Registered number: 09356516

ACCOLADE TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

ACCOLADE TOPCO LIMITED

COMPANY INFORMATION

Directors	Mr M J Audis Mr C A A Bayne Mr A J W Brown Mr G Dubois Mr J R Jorgensen Mr A Nedungadi Mr M Seigler Mr M Friedman Mr S Blundell
Registered number	09356516
Registered office	The Old School School Lane, Stratford St Mary Colchester Essex CO7 6LZ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Abacus House Castle Park Cambridge CB3 0AN
Bankers	Lloyds Banking Group PLC 25 Gresham Street London EC2V 7HN
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL

ACCOLADE TOPCO LIMITED

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GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2017

The Directors present their Strategic report on the group for the year ended 30 June 2017.

Principal Activities

Accolade Topco Limited (the "Group") is the ultimate holding company of the companies that form the Access Group ("Access"). It was formed on 16 December 2014 for the purpose of funding the acquisition of Ingleby (1863) Limited ("Ingleby") by Accolade Bidco Limited (a subsidiary company), which was completed on 28 January 2015.

The Group provides a range of primarily mid-market focused on-premise and cloud based business management solutions in Finance, HR, Payroll, CRM, Warehousing, Business Intelligence, Professional Services Automation and Manufacturing. In parallel to its core offerings Access has a suite of Software-as-a-Service (SaaS) applications delivered on its aCloud platform spanning HR, Finance, CRM & Business Intelligence.

Business review

The Directors are delighted that Access has enjoyed another very successful year delivering exceptional financial results. Key financial metrics to note include the following:

- Total Turnover (£101.1m) & adjusted EBITDA (£25.7m), growth of 18% and 20% respectively.
- Recurring turnover increased by 31% to £65.3m representing 65% of Total Turnover
- SaaS & Subscription turnover of £36.9m represents 37% of Total Turnover
- Net cash generated from operations of £18.1m

Adjusted EBITDA represents earnings before interest, tax, depreciation, amortisation and exceptional items. Exceptional items totalling £2.8m (2016: £2.2m) are disclosed in note 6.

Access continues to invest heavily in its internal product development to support its strategy. Functionality-rich, on-premise solutions have been extended whilst its cloud-based offering has expanded. Solutions are implemented and supported by Access' own consulting and support teams, based throughout the UK, with customers receiving end-to-end software and service provision.

The Access group added a further 1,479 new customers in FY17 (including customers of acquired entities) and the total number of customers now exceeds 11,500. Access' best-of-breed integrated business solutions remain strong across a broad range of industry verticals with a meaningful presence in Professional Services, Supply Chain, Health and Social Care, Not-for-Profit, Recruitment and Education. Its acquisition strategy is to add horizontal solutions appealing to its customer base and vertical applications to increase depth. Acquisitions are identified through thorough research and direct sourcing, completed only after detailed due diligence and are integrated carefully and quickly into the wider business. Cross-selling of products is strongly promoted and tracked, and success to date has shown the very high potential for future cross-sell growth within the business.

The Group completed four more strategic acquisitions during the year:

- SCH 2014 Limited ("Safe Group") – a successful software and outsourcing solutions provider, and the market leading provider of pay and bill solutions to the UK recruitment sector
- Selima Holdings Company Limited ("Selima Group") – the provision of SaaS workforce management software solutions to the UK Hospitality, Retail, Education and Local Authority sectors, the software's core functionality includes HR and payroll software, scheduling and payroll managed service
- Intelligent Business Services Limited ("IBS") - a provider of EPOS hardware and cloud-based stock control software to the Hospitality and Retail sector.
- Mobizio Limited ("Mobizio") – provision of software to the Health & Social Care sector.

The trade and activities of Mobizio were hived into Access UK Ltd on the day of purchase, the Selima Group and IBS were hived up post year end, whilst Safe continues to trade separately within the Access Group.

Principal risks and uncertainties

The business must maintain high levels of technical expertise within its staff. This risk is mitigated by ensuring low staff turnover and a high investment in staff training. Further, our recruitment policies ensure that new members of staff have the required levels of technical ability where required.

Another principle risk to Access as with any technology company is remaining at the forefront of the industry with its product offering. This risk is mitigated by the continued investment in research and development.

Financial key performance indicators

The key growth measures for Accolade Topco Limited from 2016 to 2017 are as follows:-

	2017 £000	2016 £000	Growth £000	Growth %
Turnover (excluding current year acquisitions)	**94,795**	**85,903**	**8,892**	**10**
Turnover	**101,091**	**85,903**	**15,188**	**18**
Adjusted EBITDA	**25,715**	**21,381**	**4,344**	**20**
SaaS and Subscription Turnover	**36,917**	**21,387**	**15,530**	**73**
Recurring Turnover (incl. Saas and Subscription Turnover)	**65,267**	**49,676**	**15,591**	**31**
Research and development spend	**12,049**	**9,303**	**2,746**	**30**
Sales & Marketing	**20,238**	**18,323**	**1,915**	**10**

The adjusted EBITDA margin of 25% (2016 - 25%) was in line with managements' expectations for the year.

This report was approved by the board on 24 NOVEMBER 2017 and signed on its behalf.

Stephen Blundell

Mr S Blundell
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the consolidated audited consolidated financial statements in accordance with applicable law and regulations.

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

In preparing these audited consolidated financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The loss for the financial year, amounted to £29,454k (2016 - loss £25,004 k).

No dividends have been paid (2016: £NIL) or are proposed.

Directors

The directors who were in office during the year and up to the date of signing these financial statements were:

Mr M J Audis
Mr C A A Bayne
Mr A J W Brown
Mr G Dubois
Mr J R Jorgensen
Mr A Nedungadi
Mr M Seigler
Mr M Friedman
Mr S Blundell

Future developments

The Group continues to invest in developing and enhancing its technology, and aims to release new versions of its core software every year. It also continues to invest and develop Software as a Service (SaaS) versions of its software, enabling its customer to use its software hosted in the Cloud.

The Group continues to look for suitable acquisitions which will complement and enhance its range of products.

Financial risk management

The Group's operations expose it to a variety of financial risks that include credit risk, currency risk, liquidity risk and interest rate cash flow risk. The Group has in place a risk management programme that seeks to limit the adverse effect on financial performance of these risks.

Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Credit risk
In order to manage credit risk the directors operate credit policies that prevent software being shipped to resellers/customers whose accounts are high risk. Credit control is given high priority and regular reports to management and the Board ensure risks are minimised. The majority of bank deposits are held with Lloyds Banking Group PLC that currently has a credit rating of A3 from Moody's.

Currency risk
The Group is exposed to limited currency risk, with less than 5% of revenues being generated in currencies other than Sterling. Given the quantum involved, the exposure is not subject to any hedging.

Liquidity risk
The Group seeks to manage liquidity risk by ensuring sufficient cash and facilities are available to meet foreseeable needs.

Interest rate cash flow risk
The Group has limited exposure to interest rate cash flow risk due to an interest rate cap having been purchased to provide partial protection to movements in interest rates. Cash deposits earn interest at a variable rate.

Post balance sheet events
On 9 November 2017 a subsidiary, Access UK Ltd, acquired the entire issued share capital of P.P.M. and Associates Limited and on 17 November 2017 Access UK Ltd acquired the entire issued share capital of W.F.L. Media Ltd. Both acquisitions provide software principally to the hospitality industry and further strengthens Access' software offering in that sector.

Employee involvement

The Group's policy is to consult and discuss with employees, through focus groups and at meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Research and development activities

The Group continues to invest heavily in research and development. The focus has been on the continuous improvement of the existing product set including the on-going development of its SaaS and mobile platforms. The research & development expenditure for the year increased by 30% to £12,049k (2016: £9,303k) and the new financial year will see a further increase in investment in research & development and an expansion of staff numbers. During the year £3,500k (2016: £3,138k) of development costs have been capitalised (note 14).

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Going concern

The Group had net current liabilities of £29.8m at 30 June 2017 and incurred a loss before tax of £28.2m during the year then ended, after reflecting £41.7 of non-cash depreciation, amortisation and interest charges, that is a profit of £13.5before such items. In addition the Group generated net cash from operations of £18.1m.

The directors are confident that the Group will continue to generate a positive operating cash flow and it is forecast to be operating within its available loan facilities with sufficient headroom for 12 months from the date of signing these financial statements. It is on this basis that the directors have determined that it is appropriate to prepare the financial statements on a going concern basis.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also maintained throughout the financial year Directors' and Officers' liability insurance.

Independent auditors

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

This report was approved by the board on 24 NOVEMBER 2017 and signed on its behalf.

Stephen Blundell.

Mr S Blundell
Director

Independent auditors' report to the members of Accolade Topco Limited

Report on the audit of the financial statements

Opinion

In our opinion, Accolade Topco Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 June 2017 and of the group's loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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 consolidated and company statements of financial position as at 30 June 2017; the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in equity for the year then ended and the consolidated statements of cash flows; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

- 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 group's and 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 group's and 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.

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 June 2017 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the 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.

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

C Maw

Christopher Maw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
Date: 28 November 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £000	2016 £000
Turnover	4	**101,091**	85,903
Cost of sales		**(27,939)**	(25,361)
Gross profit		**73,152**	60,542
Distribution costs		**(8,120)**	(7,658)
Administrative expenses		**(40,067)**	(31,983)
Other operating income	5	**750**	480
Earnings before interest, tax, depreciation, amortisation and exceptional items		**25,715**	21,381
Depreciation and amortisation		**(27,834)**	(24,457)
Exceptional items	6	**(2,842)**	(2,158)
Loss on ordinary activities before interest	7	**(4,961)**	(5,234)
Interest receivable and similar income	11	**6**	17
Interest payable and similar expenses	12	**(23,199)**	(21,058)
Loss before taxation		**(28,154)**	(26,275)
Tax on loss	13	**(1,300)**	1,271
Loss for the financial year		**(29,454)**	(25,004)
Exchange movement on reserves		**(39)**	43
Other comprehensive (expense)/income for the year		**(39)**	43
Total comprehensive loss for the year		**(29,493)**	(24,961)

The notes on pages 15 to 52 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017 £000		2016 £000
Fixed assets					
Intangible assets	14		**351,630**		286,229
Tangible assets	15		**7,013**		5,980
			358,643		292,209
Current assets					
Debtors	18	**33,286**		22,609	
Cash at bank and in hand	19	**9,460**		7,101	
		42,746		29,710	
Creditors: amounts falling due within one year	20	**(72,541)**		(48,020)	
Net current liabilities			**(29,795)**		(18,310)
Total assets less current liabilities			**328,848**		273,899
Creditors: amounts falling due after more than one year	21		**(361,286)**		(282,944)
Provisions for liabilities					
Deferred taxation	23		**(27,976)**		(21,599)
Pension asset	26		**280**		-
Net liabilities			**(60,134)**		(30,644)
Capital and reserves					
Called up share capital	24		**16**		15
Share premium account			**917**		915
Profit and loss account			**(61,067)**		(31,574)
Total equity			**(60,134)**		(30,644)

The financial statements on pages 8 to 52 were approved and authorised for issue by the board and were signed on its behalf on 24 NOVEMBER 2017

Stephen Blundell.

Mr S Blundell
Director
The notes on pages 15 to 52 form part of these financial statements.

ACCOLADE TOPCO LIMITED
REGISTERED NUMBER: 09356516

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Note		2017 £000		2016 £000
Fixed assets					
Investments	16		**22,754**		25,276
			22,754		25,276
Current assets					
Debtors	18	**4**		-	
		4		-	
Total assets less current liabilities			**22,758**		25,276
Creditors: amounts falling due after more than one year	21		**(31,050)**		(29,195)
Net liabilities			**(8,292)**		(3,919)
Capital and reserves					
Called up share capital	24		**16**		15
Share premium account			**917**		915
Profit and loss account			**(9,225)**		(4,849)
Total equity			**(8,292)**		(3,919)

The financial statements on pages 8 to 52 were approved and authorised for issue by the board and were signed on its behalf on 24 NOVEMBER 2017

Mr S Blundell
Director
The notes on pages 15 to 52 form part of these financial statements.

The Company's loss for the year was £4,376k (2016: £3,643k loss).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2015	**14**	**915**	**(6,613)**	**(5,684)**
Comprehensive loss for the year				
Loss for the financial year	**-**	**-**	**(25,004)**	**(25,004)**
Exchange movements on reserves	**-**	**-**	**43**	**43**
Total comprehensive loss for the year	**-**	**-**	**(24,961)**	**(24,961)**
Shares issued during the year	**1**	**-**	**-**	**1**
At 1 July 2016	**15**	**915**	**(31,574)**	**(30,644)**
Comprehensive loss for the year				
Loss for the financial year	**-**	**-**	**(29,454)**	**(29,454)**
Exchange movements on reserves	**-**	**-**	**(39)**	**(39)**
Total comprehensive loss for the year	**-**	**-**	**(29,493)**	**(29,493)**
Shares issued during the year	**1**	**2**	**-**	**3**
At 30 June 2017	**16**	**917**	**(61,067)**	**(60,134)**

The notes on pages 15 to 52 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2015	**14**	**915**	**(1,206)**	**(277)**
Comprehensive loss for the year				
Loss for the financial year	-	-	(3,643)	(3,643)
Shares issued during the year	1	-	-	1
At 1 July 2016	**15**	**915**	**(4,849)**	**(3,919)**
Comprehensive loss for the year				
Loss for the financial year	-	-	(4,376)	(4,376)
Shares issued during the year	1	2	-	3
At 30 June 2017	**16**	**917**	**(9,225)**	**(8,292)**

The notes on pages 15 to 52 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	2017 £000	2016 £000
Cash flows from operating activities		
Loss for the financial year	**(29,454)**	(25,004)
Adjustments for:		
Amortisation of intangible assets	**25,066**	21,993
Depreciation of tangible assets	**2,774**	2,649
Loss on disposal of tangible assets	**(6)**	(3)
Interest paid	**23,199**	21,058
Interest received	**(6)**	(17)
Taxation charge	**1,300**	(1,271)
Decrease in stocks	**-**	16
(Increase)/decrease in debtors	**(4,929)**	1,192
Increase/(decrease) in creditors	**364**	(4,105)
Corporation tax (paid)	**(234)**	(1,203)
Net cash generated from operating activities	**18,074**	15,305
Cash flows from investing activities		
Purchase of intangible fixed assets	**(5,971)**	(3,138)
Purchase of tangible fixed assets	**(2,106)**	(1,460)
Sale of tangible fixed assets	**15**	81
Acquisition of subsidiaries (net of cash acquired)	**(65,515)**	(26,062)
Interest received	**6**	17
Net cash from investing activities	**(73,571)**	(30,562)
Cash flows from financing activities		
Issue of ordinary shares	**3**	16
Net advances under loan facilities	**66,514**	24,516
Net advances under loan notes	**2,698**	-
Repayment of finance leases	**(1,972)**	(874)
Interest paid	**(9,387)**	(7,288)
Net cash used in financing activities	**57,856**	16,370
Net increase in cash and cash equivalents	**2,359**	1,113
Cash and cash equivalents at beginning of year	**7,101**	5,988
Cash and cash equivalents at the end of year	**9,460**	7,101

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

	2017 £000	2016 £000
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**9,460**	7,101
	9,460	7,101

The notes on pages 15 to 52 form part of these financial statements.

1. General information

The Group and its subsidiaries provide a range of integrated business management solutions that can be installed on premise or delivered through the cloud to best suit customers' requirements and enable them to benefit from a fully-integrated combination of configured work flow applications, on-premise and SaaS (Software as a Service) solutions.

The Company is a private company limited by shares and is incorporated in England.

The address of its registered office is The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The Company has taken advantage of the exemption in Section 408 of the Companies Act 2006 from disclosing its individual Statement of comprehensive income.

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

The following principal accounting policies have been applied consistently:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group had net current liabilities of £29.8m at 30 June 2017 and incurred a loss before tax of £28.2m during the year then ended, after reflecting £41.7 of non-cash depreciation, amortisation and interest charges, that is a profit of £13.5 before such items. In addition the Group generated net cash from operations of £18.1m.

The directors are confident that the Group will continue to generate a positive operating cash flow and it is forecast to be operating within its available loan facilities with sufficient headroom for 12 months from the date of signing these financial statements. It is on this basis that the directors have determined that it is appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance. Transactions that give rise to exceptional costs are principally staff restructuring costs, onerous contracts and leases and expenses relating to the integration of acquired subsidiaries. Group policy is to recognise staff costs as exceptional from the date that that the individual has been notified of the termination of their employment.

2.6 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.7 Holiday pay accrual

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

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability or asset recognised in the Consolidated statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost or income is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the Statement of coomprehensive income within interest payable or receivable.

2. Accounting policies (continued)

2.9 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life estimated at 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Technology	-	10	years
Development costs	-	5	years
Customer base	-	11	years
Trade name	-	5	years
Acquired software	-	3	years

2.10 Tangible fixed assets

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

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

Freehold property	- 2% straight line
Short-term leasehold property	- 10% - 20% straight line
Hosting equipment	- Straight line over the life of the lease
Motor vehicles	- 30% reducing balance
Office equipment	- 25% - straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.11 Development costs

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Expenditure on research and development activities which does not meet the above criteria is charged to the statement of comprehensive income as incurred.

Amortisation is charged to the statement of comprehensive income on a straight line basis over the anticipated life of the benefits arising from the completed product or project, which is deemed to be 5 years.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the statement of comprehensive income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 Financial instruments

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

2.16 Creditors

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

2. Accounting policies (continued)

2.17 Foreign currency translation

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.18 Finance costs

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

2.19 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

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

2. Accounting policies (continued)

2.20 Finance leases

Assets obtained under hire purchase contract and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2. Accounting policies (continued)

2.22 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1 Fair Value on acquisition (note 25)

The fair value of tangible and intangible assets acquired on the acquisition of each investment involves the use of valuation techniques and the estimation of future cash flows to be generated over a number of years. In addition the estimation of the contingent consideration payable required estimation of the level of profitability of the business acquired. The estimation of the fair values requires the combination of assumptions including revenue growth, sales mix and volumes, rental values and increases and customer attrition rates. In addition the use of discount rates requires judgement.

3.2 Intangible assets and goodwill (note 14)

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs), where this is possible to separately identify. This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

3.3 Provision for doubtful debts (note 18)

The Group considers whether debtors are recoverable and makes an estimate based on the value and age of the debt at the balance sheet date, to determine a suitable provision. This is done by reviewing the debt profile of each customer with a material level of debt and information available at the time.

4. Turnover

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

	2017 £000	2016 £000
Provision of software and related services	**101,091**	85,903
	101,091	85,903

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	**92,646**	78,386
Rest of Europe	**4,410**	3,881
Rest of the world	**4,035**	3,636
	101,091	85,903

5. Other operating income

	2017 £000	2016 £000
Research and development tax credit	**750**	480
	750	480

6. Exceptional items

	2017 £000	2016 £000
Restructuring	**1,675**	2,158
Onerous contracts	**677**	-
Integration expenses	**490**	-
	2,842	2,158

During the current and prior year the Group underwent a restructuring programme and the termination and redundancy costs, plus any legal fees incurred, have been charged through the profit and loss as exceptional.

Integration expenses represents costs incurred outside of the normal course of business as a result of the acquisition and integration of investments.

7. Loss on ordinary activities before interest

The loss on ordinary activities before interest is stated after charging/(crediting) :

	2017 £000	2016 £000
Research & development charged as an expense	**8,549**	6,165
Depreciation of tangible fixed assets	**2,768**	2,649
Amortisation of intangible assets, including goodwill	**25,066**	21,808
Exchange differences	**(223)**	(27)
Other operating lease rentals	**1,696**	1,369

8. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the Group's auditors and their associates for the audit of the Group's annual accounts	**25**	20
Fees payable to the Group's auditors and their associates in respect of:		
The auditing of accounts of associates of the Group pursuant to legislation	**65**	55
	90	75

Included within professional fees capitalised as part of acquisition costs is £305k (2016: £335k) in relation to due diligence services provided by the Group's auditors.

9. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	**46,463**	39,391
Social security costs	**5,272**	5,133
Cost of defined contribution scheme	**1,515**	1,239
	53,250	45,763

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

	2017 No.	2016 No.
Selling and distribution	**510**	425
Production staff	**216**	195
Administrative and support staff	**326**	309
	1,052	929

10. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	**1,238**	1,094
Company contributions to defined contribution pension schemes	**28**	30
	1,266	1,124

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £293k (2016 - £206k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5k (2016 - £NIL).

11. Interest receivable and similar income

	2017 £000	2016 £000
Other interest receivable	**6**	17
	6	17

12. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	**9,604**	8,292
Other loan interest payable	**13,316**	12,487
Finance leases and hire purchase contracts	**279**	279
	23,199	21,058

Included in the above is interest totalling £13,872k (2016: £13,770k) which has been added to the respective loan instrument rather than being payable in cash.

13. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	**1,321**	206
Adjustments in respect of previous periods	**227**	(216)
	1,548	(10)
Foreign tax		
Foreign tax on income for the year	**213**	51
Total current tax	**1,761**	41
Deferred tax		
Origination and reversal of timing differences	**(93)**	988
Adjustment in respect of prior periods	**(177)**	-
Changes to tax rates	**(191)**	(294)
Effect of revaluation of Intangible assets under FRS 102	**-**	(2,006)
Total deferred tax	**(461)**	(1,312)
Taxation on profit/(loss) on ordinary activities	**1,300**	(1,271)

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The differences are explained below:

	2017 **£000**	2016 £000
Profit on ordinary activities before tax	**(28,153)**	(26,275)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	**(5,560)**	(5,255)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,994**	4,642
Overseas taxes	**213**	51
Adjustments to tax charge in respect of prior periods	**50**	(216)
Net impact of amortisation and depreciation charges	**3,653**	(436)
R&D expenditure credits	**(18)**	-
Utilisation of tax losses and other deductions	**(213)**	-
Adjustment to closing deferred tax to reflect change in tax rate.	**253**	(294)
Deferred tax not recognised	**(36)**	-
Other differences leading to an increase (decrease) in the tax charge	**(36)**	237
Total tax charge for the year	**1,300**	(1,271)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

14. Intangible assets

Group and Company

	Technology £000	Development costs £000	Customer base and Trade names £000	Goodwill £000	Acquired software £000	Total £000
Cost						
At 1 July 2016	**47,685**	**8,354**	**70,947**	**189,199**	**-**	**316,185**
Additions	**14,993**	**3,500**	**34,199**	**34,628**	**2,471**	**89,791**
Transfers between classes	**-**	**-**	**-**	**-**	**1,106**	**1,106**
At 30 June 2017	**62,678**	**11,854**	**105,146**	**223,827**	**3,577**	**407,082**
Accumulated amortisation						
At 1 July 2016	**8,537**	**1,996**	**6,721**	**12,702**	**-**	**29,956**
Charge for the year	**6,618**	**2,664**	**5,120**	**9,819**	**845**	**25,066**
Transfers between classes	**-**	**-**	**-**	**-**	**430**	**430**
At 30 June 2017	**15,155**	**4,660**	**11,841**	**22,521**	**1,275**	**55,452**
Net book value						
At 30 June 2017	**47,523**	**7,194**	**93,305**	**201,306**	**2,302**	**351,630**
At 30 June 2016	39,148	6,358	64,226	176,497	-	286,229

15. Tangible assets

Group

	Freehold property £000	Short-term leasehold property £000	Hosting equipment £000	Motor vehicles £000	Office equipment £000	Acquired software £000	Total £000
Cost							
At 1 July 2016	-	584	3,702	-	1,512	1,106	6,904
Additions	-	584	1,056	-	2,049	-	3,689
Acquisition of subsidiary	155	111	-	133	403	-	802
Disposals	-	-	-	(28)	(773)	-	(801)
Transfers between classes	-	-	-	-	-	(1,106)	(1,106)
At 30 June 2017	155	1,279	4,758	105	3,191	-	9,488
Accumulated depreciation							
At 1 July 2016	-	(40)	1,375	(15)	(826)	430	924
Charge for the year on owned assets	1	117	-	2	1,207	-	1,327
Charge for the year on financed assets	-	-	1,441	-	-	-	1,441
Disposals	-	-	-	(14)	(773)	-	(787)
Transfers between classes	-	-	-	-	-	(430)	(430)
At 30 June 2017	1	77	2,816	(27)	(392)	-	2,475
Net book value							
At 30 June 2017	154	1,202	1,942	132	3,583	-	7,013
At 30 June 2016	-	624	2,327	15	2,338	676	5,980

15. Tangible assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £000	2016 £000
Hosting equipment	**1,942**	2,327
	1,942	2,327

The Company holds no tangible assets (2016: none)

16. Investments

Company

	Investments in subsidiary companies £000	Loans to subsidiaries £000	Total £000
Cost			
At 1 July 2016	**1,345**	**23,931**	**25,276**
Transfers intra group	**-**	**(2,522)**	**(2,522)**
At 30 June 2017	**1,345**	**21,409**	**22,754**
Net book value			
At 30 June 2017	**1,345**	**21,409**	**22,754**
At 30 June 2016	1,345	23,931	25,276

17. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Accolade PFSCo Limited	Ordinary	100 %	Holding Company
Accolade MidCo Limited	Ordinary	100 %	Holding Company
Accolade Bidco Limited	Ordinary	100 %	Holding Company
Ingleby (1863) Limited	Ordinary	100 %	Holding Company
Ingleby (1861) Limited	Ordinary	100 %	Holding Company
Access Technology Group Limited	Ordinary	100 %	Holding Company
Access Accounting Limited	Ordinary	100 %	Dormant
Access UK LTD	Ordinary	100 %	Consulting, software & solutions
Armstrong Consultants Limited	Ordinary	100 %	Dormant
Access France SAS	Ordinary	100 %	Dormant
Access Accounting Ireland Limited	Ordinary	100 %	Consulting, software & solutions
First Software Solutions Limited	Ordinary	100 %	Dormant
First Software (Holdings) Limited	Ordinary	100 %	Dormant
StratoGen Internet Limited	Ordinary	100 %	Dormant
StratoGen Inc.	Ordinary	100 %	Consulting, software & solutions
Changework Now Limited	Ordinary	100 %	Dormant
Changework Technologies Limited	Ordinary	100 %	Dormant
First Choice Software Limited	Ordinary	100 %	Dormant
HCSS Education Limited	Ordinary	100 %	Dormant
Mobizio Limited	Ordinary	100 %	Dormant
SCH 2014 Limited	Ordinary	100 %	Holding Company
Safe Computing Holdings Limited	Ordinary	100 %	Holding Company
Safe Computing Limited	Ordinary	100 %	Consulting, software & solutions
Intersoftware Recruitment Solutions Limited	Ordinary	100 %	Consulting, software & solutions
Safe Emcom Services Limited	Ordinary	100 %	Consulting, software & solutions
AHL Management Limited	Ordinary	100 %	Dormant
Selima Limited	Ordinary	100 %	Consulting, software & solutions
Selima Group Limited	Ordinary	100 %	Holding Company
Selima Holding Company Limited	Ordinary	100 %	Holding Company
Intelligent Business Services Limited	Ordinary	100 %	Consulting, software & solutions

17. Subsidiary undertakings (continued)

The Group also holds a 26% interest in thankQ Solutions PTY Ltd, a company registered in Australia at Level 14, 275 Alfred Street North Sydney NSW 2060. The investment is not deemed to be material to the Group.

Accolade PFSCo Limited is directly held whilst all other investments are indirectly held.

All of the above subsidiaries are registered at The Old School, School Lane, Stratford St Mary, Colchester, Essex, CO7 6LZ with the exception of Stratogen Inc. Access Accounting Ireland Limited, and Access France SAS.

Access Accounting Ireland Limited has its registered office address at Sky Business Centres, Building 1, Port Tunnel Business Park, Clonshaugh Industrial Estate, Clonshaugh, Dublin 17.

StratoGen Inc. is registered at 254 36th Street, Suite B332, Mailbox 49, New York 11232.

Access France SAS has its registered office address at 33 Avenue du Maine, Paris, France.

The directors believe that the carrying value of the investments is supported by their underlying net assets

18. Debtors

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Due after more than one year				
Due within one year				
Trade debtors	**20,347**	15,578	**-**	-
Other debtors	**3,545**	2,266	**4**	-
Prepayments and accrued income	**9,394**	4,765	**-**	-
	33,286	22,609	**4**	-

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date.

Trade debtors are stated after provisions for impairment of £1,996k (2016: £1,372k).

19. Cash at bank and in hand

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Cash at bank and in hand	**9,460**	7,101	-	-
	9,460	7,101	-	-

20. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Bank loans	**1,560**	1,560	-	-
Trade creditors	**3,432**	1,521	-	-
Corporation tax	**166**	-	-	-
Other taxation and social security	**4,702**	3,121	-	-
Obligations under finance lease and hire purchase contracts	**1,241**	1,288	-	-
Other creditors	**2,892**	635	-	-
Accruals and deferred income	**46,433**	30,512	-	-
Deferred consideration	**12,115**	9,383	-	-
	72,541	48,020	-	-

21. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Bank loans (note 22)	**156,372**	89,352	-	-
Investor loan notes (note 22)	**178,917**	165,583	**31,050**	28,970
Subordinated borrowings	**22,424**	19,694	-	-
Net obligations under finance leases and hire purchase contracts	**973**	1,315	-	-
Amounts owed to group undertakings	-	-	-	225
Deferred consideration	**2,600**	7,000	-	-
	361,286	282,944	**31,050**	29,195

Included in bank loans is an amount of £2.3m (2016: £2.8m) for capitalised finance costs being amortised over the life of the loan.

Net obligations under finance leases are due between 1 - 2 years. Deferred consideration of £1.6m (2016: £NIL) is due between two and five years, the balance being due betewen 1 - 2 years.

22. Bank and other borrowings

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Amounts falling due within one year				
Bank loans	**1,560**	1,560	-	-
	1,560	1,560	-	-
Amounts falling due after more than 5 years				
Bank loan A	**10,140**	11,700	-	-
Bank Loan B	**50,400**	50,400	-	-
Bank Loan - Acquisition facility	**98,150**	30,076	-	-
Subordinated borrowings	**22,424**	19,694	-	-
Investor loan notes principal and interest repayable January 2114	**178,917**	165,583	**31,050**	28,970
	360,031	277,453	**31,050**	28,970
	361,591	279,013	**31,050**	28,970

22. Bank and other borrowings (continued)

Bank loans above are shown gross of unamortised issue costs of £2.3m (2016: £2.8m) and are secured with a first charge over the assets of the Group. The subordinated borrowings of £22.4m, net of unamortised original issue discount of £2.3m are also secured over the assets of the Group with a charge that ranks behind the bank loans. The bank loans and subordinated borrowing facilities were originally made available on 27 January 2015.

The interest on the bank loans is dependent on the leverage of the Group with the interest rate ranging from 3.25% to 4.5% over LIBOR. The effective interest rate on the bank loans during the period was 4.7%. Repayments are made on bank loan A every six months commencing on 30 June 2015, in accordance with the loan agreement, with the outstanding balance due for repayment in full on maturity in January 2021. No repayments are payable on bank loan B until maturity in January 2022 when the entire balance becomes repayable. Repayment of the acquisition facility commences in December 2018 amounting to 5% of the total drawn amount at that date and continue every six months thereafter until maturity in January 2021 when the remaining balance becomes repayable in full.

The interest rate for the subordinated borrowings is 12% per annum payable quarterly in cash. The lenders, however, may elect to roll-up the interest payable at which point the rate of interest becomes 14% per annum. The subordinated borrowings are not subject to repayment until maturity in January 2023 when the entire balance becomes repayable.

All borrowings become immediately repayable before maturity at the time of a qualifying event being a change of control or a listing of the Company on a recognised stock exchange.

Investor loan notes carry an interest rate of 8% per annum which accrues during the term of the loan notes and becomes payable along with the principal on maturity in 2114.

All borrowings are denominated in sterling.

The maturity profile of the carrying amount of the Group's and the Company's bank and other borrowings were as follows:

	Group 2017 £000	Group 2016 £000	**Company 2017 £000**	Company 2016 £000
Less than one year	**1,560**	1,560	-	-
In more than one year but less than two years	**11,375**	1,560	-	-
In more than two years but no more than five years	**147,315**	4,680	-	-
In more than five years	**201,341**	271,213	**31,050**	28,970
	361,591	279,013	**31,050**	28,970

The balances shown above are gross of unamortised issue costs of £2.3m (2016: £2.8m).

23. Deferred taxation

Group

	2017 £000	2016 £000
At beginning of year	**(21,599)**	(18,558)
Charged to comprehensive income	**461**	1,312
Arising on business combinations	**(6,838)**	(4,353)
At end of year	**(27,976)**	(21,599)

	Group 2017 £000	Group 2016 £000
Accelerated capital allowances	**(3,789)**	(1,628)
Tax losses	**506**	60
Short term timing differences	**18**	49
Arising on acquisitions under FRS 102	**(24,711)**	(20,080)
	(27,976)	(21,599)

24. Called up share capital

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
699,928 (2016 - 698,649) A Ordinary shares of £0.01 each	**6,999**	6,986
146,989 (2016 - 146,350) B Ordinary shares of £0.01 each	**1,470**	1,464
64,000 (2016 - 64,000) C1 Ordinary shares of £0.10 each	**6,400**	6,400
95,800 (2016 - 60,400) C2 Ordinary shares of £0.01 each	**958**	604
98,500 (2016 - 82,500) D Ordinary Shares of £0.00001 each	**1**	1
325,250 (2016 - NIL) E Ordinary Shares of £0.00001 each	**3**	-
	15,831	15,455

During the year under review, 1,279 A shares of £0.01 each, 639 B ordinary shares of £0.01 each, 35,400 C2 ordinary shares of £0.01 each, 16,000 D ordinary shares of £0.00001 each and 325,250 E ordinary shares of £0.00001 each were issued for total consideration of £2,275.

Class Rights
The Articles of Association set out the rights and obligations of each class of share capital. The liquidation preferences established within the Articles govern the allocation of value to shareholders.

Dividends
Subject to board and investor consent, any available profits which the Company may determine to distribute in respect of any financial year shall be distributed amongst the holders of the equity shares pro-rata to the number of such shares by the relevant shareholder at the relevant time.

Return of capital
The Articles of Association set out the formulae to be applied under various scenarios in which capital may be returned. The amounts returned in respect of each class of share vary according to the nature, timing and amount of such a return of capital.

Voting
Each A Ordinary share, B Ordinary share and C1 Ordinary share entitles the holder to one vote. With the exception that the votes cast by holders of C1 Ordinary shares in respect of their B Ordinary shares shall be 5% of all votes and when aggregated with same holders C1 Ordinary shares shall not exceed 25% of all votes. C2 Ordinary, Ordinary shares and E Ordinary do not carry the right to vote.

25. Acquisitions

Acquisition of Mobizio Limited

The whole of the issued share capital of Mobizio Limited was acquired on 18 September 2016 for total consideration of £ 2,181k. The following schedule sets out the net assets acquired.

Net assets of Mobizio Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)		469	469
Trade Name and Customer Base (1)	-	969	969
Debtors	50	-	50
Cash at Bank	91	-	91
Other creditors	(336)	-	(336)
Deferred tax (1)	-	(227)	(227)
Net assets acquired	(195)	1,211	1,016
Consideration			2,181
Goodwill			1,165

Consideration satisfied by:	
Cash	1,681
Deferred consideration payable	500
	2,181

The adjustments arising on acquisition were in respect of the following:

1) Recognition of an intangible asset in respect of the technology, brand name and customer base.
2) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 31 March 2016, Mobizio Limited made a loss after tax of £112k. For the period since that date to the date of acquisition, the management accounts of Mobizio Limited show the following:

25. Acquisitions (continued)

Trading result of Mobizio Limited to the date of acquisition:

	Period ended 18 September 2016 £'000
Turnover	109
Cost of sales	(136)
Gross loss	(27)
Net operating expenses	(320)
Operating loss before tax	(347)
Tax	(14)
Loss for financial period	(361)

The trade and assets of Mobizio Limited were transferred into Access UK Ltd immediately following their acquisition. As such, during the period since acquisition, the contribution that this company made to the Company has not been separated from the main trading entity.

25. Acquisitions (continued)

Acquisition of SCH 2014 Limited

The whole of the issued share capital of SCH 2014 Limited ("The Safe Group") was acquired on 14 March 2017 for total consideration of £52,195k. The following schedule sets out the net assets acquired.

Net assets of SCH 2014 Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	9,354	9,354
Trade Name and Customer Base (1)	-	22,294	22,294
Tangible Fixed Assets (4)	713	(100)	613
Debtors (3)	5,599	(309)	5,290
Cash at Bank	3,634	-	3,634
Stock	26	-	26
Other creditors	(8,576)	-	(8,576)
Defined benefit pension scheme surplus	280	-	280
Deferred tax (2)	(1)	(4,849)	(4,850)
Net assets acquired	1,675	26,390	28,065
Consideration			52,195
Goodwill			24,130

Consideration satisfied by:	
Cash	47,695
Deferred consideration payable	4,500
	52,195

The adjustments arising on acquisition were in respect of the following:

1) Recognition of an intangible asset in respect of the technology, brand name and customer base.
2) Deferred tax adjustment arising as a result of the acquisition adjustments.
3) Increase bad debt provision by £309k to bring it in line with group policy.
4) Fair value adjustment to office equipment (reduction of £160k) and freehold property (Increase of £60k).

In the Group's last financial year to 31 December 2015, the Safe Group made a loss after tax of £3k. For the period since that date to the date of acquisition, the management accounts of the Safe Group show the following:

25. Acquisitions (continued)

Trading result of SCH 2014 Limited to the date of acquisition:

	Period ended 14 March 2017 £'000
Turnover	20,898
Cost of sales	(3,188)
Gross profit	17,710
Net operating expenses	(18,819)
Operating loss before tax	(1,109)
Tax	1,332
Profit for financial period	223

During the period since acquisition, to the reporting date the Safe Group has contributed turnover of £5,243k and a profit before tax of £501k.

25. Acquisitions (continued)

Acquisition of Selima Holding Company Limited

The whole of the issued share capital of Selima Holding Company Limited ("Selima Group") was acquired on 18 May 2017 for total consideration of £14,416k. The following schedule sets out the net assets acquired.

Net assets of Selima Holding Company Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	2,870	2,870
Trade Name and Customer Base (!)	-	6,059	6,059
Tangible Fixed Assets	51	-	51
Debtors	1,304	-	1,304
Cash at Bank	429	-	429
Other creditors	(1,917)	-	(1,917)
Deferred tax (2)	(9)	(1,386)	(1,395)
Net assets acquired	(142)	7,543	7,401
Consideration			14,416
Goodwill			7,015

Consideration satisfied by:	
Cash	10,816
Deferred consideration payable	3,600
	14,416

The adjustments arising on acquisition were in respect of the following:

1) Recognition of an intangible asset in respect of the technology, brand name and customer base.
2) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Group's last financial year to 31 December 2016, the Selima Group made a loss after tax of £51k. For the period since that date to the date of acquisition, the management accounts of the Selima Group show the following:

25. Acquisitions (continued)

Trading result of Selima Holding Company Limited to the date of acquisition:

	Period ended 18 May 2017 £'000
Turnover	805
Cost of sales	(35)
Gross profit	770
Net operating expenses	(768)
Operating profit before tax	2
Tax	36
Profit for financial period	38

During the period since acquisition, to the reporting date the Selima Group has contributed turnover of £601k and a profit before tax of £15k to the Access Group.

On the 1st of July 2017 the trade and assets of the Selima Group were transferred to Access UK Ltd.

25. Acquisitions (continued)

Acquisition of Intelligent Business Services Limited

The whole of the issued share capital of Intelligent Business Services Limited was acquired on 16 June 2017 for total consideration of £18,377k. The following schedule sets out the net assets acquired.

Net assets of Intelligent Business Services Limited on acquisition:

	Book value £000	Adjustments £000	Fair value £000
Technology (1)	-	2,307	2,307
Trade Name and Customer Base (1)	-	4,871	4,871
Tangible Fixed Assets	139	-	139
Debtors	574	-	574
Cash at Bank	6,900	-	6,900
Stock	79	-	79
Other creditors	(1,019)	-	(1,019)
Deferred tax (2)	-	(1,114)	(1,114)
Net assets acquired	6,673	6,064	12,737
Consideration			18,377
Goodwill			5,640

Consideration satisfied by:	
Cash	16,377
Deferred consideration payable	2,000
	18,377

The adjustments arising on acquisition were in respect of the following:

1) Recognition of an intangible asset in respect of the technology, brand name and customer base.
2) Deferred tax adjustment arising as a result of the acquisition adjustments.

In the Company's last financial year to 30 September 2016, Intelligent Business Services Limited made a profit after tax of £1,657k. For the period since that date to the date of acquisition, the management accounts of Intelligent Business Services Limited show the following:

25. Acquisitions (continued)

Trading result of Intelligent Business Services Limited to the date of acquisition:

	Period ended 16 June 2017 £'000
Turnover	3,210
Cost of sales	(765)
Gross profit	2,445
Net operating expenses	(888)
Operating profit before tax	1,557
Tax	69
Profit for financial period	1,626

During the period since acquisition, to the reporting date Intelligent Business Services Limited has contributed turnover of £150k and a profit before tax of £76k to the Access Group.

On the 1st August 2017 the trade and assets of the Intelligent business Services Limited were transferredto Access UK Ltd.

Further adjustments to deferred consideration relating to the prior year acquisitions were made during the year totalling £(3,323)k.

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,515k (2016 - £1,239k). Contributions totalling £303k (2016 - £192k) were payable to the fund at the year end date.

The Group also operates a final salary defined benefit scheme through its subsidiary, Safe Computing Limited, which was acquired on 14 March 2017, which is funded by payment of contributions to a separately administered fund. The scheme is set up under trust.

Contributions to the scheme are determined with the advice of independent qualified actuaries on the basis of triennial valuations using the projected unit method.

The scheme is closed to new members and as the age of the active membership increases, the current service costs will increase under the actuarial method currently used, although this may be offset to some extent by a reducing salary roll as members leave active service. From 1 April 2006, the benefit scale has been changed from final salary to a career average basis.

Valuation
The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 31 March 2017. The next full actuarial valuation is due as at 31 March 2019.

26. Pension commitments (continued)

Composition of plan liabilities:

	2017 £000
Present value of defined benefit obligations	6,932
Total plan liabilities	**6,932**

The fair value of the scheme assets at the reporting date is as follows:

	2017 £000
Equity instruments	5,169
Property	500
Gilts	1,512
Cash	31
Total plan assets	**7,212**

	2017 £000
Fair value of plan assets	7,212
Present value of plan liabilities	(6,932)
Net pension scheme Asset	**280**

26. Pension commitments (continued)

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2017
	%
Discount rate	2.7
Future salary increases	1.5
Future pension increases	3.3
Post retirement mortality	3.3
Mortality rates	
- for a male aged 65 now	22.7
- at 65 for a male aged 45 now	24.9
- for a female aged 65 now	24.9
- at 65 for a female member aged 45 now	27.2

27. Commitments under operating leases

At 30 June 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Group 2016 £000
Land and buildings		
Not later than 1 year	**1,422**	1,096
Later than 1 year and not later than 5 years	**3,714**	2,246
Later than 5 years	**1,736**	879
	6,872	4,221

	Group 2017 £000	Group 2016 £000
Other		
Not later than 1 year	**1,169**	1,154
Later than 1 year and not later than 5 years	**1,009**	909
Later than 5 years	**-**	5
	2,178	2,068

The Company had no (2016: no) commitments under the non-cancellable operating leases as at the year end date.

28. Related party transactions

During the year the Group incurred £123k (2016: £123k) in respect of rent and expenses to Armstrong Properties, a partnership whose members include Mr CAA Bayne, a director of the Company. Amounts outstanding at 30 June 2017 were £NIL (2016: £NIL).

Also during the year the Group incurred £79k (2016: £32k) to David England & Associates Limited, a company whose directors include Mr D England, a director of Access Technology Group Limited a company within the Access Group. Amounts oustanding at 30 June 2017 were £NIL (2016: £22k).

During the year the Group incurred £13k (2016: £NIL) to Executive Professional Services UK Ltd, a company whose directors include Mr P Bosson, a director of Access Technology Group Limited a company within the Access Group. Amounts oustanding at 30 June 2017 were £NIL (2016: £NIL).

The related party transaction were made on an arm's length basis

29. Post balance sheet events

On 9 November 2017 a subsidiary, Access UK Ltd, acquired the entire issued share capital of P.P.M. and Associates Limited and on 17 November 2017 Access UK Ltd acquired the entire issued share capital of W.F.L. Media Ltd. Both acquisitions provide software principally to the hospitality industry and further strengthens Access' software offering in that sector.

30. Controlling party

The immediate and ultimate controlling party is considered to be funds managed by TA Associates L.P.