the consolidated financial statements have been revised to correct these errors. There have been no other amendments made.

The revised financial statements replace the original financial statements for the year ended 28 February 2023.

The revised financial statements are now the statutory accounts of the group and parent company for the year ended 28 February 2023.

The revised consolidated financial statements have been prepared as at the date of the original consolidated financial statements (14 December 2023), and not as at the date of the revision 19 January 2024 and accordingly do not deal with events between those dates.

The revised financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The comparative financial statements presented for the year ended 28 February 2022 are unaudited.

A summary of the accounting policies adopted for the preparation of the Group's annual financial statements for the Year Ended 28 February 2023 is given below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.3 Accounting convention

The consolidated financial statements are prepared on the historical cost basis.

1. Accounting policies (continued)

1.4 Subsidiary basis of consolidation

Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. The company consolidates the results of the acquisitions from the date of effective control.

1.5 Functional and presentation currency

The consolidated financial statements are presented in sterling, which is also the functional currency of the company, as the primary economic environment in which the subsidiaries operate is sterling.

1.6 Going concern

The Directors have considered it is appropriate to adopt the going concern basis in preparing the financial statements.

At the balance sheet date, the Group has net current liabilities of £224.2 million (2022: £194.2 million) which, in part, arises from the deferred income balance of £142.1 million representing amounts invoiced for which revenue will be recognised in future periods.

The company has received confirmation from its intermediate parent undertaking, Aston Midco Limited, that it will provide sufficient resources to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. Post year end Aston Midco Limited had an equity injection of £20.0m received in July 2023 and £30.0m received in October 2023 from shareholders. The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Note 29, Analysis of changes in net debt) and the Directors consider that there are sufficient resources to allow the Group to remain within its covenant limits and to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements).

In reaching this position, a downside severe scenario has been reviewed for the Group. The assumptions modelled in this scenario are based on estimated potential downside trading impacts (including the acquisition and renewal of software contracts, the success of obtaining professional services assignments and the ability to achieve price increases) and interest rates being higher than the current forward projections.

Consideration was also given to the potential mitigating actions that could be taken by the Group over the next 12 months, specifically those matters which are wholly within management's control. These could include reductions to discretionary spend, delaying recruitment and reducing other controllable spend, although no such responses are currently anticipated to be required. Management have assessed that any mitigations are not considered to have a significant impact on customer experience.

1.7 Financial Reporting Standard 102 reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":
• the requirements of Section 7 Statement of Cash Flows;
• the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);

1. **Accounting policies (continued)**

1.7 Financial Reporting Standard 102 reduced disclosure exemptions (continued)

• the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
• the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
• the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The financial statements of the company are consolidated into these financial statements.

1.8 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:
the significant risks and rewards of ownership have been transferred to the buyer;
the company retains no continuing involvement or control over the goods;
the amount of revenue can be measured reliably;
it is probable that future economic benefits will flow to the company; and
the costs incurred or to be incurred in respect of the transaction can be measured.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

the amount of revenue can be measured reliably;
it is probable that future economic benefits will flow to the company;
the stage of completion of the contract at the end of the reporting period can be measured reliably;
the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Subject to the revenue recognition conditions noted above being met, the company recognises revenue as follows:

Software licence fee income is recognised in full in the statement of comprehensive income on delivery of the licence and the issue of authorisation codes to activate the software;
Support and maintenance income is deferred at the date of invoicing and released to the statement of comprehensive income over the duration of the maintenance contract;
The balance of maintenance income not released to the statement of comprehensive income is carried in the balance sheet within deferred revenue;
Services income is recognised in the statement of comprehensive income in the month the services are performed; and
Income from the sale of hardware is recognised in the statement of comprehensive income when the goods are shipped to the customer.

1. Accounting policies (continued)

1.9 Business Combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which effective control is transferred to the company.

At the acquisition date, the company recognises goodwill as:

•The fair value of the consideration (excluding contingent consideration) transferred; plus
•Estimated amount of contingent consideration (see below); plus
•The fair value of the equity instruments issued; plus
•Directly attributable transaction costs; less
•The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed
Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

1. Accounting policies (continued)

1.10 Intangible assets

Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash generating units or group of cash generating units that are expected to benefit from the synergies of the business combination from which it arose.

Customer relationships
Customer contracts are included at cost and amortised in equal annual instalments over the useful economic life of the asset. Any impairment is written off immediately.

Technology
Technology is included at cost and amortised in equal annual instalments over the useful economic life of the asset. Any impairment is written off immediately.

Trademarks
Trademarks are included at cost and amortised in equal annual instalments over the useful economic life of the asset. Any impairment is written off immediately.

Acquired Research and development
Research and development is included at cost and amortised in equal annual instalments over the useful economic life of the asset. Any impairment is written off immediately.

Amortisation
Amortisation is charged to the Statement of Comprehensive Income on a straight line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.
- Customer relationships are amortised on a straight line basis over their useful life. The finite useful life of customer contracts is 5-20 years.
- Technology is amortised on a straight line basis over its useful life. The finite useful life of technology is 10 years.
- Trademarks are amortised on a straight line basis over their useful life. The finite useful life of trademarks is 15 years.
- Research and development amortised on a straight line basis over its useful life. The finite useful life of research and development is 4 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1. Accounting policies (continued)

1.11 Tangible fixed assets

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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Buildings	2% per annum, straight line
Fixtures and fittings	20% to 33.3% per annum, straight line
Computer equipment	20% to 25% per annum, straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or 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 in profit or loss.

1.12 Operating lease commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease. Lease incentives are spread over the lease term.

1.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.14 Research and development

Research expenditure is written off against profits in the year in which it is incurred.

1.15 Cash and cash equivalents

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

1. Accounting policies (continued)

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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; and
• Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

1.17 Foreign currency transactions

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'.

1. Accounting policies (continued)

1.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss 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.

1.19 Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.20 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.21 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.22 Provisions 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 profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

1. Accounting policies (continued)

1.23 Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

i. Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1. Accounting policies (continued)

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Key sources of estimation uncertainty

The Company considers the following uncertain estimations as at balance sheet date that may have any material impact on the carrying amounts of its assets and liabilities in applying the Company's accounting policy:

Revenue recognition

Revenue for arrangements that involve significant modification or customisation of the software may be recognised based on achievement of contract specific milestones. The Company determines the stage of completion based on an assessment of direct labour costs incurred to date as a percentage of total estimated project costs required to complete the project.

If collectability is not reasonably assured at the outset of a contract, the Company defers revenue and only recognises revenue on receipt of the cash and to the extent that it has discharged its obligations under the contract.

Useful lives of intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are amortised or depreciated over their useful lives. These useful lives are based on management's estimates of the length of the period that the assets will generate revenue. These estimates are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of comprehensive income in specific periods. See note 11.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. In arriving at estimates for provisions, judgements are made, in particular with regard to timing and amount. Calculations are based on anticipated future cash flows relating to the relevant event, which are estimated by management and where appropriate supported by the use of external advisers. See note 18.

Taxation

The Company is subject to UK corporate taxation and judgement is required in determining the provision for income and deferred taxation. The Company recognises taxation assets and liabilities based upon estimates and assessments of many factors including past experience, advice received on the relevant taxation legislation and judgements about the outcome of future events. To the extent that the final outcome of these matters is different from the amounts recorded, such differences will impact on the taxation charge made in the statement of comprehensive income in the period in which such determination is made.

2. Judgments in applying accounting policies (continued)

Impairment of Investments
The company considers whether investments are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. See note 12.

Recoverability of intercompany debtors
Management review the recoverability of intercompany debtors as needed, taking into account the evidence available at the time and provide for any doubtful debts accordingly. See note 14.

Critical accounting judgements in applying the Company's accounting policies
The Company does not consider there to be any critical accounting judgements involved in applying the Company's accounting policies.

3. Turnover

Revenue for the Group was generated from subsidiaries of which 93% is from customers based in the UK and Ireland (2022: 88%), 4% from customers based in the US (2022: 8%) and 3% from other jurisdictions (2022: 4%). Revenue can be split into recurring (subscriptions of managed services and software and hardware support contracts) and non-recurring (consultancy, training and other services and sale of software licenses and hardware). The split of revenues for the year to 28 February 2023 is shown below.

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

	2023 £000	Unaudited 2022 £000
Subscription, maintenance and managed services	254,007	235,619
Consultancy, training and other	45,416	51,792
Licences	22,285	29,083
	321,708	316,494

4. Employees

Group

	Group 2023 £000	Group Unaudited 2022 £000	Company 2023 £000	Company Unaudited 2022 £000
Wages and salaries	131,312	116,814	-	-
Social security costs	13,689	11,055	-	-
Other pension costs	5,688	4,724	-	-
	150,689	132,593	-	-

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

	Group 2023 No.	Group 2022 *No.*
Operations	1,330	1,400
Development	915	680
Sales and marketing	430	412
Management and administration	285	184
	2,960	2,676

Company

There were no staff costs for the year ended 28 February 2023 (2022: £NIL)

5. Directors' remuneration

	2023 £000	Unaudited 2022 £000
Remuneration for qualifying services	1,687	1,769
Pension contributions to defined contribution schemes	16	-
	1,703	1,769

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

	2023 £000	Unaudited 2022 £000
Remuneration for qualifying services	643	446

6. Interest payable and similar expenses

	2023 £000	Unaudited 2022 £000
Inter-company loan interest	9,095	6,672
	9,095	6,672

7. Operating loss / (profit)

The operating loss / (profit) is stated after charging:

	2023 £000	Unaudited 2022 £000
Amortisation of acquired intangible assets	67,356	64,289
Depreciation	4,137	4,846
Net foreign exchange loss/(gain)	758	77
Research and development expenditure	43,600	34,800

	2023 £000	Unaudited 2022 £000
Auditors and associates		
Fees payable to PricewaterhouseCoopers LLP		
Fees payable to the Company's auditors for the audit of parent company and consolidated financial statements	70	3
Fees payable to the Company's auditors for audit of the company's subsidiaries	493	448
Fees payable to the Company's auditors for other services	8	302
	571	753

8. Tax on (loss) / profit

	2023 £000	Unaudited 2022 £000
Corporation tax		
UK current tax on profits for the year	10,296	7,951
Adjustments in respect of previous years	1,529	2,688
	11,825	10,639
Total UK current tax	11,825	10,639
Deferred tax		
Adjustments in respect of prior years	(1,634)	3,892
Reversal of timing differences	3,940	(5,950)
Changes to tax rates	(7,302)	5,637
Total deferred tax	(4,996)	3,579
Taxation on (loss) / profit on ordinary activities	6,829	14,218

8. Tax on (loss) / profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	Unaudited 2022 £000
(Loss)/ profit on ordinary activities before tax	(46,942)	16,149
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(8,919)	3,068
Effects of:		
Expenses not deductible for tax purposes	8,483	6,358
Other timing differences	6,341	1,279
Income not taxable	(2,101)	(108)
Change in tax rate	1,657	5,637
Difference in overseas rate	288	211
Adjustments from previous periods	(105)	6,578
Deferred tax not recognised	1,653	-
Group relief	(3,468)	(8,805)
Total tax charge for the year	6,829	14,218

Factors that may affect future tax charges

The standard rate of corporation tax in the UK is currently 19%. An increase to the main rate of corporation tax in the UK to 25% from April 2023 was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

During 2021, the OECD published a framework for the introduction of a global minimum effective tax rate of 15%, applicable to large multinational groups. On 20 July 2022, HM Treasury released draft legislation to implement these 'Pillar 2' rules with effect for years beginning on or after 31 December 2023. The Group is reviewing these draft rules to understand any potential impacts.

9. Business combination

9.1 Single Cell Mobile Consulting Pty Limited

On 4th March 2022 the group acquired 100% of the issued share capital of Single Cell Mobile Consulting Pty Limited (trading as "Portt") for total consideration of £16.7 million. The book and provisional fair values are set out below.

	Book value £000	Fair value adjustment £000	Fair value at acquisition £000
Property plant and equipment	34	-	34
Cash and cash equivalents	336	-	336
Current assets	125	-	125
Current liabilities	(688)	-	(688)
Deferred revenue	(830)	16	(814)
Trademarks	-	162	162
Customer relationships	-	2,589	2,589
Technology	-	2,751	2,751
Deferred tax liabilities	-	(1,379)	(1,379)
	(1,023)	4,139	3,116
Goodwill on acquisition			13,585
Consideration paid			16,701
Less: Consideration shares in Aston TopCo Limited			(4,450)
Cash acquired			(336)
Net cash outflow			**11,915**

The goodwill arising on the acquisition of Single Cell Mobile Consulting Pty Limited is attributable to the assembled workforce and increased profitability planned to be achieved through a widening of the product and geographic offerings within the Finance suite of products offered by the Group. Single Cell Mobile Consulting Pty Limited provides procurement and supplier management software across Australia and New Zealand which enables customers to automate repetitive processes, capture and analyse data and provide audit proof compliance.

This is considered to be highly complementary to the existing suite of Finance product offerings, as well as providing access to new geographic markets.

On acquisition, the fair value of all assets and liabilities were reviewed and adjusted where appropriate. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks.

Business combination (continued)

9.1 Single Cell Mobile Consulting Pty Limited (continued)

A deferred tax liability relating to these intangible assets was recognised on acquisition. The fair value adjustments to intangible assets are based on an independent valuation as of the date of acquisition. The key assumptions applied to calculate the fair value of the intangible assets acquired are set out below:

Customer relationships
A discounted cash flow model incorporating charges for use of contributory assets has been used to calculate the fair value of customer relationships on acquisition.

Management have determined that the Group will receive cash flows from the relationships acquired over a 21 year period. An attrition rate of 6.2% has been applied to projected sales and a discount rate of 16% has been used to calculate the present value of future cash flows.

Trademarks
Trademarks have been valued on a relief-from-royalty method. Management believe the trademarks have a useful life of 5 years and therefore the intangible assets will be amortised over this period. A royalty rate of 1% was used based on an estimated discount applied to the average and median market royalty rates. A discount rate of 15% was used.

Technology
Technology has been valued on a relief-from-royalty method. This assesses the history and longevity of the technology, the market share and forecast sales over the next 10 years.

A royalty rate of 12.5% was used based on the average market royalty rates and the Company's margins. A discount rate of 16% was used.

Acquired receivables
The fair value of acquired receivables is £0.108 million. This reflects an accounting policy alignment adjustment of £0.226m against the gross contractual amount for trade receivables.

Revenue and profit contribution
Single Cell Mobile Consulting Pty Limited contributed £2.7 million revenue and £2 million operating loss to the Group for the period from acquisition to the balance sheet date. If the acquisition had occurred on 1 March 2022, the revenue and operating profit impact is estimated to be the same in view of the short time difference.

The consideration was satisfied by £11.7 million cash, £4.5 million consideration shares in Aston TopCo Limited and £0.5 million acquisition costs.

Business combination (continued)

9.2. Decision Time Limited

On 21 April 2022 the Group acquired 100% of the issued share capital of Decision Time Limited for total estimated consideration of £22.4 million. The book and provisional fair values are set out below.

	Book value £000	Fair value adjustment £000	Fair value at acquisition £000
Property plant equipment	28	-	28
Cash and cash equivalents	4,050	-	4,050
Current assets	345	-	345
Current liabilities	(1,592)	-	(1,592)
Deferred revenue	(1,797)	-	(1,797)
Trademarks	-	400	400
Customer relationships	-	7,500	7,500
Technology	-	3,100	3,100
Deferred tax liabilities	-	(2,792)	(2,792)
	1,034	8,208	9,242
Goodwill on acquisition			13,206
Consideration			22,448
Less: Deferred consideration			(3,055)
Less: Contingent deferred consideration			(870)
Consideration			18,523
Cash acquired			(4,050)
Net cash outflow			**14,473**

The goodwill arising on the acquisition of Decision Time Limited is attributable to the assembled workforce and increased profitability planned to be achieved through a widening of the product offerings within the Finance suite of products offered by the Group. Decision Time Limited provides a meeting and risk reporting and collaboration platform for senior management teams and this is considered to be highly complementary to our existing Finance products.

On acquisition, the fair value of all assets and liabilities were reviewed and adjusted where appropriate. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks.

A deferred tax liability relating to these intangible assets was recognised on acquisition. The fair value adjustments to intangible assets are based on an independent valuation as of the date of acquisition.

The key assumptions applied to calculate the fair value of the intangible assets acquired are set out below:

Business combination (continued)

9.2. Decision Time Limited (continued)

Customer relationships
A discounted cash flow model incorporating charges for use of contributory assets has been used to calculate the fair value of customer relationships on acquisition.

Management have determined that the Group will receive cash flows from the relationships acquired over a 17 year period . An attrition rate of 4.3% has been applied to projected sales and a discount rate of 18% has been used to calculate the present value of future cash flows.

Trademarks
Trademarks have been valued on a relief-from-royalty method. Management believe the trademarks have a useful life of 5 years and therefore the intangible assets will be amortised over this period. A royalty rate of 2% was used based on the average and median market royalty rates. A discount rate of 16% was used.

Technology
Technology has been valued on a relief-from-royalty method. This assesses the history and longevity of the technology, the market share and forecast sales over the next 10 years. A royalty rate of 15% was used based on the average and median market royalty rates and expected profit margins. A discount rate of 18% was used.

Acquired receivables
The fair value of acquired receivables is £0.3 million.This equates to the gross contractual amount for trade receivables and is all considered collectible.

Revenue and profit contribution
Decision Time contributed £2.7 million revenue and £1.1 million operating profit to the Group for the period from acquisition to the balance sheet date. If the acquisition had occurred on 1 March 2022, the revenue and operating profit impact on the combined Group would have been £3.3 million and £1.2 million respectively.

Contingent consideration
Contingent consideration of up to £1.0 million is payable on the acquisition of Decision Time Limited based on the value of bookings achieved for the year ended 28 February 2023. Deferred consideration is payable in instalments to April 2024.

Contingent consideration included of £0.9 million is based on actual booking levels and has been settled post year end.

The consideration was satisfied by £17.9 million cash, £3.1 million deferred consideration, £0.9 million contingent consideration and £0.6 million acquisition costs.

9.3. Pellcomp Software Limited

On 30 June 2022 the Group acquired 100% of the issued share capital of Trinity Software Limited and thereby its 100% subsidiary, Pellcomp Software Limited (Pellcomp) for total consideration of £8.5 million. The book and provisional fair values are set out below.

	Book value £000	Fair value adjustment £000	Fair value at acquisition £000
Property plant equipment	85	-	85
Cash and cash equivalents	973	-	973
Current assets	912	-	912
Current liabilities	(460)	-	(460)
Deferred revenue	(889)	122	(767)
Trademarks	-	200	200
Customer relationships	-	3,500	3,500
Technology	-	1,400	1,400
Deferred tax liabilities	(17)	(1,289)	(1,306)
	604	3,933	4,537
Goodwill on acquisition			3,997
Consideration			8,534
Less: Deferred consideration			(2,100)
Consideration paid			6,434
Cash acquired			(973)
Net cash outflow			**5,461**

The goodwill arising on the acquisition of Pellcomp is attributable to the assembled workforce and increased profitability planned to be achieved through a widening of the product offerings within the Education suite of products offered by the Group. Pellcomp provides a Leaner Management System to customers operating in the employability and training industry which is used by c.500 training providers in the UK. This is considered to further support the Group's ambition to grow in the Education market, providing access to a fast growing segment of the market and additional education customer relationships.

On acquisition, the fair value of all assets and liabilities were reviewed and adjusted where appropriate. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks. Deferred consideration has been paid post year end in July 2023.

A deferred tax liability relating to these intangible assets was recognised on acquisition. The fair value adjustments to intangible assets are based on an independent valuation as of the date of acquisition. The key assumptions applied to calculate the fair value of the intangible assets acquired are set out below:

Customer relationships
A discounted cash flow model incorporating charges for use of contributory assets has been used to calculate the fair value of customer relationships on acquisition.

9. 9.3. Pellcomp Software Limited (continued)

Management have determined that the Group will receive cash flows from the relationships acquired over a 16 year period. An attrition rate of 6.1% has been applied to projected sales and a discount rate of 17% has been used to calculate the present value of future cash flows.

Trademarks
Trademarks have been valued on a relief-from-royalty method. Management believe the trademarks have a useful life of 5 years and therefore the intangible assets will be amortised over this period. A royalty rate of 2% was used based on the average and median market royalty rates. A discount rate of 16% was used.

Technology
Technology has been valued on a relief-from-royalty method. This assesses the history and longevity of the technology, the market share and forecast sales over the next 10 years.

A royalty rate of 15% was used based on an estimated premium to the market royalty rates and a profit split analysis. A discount rate of 17% was used.

Acquired receivables
The fair value of acquired receivables is £0.904 million. This equates to the gross contractual amount for trade receivables and is all considered collectible.

Revenue and profit contribution
Pellcomp contributed £2 million revenue and £0.1 million operating profit to the Group for the period from acquisition to the balance sheet date. If the acquisition had occurred on 1 March 2022, the revenue and operating profit impact on the combined Group would have been £3 million and £0.3 million respectively.

The consideration was satisfied by £6.0 million cash, £2.1 million deferred consideration and £0.4 million acquisition costs.

10. Intangible assets

Group

	Goodwill £000	Customer relationships £000	Technology £000	Trademarks £000	IP R&D and Other £000	Total £000
Cost						
At 1 March 2022	484,855	217,738	121,625	11,031	2,862	838,111
Acquired through business combinations	30,788	13,589	7,251	762	-	52,390
Foreign exchange movement	997	221	199	7	-	1,424
At 28 February 2023	516,640	231,548	129,075	11,800	2,862	891,925
Accumulated amortisation						
At 1 March 2022	229,461	62,890	78,021	3,392	1,948	375,712
Charge for the year	43,453	11,542	10,632	1,229	500	67,356
At 28 February 2023	272,914	74,432	88,653	4,621	2,448	443,068
Net book value						
At 28 February 2023	243,726	157,116	40,422	7,179	414	448,857
At 28 February Unaudited 2022	255,394	154,848	43,604	7,639	914	462,399

The amortisation charge for the year is recognised within administrative expenses.

There are no contractual capital commitments for acquisition of intangible assets.

Company

As of the financial year ending on 28 February 2023, the company has no intangible assets, consistent with the previous year (2022: £Nil).

11. Property, plant and equipment

Group

	Freehold property £000	Computer equipment £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 March 2022	2,957	15,291	2,832	21,080
Additions	395	3,868	411	4,674
Acquisition of subsidiaries	18	41	88	147
Disposals	-	(445)	(280)	(725)
At 28 February 2023	3,370	18,755	3,051	25,176
Accumulated depreciation				
At 1 March 2022	965	8,255	2,832	12,052
Charge for the year on owned assets	159	3,512	466	4,137
Disposals	-	(399)	(280)	(679)
At 28 February 2023	1,124	11,368	3,018	15,510
Net book value				
At 28 February 2023	2,246	7,387	33	9,666
At 28 February Unaudited 2022	1,992	7,036	-	9,028

There are no contractual capital commitments for acquisition of property, plant and equipment.

Company

As of the financial year ending on 28 February 2023, the company has no tangible assets, consistent with the previous year (2022: £Nil).

12. *Investments*

Group

	Investments in Joint ventures £000
Cost or valuation	
At 1 March 2022	517
At 28 February 2023	517

The investment is the cost of the Group's holding in Intercede 2445 Limited.

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 March 2022	146,821
Additions	4,414
At 28 February 2023	151,235

On 1 February 2023, Air Bidco Limited contributed a non-cash consideration to Advanced Computer Software Group Limited, which involved the transfer of a receivable from Air Bidco Limited in favor of Advanced Business Software and Solutions Limited to the value of £4.4 million.

The Group's subsidiary undertakings at 28 February 2023 are as disclosed below:

12. Investments (continued)

Name	Country of registration or incorporation	Principal activity	Direct Holding	Indirect Holding	
Drury Lane (Jersey) Limited	Jersey	Holding company	100	-	%
Intercede 2445 Limited	England & Wales	Investment company	50	-	%
5 Star Computer Systems Limited	England & Wales	Liquidation	-	100	%
A.S.R Computers Limited	England & Wales	Liquidation	-	100	%
ADV Management Services Limited	England & Wales	Non-trading	-	100	%
Advanced 365 Limited	England & Wales	IT managed services	-	100	%
Advanced Application Modernisation Inc	Canada	Software development	-	100	%
Advanced Business and Healthcare Solutions India Private Limited	India	Software development	100	-	%
Advanced Business Software and Solutions Limited	England & Wales	Software development	-	100	%
Advanced Business Software and Solutions Pte Limited	Singapore	Software development	-	100	%
Advanced Business Solutions CRM Limited	England & Wales	Liquidation	-	100	%
Advanced Chorus Application Software Limited	England & Wales	Dormant	-	100	%
Advanced Communications Software and Solutions ltd	England & Wales	Liquidation	-	100	%
Advanced Enterprise Software Limited	England & Wales	Liquidation	-	100	%
Advanced Field Service Solutions Limited	England & Wales	Liquidation	-	100	%
Advanced Health and Care Limited	England & Wales	Software development	-	100	%
Advanced Legal Solutions Limited	England & Wales	Software development	-	100	%
Advanced Sharpowl Software Limited	England & Wales	Liquidation	-	100	%
Advanced Ticketing Limited	England & Wales	Software development	-	100	%
AIM Group Holdings Limited	England & Wales	Liquidation	-	100	%
Alphalaw Limited	England & Wales	Holding company	-	100	%
Applied Computer Expertise Limited	England & Wales	Liquidation	-	100	%
Belmin Group Limited	England & Wales	Dormant	-	100	%
Business Systems Group Holdings Limited	England & Wales	Holding company	-	100	%
Careworks (UK) Limited	England & Wales	Software development	-	100	%
CareWorks Ltd	Ireland	Software development	-	100	%
CareWorks Technology Holdings Ltd	Ireland	Holding	100	-	%

12. Investments (continued)

CareDirector USA LLC	Ireland	Software development	-	100	%
Certainty The National Will Register Limited	England & Wales	Software development	-	100	%
Charity Software Limited	England & Wales	Liquidation	-	100	%
Clear Review Limited	England & Wales	Software development	-	100	%
Cobaltside Limited	Ireland	Software development	-	100	%
Compass Computer Consultants Limited	England & Wales	Software development	-	100	%
Computer Software Group Limited	England & Wales	Software development	-	100	%
Computer Software Holdings Limited	England & Wales	Holding company	-	100	%
Consultcrm Limited	England & Wales	Software development	-	100	%
Consultgrp Limited	England & Wales	Liquidation	-	100	%
CSG Bidco Limited	England & Wales	Holding company	-	100	%
CSG EquityCo Limited	England & Wales	Holding company	-	100	%
CSG Midco Limited	England & Wales	Holding company	-	100	%
CSG Shareholder Debtco Limited	England & Wales	Holding company	-	100	%
Exchequer 365 Solutions Ltd	England & Wales	Liquidation	-	100	%
Fabric Technologies Limited	England & Wales	Property subletting	-	100	%
G B Systems Limited	England & Wales	Liquidation	-	100	%
Goldcrest Solutions Limited	England & Wales	Liquidation	-	100	%
Healthy Software Limited	England & Wales	Liquidation	-	100	%
KHL Newco Limited	England & Wales	Holding company	-	100	%
Kirona Group Limited	England & Wales	Liquidation	-	100	%
Kirona Holdings Limited	England & Wales	Holding company	-	100	%
Kirona Solutions Limited	England & Wales	Software development	-	100	%
Kirona Solutions (commercial) Ltd	England & Wales	Liquidation	-	100	%
Kirona Ltd	England & Wales	Liquidation	-	100	%
Konnekt IT software limited	England & Wales	Liquidation	-	100	%
Laserform International Limited	England & Wales	Dormant	-	100	%
Lawwwdiary Limited	England & Wales	Liquidation	-	100	%
Meridian Law	England & Wales	Liquidation	-	100	%
Mitrefinch Holdings Limited	England & Wales	Software development	-	100	%
Mitrefinch Limited	England & Wales	Software development	-	100	%
MS Modernisation Services UK, Ltd	England & Wales	Software development	-	100	%
Opsis Limited	Ireland	Software development	-	100	%
Opsis Practice Management Solutions Ltd	England & Wales	Software development	-	100	%
Oyez Professional Services Limited	England & Wales	Software development	-	100	%
PCTI Technologies Limited	Ireland	Dormant	-	100	%

12. Investments (continued)

PCTI Investments Limited	England & Wales	Dormant	-	100	%
P.C.T.I. Solutions Limited	England & Wales	Software development	-	100	%
Plain Healthcare	England & Wales	Liquidation	-	100	%
Prolog Systems Ltd	England & Wales	Liquidation	-	100	%
Redac Limited	England & Wales	Holding company	-	100	%
Science Warehouse Limited	England & Wales	Software development	-	100	%
SWL Australia Pty Limited	Australia	Software development	-	100	%
Staffplan Limited	England & Wales	Liquidation	-	100	%
Strand Technology Limited	England & Wales	Liquidation	-	100	%
The National Will Register Limited	England & Wales	Software development	-	100	%
Tikit Limited	England & Wales	Software development	-	100	%
Transoft Group Limited	England & Wales	Software development	-	100	%
One Advanced Inc	USA	Software development	-	100	%
V1 Limited	England & Wales	IT Managed services	-	100	%
Videss Limited	England & Wales	Liquidation	-	100	%
Waterlow Business Supplies Limited	England & Wales	Software development	-	100	%
Willdata Limited	England & Wales	Software development	-	100	%
Xmbrace Ltd	England & Wales	Dormant	-	100	%
BKSB Limited	England & Wales	Software development	-	100	%
Smart Apprentices Limited	England & Wales	Software development	-	100	%
Isosec Limited	England & Wales	Software development	-	100	%
Cloud Trade Technologies Limited	England & Wales	Software development	-	100	%
Advanced Legal Solutions Inc	USA	Software development	-	100	%
Tikit Inc	Canada	Software development	-	100	%
Pellcomp Software Limited	England & Wales	Software development	-	100	%
Trinity Software Limited	England & Wales	Software development	-	100	%
Decision Time Limited	England & Wales	Software development	-	100	%
Single Cell Mobile Consulting Pty Limited	Australia	Software development	-	100	%

The registered address of all subsidiary undertakings incorporated in England and Wales is The Mailbox, Level 3, 101 Wharfside Street, Birmingham, B1 1RF. The registered address of the other subsidiary undertakings are as follows:

Name	Registered office
Advanced Application Modernisation Inc.	Suite 1700, Park Place, 666 Burrard Street, Vancover BC, V6C 2X8, Canada
Advanced Business Software and Solutions Pte Limited	10 Anson Road, 33-04 International Plaza, Singapore, Malaysia 079903
Advanced Business and Healthcare Solutions India Private Limited	46 Byrasandra Main Road, 1st Block East, Jayanagar,, Bangalore, India, 560011
Advanced Legal Solutions Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, DE 19801
AIM Group Holdings Limited	6 Queens Road, Aberdeen, AB15 4ZT
Advance Systems International Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24
BluePhoenix I-TER SRL	Via Flaminia 171, 47923 Rimini (RN)
CareDirector USA LLC	11921 Freedom Drive Suite 550, Reston, VA 20190
CareWorks Ltd	Unit 5 (B) Sandyford Business Centre, Dublin
CareWorks Technology Holdings Ltd	Unit 5 (B) Sandyford Business Centre, Dublin
Clear Review Inc	874 Walker Road, Suite C, Dover, Kent, 19904, US
Cobaltside Limited	Unit 5 (B) Sandyford Business Centre, Dublin
GB Systems Limited	CMS Cameron McKenna, 6 Queens Road, Aberdeen, AB15 4ZT
Kirona France SARL	24 Rue Bailey, 14000 Caen
Liraz Systems Export (1990) Ltd	Holon 5886 Israel L3
Liraz Systems Ltd	Holon 5886 Israel L3
Mitrefinch Australia Pty Ltd	c/o BDO Level 10, 12 Creek St, Brisbane QLD 4000, Australia
Mitrefinch Inc	79A Chapel Street, Newton, Boston, Massachusetts
Mitrefinch LLC	3411 Silverside Road, Tatnall Building #104, Wilmington, 19810
Mitrefinch Canada	Suite 1005, 5500 North Service Road, Burlington, Ontarios, L7L 6W
Modern Systems Corporation	Dallas, TX 75240, USA
Modern Systems LM SRL	Via Flaminia 171, 47923 Rimini (RN)
ModSys International Ltd	Holon 5886 Israel L3
MODSYS-Modernizaion Services SRL	Strada Slt. Cristescu Dima Nr. 3BBucharest
MS Mordernisation Services Inc	Dallas, TX 75240, USA
Opsis Limited	Unit 5 (B) Sandyford Business Centre, Dublin
Oneadvanced Inc.	1165 Northchase Parkway, Suite 225, Marietta, GA 30067
PCTI Technologies Limited	Unit 5 (B) Sandyford Business Centre, Dublin
SWL Australia Pty Limited	Level 11, 1 York Street,Sydney, NSW 2000
Tikit Inc	200 King Street W, Suite 1904, Toronto ON M5H 3TA, Canada
V1 Document Management Inc.	1165 Northchase Parkway, Suite 225, Marietta, GA 30067
Drury Lane Jersey	28 Esplanade, St Helier, Jersey, JE2 3QA
Advanced CS Australia Pty Limited	Frenchs Forest, NSW 2086
Single Cell Mobile Consulting Pty Limited	c/o BDO Level 10, 12 Creek St, Brisbane QLD 4000, Australia

13. Inventories

Group

	2023 £000	Unaudited 2022 £000
Work in progress (goods to be sold)	847	927
	847	927

The company has no inventory (2022: £nil).

14. Debtors

	Group 2023 £000	Group Unaudited 2022 £000	Company 2023 £000	Company 2022 £000
Trade debtors	97,412	90,650	-	-
Amounts owed by group undertakings	-	-	222,265	188,281
Other debtors	3,452	3,271	1,444	-
Amounts owed from related parties	3,236	-	-	-
Prepayments	27,726	26,467	903	8
Accrued income	37,963	17,701	-	-
	169,789	138,089	224,612	188,289

Trade debtors are stated after provisions for impairment of £16.0 million (2022: £4.3 million).

Amounts owed by group undertakings bear interest at between Nil and LIBOR plus 4.5%. All amounts are unsecured and repayable on demand.

15. Trade and other payables

	Group	Group Unaudited	Company	Company
	2023 £000	2022 £000	2023 £000	2022 £000
Trade creditors	16,971	21,287	358	406
Amounts owed to group undertakings	212,126	200,814	211,531	175,563
Other tax and social security	3,113	3,014	-	-
Other creditors	3,398	5,788	22	15
Corporation tax payable	362	-	-	-
VAT	7,294	5,706	-	20
Accruals	34,479	18,647	1,356	248
	277,743	255,256	213,267	176,252

Amounts owed to group undertakings bear interest at between Nil and LIBOR plus 4.5%. All amounts are unsecured and repayable on demand.

16. Deferred income

	Group	Group Unaudited
	2023 £000	2022 £000
Deferred income falling due within one year	139,988	98,377
Deferred income falling due in greater than one year	2,153	1,500
	142,141	99,877

17. Deferred taxation

Group

	2023 £000
At beginning of year	(44,939)
Charged to profit or loss	4,996
Other	(56)
Arising on business combinations	(5,477)
At end of year	(45,476)

The balance comprises temporary differences attributable to:

	Group 2023 £000	Group Unaudited 2022 £000
Accelerated capital allowances	2,920	3,032
Acquired intangible assets	(51,283)	(51,751)
Taxation losses	799	1,607
Short term timing differences	2,088	2,173
	(45,476)	(44,939)

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
The following is an analysis of the deferred tax balances				
Deferred tax assets	-	224	-	-
Deferred tax liabilites	(45,476)	(45,163)	-	-
	(45,476)	(44,939)	-	-

The Group has an unrecognised deferred tax asset of £16.5 million (2022: £12.1 million) relating to timing differences of £9.3 million (2022: £9.5 million) and losses of £17.2 million (2022: £2.6 million). No deferred tax asset is recognised on these amounts as it is not regarded as more likely than not that there will be suitable taxable profits/gains against which they can be utilised in the future.

The company has no deferred tax at the year ended 28 February 2023 (2022: Nil).

18. Provisions for liabilities

Group

	2023	2022
	£'000	£'000
Dilapidations provision	1,692	2,230
Onerous lease provision	-	60
Onerous contract provision	2,985	2,648
Contingent and deferred consideration	6,025	-
Cyber attack remediation	2,741	-
	13,443	4,938
Analysed as follows:		
Current	8,315	2,648
Non-current	5,128	2,290
	13,443	4,938

The non-current provision relates to dilapidations in respect of buildings leased by the Group and onerous contracts. These provisions are expected to unwind in more than 1 year and therefore are disclosed as non-current. The provision for contingent and deferred consideration is repayable in tranches to April 2024.

The provision for dilapidations is in respect of property leases that contain a requirement for the premises to be returned to their original state on the conclusion of their lease terms. The amounts provided are based on management's best estimate of this cost at the point of exit from the related properties.

The cyber attack remediation provision is to provide for additional expenditure in relation to the ransomware attack that took place in the year.

The provision for contingent and deferred consideration relates to consideration due on acquisitions made in 2023, contingent consideration is based on the value of bookings in Decision Time Limited and Pellcomp Software Limited has been settled post year end.

18. Provisions for liabilities (continued)

	Dilapidations provision £000	Onerous lease provision £000	Onerous Contract provision £000	Contingent and deferred consideration £000	Cyber attack Provision £000	Total £000
As at 29 February 2021	(2,299)	(60)	(2,648)	-	-	(5,007)
Amount utilised during the year	69	-	-	-	-	69
As at 28 February 2022	(2,230)	(60)	(2,648)	-	-	(4,938)
Amount utilised during the year	538	60	-	-	-	598
Additional provisions recognised	-	-	(337)	(6,025)	(2,741)	(9,103)
As at 28 February 2023	(1,692)	-	(2,985)	(6,025)	(2,741)	(13,443)

Company
The company has no provisions (2022: £Nil)

19. Called up Share capital

Group and Company

	2023 £000	Unaudited 2022 £000
Authorised, allotted, called up and fully paid		
526,557,943 (2022 - 526,557,843) Ordinary shares of £0.10 each	52,656	52,656

On 1 February 2023 the Company issued 100 ordinary shares of £0.01 each for non-cash consideration of £4,414 thousand as settlement of an intercompany receivable arising in the company's subsidiary, Advanced Business Software and Solutions Limited.

The shares have attached to them full voting, dividend and capital distribution rights. There are no rights of redemption.

20. Contingent liabilities

The Company has guaranteed bank borrowings of fellow group undertakings. As at the year end, the company is an obligor to a banking facility held by Aston FinCo S.à.r.l., comprising of:
A first Lien loan of:

- $330 million - $320.1 million outstanding as at 28 February 2023 (2022: $323.4 million outstanding)
- £495 million - £482.0 million outstanding as at 28 February 2023 (2022: £486.9 million outstanding)
- £75 million revolving credit facility - £62.4 million outstanding as at 28 February 2023 (2022: £22 million outstanding)

A second Lien loan of:

- $115 million - $115 million outstanding as at 28 February 2023 (2022: $115 million outstanding)
- £175 million - £175 million outstanding as at 28 February 2023 (2022: £175 million outstanding)

21. Parent guarantee

Advanced Computer Software Group Limited has guaranteed the liabilities of the following subsidiaries in order for them to qualify for the exemption under section 479A of the Companies Act 2006 in respect of the year ended 28 February 2023:

- Advanced Legal Solutions Limited - 01738381
- Advanced Ticketing Limited - 03830932
- Alphalaw Limited - 04513131
- BKSB Limited - 03311079
- Careworks (UK) Limited - 04439651
- Certainty The National Will Register Limited – 05914179
- Clear Review Limited - 08851632
- Cloud Trade Technologies Limited - 07039186
- Compass Computer Consultants Limited - 02211500
- Computer Software Group Limited - 04023140
- Computer Software Holdings Limited - 06025453
- Consultcrm Limited - 04977774
- CSG Bidco Limited - 07851238
- CSG Midco Limited - 07851242
- CSG Shareholder Debtco Limited - 07851240
- Decision Time Limited - 04963761
- Fabric Technologies Limited - 06130706
- Isosec Limited - 05185836
- KHL Newco Limited - 09256253
- Kirona Holdings Limited - 07837217
- Kirona Solutions Limited - 04678711
- Mitrefinch Holdings Limited – 10389350
- Mitrefinch Limited - 01326934
- MS Modernisation Services UK, Ltd. - 04283023
- Opsis Practice Management Solutions Ltd - 02498463
- Oyez Professional Services Limited - 01291562
- Pellcomp Software Limited - 01970712
- P.C.T.I. Solutions Limited - 03342552
- Redac Limited – 04345919
- Science Warehouse Limited (Company Number: 02890957)
- Smart Apprentices Limited (Company Number: 07408258)
- The National Will Register Limited - 06256187
- Tikit Limited - 02885516
- Transoft Group Limited - 01974716
- Trinity Software Limited - 06505218
- V1 Limited - 02443078
- Waterlow Business Supplies Limited - 02384199

22. Pension commitments

The Group has no defined benefit pension schemes in place. The Group pays defined contributions into a Group Personal Pension Plan and certain individual pension plans. The assets of each of these plans are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group in the year and amounted to £5.7 million (2022: £4.7 million).

The payment amount outstanding at the year end related to pension commitments is £976 thousand included within other creditors.

23. Ultimate controlling party

The immediate parent company is Air Bidco Limited, a company registered in England and Wales.

The parent company of the largest group in which the Company is consolidated is Aston Midco Limited a company registered in Jersey.

The consolidated financial statements of Aston Midco Limited are available to the public from Companies House.

On 9th October 2019, the Group was jointly acquired by Aston Lux Acquisition S.à.r.l. (which is owned by funds advised or managed by BC Partners LLP and funds within the Vista Fund VII Limited Partnership). There is no ultimate controlling party as each of the majority shareholders own the same percentage of the shares and the voting rights.

24. Exceptionals

	2023 £000	Unaudited 2022 £000
Type		
Acquisition costs	(1,008)	1,209
Transformation costs	6,586	3,456
Property rationalisation	567	1,401
Cyber attack remediation	18,120	-
	24,265	6,066

Acquisitions costs relate to cost incurred during the acquisition of new business during the year. In 2023, the group received compensation and the return of previously paid deferred consideration relating to a historic acquisition. As the acquisition took place more than 12 months ago the group has not restated the acquisition accounting and a credit has been taken to the P&L.

Transformation projects primarily relate to information technology systems implementation and finance transformation.

Property rationalisation costs include the consolidation of the Group's office properties and those of the businesses acquired.

Cyber attack remediation costs relate to a cyber security incident caused by ransomware. The Group has provided details of this incident to the Information Commissioner's Office (ICO) and continues to cooperate in their investigation, to ensure that all appropriate steps are carried out from a legal, regulatory and compliance perspective. The ICO's investigation is ongoing.

The costs disclosed here relate to the legal and professional fees incurred, reparation to customers affected and a large investment in cyber security and data specialists to review and strengthen the business.

25. Related party transactions

The Group has identified £1.2 million (2022: £1.5 million) of expenses from related parties during the year.

An amount of £8.5 million (2022: £3.7 million) included in note 15 relates to amounts owed to related undertakings payable to Aston Intermediate Co. Ltd and Aston TopCo Limited, in relation to funding received for acquisitions.

	2023 Incurred £000	2023 Outstanding £000	2022 Incurred £000	2022 Outstanding £000
Related parties				
Services from:				
Vista Equity Partners	305	50	202	202
Vista Consulting Group	412	165	648	194
BC Partners LLP	19	-	-	-
Cvent Europe Limited	89	-	50	-
Tibco Software Inc	159	-	110	80
Neopost	30	1	0	-
Office Depot	-	2	2	-
Datto Inc	23	-	22	-
Logic Monitor Inc	27	9	265	265
ICIMIS Inc	76	-	113	-
Xactly Corporation	40	-	44	40
Elysium	66	17	-	-
Aston Manco Limited	-	2,992	-	-
	1,246	3,236	1,456	781

Transaction with related parties are conducted at arm's length and on normal commercial terms.

26. Reserves

Share premium reserve
This represents the amounts subscribed for share capital in excess of the nominal value of those shares.

Merger account
The merger reserve represents the difference between the fair value and nominal value of the Ordinary shares allotted to the vendors of certain new businesses acquired since August 2008.

Translation reserve
The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

Accumulated losses
This represents cumulative net gains and losses recognised in the consolidated statement of profit or loss.

27. Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minum lease payments under non-cancellable operating leases, which fall due as follows;

	Group	Group	Company	Company
	2023	**2022**	**2023**	**2022**
	£000	**£000**	**£000**	**£000**
Within one year	3,578	2,779	-	-
Between one and five years	8,247	9,544	-	-
In over five years	4,297	5,560	-	-
	16,122	17,883	-	-

28. Events after the statement of financial position date

Equity injection & RCF Extension
Post year end the company's intermediate parent undertaking, Aston Midco Limited had an equity injection of £20.0m received in July 2023 and £30.0m received in October 2023 from shareholders.

During September 2023, the RCF was extended with a revised maturity date to July 2026 which saw the introduction of a second covenant to require a minimum liquidity threshold.

Executive management team
Since the year end date, the group has appointed Simon Walsh as Chief Executive Officer, Stephen Dews as Chief Financial officer, Andrew Henderson as Chief Technology Officer and Anwen Robinson as the Senior Vice President for the Accelerator Vertical, adding significant sector experience and strength to the senior leadership team.

Strategy Refresh
Following the appointment of the new CEO in April 2023, the Company has embarked upon a transformational change programme supported by external advisors. The programme is focussed on prioritising resources into high growth market sectors and product categories to accelerate future growth and strengthen competitive positioning, the investment in scalable infrastructure, and the skills development of its people. During August 2023, the Company underwent a reorganisation to align it to its future strategy.

Fraud
Post year end and due to a change in the Procurement Purchase Order approval process, it was discovered that an employee fraudulently established a third party relationship with a supplier. There is an ongoing criminal investigation into the case and the amount in question which is still under review is not considered to be substantially material.

29. Analysis of changes in net debt

	1 March 2022 £000	Cash flows £000	Acquisitions £000	Exchange rate movement £000	28 Feb 2023 £000
Cash at bank and in hand	20,202	4,813	5,359	869	31,243

30. Transition to FRS 102

This is the first year that the Group have presented their consolidated results under FRS 102. The last consolidated financial statements were prepared under International Financial Reporting Standards (IFRS) for the year ended 28 February 2015. Subsequent to this, a consolidation exemption was taken as the entity was included in the consolidated accounts of Aston Midco Limited. For the year ended 28 February 2023, a consolidation has been prepared under FRS 102 as required. The date of transition is 1 March 2021.

Set out below are the changes in the accounting policies which reconcile profit for the financial year end and the total equity as between IFRS and FRS 102

	£000
Reconciliation of Profit for the comparative period of 2022:	
As per IFRS – Profit	51,318
Amortisation of goodwill	(41,955)
Capitalise costs associated with business combinations	3,469
Reverse capitalised R&D	(8,258)
Remove operating leases from balance sheet	16
Reverse IFRS 15 revenue adjustments	(2,659)
FRS 102 profit for the financial year	1,931
Reconciliation of Other comprehensive income:	
As per IFRS	389
Other comprehensive income for the year under FRS 102	389

Adjustments

The amortisation adjustment reflects that under IFRS Goodwill has an indefinite useful life, as opposed to under FRS 102 which requires goodwill to be amortised over its useful life which the directors consider to be 10 years. This reflects the amortisation from the inception of the Goodwill with a decrease in goodwill of £229,461 thousand increase in retained earnings of £187,506 thousand and an increase in admin expenses of £41,955 thousand for the year ended 28 February 2022.

IFRS 3 does not permit the capitalisation of costs associated with business combinations. This reflects the historical amount as if it had been capitalised as opposed to expensed. The impact on the financial statements for the year ended 28 February 2022 is an increase in goodwill of £10,514 thousand, a decrease in retained earnings of £7,045 thousand and a decrease in admin expenses of £3,469 thousand.

Under IAS 38 development expenditure must be capitalised when certain criteria are met. Under FRS 102 development costs that meet the relevant criteria may be capitalised as an accounting policy choice. The adjustment reverses historical amounts capitalised under IFRS and expenses them to profit ad loss under FRS 102 for consistency with the accounting policy choice of the company. The impact on the financial statements for the year ended 28 February 2022 is a decrease in intangible assets of £16,098 thousand, an increase in retained earnings of £7,840 thousand and an increase in admin expenses of £8,258 thousand.

Under IFRS 16 operating leases are held on the balance sheet as assets. Under FRS 102 this is not required, and this the adjustment reflects the removal of this asset. The impact on the financial statements for the year ended 28 February 2022 is a decrease in right of use assets of £14,904 thousand, a decrease in lease liabilities of £15,387 thousand, a decrease in retained earnings of £468 thousand and a decrease in admin expenses of £16 thousand.

IFRS 15 revenue adjustments are reversed reflecting the differences in the five-step recognition approach and recording revenue in line with FRS 102 which recognises revenue on transfer of the risks and rewards. The impact on the financial statements for the year ended 28 February 2022 is a decrease in prepayments of £2,197 thousand, a decrease in deferred income of £589 thousand, a decrease in revenue of £462 thousand, an increase in admin expenses of £2,197 thousand and an increase in retained earnings of £1,051 thousand.

Below reflects the Balance Sheet impact of the above adjustments.

	2022 £000	2021 £000
Reconciliation of Total equity for the comparative period and date of transition:		
As per IFRS	(465,197)	(413,490)
Amortisation of goodwill	229,461	187,506
Capitalise costs associated with business combinations	(10,514)	(7,045)
Reverse capitalised R&D	16,098	7,840
Remove operating leases from balance sheet	(484)	(468)
Reverse IFRS 15 revenue adjustments	1,608	(1,051)
Equity under FRS 102	(229,028)	(226,708)

No applicable transition exemptions were taken.