REGISTERED NUMBER: 03193619 (England and Wales)

IRIS Group Limited

Annual Report and Financial Statements

For the Year Ended 30 April 2020

Contents of the Financial Statements
for the Year Ended 30 April 2020

IRIS Group Limited

Company Information
for the Year Ended 30 April 2020

DIRECTORS:	K P Dady E Mortimer-Zhika M D Cox
REGISTERED OFFICE:	4th Floor Heathrow Approach 470 London Road Slough Berkshire SL3 8QY
REGISTERED NUMBER:	03193619 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Registered Auditors & Chartered Accountants 1 Embankment Place London WC2N 6RH

Strategic Report
for the Year Ended 30 April 2020

INTRODUCTION
The Directors present their strategic report for IRIS Group Limited ("the Company") for the year ended 30 April 2020.

The principal activities of the Company in the year under review were those of the supply of employment and management services to Group companies.

IRIS Group Limited is a member of IRIS Group (the "Group") which is one of the largest privately held software Groups in the UK. The Company operates within the IRIS Group of Companies headed by the Group's ultimate parent company, Perennial Newco 2 Ltd.

The Group is managed on a consolidated basis and the Strategic Report pertains to the whole Group.

BUSINESS ACTIVITIES
With nearly 42 years' experience and a predominantly UK focus, the Group offers the greatest range of specialist financial, human resources, engagement, payroll and bookkeeping solutions. These are managed under the leading brands of IRIS, Cascade, PS Financials, FMP Global, Star Practice Management, Practice Engine, Innervision, ParentMail, KashFlow, BioStore and Taxfiler product brands.

IRIS has over 120,000 UK and international customers with 80% having a tenure of five or more years. IRIS is the largest third-party online filer with the UK government. 91 of the top 100 UK accountancy firms and 50 of the top 100 US certified public accounting (CPA) firms use IRIS software. Circa 20% of the UK's workforce is paid by IRIS payroll offerings. More than 850,000 UK employees are managed by IRIS HR solutions. Over 11,000 UK schools and academies use IRIS, with four million parents and guardians using IRIS apps to connect with their children's school; 300 million messages are delivered between schools and parents each year, and over £15 million transactional payments are processed every month. IRIS is placed in the Grant Thornton Sunday Times Top Track 250 and the Megabuyte50.

STRATEGY
During the year, the business has relentlessly pursued its business priorities to achieve revenue and profit growth:

- **To build #1RIS**: A substantial business transformation programme bringing together IRIS' people, technology and processes to help make a difference to customers' lives.
- **To create a culture of exemplary customer service:** Enhancing customer services, evolving customer success and use intelligence in customer products to enhance the experience.
- **To improve the employee experience:** Focus on increasing engagement, reducing attrition and driving productivity. IRIS employees are the Group's most valuable asset and the priority is to encourage and recognise every success with an emphasis on teamwork, individual contribution, inclusion and diversity.

BUSINESS MODEL
IRIS Group is one of the UK's largest privately held software companies. Its purpose is to be the most trusted provider of mission-critical software and services, ensuring customers get it right first time, every time.

IRIS takes the pain out of processes and lets professionals working in businesses and schools focus on the work they love. Its software solutions and services for finance, HR and payroll teams, educational organisations, and accountancy firms helps them comply with regulations, drive productivity, and better engage with key stakeholders. Through simplifying, automating, and providing insights on everyday mission-critical tasks for organisations of all shapes and sizes, IRIS ensures customers can look forward with certainty and confidence.

BUSINESS MODEL (Continued)
The values within IRIS have been created by employees and are the glue that binds the business, supporting the vision, mission and culture. They are designed to make an IMPACT:

- **Innovation:** We are creative and fearless in our work and curious and hungry to discover smarter solutions. We always focus on improvement and embrace change.
- **Making it happen:** We focus on the task at hand and produce high-quality results within ambitious timescales. We set stretch goals for ourselves and our teams and deliver at pace, on time, every time.
- **Passion:** We take pride in our business. We are energetic, enthusiastic and highly self-motivated. We bring passion to our roles and encourage and inspire those around us. #loveIRIS.
- **Accountable:** We take ownership of our work and lead from the front. We seek out solutions, are trustworthy and act with integrity and honesty. We deliver on our promises.
- **Customer focus:** Our customers' needs are our priority. We exceed their expectations and delight them with outstanding service and great outcomes.
- **Teamwork:** We collaborate widely and build supportive, open, inclusive environments where people feel valued and are able to speak up and give their best. We recognise, appreciate, respect and care for others.

Revenue Generation
The Group generates revenue primarily through provision of software and services to its end customers. Software services are provided primarily through recurring maintenance or subscription, both through on-premise and cloud / SaaS solutions. Contract lengths range from monthly rolling for certain solutions, through to multi-year arrangements. Alongside subscription services, the Group provides implementation, managed payroll, and consultancy services, including specialist HR advice. Finally, Transactional Engagement services are offered through provision of SMS and Payment platforms to allow Schools and Parents to better communicate and transact with each other.

How IRIS Adds Value
IRIS has been providing businesses, schools and organisations with mission-critical software and services for more than four decades. Over the years, the business has invested in highly skilled and experienced employees and teams in delivering mission-critical software solutions designed to meet the needs of customers. A strong culture and responsible leadership has enabled the business to grow and develop sustainably, giving customers confidence in IRIS as a strategic partner.

Through this, IRIS has scaled to internally develop and acquire new products and solutions, allowing it to provide developed or acquired solutions to its existing customer base. This approach enables customers to turn to IRIS, which has developed a trusted brand over many years, to purchase a best-of-breed core solution and access a wider choice of other modules and functionality than that offered by competitors.

Why Customers Choose IRIS
IRIS benefits from its trusted position and specialist knowledge to drive the adoption of new functionality and modules to existing customers. IRIS remains well-positioned to continue this growth strategy for many years to come, with Cloud technologies providing potential to accelerate this.

IRIS' scale allows it to invest in state-of-the-art infrastructure, including cloud IT and related analytics. This investment in technology and development enables the business to be relied upon to consistently deliver regulatory updates alongside enhanced products and services.

The Group also continues to identify opportunities to expand both domestically and internationally where it can apply its expertise in compliance-driven software and services, to ensure it can give its customers the best support on their own growth journeys.

The Group is led by an Executive Committee made up of key leaders across Sales, Marketing, Operations, Finance & Legal, Human Resources, and Corporate Development to drive better alignment and acceleration of performance across all areas of the business.

BUSINESS REVIEW

Progress against strategic priorities

During the year, the business has relentlessly pursued its business priorities to achieve revenue growth and profit. Strategic projects are underway to elevate IRIS to a household name and increase opportunities to introduce the wider IRIS portfolio to customers.

IRIS has been recognised for its growth and achievements in the past year. In the Sunday Times Grant Thornton Top Track 250, IRIS moved up 55 places, rising to position 172 in the league. It is identified as one of the top 50 best performing privately owned UK technology companies, ranking 23rd in the Megabuyte50 League table. It has been named as a top IT company in the Southern Tech 100, coming sixth in the listing.

IRIS received the LUCA award for Taxfiler, and IRIS Payroll Professional secured the Customer Service award at The Rewards. CEO Elona Mortimer-Zhika was a finalist at the UK Tech Awards and the Company was also a finalist in the Digital Accountancy Forum Awards, Accounting Excellence Awards and Somerset Business Awards.

IRIS continues to be a technology leader. Customers consume IRIS products as traditional on-premise software and as cloud-based Software as a Service (SaaS) applications. IRIS continues to develop a comprehensive range of cloud applications using the latest computing technology to drive improved productivity and efficiency for customers and currently represents around a quarter of IRIS overall revenue.

In September 2019, IRIS launched its ground-breaking new platform, IRIS Elements. This is the next generation adaptive platform connecting client data to the heart of the workflow and integrating a rich inventory of solutions and services. Initially launched to the accountancy sector, it allows firms to adopt at their own pace through an ecosystem of coexisting desktop, cloud and third-party apps – so they can access and work on their data anywhere. The business has taken an agile approach to development and has now launched IRIS Elements AML Phase II, which streamlines the onboarding AML, KYC and PSC process to make it easier for firms to remain compliant. This frees up time to focus on delivering client advisory services – ultimately helping customers remain competitive in a fast-paced market.

Covid-19 Pandemic

At the start of the pandemic, IRIS moved approximately 1,600 UK, US, Canadian and Indian employees to homeworking within 10 days. This involved moving equipment and rolling out soft phones (for use over the internet) to customer-facing employees. Within this time everyone was working from home effectively.

The business maintained its strong customer focus. IRIS efficiently managed its bureau payrolls, including the end of tax year compliance, and updated payroll solutions several times to accommodate emergency government legislation (including furlough and sickness benefits) in very tight timescales. The rapid response also saw the business launch a free-to-use messaging platform, for its customers to communicate with their workforce or customers via text messaging and email. IRIS has also undertaken an extensive customer survey to understand their barriers, concerns and plans for the future – enabling IRIS to provide further guidance and expertise as a transparent business partner.

Behind the scenes, the IRIS Board of Directors is now monitoring key performance indicators on a weekly basis to review the impact of Covid-19 including cash position and collections, and responding to what it sees and hears, as well as using the extensive experience and knowledge of teams. IRIS has adopted an agile and rapid response capability to embrace changes and opportunities and believes that its business model is resilient.

Clearly the Directors acknowledge that we live in uncertain times at present, and it is unclear how the recovery from the pandemic will develop. As a result, forecasting is more problematic, and there is a recognition that growth trajectory will have been affected into the year ended 30 April 2021, with new sales likely to be lower than previously expected. The Board has therefore approved a budget with a lower growth than originally anticipated, and compared to the previous 5 financial years. However, given the resilience of the business model and the performance in the year to date, with good visibility of the revenue over the coming months, management remain confident in the budgeted financial performance for the year ended 30 April 2021.

Strategic Report (Continued)
for the Year Ended 30 April 2020

BUSINESS REVIEW (continued)
The Group has very strong liquidity with £118.0 million of cash as at the reporting date (2019: £36.9 million) and is well within leverage and covenant levels. This coupled with the limited reduction in revenues mean the Group is very well placed to take advantage of growth opportunities when confidence returns to the markets it operates in, and expects to bolster growth through acquisitions in the coming months.

EVENTS AFTER THE REPORTING PERIOD
Subsequent to the year end, the Company accepted an offer on its available for sale land and buildings. The offer of £2.0 million was £536,519 lower than the carrying value of the land and buildings. This is considered to be an adjustment post balance sheet event and therefore an impairment of £536,519 has been recognised during the year ended 30 April 2020. There are no other known adjustment or unadjusting events occurring between the balance sheet date and the date when the financial statements are authorised for issue.

KEY PERFORMANCE INDICATORS
The Key Performance Indicators of the Company are established and monitored at a Group level and are stated in the financial statements of the ultimate parent company, Perennial Newco 2 Ltd.

The specific key performance indicators for the Company are revenue, which decreased during the year to £62,024,622 (2019: £63,264,553) and operating loss of £111,661 (2019: loss of £56,984) which includes the impact of an impairment charge on land and buildings held for sale and charges received from other companies in the IRIS Group for support in the development, delivery and support of its products. Going forward, the Directors anticipate growth in revenue and return to profit.

FINANCIAL POSITION
The Company balance sheet shows a net asset position of £19,614,761 (2019: £16,991,091) reflecting the financial strength of the Company and its retained profits. Working capital is managed at a Group level and the Company's balance sheet consists of significant intra-group balances.

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES
IRIS acknowledges its responsibility to local communities in which it works and with which it does business. The Company actively encourages its employees to recognise those responsibilities and behave in a responsible manner towards the society in which it functions. It regards the setting of good example as an important practice in this regard. Employees can take three Giving Back Days each year and are encouraged to actively give their time and skills to fundraise for a charity of their choice and volunteer on community projects. During the last financial year, 128 days have been given to charities and community projects, including schools, NHS, foodbanks, blood donations, pet refuge, hospices and MIND. A total of £14,842 (2019: £10,500) has been donated by the Group to charitable causes.

As part of its responsibility around Social, Community and Human Rights Issues the Group has undertaken the following activities and updates during the financial year 1 May 2019 to 30 April 2020:

IRIS Anti-Slavery Policy: IRIS continues to take action to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. Third party organisations within the supplier/contractor pool and other companies that may be engaged with are expected to ensure their goods, materials and labour-related supply chains fully comply with the Modern Slavery Act 2015; and are transparent, accountable and auditable, and free from ethical ambiguities. The business has also implemented an 'Awareness Raising Programme', training staff on modern slavery issues by producing an IRIS anti-slavery policy included as part of the induction process and available on the intranet.

IRIS has undertaken assessments using legal, risk and procurement teams to determine risk exposure. It has also included the Modern Slavery Act 2015 within its statutory and regulatory compliance risk register to ensure the risk continues to be flagged, assessed and appropriately addressed.

IRIS seeks to impose adequate and robust contractual provisions relating to modern slavery or human trafficking compliance with applicable suppliers it works with. The business uses only specified, reputable employment agencies to source labour and verifies the practices of any new agency it is using before accepting workers from that agency.

SOCIAL, COMMUNITY AND HUMAN RIGHTS ISSUES (continued)

Whistleblowing Policy: The business encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of IRIS. Its whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.

Employee code of conduct: IRIS' code makes clear to employees the actions and behaviour expected of them when representing the business.

GENDER DIVERSITY

Figures reveal that for 2018/19, before taking into account the transferred employees, IRIS Groups' mean pay gap reduced from 25.7% to 24.8%, while the median pay gap went down from 16.9% to 16.4%. However, once acquisitions are factored in, the mean gap has risen from 25.7% to 26.2%. The median bonus gap decreased, reducing from 38.3% in 2018 to 28.7% in 2019, although the mean gap increased from 44.6% to 50.1%.

IRIS Group is led by nine board members, of which two are women. Its executive team comprises of three female leaders and eight male leaders. Calculated on core IRIS Group employees, in 2019 the business comprised of 759 employees with 311 women employees, representing 40.95% of roles. Increasing the number of women in its business and moving towards an equal distribution of men and women across all levels is important to IRIS.

IRIS acknowledges there is room for improvement, and its goal is to create a better gender balance across the business. To achieve this ambition, since April 2019, IRIS has implemented a number of important measures to further strengthen its commitment to equality and closing the gender pay gap:

- **Celebrating Success**: Promoting and showcasing female senior leaders as role models across the business – including organising an online event and Q&A sessions with female members of the executive team, shining a light on inspirational female managers in the business through special features in the bi-monthly group-wide newsletter to share practical advice and suggestions when climbing the career ladder and running a learning and development event for women focused on perceived or actual barriers to success, and launching a Women into Leadership mentoring programme.
- **Reviewing Company Practices**: Undertaking a diversity and inclusivity audit of all its policies and practices and working to remove any artificial barriers to women being successful in IRIS, adapting its promotion policy to ensure women feel confident to apply and are equally considered, applying for a 'Great Place to Work Award' to make sure it has a great work experience for all staff, regardless of their gender and supporting networking across the organisation through regular business leadership events
- **Focusing on Recruitment and Selection**: Using innovative recruitment avenues to source diverse talent e.g. Women in Tech, reviewing all shortlists for management positions and senior roles to make sure it has equally qualified female applicants represented in its shortlists and supporting parents looking to return to work after a career break
- **Promoting Work Life Balance:** Promoting its flexible working options across the organisation and encouraging a healthy work life balance by supporting its employees with a range of flexible benefits options including private healthcare with discounted family coverage, free life insurance and group income protection for all its employees, offering an Employee Assistance Programme and offering three Giving Back Days per year for all employees to have the opportunity to volunteer in their local communities.

ENVIRONMENTAL

During the past year, IRIS has worked hard to increase staff awareness of environmental good practice such as improving the frequency and quality of meter readings at all our locations. In 2019 we completed our ESOS submission and are working on delivering the recommendations.

We are rationalising office space and have closed 16 of our older offices, which by their nature, are energy inefficient. For those which are go forward locations we have also focused on making them as energy efficient as possible, for instance by replacing over 12,000 sq. ft of office space lighting in our Manchester Office, Faulkner House with energy efficient LED lighting.

With grey fleet transport accounting for more than half of our carbon emissions, we are investigating the provision of a car loan scheme which will favour green vehicles for our drivers. This will enable us to record our grey fleet emissions more accurately and help reduce these through an improved reporting mechanism.

ENVIRONMENTAL (continued)
Due to the Covid-19 Pandemic all our employees have been working from home, which has significantly reduced the need for commuting and travelling between offices. This practice is continuing into our new financial year and will have a positive effect on reducing our transport and emissions in the year to come.

GHG Emissions and Energy Consumption
IRIS has followed the 2019 UK Government Environmental Reporting Guidelines and has used the 2019 UK government's conversion factors for company reporting. The energy efficiency narrative methodology has been created based on energy management best practice.

IRIS has used the control approach, whereby the Company accounts for 100 percent of the GHG emission (and energy) over which it has control. The report is at Group level and includes information of subsidiaries. However, the option has been taken to exclude energy and carbon reporting for any subsidiary which itself would not be obligated if reporting on its own.

Type of emission	**Activity**	**kWh**	**tCO2e**	**% of total**
Scope 1	Natural Gas	217,670	40.0	6.3%
	Heating Oil	163,146	40.7	6.4%
	Sub-total	**380,816**	**80.7**	**12.7%**
Scope 2	Electricity	742,330	189.7	29.7%
Scope 3	Grey Fleet	1,536,043	367.6	57.6%
Total gross emissions (2019/20)		**2,659,189**	**638**	**100%**
Intensity metric:				
Number of employees			1,641	
Tonnes of CO_2e per employee			0.39	

PRINCIPAL RISKS AND UNCERTAINTIES
Risks are managed at a consolidated Group level.

The Directors continue to identify and evaluate operational and other risks faced by the Group, implementing changes where necessary to reduce risk to manageable levels. The quality of earnings is underpinned by strong legal and financial governance, coupled with a focus on improving customer service and increasing the lifetime value of customers. Refer to the section above on Covid-19 for specific risks and uncertainties related to the pandemic.

The Group's business operations rely on the efficient and uninterrupted operation of its information technology systems and networks. Loss of access, loss of customer data, and GDPR fines present a risk if not properly managed. To support the business, detailed business continuity plans are in place for all major locations backed up by third party contracts to provide dedicated alternate facilities and systems in the event of disaster. The Group also pays attention to scalability of infrastructure to ensure all systems remain appropriate for the needs of the business as it continues to grow. The Group has continued to invest in increased cyber security measures during the year, including for instance Mimecast, two factor authentication, and additional training for employees.

The software market in which the Group operates is characterised by evolving technology, market practices and industry standards. There is a risk that IRIS may be left behind if it does not continue to invest in its products and solutions, and therefore becomes uncompetitive. The Group has a strong commitment to Research and Development, which allows for identification of, and adaptation to technological, compliance and market changes, thereby ensuring demands of customers are met and products are delivered on the latest technology platforms.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)
In September 2019 IRIS Elements was launched, an ambitious multiyear programme to create a cloud platform, which will deliver product functionality across its core product suite going forward, demonstrating the focus on long term investment in IRIS products.

Customers come to IRIS as they want to ensure that their compliance is taken care of, and is right first time. If IRIS was unable to ensure that products remained up to date for regulatory change, customers would be less confident in the products and may choose to go elsewhere. As a provider of regulatory software, it is imperative products are kept up to date, and product updates and releases are right first time.

IRIS works closely with HMRC to ensure that its products meet all requirements, as shown by the recent changes to regulations around furlough.

The Group operates in a competitive environment where the quality of products is paramount. For IRIS, product quality is paramount, and it is the largest third-party filer with the government. It employs quality assurance teams to reduce risk associated with new product releases and to improve both the quality and the timeliness of releases. The Group also attaches enormous importance to providing the highest levels of customer service to differentiate itself in the market.

The Directors acknowledge that the economic environment can affect the overall performance of the Group's businesses in terms of both revenues and cost, including for instance through global events such as Covid-19. Through continued development of products and services, the Group endeavours to ensure that it delivers good value to its customers. The Group ensures that it reacts promptly to changes in government legislations – e.g. furloughing, so that business critical software products are kept fully up to date and can continue to support its customers and their businesses.

All technology companies are vulnerable to disruptive market entrants. IRIS has a market leading position and reputation for quality which means it is well positioned. IRIS also has the largest and the most integrated suite of accountancy products in the market. The combination of IRIS's market standing and value its solutions deliver, results in customers renewing their subscription from year to year.

The Group relies on intellectual property laws including laws on copyright, trade secrets and trademarks to protect its products. Despite such laws and regulations being in place, unauthorised copying of software may still occur. To mitigate this risk the Group endeavours to police the unauthorised use of its products, uses secure storage of its source code and engages the services of specialists to enforce and protect the Group's intellectual property rights both in the UK and US.

Legislative software is complex and requires in-depth knowledge of both the legislation and software development, to build and deploy the solutions. Retention of key employees is therefore important to ensure the business is able to continue to deliver great software to customers. The Group has an increased focus on employee satisfaction and continuing development, linking to the strategy of #1RIS. This includes identification of Top Talent across the business and personalised development plans. It also includes cross training across multiple products to remove any single points of failure.

FUTURE OUTLOOK
Looking ahead, the Directors believe that there are substantial opportunities for further growth, both organically and from acquisitions. Key management strategies to take advantage of the positioning of the Group and market opportunity include a focus on M&A to strengthen core product portfolios, diversify into new markets as well as taking advantage of significant cross-sell opportunity and operational synergies within the new functional management structure.

Strategic Report (Continued)
for the Year Ended 30 April 2020

FUTURE OUTLOOK (continued)
Covid-19 is clearly set to impact all businesses going forward. It is expected that IRIS will see some impact on its financial performance, as companies in many of the markets it deals in have pushed back their investment decisions. Management have worked quickly to adapt to these changes, looking to minimise the impact felt by customers and employees. IRIS has ensured its clients are kept up to date on the latest changes on government policies and its product and development teams have worked to adapt its products to these changes, for example ensuring its payroll offerings were able to easily conduct the furlough process. IRIS employees have transitioned to homeworking and Management is constantly monitoring government guidance around this issue.

With customers' requirements constantly adapting, IRIS will continue to evolve its product offering. There is a growing demand for cloud-based solutions and IRIS is working to meet this demand. For example, Elements was launched in September 2019 to address the changing demands its accountancy customers are facing. Significant investment has been made and dedicated teams are in place to build this platform and make this product available to its clients. The IRIS Board has made the decision during Covid-19 to actually accelerate this investment in future product roadmap, to ensure it is best placed to support its customers as we emerge from the pandemic.

The Directors are confident in the Group's prospects going forward.

ON BEHALF OF THE BOARD:

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M D Cox - Director

Date: 7 December 2020

Directors' Report
for the Year Ended 30 April 2020

The Directors present their report with the audited financial statements of the Company for the year ended 30 April 2020.

PRINCIPAL ACTIVITIES
The principal activities and future outlook of the Group is outlined in the Strategic Report.

FINANCIAL RISK MANAGEMENT
The Company's activities also expose it to a number of financial risks including credit risk, cash flow and liquidity risk.

Cash flow and liquidity risk
The Group manages its day-to-day cash flow requirements through free cash reserves (£118.0 million as at the year end) and the use of an available revolving credit facility of up to £40 million. At year end the balance drawn on this facility was £nil. This funding is made available to the Company through cash pooling arrangements and cash transfers within the Group.

Interest rate risk
The Company is exposed to fixed interest on amounts owed by group undertakings, and amounts owed to group undertakings. Interest rate risk is managed at the Group level in IRIS Debtco Limited through the use of a series of fixed LIBOR interest rate swaps for a total notional amount of £220 million, which expire in November 2021.

Credit risk
The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to amounts due from group undertakings. The amounts presented in the balance sheet are net of impairment. An allowance for impairment is made where there is an expected credit loss which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. In reviewing the appropriateness of the provisions in respect of recoverability of these amounts, consideration has been given to the economic climate in the respective markets, the performance of the group undertaking, the group undertakings balance sheet and the potential likelihood of default.

GOING CONCERN
Covid-19 is clearly set to impact the business going forward and it is expected that the Company will see some impact on its financial performance, as companies in many of the markets it deals in have pushed back their investment decisions. Management have worked quickly to adapt to these changes, looking to minimise the impact felt by customers and employees. The Company has ensured its clients are kept up to date on the latest changes on government policies and its product and development teams have worked to adapt its products to these changes.

Liquidity is managed at Group level using long-term Group bank facilities. Cash generated by the entity is swept to a related IRIS Group company overnight. Access to this facility is made available as needed to ensure the business remains a going concern. The entity is expected to continue to contribute to the overall profitability of the Group. The company is reliant for its working capital on funds provided by other group undertakings. The Directors have received a letter from Perennial Newco 2 Ltd indicating their intention to: (1) continue to provide the financial resources necessary to support the Company in meeting its liabilities as and when they fall due for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2020; and (2) not to require settlement of outstanding intercompany balances to the extent that money is not, at the relevant settlement date, otherwise available to the Company to meet such liabilities for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2020. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so and they have reviewed the consolidated group cash flow forecasts for the entity providing the letter of support extending 12 months from signing date and have concluded there are adequate resources to support the Company as a going concern as well as all other subsidiaries to whom support is being provided for this period.

GOING CONCERN (continued)
The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS
No dividends were paid in the year (2019: £nil). The Directors do not recommend the payment of a final dividend (2019: £nil).

DIRECTORS
The Directors who served throughout the year, and up to the date of signing, were as follows:

K P Dady
E Mortimer-Zhika
M D Cox

Kevin Dady was appointed to the Ultimate Parent Company Board on 6 September 2018 and served as Chief Executive Officer during the year, subsequently being promoted to the position of Executive Chairman as at 1 September 2019. Kevin has more than 20 years of leadership experience, having held many executive roles across the UK. Most notably, his experience includes membership of Capita's divisional executive board, spending 18 years with the business, including overseeing its Professional Services Division.

Elona Mortimer-Zhika was appointed to the Ultimate Parent Company Board on 6 September 2018 and served as Chief Operating Officer until being promoted to the position of Chief Executive Officer on 1 September 2019. Before joining IRIS, Elona held several senior leadership roles in Big 4 and PE-backed businesses, including Mavenir, Acision, Arthur Anderson and Deloitte.

Michael Cox is the Ultimate Parent Company Chief Financial Officer. Prior to joining IRIS, Michael held senior leadership roles in PE-backed businesses, including Xura and Acision, following time in practice with PricewaterhouseCoopers LLP.

DIRECTORS' INDEMNITIES
The Company has made qualifying third-party indemnity provisions for the benefit of certain of its Directors for the full financial year and these remain in force at the date of this report.

EMPLOYEES
Employees are the Group's most valuable asset. For the business to succeed it needs to manage employees' careers, offering opportunities for learning and developments and ensuring success is recognised. Common values inform and guide internal behaviour so IRIS can achieve its goals in the right way. For further details on employees, is outlined in the Strategic Report and in note 5 to the financial statements.

RESEARCH AND DEVELOPMENT
The Company has a strong commitment to Research and Development, which allows for identification of, and adaptation to technological, compliance and market changes, thereby ensuring demands of customers are met and products are delivered on the latest technology platforms. During the year, the Company capitalised £750,678 (2019: £1,461,209) of costs relating to ongoing development activities.

SECTION 172 REPORT
The Directors of the Company, as those of all UK companies, must act in accordance with the duties detailed in section 172 of the UK Companies Act 2006 which is summarised as follows: 'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.'

SECTION 172 REPORT (continued)

The following paragraphs summarise how the Directors' fulfil their duties - further details are set out in the Strategic Report on pages 2 to 9:

- **Risk Management**: IRIS provides mission-critical software and services to its customers. As it grows, the business and risk environment also become more complex. It is therefore vital that IRIS effectively identifies evaluates, manages and mitigates the risks, and that it continues to evolve the strategic approach to risk management.
- **Employees**: Employees are the Group's most valuable asset. For the business to succeed it needs to manage employees' careers, offering opportunities for learning and developments and ensuring success is recognised. Common values inform and guide internal behaviour so IRIS can achieve its goals in the right way.
- **Customers**: Ensuring customers are provided the best quality products and services is fundamental to IRIS' strategy. It is constantly looking to develop products to ensure they are in line with the latest regulation and meet customers evolving needs. Customer service is key to success, and a key metric measured in its annual performance.
- **Community and Environment:** IRIS uses its position of strength to create positive change for the people and communities with which it interacts. The business actively encourages employees to support communities and charities they are close to.
- **Investors:** The Board is committed to openly engaging with investors.
- **Corporate Governance**: The Board discharges its responsibilities by providing effective leadership to the Company within a framework of prudent and manageable controls, which enables risk to be assessed at an early stage and proactively managed. The Group Board sets the Group's strategic aims, ensures that the necessary financial and human resources are in place for the Group to meet its business commitments and regularly monitors management's performance.
- **Employees and Reward**: IRIS employees are the Group's most valuable asset and the priority is to encourage and recognise every success with an emphasis on team work, individual contribution, inclusion and diversity. The Group's core mission values spell IMPACT and stand for Innovation, Making it happen, Passion, Accountability, Customer focus and Team work. The Group has a committed and skilled workforce and the Group's reward strategy aims to reinforce the link between employee performance and business performance. In addition to a competitive basic salary, total reward may include variable pay elements such as bonuses, commission, recognition awards and employee share schemes. IRIS has continued to enhance flexible benefit schemes which gives employees the opportunity to choose appropriate benefits to suit their lifestyles while ensuring a core benefit package that supports IRIS' duty of care to employees.
- **Employee Consultation**: The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings including monthly site meetings, the Group's intranet and a monthly newsletter.
- **Learning and Development**: The education and development of the Group's employees remain a priority. With the intent of attracting, recruiting, developing and retaining key employees, the Group maintains a number of policies and procedures, such as an Equal Opportunities Policy. Employee development is encouraged through appropriate training and a newly established, dedicated Learning and Development function. Regular and open communication between management and employees is viewed as essential for motivating a highly educated workforce. Briefings are held regularly to provide business updates and give opportunities for questions and feedback. The Group maintains both a website, which is freely accessible, and an intranet site accessible to all employees.
- **Disabled Employees**: Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure their employment with the Group continues and appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

SECTION 172 REPORT (continued)

- **Corporate Social Responsibility:** IRIS continues to be strongly aware of its responsibility for its actions and encourages a positive impact on the environment and communities it serves. Along with ensuring it is compliant and actively engaged in sustainability, IRIS encourages employees to 'give back' to the community and raise money for charity. Its Giving Back Days initiative allows every person to take three days per year to support local charities and communities by raising money or volunteering for a number of charitable causes. 128 days were given back to the community by IRIS employees in 2020. The Group made charitable donations during the year of £14,842 (2019: £10,500). The Group made no political donations in the year.
- **Health and Safety:** The Company has well-developed health and safety policies and procedures, safeguarding employees, contractors and visitors in compliance with applicable registration and practice.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the Board of Directors and were signed on its behalf by:

....
M D Cox - Director

Date: 7 December 2020

Independent Auditors' Report to the Members of IRIS Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, IRIS Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 30 April 2020; the income statement, the statement of comprehensive income, the statement of changes in equity for the period then ended ; and the notes to the financial statements, which include a description of the significant accounting policies.

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

Independent Auditors' Report to the Members of
IRIS Group Limited (Continued)

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

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

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

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 April 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit
Responsibilities of the Directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 13, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Independent Auditors' Report to the Members of IRIS Group Limited (Continued)

Other required reporting

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

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

We have no exceptions to report arising from this responsibility.

A. Barford

Andrew Barford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 December 2020

IRIS Group Limited (Registered number: 03193619)

Income Statement
for the Year Ended 30 April 2020

	Note	30/4/20 £	30/4/19 £
REVENUE	4	62,024,622	63,264,553
Administrative expenses		(62,136,283)	(63,321,537)
OPERATING LOSS	6	(111,661)	(56,984)
Interest receivable and similar income	7	38,005,775	37,087,107
Interest payable and similar expenses	8	(37,738,318)	(36,449,702)
PROFIT BEFORE TAXATION		155,796	580,421
Income tax (charge) / credit	9	(15,126)	25,896
PROFIT FOR THE FINANCIAL YEAR		140,670	606,317

The notes on pages 21 to 36 form part of these financial statements

IRIS Group Limited (Registered number: 03193619)

Statement of Comprehensive Income
for the Year Ended 30 April 2020

	30/4/20	30/4/19
	£	£
PROFIT FOR THE FINANCIAL YEAR	140,670	606,317
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	140,670	606,317

The notes on pages 21 to 36 form part of these financial statements

IRIS Group Limited (Registered number: 03193619)

Statement of Financial Position
as at 30 April 2020

	Note	30/4/20 £	30/4/19 £
FIXED ASSETS			
Intangible assets	10	2,846,820	2,913,216
Tangible assets	11	2,000,000	2,571,677
Right-of-use assets	12	32,027	93,856
Investments	13	20,085,672	20,085,672
		24,964,519	25,664,421
CURRENT ASSETS			
Trade and other receivables	14	642,764,553	631,792,284
		642,764,553	631,792,284
CREDITORS:			
Amounts falling due within one year	15	(648,072,386)	(640,442,248)
NET CURRENT LIABILITIES		(5,307,833)	(8,649,964)
TOTAL ASSETS LESS CURRENT LIABILITIES		19,656,686	17,014,457
CREDITORS:			
Amounts falling due after more than one year	16	(41,925)	(23,366)
NET ASSETS		19,614,761	16,991,091
CAPITAL AND RESERVES			
Called up share capital	17	28,170	28,170
Capital contribution reserve		5,048,000	2,565,000
Retained earnings		14,538,591	14,397,921
TOTAL SHAREHOLDERS' FUNDS		19,614,761	16,991,091

The financial statements on pages 17 to 36 were approved and authorised for issue by the Board of Directors on 7 December 2020 and were signed on its behalf by:

....

M D Cox - Director

The notes on pages 21 to 36 form part of these financial statements

Statement of Changes in Equity for the Year Ended 30 April 2020

	Called up share capital £	Capital contribution £	Retained earnings £	Total shareholders' funds £
BALANCE AT 1 MAY 2018	28,170	-	13,791,604	13,819,774
COMPREHENSIVE INCOME:				
Profit for the financial year	-	-	606,317	606,317
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	606,317	606,317
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Share based payments (see note 18)	-	2,565,000	-	2,565,000
BALANCE AT 30 APRIL 2019	28,170	2,565,000	14,397,921	16,991,091
COMPREHENSIVE INCOME:				
Profit for the financial year	-	-	140,670	140,670
Other comprehensive income	-	-	-	-
TOTAL COMPREHENSIVE INCOME	-	-	140,670	140,670
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS:				
Share based payments (see note 18)	-	2,483,000	-	2,483,000
BALANCE AT 30 APRIL 2020	28,170	5,048,000	14,538,591	19,614,761

The notes on pages 21 to 36 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 April 2020

1. GENERAL EXPLANATION

The Company's financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 101 "Reduced Disclosure Framework" and the Companies Act 2006.

The Company's financial statements are presented in Sterling as that is the currency of the primary economic environment in which the Company operates.

The principal accounting policies applied in the preparation of these financial statements are set out in note 3. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. STATUTORY INFORMATION

IRIS Group Limited is a private company, limited by shares, incorporated and domiciled in the England and Wales. The Company's registered office address and its principal place of business is 4th Floor, Heathrow Approach, 470 London Road, Slough, Berkshire SL3 8QY.

3. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based payment;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
    - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10)(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Changes in accounting policies
The following new accounting pronouncements, none of which were considered by the Company as significant on adoption, were adopted by the Company on 1 May 2019 to comply with amendments to International Financial Reporting Standards ("IFRS") and have all been endorsed by the EU.

- Amendments to IAS 28 "Long-term interests in Associates and Joint Ventures";
- "Improvements to IFRS: 2015-2017 cycle";
- Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement";
- Amendments to IFRS 9 "Prepayment Features with Negative Compensation"; and
- IFRIC 23 "Uncertainty over Income Tax Treatments".

3. **ACCOUNTING POLICIES - continued**

Going concern

The Directors have considered the effects of the Covid-19 pandemic including the impact of recent trading results on the Group budget for the year ended 30 April 2021 which includes lower growth assumptions that originally anticipated given the uncertainties in the current environment. The strong Group liquidity position coupled with the limited reduction of revenues caused by Covid-19 due to the recurring and highly cash generative nature of the business model, mean the Group is very stable from a profit perspective.

Liquidity is managed at Group level using long-term Group bank facilities. Cash generated by the entity is swept to a related IRIS Group company overnight. Access to this facility is made available as needed to ensure the business remains a going concern. The entity is expected to continue to contribute to the overall profitability of the Group. The company is reliant for its working capital on funds provided by other group undertakings. The Directors have received a letter from Perennial Newco 2 Ltd indicating their intention to: (1) continue to provide the financial resources necessary to support the Company in meeting its liabilities as and when they fall due for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2020; and (2) not to require settlement of outstanding intercompany balances to the extent that money is not, at the relevant settlement date, otherwise available to the Company to meet such liabilities for a period of at least one year from the date of signing of the company's financial statements for the year ended 30 April 2020. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so and they have reviewed the consolidated group cash flow forecasts for the entity providing the letter of support extending 12 months from signing date and have concluded there are adequate resources to support the Company as a going concern as well as all other subsidiaries to whom support is being provided for this period.

Having considered these risks and the current uncertain economic environment, the Directors believe that the Company has adequate resources to continue in operational existence as a trading company for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements and in accordance with those parts of the Companies Act 2006 applicable to companies reporting under FRS 101.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue represents the supply of employment and management services to Group companies.

In recognising revenue under IFRS 15, Management have followed the five step model and considered identification of the contract with a customer; identification of performance obligations of each contract; transaction price; allocation of transaction price to performance obligation and recognition of revenue at the point the performance obligation has been satisfied.

Perpetual software licence fee income is recognised either in full where it is fully functional on delivery of the licence along with the issue of authorisation codes to activate the software or is deferred and recognised over the term of the contract where it is dependent on future updates to remain fully functional. Annual or period software licences fee income is recognised on a straight-line basis over the term of the contract. Support and maintenance income is deferred at the date of invoicing and released to the profit and loss account over the duration of the maintenance contract. The balance of maintenance income not released to the profit and loss account is carried in the balance sheet within contract liabilities. Services income is recognised in the month the services are performed. Transactional and Payment revenue is recognised on fulfilment of the service. Subscription and cloud-based Software as a Service (SaaS) income is recognised in the month the service is provided.

3. **ACCOUNTING POLICIES - continued**

Revenue (continued)
When revenue recognised in respect of a customer contract exceeds amounts received or receivable from a customer at that time, a contract asset is recognised. If amounts received or receivable from a customer exceed revenue recognised for a contract, for example if the Company receives an advance payment from a customer, a contract liability is recognised.

Interest income and expense
Interest income and expense are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Taxation
Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is measured on a non-discounted basis.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3. **ACCOUNTING POLICIES - continued**

Investments
Investments are stated at cost less provision for impairment.

Intangible fixed assets
Intangible assets are stated at fair value less accumulated amortisation and impairment losses. Amortisation is charged to the income statement on a straight-line basis over their estimated useful lives.

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development, and
- The ability to use the intangible asset generated

Where the Directors are satisfied as to the technical, commercial and financial viability of individual projects, the identifiable expenditure is deferred and amortised over the period during which the Company is expected to benefit.

Amortisation relates to the period in which future cash flows are expected to arise which is expected to be:

Development costs	5 years straight line.

Land and buildings
Land and buildings are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis at the following annual rates in order to write off the cost less residual value of each category of asset over its estimated useful life as follows:

Freehold land	Nil
Freehold buildings	2%

The Company as lessee
The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

3. **ACCOUNTING POLICIES - continued**

The Company as lessee (continued)
The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “other expenses” in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

3. **ACCOUNTING POLICIES - continued**

Post-employment benefits
The Company operates a personal defined contribution pension scheme which is open to all employees. The assets of the scheme are held separately from those of the Company in independently administered funds. Contributions payable to the scheme in respect of the period are recognised as an operating cost in the income statement. Pension contributions unpaid at the 30 April 2020 were £437,000 (2019: £324,000).

Impairment of assets
A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Income Statement.

Financial instruments
Financial assets and liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provision of the instrument. Financial assets are unrecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is unrecognised when it is extinguished, discharged, cancelled or expires. The Company has no financial assets measured at fair value through profit or loss.

Trade receivables from contracts with customers
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional less provision for impairment. Because of their short term nature the carrying amount of trade receivables approximates to their fair value.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. The current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables are also considered. We have assessed that there is no material adjustment to provisions required to reflect the lifetime expected loss.

3. **ACCOUNTING POLICIES - continued**

Amounts due from group undertakings
The amounts presented in the balance sheet are net of impairment. An allowance for impairment is made where there is an expected credit loss which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced. In reviewing the appropriateness of the provisions in respect of recoverability of these amounts, consideration has been given to the economic climate in the respective markets, the performance of the group undertaking, the group undertakings balance sheet and the potential likelihood of default.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand and short-term deposits with an original maturity period of three months or less. Bank overdrafts that are an integral part of a subsidiary's cash management are included in cash and cash equivalents where they have a legal right of set-off and there is an intention to settle net, against positive cash balances, otherwise bank overdrafts are classified as borrowings.

Trade payables
Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

Critical accounting estimates and assumptions
The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Impairment of investments
The Company determines whether investments are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. This requires an estimation of the recoverable amount of the cash generating unit to which the assets are allocated.

Estimating the value-in-use requires the Company to make an estimate of the future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

3. **ACCOUNTING POLICIES - continued**

Amounts due from group undertakings
There is uncertainty regarding group undertakings who may not be able to pay as the balances when required. In reviewing the appropriateness of the estimated provisions in respect of recoverability of these amounts, consideration has been given to the economic climate in the respective markets, the performance of the group undertaking, the group undertakings balance sheet and the potential likelihood of default. The Company applies the IFRS 9 simplified approach to measuring expected credit losses in respect of amounts due from group undertakings.

Capitalisation of development cost
The Group capitalises internal costs of software development, where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. Judgement is required in determining whether a project is suitable for capitalisation and in determining the useful economic life.

4. **REVENUE**

Revenue and profit before taxation in respect of continuing operations arise from the principal activity of the Company. This represents a single class of business: the supply of employment and management services to Group companies. The majority of continuing operations are undertaken in the United Kingdom.

5. **EMPLOYEES AND DIRECTORS**

	30/4/20	30/4/19
	£	£
Wages and salaries	51,666,669	42,222,880
Social security costs	5,873,518	4,728,730
Other pension costs	1,530,881	953,289
	59,071,068	47,904,899

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

	30/4/20	Restated* 30/4/19
Technical	695	548
Sales	294	278
Administration	230	94
	1,219	920

* Average monthly number of employees for the year ended 30 April 2019 excluded the average monthly number of employees employed by the Company and whose costs were recharged to other group companies. This has been amended and restated in the current year and the restatement has no effect on the amounts recognised in the financial statements.

The Directors did not receive remuneration for their services to the Company in the current or prior year. The remuneration paid by other group companies for their services as Directors of the Company has been apportioned as £nil (2019: £nil).

The Company pays the majority of the Group's employees and recharges all employee costs to other Group companies.

IRIS Group Limited (Registered number: 03193619)

Notes to the Financial Statements - continued
for the Year Ended 30 April 2020

6. OPERATING LOSS

The operating loss is stated after charging:

	30/4/20	30/4/19
	£	£
Depreciation of tangible assets	35,158	46,959
Impairment of tangible assets	536,519	-
Depreciation of right of use assets	61,829	62,571
Amortisation of intangible assets	817,074	516,762

The audit fee payable to the company's auditors for the audit of these financial statements was £15,000 (2019: £29,877).

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	30/4/20	30/4/19
	£	£
Intercompany interest	38,005,775	36,988,241
Other interest	-	98,866
	38,005,775	37,087,107

Interest is only charged on amounts owed by group undertakings with a value of £10,000,000 or more (2019: £10,000,000 or more) at 6.31% (2019: 6.31%).

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	30/4/20	30/4/19
	£	£
Intercompany interest	37,712,857	36,419,948
Other interest	22,147	22,815
Lease interest	3,314	6,939
	37,738,318	36,449,702

Interest is only charged on amounts due to group undertakings with a value of £10,000,000 or more (2019: £10,000,000 or more) at 6.31% (2019: 6.31%).

Notes to the Financial Statements - continued
for the Year Ended 30 April 2020

9. INCOME TAX CHARGE / (CREDIT)

Analysis of income tax charge / (credit)

	30/4/20	30/4/19
	£	£
Current tax	(73,472)	-
Deferred tax	88,598	(25,896)
Total income tax charge / (credit) in income statement	15,126	(25,896)

Factors affecting the tax expense
The income tax charge / (credit) for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The difference is explained below:

	30/4/20	30/4/19
	£	£
Profit before taxation	155,796	580,421
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	29,601	110,280
Effects of:		
Expenses not deductible for tax purposes	108,620	157,865
Research and development tax credits	(56,238)	-
Deferred tax utilised on tax losses	(66,857)	-
Group relief	-	(294,041)
Total income tax charge / (credit) in income statement	15,126	(25,896)

Deferred tax asset / (liability)

	30/4/20	30/4/19
	£	£
At 1 May	46,673	20,777
(Charge) / credit to the income statement	(88,598)	25,896
At 30 April	(41,925)	46,673

The deferred tax asset / (liability) relates to accelerated capital allowances and other short term timing differences.

The Finance (No 2) Act 2015, which provided for reductions in the main rate of corporation tax from 19% to 17% effective from 1 April 2020 and substantively enacted on 15 September 2016 were reversed in March 2020 and as such 19% has been reflected in the calculation of deferred tax at the balance sheet date.

The closing deferred tax liability as at 30 April 2020 has been calculated at 19% (2019: 17%) reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods. Deferred tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

There are no unused tax losses or unused tax credits.

10. INTANGIBLE ASSETS

	Development costs £
COST	
At 1 May 2018	3,112,206
Additions	1,461,209
At 30 April 2019	4,573,415
Additions	750,678
At 30 April 2020	5,324,093
ACCUMULATED AMORTISATION	
At 1 May 2018	1,143,437
Charge for the year	516,762
At 30 April 2019	1,660,199
Charge for the year	817,074
At 30 April 2020	2,477,273
NET BOOK VALUE	
At 30 April 2020	2,846,820
At 30 April 2019	2,913,216

All amortisation charges relating to continuing operations in the year have been charged through administrative expenses.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2020

11. TANGIBLE ASSETS

	Land and buildings – assets held for sale £
COST	
At 1 May 2018, 30 April 2019	3,123,292
Impairment loss	(536,519)
At 30 April 2020	2,586,773
ACCUMULATED DEPRECIATION	
At 1 May 2018	504,656
Charge for the year	46,959
At 30 April 2019	551,615
Charge for the year	35,158
At 30 April 2020	586,773
NET BOOK VALUE	
At 30 April 2020	2,000,000
At 30 April 2019	2,571,677

Included in cost of land and buildings is freehold land of £1,350,000 (2019 - £1,350,000) which is not depreciated. The land and buildings were being actively marketed by the Group as at 30 April 2020 and 30 April 2019. Subsequent to 30 April 2020, the Directors' accepted an offer on the held for sale land and buildings of £2.0 million.

12. RIGHT-OF-USE ASSETS

	Property leases £
COST	
At 1 May 2018, 30 April 2019 and 30 April 2020	156,427
ACCUMULATED DEPRECIATION	
At 1 May 2018	-
Charge for the year	62,571
At 30 April 2019	62,571
Charge for the year	61,829
At 30 April 2020	124,400
NET BOOK VALUE	
At 30 April 2020	32,027
At 30 April 2019	93,856

Right-of-use assets relate to property leases held by the Company. The interest charge on right-of-use assets has been included in interest payable and similar expenses within note 8 and the charge for amortisation included in the table above. The amortisation charge in the year is included within administrative expenses.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2020

13. INVESTMENTS

Investment in subsidiary undertakings

	30/4/20	30/4/19
	£	£
COST AND NET BOOK VALUE		
At 1 May	20,085,672	20,085,672
Additions	-	-
At 30 April	20,085,672	20,085,672

The Company's investments in the share capital of subsidiary undertakings is shown below.

Undertaking	Country of registration or incorporation	Principal activity	Percentage of ordinary shares held: Indirect 2020	Indirect 2019	Direct 2020	Direct 2019
IRIS Resourcing Limited[1]	England & Wales	Holding company	0%	0%	100%	100%
IRIS Software Limited[1]	England & Wales	Software development	0%	0%	100%	100%
PTP Software Limited[1]	England & Wales	Software development	0%	0%	100%	100%
IRIS KPO Resourcing (India) Private Limited[2]	India	Outsourcing services	56%	56%	0%	0%

[1] Subsidiary registered address: 4th Floor, Heathrow Approach, 470 London Road, Slough, England SL3 8QY
[2] Subsidiary registered address: Pottipati Plaza 77, Nungambakkam High Road, Chennai–600 034

14. TRADE AND OTHER RECEIVABLES

	30/4/20	30/4/19
	£	£
Amounts falling due within one year:		
Trade receivables from contracts with customers	1,014	426,891
Amounts owed by group undertakings	641,518,217	628,520,887
Corporation tax	73,472	-
Other receivables	187,714	885,228
Other tax and social security	45,220	1,912,605
Prepayments	938,916	-
Total amounts falling due within one year	642,764,553	631,745,611
Amounts falling due after more than one year:		
Deferred tax	-	46,673
Total trade and other receivables	642,764,553	631,792,284

Interest is charged on amounts owed by group undertakings with a value of £10,000,000 or more (2019: £10,000,000 or more) at 6.31% (2019: 6.31%). Amounts owed by group undertakings are unsecured and repayable on demand.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2020

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/4/20	30/4/19
	£	£
Bank loans and overdrafts	8,960	314,357
Trade payables	110,285	364,767
Amounts owed to group undertakings	647,760,484	637,178,099
Other creditors	-	351,897
Accruals	148,477	829,591
Other tax and social security	-	1,333,537
Lease liabilities (see note 17)	44,180	70,000
	648,072,386	640,442,248

Interest is charged on amounts due to group undertakings with a value of over £10,000,000 (2019: over £10,000,000) at 6.31% (2019: 6.31%). Amounts owed to group undertakings are unsecured and repayable on demand.

The Bank overdraft is repayable on demand and is offset for interest purposes against cash balances in other group entities.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30/4/20	30/4/19
	£	£
Deferred tax	41,925	-
Lease liabilities	-	23,366
	41,925	23,366

The maturity profile of the anticipated future cash flows including interest in relation to the Company's lease liabilities is as follows:

	30/4/20	30/4/19
	£	£
In less than one year	44,589	71,750
In more than one year but not more than two years	-	25,339
Effect of discount/financing rates	(409)	(3,723)
	44,180	93,366

17. CALLED UP SHARE CAPITAL

Ordinary shares of £1 each allotted, issued and fully paid

	30/4/20	30/4/20	30/4/19	30/4/19
	Number	£	Number	£
At 1 May and 30 April	28,170	28,170	28,170	28,170

All shares are fully paid, have equal voting rights and carry no right to fixed income.

18. SHARE BASED PAYMENTS

On 3 March 2020, the Company issued to management 42,796 C1 shares (2019: 88,304 C1 shares and 6,667 C2 shares) which can be sold only on leaving the business, at cost, or on the sale of the business which is the date on the forecast maturity, details of which are set out below.

These shares fall under the definition of share based payments and are reported under IFRS2.

The fair value of the shares were calculated using the Monte Carlo model that takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date (based on an assessment of enterprise value using a discounted cash flow approach) and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the option, and the correlations and volatilities of the peer group companies. The inputs to the model and fair value charge are:

	2020 Grants	**2019 Grants**
Share price on issue	£5	£1
Price paid	£1	£1
Dividend yield	0%	0%
Risk-free interest rate	1.3%	1.3%
Forecast maturity	30/4/2023	30/4/2023
Volatility	35.1%	36.7%
Fair value of shares	£11,506,000	£23,080,000

	Number of shares	**Number of shares**
At 1 May 2018	-	-
Grated in the year	-	94,971
Forfeited in the year	-	(17,887)
At 30 April 2019	-	77,084
Grated in the year	42,796	-
Forfeited in the year	-	(18,765)
At 30 April 2020	42,796	58,319

The expected price volatility is based on a benchmark of observable similar companies.

The total share-based payment cost charged to the income statement for the year ended 30 April 2020 was £2,483,000 (2019: £2,565,000).

19. ULTIMATE PARENT COMPANY

The Company's immediate parent undertaking is IRIS Holdings Limited. The smallest group to consolidate these financial statements is IRIS Debtco Limited. The ultimate parent undertaking and the largest group to consolidate these financial statements is Perennial Newco 2 Ltd. The consolidated financial statements of these undertakings are publicly available and may be obtained from Companies House. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

According to the register maintained by the Company, a number of limited partnerships which are managed by Hg Pooled Management Limited ("HgCapital") (holding through a nominee company) held a significant interest in the ordinary shares of the Group's ultimate Parent Company, Perennial Newco 2 Ltd, at 30 April 2020 and subsequently to the date of approval of the financial statements. The Directors' deem there not to be an ultimate controlling party as none of the limited partners in the limited partnerships managed by HgCapital has an ownership of more than 20% of the issued share capital of the Company.

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions provided by IAS24 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

21. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the year end, the Company accepted an offer on its available for sale land and buildings. The offer of £2.0 million was £536,519 lower than the carrying value of the land and buildings. This is considered to be an adjustment post balance sheet event and therefore an impairment of £536,519 has been recognised during the year ended 30 April 2020. There are no other known adjustment or unadjusting events occurring between the balance sheet date and the date when the financial statements are authorised for issue.