Registered number: 129565

ASTON MIDCO LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2023

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COMPANY INFORMATION

Directors	A R Alonso M S Saroya B Hung M Richards T Ragagnon C Arhanchiague
Registered number	129565
Registered office	26 New Street St Helier Jersey JE2 3RA
Independent auditors	PricewaterhouseCoopers LLP Registered Auditors & Chartered Accountants One Chamberlain Square Birmingham B3 3AX

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2023

Principal activities & objectives

The Advanced Group comprises Aston Midco Limited (the “Company”) and its subsidiaries (the “Group”).

Aston Midco Limited (the “Company”) is a private company limited by shares, incorporated and registered in Jersey. The Company’s address is 26 New Street, St Helier, Jersey, JE2 3RA.

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 Directors consider the annual report and financial statements to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

The Company was incorporated on 2 August 2019.

Group ownership

The Group was formed on 9th October 2019 upon acquisition by Aston Lux Acquisition S.à.r.l, an entity co controlled by BC European Capital X (advised by BC Partners LLP) and funds within the Vista Equity Partners Fund VII Limited Partnership (“Vista”). Both BC Partners, represented by Partner Philipp Schwalber, and Vista, represented by Senior Managing Director Monti Saroya, are large global private equity funds with significant experience in investing in enterprise software businesses.

Financial review

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 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 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 23% adjusted EBITDA margin (2022: 38%). 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. £13.3 million (2022: £11.6 million) of the research and development expenditure has been capitalised as an intangible asset of the Group.

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.

Included within exceptionals for the year is an impairment to goodwill of £493.0m. Following a review of the value in use calculations produced annually for each Cash Generating Unit (CGU), an impairment of £493.0m (2022: £nil) was identified. Using forecasted operating cash flows based on the Board approved annual budget for the year ending 28th February 2024, extrapolated projections based on the growth of the business, as well as a discount rate of 10.08% (2022: 8.2%), 5 of the 7 CGUs required an impairment as at 28 February 2023. The key driver of this is the movement in the discount rate. The cost of equity and cost of debt have increased as a result of increases in the risk-free rates, and interest rate movements during the year have resulted in a 1.9% increase year on year.

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 £322.5 million (2022: £317.0 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 £72.8 million (2022: £122.4 million) reducing by 40% (2022: 7% increase) during the year. The Group saw a reduction in adjusted EBITDA margin from 38% in the year ended 28 February 2022 to 23% 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, 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	(558.7)	29.0
Net foreign exchange loss	38.7	12.8
Amortisation	64.9	57.1
Depreciation	8.2	8.1
EBITDA	**(446.9)**	**107.0**
One-off acquisition and restructuring costs	26.4	9.6
Impairment of goodwill	493.0	-
Statutory Adjusted EBITDA	**72.5**	**116.6**
Other one off and non trading costs	-	3.3
IFRS 3 Adjustment	0.3	2.5
Adjusted EBITDA	**72.8**	**122.4**
Management add backs	*27.0*	
Management Adjusted EBITDA	**99.8**	

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 27 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 and capitalised R&D.

At acquisition, the Group applies, as part of the accounting for acquisitions, the guidance set out in IFRS3 ‘Business Combinations’. This requires, at acquisition, the carrying values of the acquired assets and liabilities to be adjusted to their fair value. Specifically, for deferred revenue, this results in the business reducing the book values. This non-cash adjustment consequently means the recognised revenue and EBITDA for the year are lower than the underlying contractual values by £0.3 million (2022: £2.5 million). The underlying customer contracts are not impacted and therefore the Directors add back the IFRS3 adjustment in calculating adjusted EBITDA.

Cash Flow
Cash generated from operating activities was £67.5 million (2022: £73.8 million) and at the end of the period the Group had a cash balance of £31.4 million (2022: £32.7 million). Financing net outflows of £8.4 million (2022: £43.6 million inflow) included £69.4 million (2022: £201.3 million) cash inflow from new loans offset by £36.8m (2022: £96.5 million) repayment of loans, £81.4 million payment of interest (2022: £57.3 million) and £3.8 million (2022: £4.0 million) payments relating to the capital elements of leases. In 2023 the group settled certain cross currency swap derivatives by way of a cash settlement generating a net cash inflow from derivatives of £72.6 million (2022: £nil), offset by payments for derivatives of £28.5 million (2022: £nil).

Net Debt
The Net Debt position on 28 February 2023 was £1,061.7 million (2022: £993.8 million). The interest rates charged on the first and second lien loans vary between 4.25% and 8.25% over LIBOR for the USD denominated loans and from 1st January 2023, Sterling Overnight Interest Average (SONIA) for the GBP denominated loans.

Issue related costs capitalised in connection to refinancing activities within the year were £nil (2022: £3.3 million). The unamortised amounts remaining in the statement of financial position at 28 February 2023 amounted to £13.3 million (2022: £15.8 million).

	Year Ended 28 Feb 23	Year Ended 28 Feb 22
	£'m	£'m
Type		
Cash	31.4	32.7
Lien 1	(809.7)	(750.5)
Lien 2	(270.3)	(260.9)
Other	(0.3)	(0.6)
Cross currency swaps	(12.8)	(14.5)
Net debt	**(1,061.7)**	**(993.8)**

The Group has a revolving credit facility (RCF) of £75 million which is a component of the Lien 1 borrowing. £62.4 million of the RCF was drawn down at 28 February 2023 (2022: £22.0 million drawn down). There is a leverage covenant which is measured when the RCF drawdown exceeds £30 million which requires the First Lien Leverage Ratio to be no greater than 7.65x. 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. As the RCF currently exceeds £30 million the covenants are monitored on a regular basis and has not been exceeded.

Capital structure
As set out above, the Group has net debt of £1,061.7 million. The Group also has £12.7 million of ordinary share capital issued to its immediate parent company, Aston Intermediate Co Limited.

One off exceptional costs

During the period the Group incurred £519.4 million (2022: £9.6 million) of one off exceptional costs. The costs can be analysed as follows:

	Year Ended 28 Feb 23	Year Ended 28 Feb 22
	£'m	£'m
Type		
Acquisition costs	1.0	4.8
Transformation projects	6.6	3.4
Property rationalisation	0.6	1.4
Cyber attack remediation	18.2	-
Impairment of goodwill	493.0	-
One-off cost	**519.4**	**9.6**

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 27).

Impairment of goodwill
After review of the future cash flows of our CGUs across the business it was concluded there would be an impairment to goodwill, see note 8 for more detail.

Tax
The Group reported a total tax credit of £17.7 million (2022: charge of £37.5 million) as a result of UK tax charges of £4.5 million (2022: £6.4 million) overseas tax charges of £5.8 million (2022: £2.7 million), a deferred tax credit relating to timing differences of £14.8 million (2022: £10.0 million), adjustments to taxes reported in prior years of £1.9 million credit (2022: £6.6 million charge) and the impact of increases in the UK tax rate on deferred tax liabilities of £11.3 million credit (2022: £31.8 million charge).

Research and development activity

During the period, research and development gross expenditure before capitalisation 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 3 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).

Risk management 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.
Leverage risk	The Group may breach its leverage covenant.	The Directors closely monitor covenant compliance and are comfortable with the Group's leverage covenant position. The Directors opinion on going concern is set out in note 1 and below.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

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.

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.

Trends and factors affecting future development, performance and position

Several key trends across the Group's software markets are monitored by the Group:

•UK macroeconomic environment: the Group generates 93% (2022: 88%) of its revenues from the UK and Ireland, and as such is exposed to the broader UK and Ireland macroeconomic environment.
At present there is an increased level of macroeconomic uncertainty, with the UK experiencing an increase in costs following several years of low inflation. The impact of this on the wider economy can impact the Group's customers through timing of software investments and in some cases swings in activity volumes driving software usage.

•Software market dynamics in the Group's key segments: the Group addresses several discrete end markets (for example Health & Care, Legal and Education), each with specific market dynamics which impact upon demand for the Group's solutions. As a business having a number of different industry focuses we are able to de-risk industry reliance.

•Changing customer needs: customer software needs are evolving rapidly (in terms of functionality, underlying technology, and the need for integration into an increasingly complex technology ecosystem), which the Group is proactively addressing through investment into new products and the targeted modernisation of existing solutions, in turn strengthening its market position.

•People / recruitment: as detailed in the principal risks and uncertainties section of the Directors report, the Group's continued success relies on recruiting, developing, and retaining the Group's employees. The broader software industry is experiencing a heightened demand for talent, in turn impacting the availability of high quality employees (primarily in the UK and in India, where the Group has significant operations). The Group is focused on ensuring that it continues to be an attractive employer and therefore able to hire the employees needed to meet its growth ambition.

Forward View

Over the coming year the Groups 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.

Directors

The Directors of the Company throughout the year and at date of signing the consolidated financial statements were as follows:

A R Alonso (appointed on behalf of Vista)
M S Saroya (appointed on behalf of Vista)
B Hung (appointed on behalf of Vista)
M Richards (appointed on behalf of BC Partners)
T Ragagnon (appointed on behalf of BC Partners)
C Arhanchiague (appointed on behalf of BC Partners)

The Company Secretary is Ocorian Secretaries (Jersey) Limited.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

Events after the statement of financial position date

Equity injection & RCF Extension
Post year end an equity injection of £20.0m was received in July 2023 from our shareholders. A further £30.0m injection has been agreed to be paid and is expected to be finalised during October 2023.

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.

Financial instruments

The Group uses financial instruments to manage certain types of risks including those relating to credit, market, interest rates, currency exchange and liquidity. Details of the objectives and management of these instruments and an indication of the exposure of the Group to such risks are contained in note 21 to the financial statements.

The Group’s external borrowings include USD denominated debt as detailed in note 20 to these financial statements. The foreign currently fluctuation risk is mitigated by the Derivative Financial Instruments which are disclosed in note .

The cross-currency swaps expire in February 2024 and February 2025 and hedge 100% of the USD currency fluctuations.

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 Director's 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.

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 retraining of employees who become disabled whilst employed by the group.

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.

Director responsibilities

Each director understands their accountability and responsibilities. The directors receive regular and timely information to allow them to undertake their duties as director and to evaluate and appropriately prepare for meetings.

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.

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 travel	-	-	472	518
Total energy consumption used to calculate emissions/total gross emissions	**3,460,448**	**2,785,168**	**1,314**	**1,317**

	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 optimsing locations and closing any properties that are surplus to demand.

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 £86.6 million (2022: £14.0 million) which, in part, arises from the deferred income balance of £141.9 million representing amounts invoiced for which revenue will be recognised in future periods. The drawn Revolving Credit Facility at the date of signing these financial statements is £62.4 million. In reaching their conclusion on the going concern basis of preparation the Directors have reviewed the cash flow forecasts of the Group. Post year end an equity injection of £20.0m was received in July 2023 from shareholders. A further £30.0m injection has been agreed to be paid and is expected to be finalised in October 2023. The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Net Debt under Financial Review) 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.

Political donations and expenditures

There were no political donations or related expenditure for the year ended 28 February 2023 (2022: £Nil).

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2023

Dividends

The Directors have not approved a dividend for 2023 (2022: £Nil).

Directors' responsibilities statement

The directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (“IFRS”) as adopted by the EU.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the company and the profit and loss for that period.
In preparing those financial statements the directors should:
•Select suitable accounting policies and then apply them consistently
•Make judgements and estimates that are reasonable and prudent
•Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue the business; and
•State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors confirm they have complied with all the above requirements in preparing the financial statements and comply with the Companies (Jersey) Law 1991.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company’s auditor is aware of the information.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with the Companies (Jersey) Law 1991.

This report was approved by the board on ..13 October 2023.. and signed on its behalf.

M Richards
Director

The Company’s registered office can be found on page 2 of the financial statements.

Independent auditors' report to the members of Aston Midco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aston Midco Limited's group financial statements:

- give a true and fair view of the state of the group's affairs as at 28 February 2023 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position as at 28 February 2023; the Consolidated Statement of Profit or Loss, the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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 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 financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are 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 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 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 financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, any form of assurance thereon.

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

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

Based on 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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 employment and health and safety regulations and data protection laws and GDPR, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies (Jersey) Law 1991 and direct taxes. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journals impacting revenue to manipulate the financial performance of the business, and management bias in complex accounting estimates of business combinations. Audit procedures performed by the engagement team included:

- discussions with the management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- testing of journals which may appear to have unusual accounting entries;
- assessing key estimates made by management, including review of accounting for business combinations, to evidence any management bias; 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 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 our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the "Companies (Jersey) Law 1991 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. We have no exceptions to report arising from this responsibility.

Alex Hookway
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
13 October 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 28 FEBRUARY 2023

	Note	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Continuing operations			
Revenue	2	**322,495**	*316,956*
		322,495	*316,956*
Administrative expenses		**(869,436)**	*(287,983)*
Net impairment losses on financial assets	14	**(11,770)**	-
Adjusted EBITDA		**72,511**	*116,637*
One-off exceptional costs	27	**(519,423)**	*(9,648)*
Amortisation		**(64,899)**	*(57,093)*
Depreciation		**(8,182)**	*(8,133)*
Net foreign exchange (loss)/gain		**(38,718)**	*(12,790)*
Operating (loss) / profit		**(558,711)**	*28,973*
Finance income		**44,999**	*11,534*
Finance expense	4	**(85,777)**	*(64,006)*
Loss before income tax	5	**(599,489)**	*(23,499)*
Income tax	6	**17,711**	*(37,475)*
Loss for the financial year		**(581,778)**	*(60,974)*
Loss attributable to:			
Owner of the parent		**(581,778)**	*(60,974)*
		(581,778)	*(60,974)*

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

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Loss for the year	**(581,778)**	*(60,974)*
Items that will or may be reclassified to profit or loss:		
Foreign exchange translation differences	**5,994**	*389*
Other comprehensive income for the year, net of tax	**5,994**	*389*
Total comprehensive expense	**(575,784)**	*(60,585)*
Total comprehensive expense attributable to:		
Owners of the parent	**(575,784)**	*(60,585)*
	(575,784)	*(60,585)*

The notes on pages 31 to 85 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2023

	Note	**As at 28 Feb 23 £000**	*As at 28 Feb 22 £000*
Assets			
Non-current assets			
Property, plant and equipment	10	**9,666**	*9,028*
Right-of-use assets	10	**9,416**	*14,904*
Intangible assets	8,9	**1,779,452**	*2,271,747*
Investments	11	**517**	*517*
Deferred tax asset	22	**799**	*979*
		1,799,850	*2,297,175*
Current assets			
Inventories	13	**847**	*927*
Trade and other receivables	14	**171,598**	*140,559*
Current income tax assets		**-**	*1,749*
Cash and cash equivalents	15	**31,375**	*32,719*
		203,820	*175,954*
Total assets		**2,003,670**	*2,473,129*
Liabilities			
Non-current liabilities			
Loans and borrowings	20	**997,694**	*967,875*
Lease liabilities	10	**13,542**	*15,062*
Derivative financial instruments		**12,764**	*14,507*
Deferred income	19	**2,153**	*1,500*
Deferred tax liabilities	22	**128,630**	*152,814*
Provisions	23	**5,128**	*2,290*
		1,159,911	*1,154,048*

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

	Note	As at 28 Feb 23 £000	As at 28 Feb 22 £000
Current liabilities			
Trade and other payables	18	**71,290**	*58,553*
Deferred income	19	**139,789**	*99,065*
Current income tax liabilities		**1,561**	-
Loans and borrowings	20	**66,895**	*26,466*
Provisions	23	**8,315**	*2,648*
Lease liabilities	10	**2,579**	*3,235*
		290,429	*189,967*
Total liabilities		**1,450,340**	*1,344,015*
Net assets		**553,330**	*1,129,114*
Equity			
Share capital	16	**12,669**	*12,669*
Share premium		**1,335,913**	*1,335,913*
Translation reserve		**2,160**	*(3,834)*
Accumulated losses	17	**(797,412)**	*(215,634)*
Total equity attributable to owners of the parent company		**553,330**	*1,129,114*

The financial statements on 24 to 85 were approved and authorised for issue by the board of directors on ..13 October 2023...... and were signed on its behalf by:

M Richards
Director

The notes on pages 31 to 85 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	Translation reserve	Accumulated losses	Total attributable to equity holders of parent	Total equity
	£000	£000	£000	£000	£000	£000
At 1 March 2021	12,669	1,335,913	(4,223)	(154,660)	1,189,699	1,189,699
Comprehensive expense for the year						
Loss for the year	-	-	-	(60,974)	(60,974)	(60,974)
Total comprehensive expense and other movements for the year	-	-	-	(60,974)	(60,974)	(60,974)
Contributions by and distributions to owners						
Foreign exchange movement	-	-	389	-	389	389
Total contributions by and distributions to owners	-	-	389	-	389	389
At 28 February 2022	**12,669**	**1,335,913**	**(3,834)**	**(215,634)**	**1,129,114**	**1,129,114**
At 1 March 2022	12,669	1,335,913	(3,834)	(215,634)	1,129,114	1,129,114
Comprehensive expense for the year						
Loss for the year	-	-	-	(581,778)	(581,778)	(581,778)
Total comprehensive expense for the year	-	-	-	(581,778)	(581,778)	(581,778)
Contributions by and distributions to owners						
Foreign exchange movement	-	-	5,994	-	5,994	5,994
Total contributions by and distributions to owners	-	-	5,994	-	5,994	5,994
At 28 February 2023	**12,669**	**1,335,913**	**2,160**	**(797,412)**	**553,330**	**553,330**

The notes on pages 31 to 85 form part of these financial statements.

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

	Note	**Year Ended 28 Feb 23 £000**	*Year Ended 28 Feb 2222 £000*
Cash flows from operating activities			
Loss for the year		**(581,778)**	*(60,974)*
Adjustments for			
Depreciation on owned assets	10	**4,137**	*4,846*
Depreciation on right-of-use assets	10	**4,045**	*3,287*
Amortisation of intangible assets	9	**64,899**	*57,093*
Impairment of goodwill		**493,025**	-
Impairment of right-of-use assets		**2,712**	-
Net foreign exchange loss	9	**38,718**	*12,790*
Finance income	4	**(44,999)**	*(11,534)*
Finance expense	4	**85,777**	*64,006*
Tax (credit)/ expense	6	**(17,711)**	*37,475*
Operating cash inflow before movements in working capital		**48,825**	*106,989*
Movements in working capital:			
Increase / (Decrease) in trade and other payables		**4,545**	*(5,133)*
Increase in deferred income		**37,999**	*5,654*
Increase in trade and other receivables		**(26,395)**	*(33,516)*
Decrease/ (Increase) in inventory		**80**	*(194)*
Increase in provisions		**2,480**	-
		18,709	*(33,189)*
Cash generated from operating activities		**67,534**	*73,800*
Corporation tax paid		**(8,890)**	*(4,817)*
Finance costs relating to right-of-use assets		**(1,201)**	*(1,123)*
Net cash generated from operating activities		**57,443**	*67,860*

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

	Note	2023 £000	*2022 £000*
Cash flows from investing activities			
Purchases of property, plant and equipment		**(4,695)**	*(3,970)*
Proceeds from disposal of property, plant and equipment		**46**	*-*
Acquisition of subsidiaries (net of cash acquired)		**(30,334)**	*(87,346)*
Payment for intangible assets	9	**(13,330)**	*(11,612)*
Loans to related parties		**(2,993)**	*-*
Net cash (outflow) from investing activities		**(51,306)**	*(102,928)*
Cash flows from financing activities			
Proceeds from long term borrowings		**69,400**	*201,304*
Capital element of lease payments		**(3,779)**	*(3,956)*
Repayment of borrowings		**(36,849)**	*(96,486)*
Interest paid		**(81,413)**	*(57,308)*
Proceeds from derivatives		**72,550**	*-*
Payment for derivatives		**(28,534)**	*-*
Loans from parent undertaking		**272**	*-*
Net cash (outflow) from financing activities		**(8,353)**	*43,554*
Net cash (decrease)/increase in cash and cash equivalents		**(2,216)**	*8,486*
Movement from change in Foreign exchange rates		**872**	*263*
Cash and cash equivalents at the beginning of year		**32,719**	*23,970*
Cash and cash equivalents at the end of the year		**31,375**	*32,719*

Non-cash investing and financing transactions include £1.3 million (2022: £2.2 million) acquisition of right-of-use assets by means of a finance lease and £4.5 million (2022: £nil) acquisition of subsidiary by issue of shares in parent undertaking.

The notes on pages 31 to 85 form part of these financial statements.

1. Accounting policies

1.1 Nature of entity operations and principal actives

Aston Midco Limited (the “Company”) is a private company limited by shares, incorporated and registered in Jersey. The Company’s address is 26 New Street, St Helier, Jersey, JE2 3RA.

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

These consolidated financial statements present the results for the Group for the year ended 28 February 2023.

1.3 Measurement convention

The consolidated financial statements are prepared on the historical cost basis as modified by certain financial assets and liabilities measured at fair value through profit and loss.

1.4 Subsidiary basis of consolidation

Inter-company 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.

All financial information presented in sterling has been rounded to the nearest thousand.

1. Accounting policies (continued)

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 £86.6 million (2022: £14.0 million) which, in part, arises from the deferred income balance of £141.9 million representing amounts invoiced for which revenue will be recognised in future periods. The drawn Revolving Credit Facility at the date of signing these financial statements is £62.4 million. In reaching their conclusion on the going concern basis of preparation the Directors have reviewed the cash flow forecasts of the Group. Post year end an equity injection of £20.0m was received in July 2023 from shareholders. A further £30.0m injection has been agreed to be paid and is expected to be finalised in October 2023. The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Net Debt under Financial Review) 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.

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:

1. Accounting policies (continued)

1.7 Revenue recognition

IFRS 15 'Revenue from Contracts with Customers' establishes a single model to account for revenue arising from contracts with customers. Revenue in the course of ordinary activities is measured and recognised using the five-step approach outlined in IFRS 15:

1. Identify the contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when the entity satisfies the performance obligations

The Group determines how and when to recognise revenue, and at what value, when control of goods or services is transferred to the customer and amount to which the Group is entitled is known. Depending on whether certain criteria are met, revenue is recognised over time in a manner which reflects the Group's performance or at a point in time, when control is transferred to the customer (i.e., when performance obligation is satisfied).

The Group's revenues are derived from the sale of software licences, associated professional services, support and maintenance, hosting and SaaS arrangements, managed services and supplies of hardware and third-party software. All revenue is reported exclusive of value added tax.

Software licences
The Group grants its customers licences to use its software products. Revenue for software licences is based on a right to use licence where a fee relates to the right to use the software product, including significant unspecified upgrades or enhancements pertaining to customers purchasing new modules or user rights.

When a licence is not subject to material modification or customisation certain criteria must be met before revenue is recognised:

•Persuasive evidence that a contract exists, typically through a signed contract or customer purchase order
•Control of the license passes to the customer
•Collectability is reasonably assured and there are no material outstanding conditions or contingencies attaching to the receipt of monies due
•When the customer has the right to use the licence
•The price of the transaction can be measured reliably

In instances where significant vendor obligations exist, revenue recognition is deferred until the obligation has been satisfied.

Professional services
The Group provides a number of professional services for its customers. These include implementation, configuration of software and training of customer's staff. Contracts are priced on either a time and materials or fixed price basis. Revenue on fixed price contracts is recognised over time on a percentage of completion approach, in accordance with the measuring progress rules applicable in IFRS 15. This involves a comparison of costs incurred to date with total expected costs of the contract. Losses on contracts are recognised in full at the point at which a loss is foreseen on a contract.

1. **Accounting policies (continued)**

1.7 Revenue recognition (continued)

Support and maintenance
Support and maintenance fees provide customers with rights to unspecified product upgrades enhancements and help desk access during a defined support period. Revenue arising from support and maintenance fees is recognised proportionately over the duration of the contract.

In addition to the revenue streams outlined above, the Group earns other revenue as follows:

•Hardware - revenue is recognised on delivery of the goods, which is when the performance obligation is considered to be met
•Hosting and Software as a Service (“SaaS”) – subscription revenue is recognised proportionately over the duration of the contract Managed services - where the Group provides hosting services, revenue is recognised rateably over the duration of the contract
•Airtime - the Group recognises revenue from airtime which is incorporated into agreements with customers. This revenue is recognised once the connection has been made as this is the point when the performance obligation is satisfied

Multiple element arrangements
Many of the arrangements the Group enters into include multiple distinct performance obligations that have different patterns or timing off delivery of the goods or services. Depending on the product solution, this can include software licences, hosting, SaaS, maintenance, professional services and other related services.

Revenue from these arrangements is generally unbundled and accounted for separately. The factors considered in determining whether revenue should be accounted for separately depends on whether the promised goods or services are considered distinct or non-distinct. Commonly, software related goods or services are considered distinct if they are regularly sold separately in comparable transactions.

Revenue from multiple element arrangements is then allocated to the distinct performance obligations based on their standalone selling price. The standalone selling price is the price at which the Group sells a promised good or service separately to a customer.

The Group derives fair value for its consultancy services based on day rates for consultants and for product maintenance based on maintenance renewal prices. Where software is included within a bundled arrangement, the residual value of the contract is ascribed to the software after a fair value has been allocated to all other components.

Deferred revenue primarily relates to managed services and customer support fees, which have been invoiced to the customer prior to the performance of these services. Deferred revenue is generally recognised over a period of one year.

Accounting for costs
Commission costs are expensed as incurred on an accruals basis unless the commissions relate specifically to revenue which has been recognised over a period of time. Where this occurs, commission costs are capitalised and amortised over the same time period as revenue. Unamortised commission costs have been amortised over the life of the respective contracts, being 2 to 7 years.

1. Accounting policies (continued)

1.8 Business combinations

Business combinations are accounted for using the acquisition 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.

Transaction costs
Acquisition-related costs are expensed as incurred.

1.9 Goodwill & Intangible assets

Goodwill and intangible assets are allocated to the Cash Generating Units (CGU's) management have determined for the business.

These CGUs are:

•ERP solutions (Finance)
•ERP solutions (People)
•Patient management software solutions for the Health & Social Care sector
•Student management software solutions for the Education sector
•Practice and case management solutions for the Legal sector
•IT managed services to Private and Public sector organisations
•Application Modernisation services to global private and public sector organisations

Goodwill arising on the acquisition of an entity represents the excess of the consideration over the fair value of tangible and intangible assets acquired. The carrying value of goodwill is reviewed at each reporting date, with any impairment charged to the statement of profit or loss.

Each acquisitions in the year is assessed and considered whether they are an additional CGU or when combined with the existing business they would be considered combining with an existing CGU.

In reaching this conclusion a number of considerations are assessed such as management structure, product portfolio, customer applicability and similarity and target market.

Management's review concluded that no additional CGUs were considered to have been established from the acquisition of companies in the year ended 28 February 2023. Specifically, Pellcomp Software Limited is aligned with student management software solutions for the education sector, Decision Time Limited and Single Cell Mobile Consulting Pty Limited are aligned with ERP solutions (Finance).

1. Accounting policies (continued)

1.10 Intangibles

Intangible assets acquired separately

Research and development
Development activities involve a plan or design for the production of new or substantially improved computer software. Development expenditure is capitalised only if development costs can be measured reliably, the software program is technically and commercially feasible, future economic benefits are probable, and the Group has sufficient resources available to complete development and to use, lease or sell the asset. The expenditure capitalised includes only the cost of gross direct labour that is directly development activities above.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. Other research and development expenditure not meeting the above criteria is recognised in the statement of profit or loss as incurred.

Acquired intangibles
Following business combinations (see note 7) the assets acquired are classified into property, plant and equipment and intangible assets and fair values applied using the principles of IFRS3. Purchased intangible assets are recognised on the consolidated statement of financial position and are amortised over their estimated useful lives with the exception of In-progress research and development (“IPR&D”) which is initially recorded at fair value and amortised over its estimate useful life. Upon completion of development, the R&D intangible asset will be amortised over its estimated useful life. The assets typically recognised are:

1. Customer contracts and relationships
2. Technology assets
3. Trademarks
4. IPR&D

Amortisation
Amortisation is recognised in the statement of profit or loss within operating expenditure on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date they are available for use. The estimated useful lives for each asset are different depending on the profile of the acquisition.

The amortisation policy for each class of intangible asset is as follows:

•Capitalised development costs, including any IPR&D related to software development, are amortised over the period from the date the development is released as generally available to the Group’s customer base and capable of generating revenue. This period is estimated by management as between four and eight years
•Brand names recognised on acquisition are amortised over a period of three to fifteen years
•Technology assets recognised on acquisition are amortised over a period of three to twenty years
•Customer contracts and relationships recognised on acquisition are amortised over a period of fourteen to twenty one years, based on the useful life of the contract or relationship.

Impairment of intangibles and property, plant, and equipment
The carrying amounts of the Group's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

1. Accounting policies (continued)

1.10 Intangibles (continued)

Intangible assets acquired separately (continued)

An impairment loss is recognised whenever the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

Calculation of recoverable amount
The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairments of goodwill are never reversed.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation
Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The depreciation policies for each class of asset are as follows:

•Buildings - 2% straight-line
•Computer equipment and other - 20% to 25% straight-line
•Fixtures and Fittings - 20% to 33 1/3% straight-line, leasehold improvements – over the period of the lease

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1.11 Leasing

The group leases various offices and equipment. Rental contracts are typically made for fixed periods of 4 to 15 years. Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for lease of buildings for which the group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interest in the leased assets that are held by the lessee. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

1. Accounting policies (continued)

1.11 Leasing (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

•Fixed payments (including in-substance fixed payments), less any lease incentives receivable
•Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
•Amounts expected to be payable by the group under residual value guarantees
•The exercise price of a purchase option if the group is reasonably certain to exercise that option; and
•Payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group:

•Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
•Adjusts specific to the lease, for example term, country, currency and security

The group is exposed to potential future increase in variable lease payments based on an index or, which are not included in the lease liability until they take effect, when adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payment are allocated between principal and finance cost comprising the following:

•The amount of the initial measurement of the lease liability
•Any lease payments made at or before the commencement date less any lease incentives received
•Any initial direct costs; and
•Restoration costs

Right of use assets are generally depreciated over the shorter of the assets’ useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the asset’s useful life.

Payments associated with short term lease of equipment and vehicles and all leases of low value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short term leases are lease with a lease term of 12 months or less, low value assets comprise IT equipment and small items of office furniture.

1.12 Financial instruments

The Group's financial instruments comprise cash and various items such as trade receivables and trade payables that arise directly from its operations. Finance payments associated with financial liabilities are dealt with as part of finance expenses.

1. Accounting policies (continued)

1.12 Financial instruments (continued)

Financial assets
Financial assets primarily include trade receivables, cash and cash equivalents (comprising cash at bank). These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (trade receivables), but also incorporate other types of contractual monetary asset such as deposits on rental property and prepayments, which are contractually recoverable. They are initially recognised at fair value and subsequently carried at amortised cost. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Derivative financial assets are measured fair value through the profit and loss (FVPL).

Derivatives are measured at FVPL are categorised by valuation method. The fair value hierarchy is as follows:
•Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
•Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., prices)
•or indirectly (i.e., derived from prices)
•Level 3: Inputs for the asset or liability that are not based on observable market data

Financial liabilities
Financial liabilities primarily consist of trade payables, borrowings, and derivatives.

The Group's financial liabilities are trade payables and other borrowings. These liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values. Cash flows associated with refinancing have been discounted using the effective interest rate mode.

Impairment of financial assets
IFRS 9 codifies the basis for the accounting of expected credit losses (ECLs) on financial assets and contract assets resulting from transactions within the scope of IFRS 15. The Group has adopted the simplified approach to provide for ECLs, measuring the loss allowance at a probability weighted amount that considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions of the customers. Since adoption, there have been no material changes in estimates and assumptions that have led to a significant change in the ECLs allowance. See note 21 for more details.

Share capital
Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Further information on the Group's financial instruments can be found in note 21.

1.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, call deposits and short-term deposits with a maturity of less than three months.

1. Accounting policies (continued)

1.14 Inventories

Finished goods
Finished goods are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

1.15 Corporation tax

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

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, at the statement of financial position date. Deferred tax balances are not discounted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1.16 Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the statement of financial position date. The revenues and expenses of foreign operations are translated at an average rate for the year, where this rate approximates to the foreign exchange rates ruling at the dates of the transactions.

Exchange differences arising from the translation of foreign operations are taken directly to the exchange revaluation reserve and are released into the statement of profit or loss upon disposal of the foreign operation in due course.

1. Accounting policies (continued)

1.17 Employee benefit costs

Defined contribution plans
Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of profit or loss as incurred.

Short term benefits
Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Any government grants received relating to furlough are under IFRS, offset against the salary expense.

1.18 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates and for management to exercise judgement in applying the Group’s accounting policies. Assumptions and accounting estimates are subject to regular review.

Any revisions required to accounting estimates are recognised in the year in which the revisions are made including all future periods affected. The Group assessed its critical accounting estimates and judgements to ensure these are the only estimates which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, and judgements when applying the Group’s accounting policies that have the most significant effect on the amounts recognised in the financial statements.

1. Accounting policies (continued)

Material judgements and estimates

Judgements

Intangible assets

The Group has assessed and consider that there are 7 CGUs within the business. Against each of these CGU's the Group has considered the future expectations in generating cash flows which underpin and support the carrying value of the intangible assets maintained by the business totalling £1,779.5 million (2022: £2,271.7 million) for all CGUs.

Estimates

Impairment of goodwill

The Group is required to identify CGUs and test the goodwill for potential impairment on an annual basis or if events or changes in circumstances indicate a potential impairment. For the purpose of impairment testing, goodwill is allocated to each identified CGU which is the lowest level at which goodwill is monitored for internal management purposes. The carrying amount of each CGU is compared to the recoverable amount, which is determined based on value in use calculations which require the estimation of future cash flows and the selection of a discount rate. In establishing the prediction of future cash flows the Group has made estimates of many factors which include but not limited to market opportunity, growth expectations, product lifecycle, R&D requirements and the ability of the business to execute on its opportunities.

Each CGU maintains a level of recurring revenue which is quite predictable and over the medium term is relatively stable with index-based price increases which each CGU manages. There is a different level of sensitivity of these judgements by CGU which are influenced by the level of installed base, growth expectation, predictable retention, product lifecycle and indexation. Included within exceptionals for the year is an impairment to goodwill of £493.0 million, see note 27. Detail of the key assumptions used and sensitivities is included at note 8.

Acquired intangible assets

On acquisition of a business, the Group is required to value the assets acquired and recognise intangible assets on the statement of financial position. The valuation of these assets relies on various assumptions, including future revenue and costs derived from those assets and the selection of an appropriate discount rate in order to calculate the present value of those cash flows. Further information including the carrying value of intangibles acquired is given in note 9.

Taxation

The Group is subject to UK and international corporate taxation and judgement is required in determining the provision for income and deferred taxation. The Group 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 consolidated statement of profit or loss in the period in which such determination is made.

Leases

Judgement is required to determine whether periods covered by an option to extend a lease are reasonably certain to be exercised and whether periods covered by an option to terminate a lease are reasonably certain not to be exercised, when assessing the lease term. In making this assessment, the Group applies judgement to all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend or terminate the lease.

1. Accounting policies (continued)

Material judgements and estimates (continued)

These include past practice regarding the period over which it has typically used particular types of assets, the length of the non-cancellable period of the lease, contractual terms and conditions for the optional periods compared with market rates, the location of the underlying asset and the availability of suitable alternatives, the length of the non-cancellable period of the lease, significant leasehold improvements undertaken over the term of the contract, and costs relating to terminating or extending the lease. Past practice regarding the period over which it has typically used particular types of assets is the most significant factor in this decision.

Impairment of trade receivables
When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile and historical experience. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 14 for the net carrying amount of the receivables and associated impairment provision.

Cyber attack provision
A provision has been made for the present value of anticipated costs associated with the cyber attack that took place in the year. The provision includes future cost estimates associated with settlement of potential claims and any penalty enforced. The calculation of this provision requires assumptions as to whether such costs will be incurred and the level of these costs.

New standards and interpretations not yet adopted

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. Revenue

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 period to 28 February 2023 is shown below.

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Subscription, maintenance and managed services	**254,007**	*235,619*
Consultancy, training and other	**45,416**	*51,792*
Licences	**23,072**	*29,545*
	322,495	*316,956*

Contract balances

The following provides information about receivables and contract liabilities from contracts with customers:

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Trade receivables	**97,412**	*90,650*
Contract assets, which are included in 'Prepayments'	**13,225**	*11,976*
Contract assets, which are included in 'Accrued income'	**37,963**	*17,799*
Contract liabilities, which are included in 'Deferred income'	**141,942**	*100,565*

Payment terms and conditions in customer contracts may vary. In some cases, customers pay in advance of the delivery of solutions or services; in other cases, payment is due as services are performed or in arrears following the delivery of the solutions or services.

Differences in timing between revenue recognition and invoicing result in trade receivables, contract assets or contract liabilities.

Contract assets result when amounts allocated to distinct performance obligations are recognised when or as control of a good or service is transferred to the customer, but invoicing is contingent on satisfying other performance obligations or on completion of contractual milestones. Contract assets are transferred to receivables when the rights become unconditional, typically upon invoicing of the related performance obligations in the contract or upon achieving the requisite project milestone.

Contract liabilities result from customer payments in advance of the satisfaction of the associated performance obligations and relates primarily to prepaid maintenance or other recurring service. Deferred revenue is released as revenue is recognised. Contract assets and deferred revenues are reported on a contract-by-contract basis at the end of each reporting period.

2. **Revenue (continued)**

Contract cost

The following table provides information about contract costs by category of asset:

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Commission fees which are included in 'Prepayments'	**13,225**	*11,976*
Amounts charged to the profit and loss for the year	**4,453**	*3,814*

Management expects that incremental commissions fees paid to employees, as a result of obtaining contracts, are recoverable. The Group has therefore, capitalised these fees as contract costs. Capitalised fees are amortised when the related revenues are recognised.

Transaction price allocated to the remaining performance obligations

The total amounts of contractually committed revenues that are due to be recognised as we satisfy performance obligations in future years is £277 million (2022: £309 million). We expect to recognise £202 million in the next 12 months (2022: 213 million), £61 million in 2 to 3 years (2022: £75 million) and £14 million (2022: £21 million) in more than 3 years. A large proportion of the Group's revenue is transactional in nature or is annually renewed maintenance and these are not included where there is no contractual commitment.

No amounts have been excluded from these disclosures using possible practical expedients. The introduction of a new sales system has allowed for a more precise measure of contractual days remaining. Comparative information for 2022 has been therefore been restated on a consistent calculation basis with that presented for 2023.

3. Employee costs

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Wages and salaries	**119,485**	*106,001*
Social security costs	**13,689**	*11,055*
Other pension costs	**5,688**	*4,724*
	138,862	*121,780*

The monthly average number of employees of the Group during the year was:

	Year Ended 28 Feb 23 No.	*Year Ended 28 Feb 22 No.*
Operations	**1,330**	*1,400*
Development	**915**	*680*
Sales and marketing	**430**	*412*
Management and administration	**285**	*184*
	2,960	*2,676*

4. Net finance income / (expense)

Recognised in profit or loss

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Finance income		
Fair value gain on cross-currency swaps	**44,999**	*11,534*
Total finance income	**44,999**	*11,534*
Finance expense		
Capitalised borrowing costs amortised	**2,003**	*5,575*
Interest on leases	**1,201**	*1,123*
Interest payable on borrowings	**82,573**	*57,308*
Total finance expense	**85,777**	*64,006*

5. Loss before income tax

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Loss before income tax is stated after charging / (crediting):		
Amortisation of intangible assets		
Amortisation of acquired intangible assets	**56,099**	*47,458*
Amortisation of capitalised development costs	**8,800**	*9,635*
Depreciation of property, plant and equipment		
Depreciation- owned assets	**4,137**	*4,846*
Depreciation- leased assets	**4,045**	*3,287*
Net foreign exchange loss / (gain)	**38,718**	*12,790*
Research and development expenditure	**30,283**	*23,211*
Impairment charges	**493,025**	-

5. **Loss before income tax (continued)**

During the year, the Group obtained the following services from the Company's auditors and their associates.

	Year Ended 28 Feb 23 £000	*Year Ended 28 Feb 22 £000*
Fee payable to PricewaterhouseCoopers LLP for the audit of the:		
-consolidated financial statements	**200**	*174*
-subsidiary financial statements	**563**	*451*
Non-audit fees payable to PricewaterhouseCoopers LLP	**8**	*302*

6. Income tax expense / (credit)

Income tax recognised in profit or loss

	2023 £000	*2022 £000*
Current tax		
Current tax on profits for the year	**10,298**	*9,079*
Adjustments in respect of prior years	**1,529**	*2,688*
Total current tax	**11,827**	*11,767*
Deferred tax expense		
Adjustments in respect of prior years	**(3,468)**	*3,892*
Reversal of timing differences	**(14,795)**	*(9,969)*
Change in tax rates	**(11,275)**	*31,785*
Total deferred tax	**(29,538)**	*25,708*
Total tax charge/ (credit)	**(17,711)**	*37,475*

6. Income tax expense / (credit) (continued)

Income tax recognised in profit or loss (continued)

	2023 £000	*2022 £000*
Factors affecting the tax expense/ (credit)		
Loss before income taxes	**599,489**	*23,499*
Tax using the Company's domestic tax rate of 19% (2022:19%)	**(113,903)**	*(4,465)*
Expense not deductible	**101,378**	*3,453*
Other timing differences	**201**	*21*
Income not taxable	**(2,101)**	*(108)*
Change in tax rate	**(3,289)**	*31,785*
Difference in Overseas tax rate	**288**	*211*
Adjustments from previous periods	**(1,939)**	*6,578*
Deferred tax not recognised	**1,654**	*-*
Total tax expense	**(17,711)**	*37,475*

Factors that may affect future tax charges
Finance Bill 2021 included an increase in the UK rate of corporation tax from 19% to 25% with effect from 1st April 2023. The Bill was substantively enacted on 24th May 2021.

Deferred taxes at the statement of financial position date have been measured at the substantively enacted rates that the deferred tax assets and liabilities are expected to be unwound at.

7. Business combinations during the year

7.1. 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 £16.2 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	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			13,067
Consideration			16,183
Less: Consideration shares in Aston TopCo Limited			(4,450)
Consideration			11,733
Cash acquired			(336)
Net cash outflow			**11,397**

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 following the principles of IFRS3. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks.

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.

7.2. 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 £21.8 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			12,592
Consideration			21,834
Less: Deferred consideration			(3,055)
Less: Contingent deferred consideration			(870)
Consideration			17,909
Cash acquired			(4,050)
Net cash outflow			**13,859**

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 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 following the principles of IFRS3. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks.

Decision Time 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 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.

7.3. 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 £8.2 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			3,614
Consideration			8,151
Less: Deferred consideration			(2,100)
Consideration paid			6,051
Cash acquired			(973)
Net cash outflow			**5,078**

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 following the principles of IFRS3. Management identified three separately identifiable intangible assets, being customer relationships, technology and trademarks. Deferred consideration has been paid post year end in July 2023.

Pellcomp Software 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 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.

8. Goodwill

Group

	2023 £000	2022 £000
Cost		
At 1 March	**1,611,937**	*1,552,290*
Acquisitions through business combinations	**29,273**	*59,647*
Foreign exchange on overseas operations	**997**	-
At 28 February	**1,642,207**	*1,611,937*
Accumulated impairment		
Impairment recognised in the year	**493,025**	-
At 28 February	**493,025**	-
Net Book Value		
Net book value at 28 February	**1,149,182**	*1,611,937*
	1,149,182	*1,611,937*

Allocation of goodwill to cash generating unis

Goodwill is allocated to the Group's cash generating unit as follows:

Cash generating units and impairment tests of goodwill

Goodwill has been allocated across the Group's cash generating units which are:

- ERP solutions (Finance)
- ERP solutions (People)
- Patient management software solutions for the Health & Social Care sector
- Student management software solutions for the Education sector
- Practice and case management solutions for the Legal sector
- IT managed services to Private and Public sector organisations
- Application Modernisation services to global private and public sector organisations.

8. Goodwill (continued)

£13.1m million of the goodwill relates to the acquisition of Single Cell Mobile Consulting Limited in this financial period and the fair value was determined based on the valuations and assumptions disclosed in note 7. The trading performance of this business in the post-acquisition period has been substantially consistent with the cash flows assumed in the valuations.

£12.6 million of the goodwill relates to the acquisition of Decision Time Limited and the fair value was determined based on the valuations and assumptions disclosed in note 7. The trading performance of this business in the post-acquisition period has been substantially consistent with the cash flows assumed in the valuations.

£3.6 million of the goodwill relates to the acquisition of Pellcomp Software Limited and the fair value was determined based on the valuations and assumptions disclosed in note 7. The trading performance of this business in the post-acquisition period has been substantially consistent with the cash flows assumed in the valuations.

During the 12-month period following acquisition the Group assesses all information within the company and where identified and appropriate adjustments are made to the opening goodwill calculation.

Impairment Assessments

The Group tests whether goodwill and intangibles have suffered any impairment on an annual basis. The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions.

The key assumptions used in the value-in-use calculations were:

- Forecast operating cash flows - the forecast operating cash flows are based on the Board approved annual budget for the year-ending 28th February 2024 and extrapolated based on the growth projections for 6 years being the period remaining on the investment forecasts on the formation of the Group in the period ended 29th February 2020. The range of short term expected annual growth rates over this period varies by CGU.
- Growth rate to perpetuity – 2% for all CGUs (2022: 2.5%)
- Discount rate – 10.08% for all CGUs (2022: 8.2%)

Potential variability in the amounts and timing of the cashflows was considered in the calculation of the operating cashflows.

Applying the key assumptions, Goodwill impairment charge for the year ended 28 February 2023 amounts to £493.0 million.

8. Goodwill (continued)

The Group also performs sensitivity analysis on the key assumptions. The following table demonstrates the impact of an increase of 0.5% in the discount rate, reduction in short term growth rates of 2% and a 0.5% reduction in the growth rate to perpetuity in isolation, for CGUs deemed to be sensitive to such changes.

	Recoverable amounts £m	Net recoverable surplus £m	Reduction in recoverable amount of 2% charge in short term growth rates £m	Reduction in recoverable amount of 0.5% charge in the discount rate £m	Reduction in recoverable amount of 0.5% increase in the discount rate £m
Finance	645	(67)	18	33	39
People	173	(210)	5	9	11
Health and care	338	(128)	9	17	21
Legal	295	(26)	8	15	18
Education	196	88	5	10	12
ITO	148	128	4	7	9
App Mod	181	(62)	5	9	11

9. Intangible assets

	Customer relationships £000	Technology £000	Trademarks £000	IP R&D and Other £000	Research and development £000	Favourable leases £000	Total £000
Cost							
At 1 March 2021	398,660	219,894	101,532	1,000	10,256	101	731,443
Acquired through business combinations	28,500	10,800	1,400	2,000	-	-	42,700
Eligible development costs capitalised	-	-	-	-	11,612	-	11,612
At 28 February 2022	427,160	230,694	102,932	3,000	21,868	101	785,755
Acquisitions through business combinations (note 7)	13,589	7,251	762	-	-	-	21,602
Eligible development costs capitalised	-	-	-	-	13,330	-	13,330
Foreign exchange movement	221	199	7	-	-	-	427
At 28 February 2023	**440,970**	**238,144**	**103,701**	**3,000**	**35,198**	**101**	**821,114**

9. Intangible assets (continued)

	Customer relationships £000	Technology £000	Trademarks £000	IP R&D and Other £000	Research and development £000	Favourable leases £000	Total £000
Accumulated amortisation and impairment							
At 1 March 2021	26,283	29,099	10,300	700	2,416	54	68,852
Charged in year	21,591	24,162	7,644	303	3,354	39	57,093
At 28 February 2022	47,874	53,261	17,944	1,003	5,770	93	125,945
Charged in year	22,951	24,708	7,849	583	8,800	8	64,899
At 28 February 2023	**70,825**	**77,969**	**25,793**	**1,586**	**14,570**	**101**	**190,844**
Net book value							
At 28 February 2022	379,286	177,433	84,988	1,997	16,098	8	659,810
At 28 February 2023	370,145	160,175	77,908	1,414	20,628	-	630,270

Expenditure on research and development in the period was £43,613k (2022: £34,821k) of which £13,330k (2022: £11,612k) relating to the development of new products was capitalised in accordance with IFRS.

10. Property, plant and equipment

	Land and buildings £000	Computer equipment and other £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 March 2021	2,957	11,406	2,652	17,015
Additions	-	3,806	164	3,970
Acquisitions through business combinations	-	79	16	95
At 28 February 2022	2,957	15,291	2,832	21,080
Additions	395	3,868	411	4,674
Acquisitions through business combinations (note 7)	18	41	88	147
Disposals	-	(445)	(280)	(725)
At 28 February 2023	**3,370**	**18,755**	**3,051**	**25,176**

	Land and buildings £000	Computer equipment and other £000	Fixtures and fittings £000	Total £000
Accumulated depreciation and impairment				
At 1 March 2021	754	3,800	2,652	7,206
Charged for the year	211	4,455	180	4,846
At 28 February 2022	965	8,255	2,832	12,052
Charged for the year	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 2022	1,992	7,036	-	9,028
At 28 February 2023	2,246	7,387	33	9,666

10. Property, plant and equipment (continued)

The below is the detail for leases where the group acts as a lessee:

Amount recognised in the balance sheet
The balance sheet shows the following amounts relating to leases:

. **Right-of-use assets**

	Land and buildings £000	Computer equipment and other £000	Total £000
Cost			
At 1 March 2021	20,078	1,557	21,635
Additions	2,183	-	2,183
At 28 February 2022	22,261	1,557	23,818
Additions	1,269	-	1,269
Onerous leases	(2,712)	-	(2,712)
At 28 February 2023	20,818	1,557	22,375
Accumulated depreciation			
At 1 March 2021	(5,322)	(305)	(5,627)
Charge for the year	(3,110)	(177)	(3,287)
At 28 February 2022	(8,432)	(482)	(8,914)
Charge for the year	(3,178)	(867)	(4,045)
At 28 February 2023	(11,610)	(1,349)	(12,959)
Net book value			
At 28 February 2022	13,829	1,075	14,904
At 28 February 2023	9,208	208	9,416

10. Property, plant and equipment (continued)

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Lease liabilities		
As at beginning of the year	**18,297**	*20,070*
Additions	**1,270**	*2,183*
Payments	**(4,980)**	*(5,079)*
Interest	**1,201**	*1,123*
Foreign exchange	**333**	*-*
As at year end	**16,121**	*18,297*
Current	**2,579**	*3,235*
Non- current	**13,542**	*15,062*
As at year end	**16,121**	*18,297*

The incremental borrowing rate used to calculate the right of use assets is 7.05% (2022: 7.05%).

	2023 £000	*2022 £000*
Amounts recognise in the statement of profit or loss		
Computer equipment depreciation	**867**	*177*
Land and building depreciation	**3,178**	*3,110*
Depreciation charged on Right-of-use assets	**4,045**	*3,287*
Interest expenses (included in finance cost)	**1,201**	*1,123*

Total cash outflow for leases in the year was £4,980k (2022: 5,079k).

11. Investments

	2023	*2022*
	£000	*£000*
Investments	**517**	*517*
	517	*517*

	Shares in Joint Venture
	£000
Cost	
At 28 February 2022	517
At 28 February 2023	517
Net book value	
At 28 February 2022	517
At 28 February 2023	517

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

The Group's subsidiary undertakings at 28 February 2023 of more than 50%, either directly or indirectly, are as disclosed below:

Undertaking	**Country of registration or incorporation**	**Principal activities**	**Direct Holding**	**Indirect Holding**
Air Bidco Limited	England & Wales	Holding company	-	100 %
Intercede 2445 Limited	England & Wales	Investment company	-	50 %
Advanced CS Australia Pty Limited	Australia	Dormant	-	100 %
Cedar Group (USA) Inc	USA	Software development	-	100 %
V1 Document Management Inc	USA	Software development	-	100 %
Aston US Finco LLC	USA	Holding company	-	100 %
Cloud Trade Inc	USA	Holding company	-	100 %
ADV Management Services Limited	England & Wales	Non-trading	-	100 %
Advanced 365 Limited	England & Wales	IT managed service	-	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 %
Advance Systems Access Control Solutions Limited	Ireland	Software development	-	100 %
Advanced Chorus Application Software Limited	England & Wales	Dormant	-	100 %
Decision Time Limited	England & Wales	Software development	-	100 %
Keyword Logic Ltd	Australia	Software development	-	100 %
Pellcomp Software Limited	England & Wales	Software development	-	100 %
Advanced Computer Software Group Limited	England & Wales	Holding company	-	100 %
Advanced Health and Care Limited	England & Wales	Software development	-	100 %
Advanced Legal Solutions Limited	England & Wales	Software development	-	100 %
Advanced Ticketing Limited	England & Wales	Software development	-	100 %
Alphalaw Limited	England & Wales	Holding company	-	100 %
Aston Finco SARL	Luxembourg	Group services	-	100 %
Aston Bidco (Holding) Limited	Jersey	Holding company	100 %	-
Belmin Group Limited	England & Wales	Dormant	-	100 %
Business Systems Group Holdings Limited	England & Wales	Holding company	-	100 %
Careworks Technology Holdings Limited	Ireland	Holding company	-	100 %
Careworks Limited	Ireland	Holding company	-	100 %
CareWorks (UK) Ltd	England & Wales	Software development	-	100 %
CareDirector USA LLC	USA	Software development	-	100 %
Single Cell Mobile Consulting Pty Limited	Australia	Software development	-	100 %
SWL Australia Pty Limited	Australia	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 %

Trinity Software Limited	England & Wales	Software development		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 %
Drury Lane (Jersey) Limited	Jersey	Holding company	-	100 %
Fabric Technologies Limited	England & Wales	Property subletting	-	100 %
KHL Newco Limited	England & Wales	Holding company	-	100 %
Kirona Holdings Limited	England & Wales	Holding company	-	100 %
Kirona Solutions Limited	England & Wales	Software development	-	100 %
Kirona France SARL	France	Software development	-	100 %
Xmbrace Limited	England & Wales	Dormant	-	100 %
Laserform International Limited	England & Wales	Dormant	-	100 %
ModSys International Limited	Israel	Holding Company	-	100 %
Liraz Systems Limited	Israel	Holding Company	-	100 %
Liraz Systems Export (1990) Limited	Israel	Holding Company	-	100 %
MS Modernisation Services UK Limited	England & Wales	Software development	-	100 %
Modern Systems LM SRL	Italy	Holding company	-	100 %
BluePhoenix I-TER SRL*	Italy	Holding company	-	100 %
Modern Systems Corporation	USA	Holding company	-	100 %
MS Modernisation Services Inc	USA	Software development	-	100 %
Modernization Services SRL	Romania	Dormant	-	100 %
Advanced Application Modernisation Inc	Canada	Software development	-	100 %
Opsis Limited	Ireland	Software development	-	100 %
Opsis Practice Management Solutions Limited	England & Wales	Software development	-	100 %
Oyez Professional Services Limited	England & Wales	Software development	-	100 %
PCTI Technologies Limited	Ireland	Dormant	-	100 %
PCTI Investments Limited	England & Wales	Dormant	-	100 %
PCTI Solutions Limited	England & Wales	Software development	-	100 %
Redac Limited	England & Wales	Holding company	-	100 %

Science Warehouse Limited	England & Wales	Software development		100 %
Transoft Group Limited	England & Wales	Software development	-	100 %
V1 Limited	England & Wales	IT managed service	-	100 %
Waterlow Business Supplies Limited	England & Wales	Dormant	-	100 %
Tikit Limited	England & Wales	Software development	-	100 %
Tikit Inc	USA	Software development	-	100 %
Clear Review Limited	England & Wales	Software development	-	100 %
Clear Review Inc	USA	Software development	-	100 %
The National Will Register	England & Wales	Software development	-	100 %
Certainty National Will Register	England & Wales	Software development	-	100 %
Will Data Limited	England & Wales	Software development	-	100 %
Mitrefinch Holdings Ltd	England & Wales	Holding Company	-	100 %
Mitrefinch Limited	England & Wales	Software development	-	100 %
Mitrefinch LLC	USA	Software development	-	100 %
Mitrefinch US Holdings Inc	USA	Holding company	-	100 %
Mintrefinch Inc	USA	Software development	-	100 %
Mitrefinch (Aus) Pty Limited	Australia	Software development	-	100 %
Advance Systems International Ltd	Ireland	Software development	-	100 %
Advance Systems Access Control Solutions	Ireland	Software development	-	100 %
bksb Limited	England & Wales	Software development	-	100 %
Smart Apprentices Limited	England & Wales	Software development	-	100 %
Cloud Trade Technologies Limited	England & Wales	Software development	-	100 %
Isosec Limited	England & Wales	Software development	-	100 %
Advanced Legal Solutions Inc	USA	Software development	-	100 %
OneAdvanced, Inc	USA	Software development	-	100 %

*Companies in liquidation.

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

Undertaking:	Registered address
Advanced Application Modernisation Inc	Suite 1700, Park Place, 666 Burrard Street, Vancouver BC,V6C 2XB, Canada
Advanced Business Software and Solutions Pte Limited	10 Anson Road, 33-04 International Plaza, Singapore, Malaysia 079903
Aston Bidco (Holding) Limited	13-14 Esplanade,St Helier, Jersey, JE1 1EE
Aston Finco Sarl	29, avenue de la Porte-Neuve, L-2227 Luxembourg
Cobaltside Limited	Unit 5B, Sandyford Business Centre, Blackthorn Road, Dublin 18
GB Systems Limited	CMS Cameron McKenna, 6 Queens Road, Aberdeen, AB15 4ZT
Liraz Systems Export (1990) Ltd	Holon 5886 Israel L3
Liraz Systems Ltd	Holon 5886 Israel L3
Modern Systems Corporation	Dallas, TX 75240, USA
Modern Systems LM SRL	Via Flaminia 171, 47923 Rimini (RN)
ModSys International Ltd	Holon 5886 Israel L3
Modernizaion Services SRL	Strada Slt. Cristescu Dima Nr. 3BBucharest
MS Modernisation Services Inc	Dallas, TX 75240, USA
Opsis Limited	Unit 5B, Sandyford Business Centre, Blackthorn Road, Dublin 18
One Advanced Inc.	1165 Northchase Parkway, Suite 225, Marietta, GA 30067
V1 Document Management Inc.	1165 Northchase Parkway, Suite 225, Marietta, GA 30067
Advanced Legal Solutions Inc	Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle, DE 19801
Tikit Inc	25 Rue Roy East, Suite 205, Montreal H2W 1M5
Advance Systems International Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24
Advance Systems Access Control Solutions	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24
Mitrefinch LLC	8 The Green, Ste. A, DE, 19901
Mitrefinch (Aust) Pty Limited	Unit 30, Homebush Business Village, 11-21 Underwood Road, Homebush, NSA 2140, Australia
Mitrefinch Canada	Suite 1005, 5500 North Service Road, Burlington, Ontarios, L7L 6W6
Mitrefinch Inc	79A Chapel Street, Newton, Boston, Massachusetts
Careworks Limited	Unit 5B Sandyford Business Centre, Blackthorn Road, Sandyford, Dublin 18, D18 EK46, Ireland
Careworks Technology Holdings Limited	Unit 5B Sandyford Business Centre, Blackthorn Road, Sandyford, Dublin 18, D18 EK46, Ireland
Aston US Finco LLC	401 Congress Ave #3100, Austin, TX, 78701
Blue Phoenix I-TER SRL	Via Flaminia 171, Rimini, Italy
CareDirector USA LLC	Corporation Trust Center, 1209 Orange St, Wilmington, New Castle, DE 19801
Cloud Trade Inc	68 Harrison Ave, 6th Floor, Boston, MA 02111, USA
Drury Lane (Jersey) Limited	PO Box 1075, JTC House, 28 Esplanade, St Helier, Jersey, JE2 3QA
Kirona France SARL	Parc D’Activities La Folie Couvrechef, 18 Rue Bailey 14000, Caen, Normandy, France
PCTI Technologies	Unit 5B, Sandyford Business Centre, Blackthorn Rd, Sandyford, Dublin 18, D18EK46, Ireland
Single Cell Mobile Consulting Pty Limited	C/o Taylor Lowe Pty Ltd, Unit 8, 270 Turton Road, New Lambton NSW 2305
SWL Australia Pty Limited	C/o UHY Haines Norton Level 11, 1 York Street, Sydney, NSW, 2000
Clear Review Inc	874 Walker Road, Suite C, Dover, Kent, 19904, US

12. Derivative financial instruments

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Derivative financial instrument liability - cross currency swaps	**12,764**	*14,507*
	12,764	*14,507*

The Group has entered into multicurrency financing facilities with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in cross-currency swaps thus limiting the Group's exposure to USD/GBP exchange variances. The swaps terminate on 24th February 2024 and 24th February 2025. In 2023 the group settled certain cross currency swap derivatives by way of a cash settlement generating a fair value gain on cross-currency swaps of £45.0 million (2021: £11.5 million).

Changes in the fair value are recorded to Finance Income or Finance Costs. The swaps are classified as level 2 in the fair value hierarchy.

13. Inventories

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Finished goods	**847**	*927*
	847	*927*

There are no provisions against this inventory at 28 February 2023 (2022: £Nil).

Inventories recognised as an expense and included within administrative expenses during the year ended 28 February 2023 amounted to £3.7 million (2022: £2.5 million).

14. Trade and other receivables

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Trade receivables	**97,412**	*90,650*
Other debtors	**3,947**	*3,380*
Amounts owed from related parties	**3,236**	-
Prepayments	**29,040**	*28,730*
Accrued income	**37,963**	*17,799*
	171,598	*140,559*

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

15. Cash and cash equivalents

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Bank deposit accounts	**31,375**	*32,719*
	31,375	*32,719*

16. Called up share capital

Allotted, authorised, issued and fully paid:

	2023 Number	**2023 £000**	*2022 Number*	*2022 £000*
Ordinary shares shares of £0.01 each	**1,266,853,872**	**12,669**	*1,266,853,872*	*12,669*
	1,266,853,872	**12,669**	*1,266,853,872*	*12,669*

17. Reserves

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

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.

18. Trade and other payables

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Trade creditors	**17,185**	*21,078*
Other taxation and social security	**3,113**	*3,014*
Other creditors	**2,108**	*2,411*
Amounts owed to group undertakings	**8,464**	*3,742*
Accruals	**33,188**	*22,682*
VAT	**7,232**	*5,626*
	71,290	*58,553*

19. Deferred income

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Current deferred income	**139,789**	*99,065*
Deferred income falling due after 1 year	**2,153**	*1,500*
	141,942	*100,565*

Deferred income primarily relates to managed services and customer support fees, which have been invoiced to the customer prior to the performance of these services.

20. Loans and borrowings

Group

	As at 28 Feb 2023 £000	As at 28 Feb 2022 £000
Non-current		
Bank loans	**1,007,572**	*980,448*
Unamortised loan issue costs	**(9,878)**	*(12,573)*
	997,694	*967,875*
Current		
Bank loans	**70,293**	*29,678*
Unamortised loan issue costs	**(3,398)**	*(3,212)*
	66,895	*26,466*

20. Loans and borrowings (continued)

Bank loans

The group funding facilities are held by Aston FinCo S.a.r.l, a group undertaking registered in Luxembourg. These facilities comprise of:

- A first Lien loan of:
  - $330 million ($320.1 million outstanding as at 28th February 2023 (2022: $323.4 million) with quarterly principal repayments of 1%, the balance payable on 9th October 2026
  - £495 million (£482.0 million outstanding as at 28th February 2023 (2022: £486.9 million) with quarterly principal repayments of 1%, the balance payable on 9 October 2026 and
  - £75 million revolving credit facility (£62.4 million outstanding as at 28th February 2023 (2022 :£22.0 million), the facility expires on 9 October 2026
- A second Lien loan of:
  - $115million ($115 million outstanding as at 28th February 2023 (2022: $115 million)) falling due on 9th October 2027
  - £175 million (£175 million outstanding as at 28th February 2023 (2022: £175 million)) falling due on 9th October 2027

The interest rates on the first and second Lien loans vary between 4.25% and 8.25% over LIBOR and SONIA.

First Lien Leverage Ratio. Except with the written consent of the Required Revolving Lenders, the First Lien Leverage Ratio as of the last day of and for any Test Period may not be greater than 7.65 to 1.00. However, this provision is only in effect when the aggregate principal amount of outstanding Revolving Loans (solely to the extent in excess of £10,000,000 in the aggregate) exceeds 40% of the aggregate Revolving Commitments of all Lenders on the last day of the test period i.e., exceeds £30m.

As the RCF currently exceeds £30 million the covenant is monitored on a regular basis and has not been exceeded.

In October 2019, an agreement was reached with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross-currency swap thus limiting the Group's exposure to USD/GBP exchange variances (note 12).

Refinancing

On 19 April 2022, 27 June 2022, 15 December 2022, and 8 February 2023 the group made drawdowns from the revolving credit facility of £18.4 million, £21 million, £20 million and £10 million respectively in order to fund the acquisition of Decision Time Limited on 21 April 2022, the acquisition of Pellcomp Software Limited on 30 June 2022 and to fund day to day operations of the group.

On 1 October 2022 the group repaid the Revolving Credit Facility ("RCF") by £29 million.The RCF balance at 28th February 2023 amounted to £62.4 million (2022: £22 million).

The unamortised amounts of fees capitalised remaining in the statement of financial position at 28th February 2023 amounted to £13.3 million (2022: £15.8 million).

21. Financial instruments

The amounts disclosed in the table are the contractual undiscounted cash flows:

. Contractual maturities of financial liabilities

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total financial liabilities
	£'000	£'000	£'000	£'000	£'000
Loans and borrowings					
Term loan - Lien 1 £495m	4,889	4,889	472,269	-	482,047
Term loan - Lien 1 $330m	2,734	2,734	259,774	-	265,242
RCF - Lien 1	62,400	-	-	-	62,400
Term loan - Lien 2 £175m	-	-	175,000	-	175,000
Term loan - Lien2 $115m	-	-	95,292	-	95,292
Other loans	287	-	-	-	287
Future interest payments on loans and borrowings	98,808	97,871	189,596	-	386,275
Other non-derivative financial liabilities					
Trade Creditors	17,185	-	-	-	17,185
Accruals and other creditors	43,760	-	-	-	43,760
Lease liabilities	2,579	1,803	7,513	4,226	16,121
Future interest payments on leases	761	617	1,255	544	3,177
Total non-derivative financial liabilities	**233,403**	**107,914**	**1,200,699**	**4,770**	**1,546,786**

21. Financial instruments (continued)

For the Year Ended 28 February 2022

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total financial liabilities
	£'000	£'000	£'000	£'000	£'000
Loans and borrowings					
Term loan - Lien 1 £495m	4,889	4,889	477,158	-	486,936
Term loan - Lien 1 $330m	2,465	2,465	236,628	-	241,558
RCF - Lien 1	22,000	-	-	-	22,000
Term loan - Lien 2 £175m	-	-	-	175,000	175,000
Term loan - Lien2 $115m	-	-	-	85,897	85,897
Other loans	338	32	159	50	579
Future interest payments on loans and borrowings	57,278	57,069	155,274	13,396	283,017
Other non-derivative financial liabilities					
Trade Creditors	21,078	-	-	-	21,078
Accruals and other creditors	28,835	-	-	-	28,835
Lease liabilities	3,235	3,249	6,634	5,179	18,297
Future interest payments on leases	1,001	812	1,501	753	4,067
Total non-derivative financial liabilities	*141,119*	*68,516*	*877,354*	*280,275*	*1,367,264*

The future interest payments have been calculated based on the forecast maturity of the term loan and revolving credit facility shown above, using estimated interest rates of 8.55% (2022: 5.11%) for Lien 1 GBP, 8.83% (2022: 4.37%) for Lien 1 USD, 12.02% (2022: 8.31%) for Lien 2 GBP, 12.83% (2022: 8.37%) for Lien 2 USD and 3.0% (2022: 3.0%) on other loans.

21. Financial instruments (continued)

Interest sensitivity analysis

If the interest rates on the Group's loans and borrowings were to vary by 50 points, the effect of the future interest payment would be as follows for 28 February 2023:

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total future interest payments
	£'000	£'000	£'000	£'000	£'000
Sensitivity on interest rate					
-0.50%	93,695	92,810	180,170	-	366,675
+0.0%	98,808	97,871	189,596	-	386,275
+0.50%	103,920	102,931	199,021	-	405,872

For the Year Ended 28 February 2022

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total future interest payments
	£'000	£'000	£'000	£'000	£'000
Sensitivity on interest rate					
-0.50%	52,322	52,137	142,103	12,591	259,153
+0.0%	57,278	57,069	155,274	13,396	283,017
+0.50%	62,234	62,002	168,446	14,200	306,882

The above analysis represents a 50-point movement in interest rates only and does not represent movements in exchange rates which may occur on foreign currency denominated loans.

	2023	*2022*
	£000	*£000*
Cash and receivables		
Trade and other receivables	**142,558**	*111,829*
Cash and cash equivalents	**31,375**	*32,719*
	173,933	*144,548*

The above balance represents the Group's maximum exposure to credit risk.

The fair value of the financial instruments is equal to the carrying value. In the normal course of the Group's business and in common with other businesses, the Group encounters risks that arise from financial instruments. This note describes the Group's objectives, policies and processes in managing these risks and the methods used to measure them.

21. Financial instruments (continued)

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.

Customers
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.

The table below shows the ageing of trade receivables:

	Current	1-3 months	3-6 months	6-12 months	> 12 months
	£'000	£'000	£'000	£'000	£'000
Ageing of trade receivables:					
Year ended 28 February 2023	47,215	31,973	10,550	4,942	2,734
Year ended 28 February 2022	51,923	26,040	12,687	-	-

Trade receivables is stated after allowance for expected credit loss of £16.0 million at 28 February 2023 (2022: £4.3 million) which is after a release in the period of £Nil (2022: £0.3 million). At the statement of financial position date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of the trade and other receivables in the statement of financial position.

In determining the recoverability of a trade receivable, the Group considers all currently available and forward-looking information to assess the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Receivables provided for as uncollectible and charged to the Statement of profit or loss are included in administrative expenses. A loss allowance is recognised at an amount equal to the lifetime expected credit losses over the life of the contract if credit quality of the receivable has declined since initial recognition.

Dividend policy
The Board's dividend policy is to balance the distribution of profits with the Group's working capital requirements, the ongoing needs of the business, and its plans for merger and acquisition activities.

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.

21. Financial instruments (continued)

Interest rate risk
On the formation of the Group entered into multicurrency financing facilities (note 20). The interest rates on the facilities vary between 4.25% and 8.26% over LIBOR and SONIA. In October 2019, an agreement was reached with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross-currency swap thus limiting the Group's exposure to USD/GBP exchange variances.

	2023	2022
	%	%
Weighted average interest rate payable	5.55	5.48

At the statement of financial position date there were no significant concentrations of interest rate risk.

Currency risk
The Group earns 7% of its revenue from outside the UK. It is Group policy not to enter into hedging arrangements to mitigate currency risk on revenue due to the disproportionate cost versus risk.

Cash and cash equivalents at 28 February 2023 included £2.0 million (2022: £4.7 million) and £0.9 million (2022: £1.6 million) denominated in USD and EUR respectively. If the exchange rate was to vary by 10% the effect would be as follows:
Sensitivity on exchange rate

	USD	EUR
	£'000	£'000
10%	182	82

Cross currency swaps are held to mitigate the currency risk on USD borrowings.
At the statement of financial position date there were no significant concentrations of currency 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 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.

Capital management
The Group manages its capital structure to safeguard the going concern of the Group and provide returns for shareholders and benefits for other stakeholders.

The capital structure of the Group consists of equity (including share capital, retained earnings and other reserves) and debt. The Group may maintain or adjust capital structure in the future by issuing new shares, repaying debt, returning capital to shareholder or by paying dividends.

Fair value disclosures
The fair value of each class of financial assets and liabilities is equal to the carrying amount, based on the following assumptions:

Trade receivables, trade payables and short-term borrowings
The fair value approximates to the carrying value because of the short maturity of these instruments.

Long term borrowings
The fair value of bank loans approximates to the carrying value reporting in the balance sheet.

Contingent consideration is created on acquisition and is measured using a level 3 valuation method based on forecasts bookings.

22. Deferred tax

The balance comprises temporary differences attributable to:

	2023 **£000**	*2022* *£000*
Capital allowances in excess of depreciation	**2,920**	*3,032*
Acquired intangible assets	**(153,445)**	*(160,068)*
Taxation losses	**799**	*1,607*
Short term temporary timing	**3,035**	*3,594*
Non trading timing differences	**18,860**	*-*
	(127,831)	*(151,835)*

	Assets / (Liability) to profit or loss **£'000**
Opening deferred tax liability	(151,835)
Deferred tax credit	29,538
Deferred tax acquired on business combinations	(5,477)
Other	(57)
	(127,831)

22. Deferred tax (Continued)

The following is an analysis of the deferred tax balances

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £000*
Deferred tax assets	**799**	*979*
Deferred tax liabilities	**(128,630)**	*(152,814)*
	(127,831)	*(151,835)*

The Group reported a total tax credit of £17.7 million (2022: charge of £37.5 million) as a result of UK tax charges of £4.5 million (2022: £6.4 million) overseas tax charges of £5.8 million (2022: £2.7 million), a deferred tax credit relating to timing differences of £14.8 million (2022: £10.0 million), adjustments to taxes reported in prior years of £1.9 million credit (2022: £6.6 million charge) and the impact of increases in the UK tax rate on deferred tax liabilities of £11.3 million credit (2022: £31.8 million charge). Deferred taxes at the statement of financial position date have been measured at the substantively enacted rates that the deferred tax assets and liabilities are expected to be unwound at.

The Group has an unrecognised deferred tax asset of £22.7 million (2022: £27.7 million) relating to timing differences of £9.3 million (2022: £14.5 million) and losses of £13.4 million (2022: £13.2 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.

23. Provisions

	As at 28 Feb 2023 £000	*As at 28 Feb 2022 £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 (see note 27).

The provision for contingent and deferred consideration relates to consideration due on acquisitions made in 2023 (see note 7), contingent consideration is based on the value of bookings in Decision Time Limited and has been settled post year end.

23. Provision (continued)

	Dilapidations provision	Onerous lease provision	Onerous Contract provision	Contingent and deferred consideration	Cyber attack Provision	Total
	£'000	£'000	£'000	£'000	£'000	£'000
As at 29 February 2021	(2,299)	(60)	(2,648)	-	-	(5,007)
Amount utilised during the year	69	-	-	-	-	69
As at 1 March 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)

24. 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 period and amounted to £5.7 million (2022: £4.7 million).

25. Ultimate parent company and controlling party

The immediate parent undertaking is Aston Intermediateco Limited.

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.

26. Related party transactions

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

An amount of £8.5 milion (2022: £3.7 million) included in note 18 relates to amounts owed to related undertakings payable to Aston Intermediate Co. Ltd and Aston TopCo Limited, in relation to funding received for acquisitions.

The aggregate amount of remuneration and benefits of key management personnel of the Group, comprising of the Directors within the Group during the period was £1.7 million (2022: £1.8 million), including other benefits of £0.2 million (2022: £0.3 million). The 2022 remuneration totals have been updated due to a casting error noted.

26. Related party transactions (continued)

	Year Ended 28 Feb 23 Incurred	Year Ended 28 Feb 23 Outstanding	Year Ended 28 Feb 22 Incurred	Year Ended 28 Feb 22 Outstanding
	£'000	£'000	£'000	£'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	-	-
Office Depot	-	2	2	-
Datto Inc	23	-	22	-
Logic Monitor Inc	27	9	265	265
Smartbear Software Limited	-	-	-	-
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.

27. One-off exceptional costs

During the year, the Group incurred the following one-off exceptional costs:

Type	**Year Ended 28 Feb 2023 £000**	*Year Ended 28 Feb 2022 £000*
Acquisition costs	**1,042**	*4,791*
Transformation projects	**6,586**	*3,456*
Property rationalisation	**567**	*1,401*
Cyber attack remediation	**18,203**	-
Impairment of goodwill	**493,025**	-
Total one-off exceptional costs	**519,423**	*9,648*

Acquisitions costs relate to cost incurred during the acquisition of new business during the year.

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.

After review of the future cash flows of our CGUs across the business it was concluded there would be an impairment to goodwill, see note 8 for more detail.

28. Events after the reporting date

Equity injection & RCF Extension
Post year end an equity injection of £20.0m was received in July 2023 from our shareholders. A further £30.0m injection has been agreed to be paid and is expected to be finalised during October 2023.

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. Contingent liabilities

From time to time the Group is engaged in litigation in the ordinary course of business. There are no material contingent liabilities requiring disclosure at 28 February 2023.