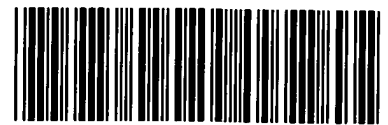


MITREFINCH LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

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COMPANIES HOUSE

MITREFINCH LIMITED

COMPANY INFORMATION

Director	G J Wilson
Company secretary	J L Aspell
Registered number	01326934
Registered office	The Mailbox Level 3 101 Wharfside Street Birmingham B1 1RF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

MITREFINCH LIMITED

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MITREFINCH LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Introduction

The director presents the strategic report for the period ended 28 February 2022.

The principal activity of Mitrefinch Limited (the "Company") is the development and delivery of workforce management software and related hardware. The Company offers on-premises solutions chargeable up-front or hosted solutions charged on a subscriptions basis to customers across the UK and Canada.

Fair review of the business

The Company's parent company Mitrefinch Holdings Limited was acquired by Advanced Business Software and Solutions Limited on 15 October 2020. The Company's financial year was subsequently extended to 28 February 2021, thus the prior year numbers are for a 15 month period.

For the year ended 28 February 2022, the Company generated EBITDA of £6,160,098 (15 months ended 28 February 2021 - £5,823,729) and revenue of £15,581,572 (15 months ended 28 February 2021 - £18,002,689).

Mitrefinch's strategy continues to focus on the transition to becoming a Human Capital Management (HCM) focused software business, delivering integrated products which can be used in isolation or part of a complete workforce management suite. Product development in both hardware and software is targeted at accelerating growth into the enterprise marketplace. This strategy is supported by a commitment to continue investment in development.

MITREFINCH LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Principal risks and uncertainties

Below are details of the Company's principal risks and the mitigating activities in place to address them.

Financial risk management

Credit risk

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

In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

The Company has no significant concentration of credit risk in trade receivables; exposure is spread over a large number of counterparties and customers. With respect to cash and deposits, the Company's exposure to credit risk arises from the risk of default by the counterparty with a maximum exposure equal to the carrying amount of these assets. To mitigate this risk, cash and deposits are only held with reputable banking institutions.

Other principal risks and uncertainties

Financial risk

Financial risk is the risk that the Company cannot meet financial liabilities when they fall due. The Company's policy for managing liquidity risk is to ensure that the business has enough financial resource to meet its day-to-day activities at any point in time. Management believes that the cash resources on hand, together with the profits of the business cover the resources needed to meet the financial obligations of the Company along with taking into consideration of the available group funding.

Macroeconomic risk

A prime risk and area of uncertainty facing the Company is still the nature of and demand within the IT business marketplace. Global market uncertainty and national issues including the focus on national debt, have a direct or indirect impact on the organisations and businesses with which the Company trades. The directors seek to manage these risks by development of the Company's portfolio of market offerings, which enable it to leverage new revenue streams from new and existing customers, together with seeking to ensure a strong level of recurring revenue.

Innovation risk

The IT market is subject to rapid, and often unpredictable, change. As a result, the Company's products and services might become unattractive to its customer base. The Company monitors technology and market developments and invests to keep its existing offerings up to date as well as seeking out new opportunities and initiatives.

Key performance indicators

The business monitors itself against a number of performance indicators. The key indicators are as follows:

	Year to 28 Feb 2022	15 months to 28 Feb 2021	Change
	£	£	%
Turnover	15,581,572	18,002,689	(13)
EBITDA	6,160,098	5,823,729	15
Profit before tax	4,365,340	1,235,792	296
Gross profit margin	76%	85%	(9)

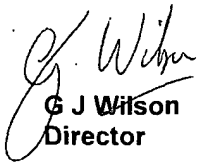
MITREFINCH LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Future developments

The director believes that there remains scope for expansion and growth within the existing client base and market place as the benefits of being a member of a leading software group bear fruit.

This report was approved by the board on 19 May 2023 and signed on its behalf.


G J Wilson
Director

MITREFINCH LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2022**

The director presents his report and the financial statements for the year ended 28 February 2022.

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has prepared a Strategic Report, which includes information that would have previously been included in the Directors' Report.

Principal activities

The principal activities of the company continues to be the development and supply of workforce management software.

Branches

The financial statements include the results and reserves of a Canadian branch of Mitrefinch Limited, the operating address of which is 5500 North Service Road, Burlington, Ontario, L7L 6W6

Results and dividends

The profit for the year, after taxation, amounted to £2,628,958 (2021 - £1,209,407).

No ordinary dividends were paid in the year (15 months to 28 February 2021 - £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

G J Wilson

R J Kerr (appointed 1 February 2022, resigned 10 February 2023)

A W Hicks (resigned 1 February 2022)

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

MITREFINCH LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Political contributions

There were no political donations made during the year/period (2021: £NIL).

Going concern

At the balance sheet date, the company has net current assets and has reported a profit for the year. The director has reviewed the cash flow forecasts of the Company and the wider Group, including additional funding commitments from the Group's shareholders if required, and considers that there are sufficient resources to allow the Company to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore, the director has considered it is appropriate to adopt the going concern basis in preparing the annual financial statements.

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

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

Principal risks and uncertainties

Principle risks and uncertainties have been disclosed in the strategic report.

Future developments

The director believes that there is scope for expansion and growth within the existing client base and marketplace as the benefits of being a member of a leading software group bear fruit.

Research and development activities

The company continuously invests in research and development to remain at the forefront of technological advancements and retain its position as an industry leader in its field. Research and development is undertaken on a project-by-project basis.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2022**

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the 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 director must not approve the financial statements unless he is 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 these financial statements, the director is required to:

- select suitable accounting policies for the Company'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 financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

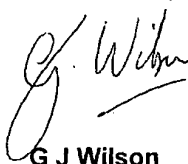
The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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's auditors are aware of that information.

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 19 May 2023 and signed on its behalf.



**G J Wilson
Director**

Independent auditors' report to the members of Mitrefinch Limited

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraph below, Mitrefinch Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2022 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, including 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 Statement of Financial Position as at 28 February 2022; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for qualified opinion

On 15 October 2020, the company was acquired by Advanced Business Software and Solutions Limited. Prior to acquisition and until the prior period ended 28 February 2021, the accounting records had not been properly maintained as required by the Companies Act 2006. As a result, we were unable to obtain sufficient appropriate audit evidence in relation to multiple items in the Statement of Financial Position and the Statement of Comprehensive Income and were unable to determine whether any adjustments might have been necessary in respect of the elements making up the Statement of Financial Position, the Statement of Comprehensive Income and the Statement of Changes in Equity for the period ended and as at 28 February 2021 resulting in a disclaimer of opinion. As a result, since the opening balances enter into the determination of the financial performance of the year, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the Statement of Comprehensive Income and in the statement of changes in equity for the year ended 28 February 2022 and the associated possible effects of comparability. In addition, we were unable to obtain sufficient appropriate audit evidence for the administrative expenses incurred during the year ended 28 February 2022, due to non-availability of required information. Consequently, we were unable to determine whether any adjustments might have been necessary to the amounts recorded. Our audit opinion has been qualified in respect of the above matters.

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 qualified 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

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is 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 on, 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 Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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

Strategic report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's Report for the year ended 28 February 2022 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, except for the possible effects of the matter referred to in the Basis for qualified opinion above, we did not identify any material misstatements in the Strategic report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's responsibilities statement, the director is 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 director is 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with management, including enquiries into the existence and response to any known or suspected instances of non-compliance with laws and regulation and fraud;
- Testing of journals which may appear to have unusual accounting entries; and
- Reviewing financial statement disclosures to assess compliance with applicable laws and regulations.

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

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with 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

In respect solely of the limitation on our work relating to the opening balances and administrative expenses, described in the Basis for qualified opinion paragraph above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept by the company.

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

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of director's 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.

Sarah O'Donnell

Sarah O'Donnell (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
19 May 2023

MITREFINCH LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2022**

	Note	Year ended 28 February 2022 £	Period ended 28 February 2021 £
Turnover	4	15,581,572	18,002,689
Cost of sales		(3,810,489)	(2,711,655)
Gross profit		11,771,083	15,291,034
Administrative expenses		(7,356,969)	(15,130,048)
Other operating income		-	627,759
Operating profit	5	4,414,114	788,745
Interest receivable and similar income	8	-	478,058
Amounts written off investments		-	(2,884)
Interest payable and similar expenses	9	(10,002)	(28,127)
Foreign exchange loss		(38,772)	-
Profit before taxation		4,365,340	1,235,792
Tax on profit	10	(1,736,382)	(26,385)
Total comprehensive income for the year/period		2,628,958	1,209,407


The notes on pages 14 to 37 form part of these financial statements.

MITREFINCH LIMITED
REGISTERED NUMBER: 01326934

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	1,955,621	2,167,773
Tangible assets	12	1,013,940	1,478,924
Investments	13	16,125,269	16,125,269
		<u>19,094,830</u>	<u>19,771,966</u>
Current assets			
Stocks	14	901,973	679,473
Debtors: amounts falling due within one year	15	18,952,320	13,028,747
Cash at bank and in hand		1,602,563	1,348,006
		<u>21,456,856</u>	<u>15,056,226</u>
Creditors: amounts falling due within one year	16	<u>(10,662,332)</u>	<u>(7,586,983)</u>
Net current assets		10,794,524	7,469,243
Total assets less current liabilities		29,889,354	27,241,209
Creditors: amounts falling due after more than one year	17	-	(88,449)
Provisions for liabilities			
Deferred tax liability	19	<u>(321,368)</u>	<u>(213,732)</u>
		(321,368)	(213,732)
Net assets		29,567,986	26,939,028
Capital and reserves			
Called up share capital	22	382,001	382,001
Capital contribution reserve		16,042,991	16,042,991
Profit and loss account		13,142,994	10,514,036
Total Equity		29,567,986	26,939,028

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 May 2023.


G. J. Wilson
Director

MITREFINCH LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2022

	Called share cap
At 1 December 2019	382,0
Comprehensive income for the period	
Total comprehensive income for the period	
Capital contribution	
At 28 February 2021	382,0
Comprehensive income for the year	
Total comprehensive income for the year	
At 28 February 2022	382,0

The notes on pages 14 to 37 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

1. General information

Mitrefinch Limited is a private company limited by shares incorporated in the United Kingdom. The registered office is The Mailbox Level 3, 101 Wharfside Street, Birmingham, B1 1RF.

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 financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Aston Midco Limited as at 28 February 2022 and these financial statements may be obtained from Companies House.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.4 Going concern

At the balance sheet date, the company has net current assets and has reported a profit for the year. The director has reviewed the cash flow forecasts of the Company and the wider Group, including additional funding commitments from the Group's shareholders if required, and considers that there are sufficient resources to allow the Company to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore, the director has considered it is appropriate to adopt the going concern basis in preparing the annual financial statements.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the significant risks and rewards of ownership have been transferred to the buyer;
- the company retains no continuing involvement or control over the goods;
- the amount of revenue can be measured reliably;
- it is probable that future economic benefits will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 1 to 5 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Intangible assets

Intangible assets comprise software development costs attributable to specific software projects the company develops for resale. Such assets are defined as having finite useful lives and are amortised on a straight-line basis over the period in which the completed software will generate revenue. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Straight line	over 1 - 5 years
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2.8 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.

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life.

Depreciation is provided on the following basis:

Land and freehold buildings	Straight line over 20 years
Fixtures, fittings and equipment	Straight line over 5 years
Motor vehicles	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

2. Accounting policies (continued)

2.9 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

2.10 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

2. Accounting policies (continued)

2.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.12 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.

2.13 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

hedge accounting is applied, and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

2.14 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.15 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

2. Accounting policies (continued)

2.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Operating leases: the Company as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

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

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

The depreciation policy has been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £427,364 (2021 - £659,717) which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the period.

Research and Development

The research and development policy has been set according to management's experience of software development projects and the typical useful life of software developed for sale. Research activities are identified by senior management and the cost of these is expensed. Only where development work can be evidenced to generate on going or future revenues are amounts capitalised. It is not considered practical to identify each unit of development and capitalise accordingly; as such management capitalise overall project time by staff on a monthly basis using average salary costs. Third party expenditure is capitalised on an invoice cost basis. Amortisation is based on the period over which the completed software project is expected to generate revenue. Management feel the amortisation of £1,318,620 (2021 - £3,658,695) charged in the period is a fair reflection of the benefits derived from the consumption of the intangible fixed assets in use during the period.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Revenue recognition

The company's core revenue streams relate primarily to software provided to its customers under service contracts, with a significant maintenance and support element. For each of these contracts, the exact timing of costs on an individual contract is uncertain, and accordingly the revenues are spread across the period of support on a straight-line basis, leading to the recognition of deferred revenue.

Where a contract includes an element of initial setup, the contract is split into the fair value of each component; any setup costs are recognised at point of the setup being substantially completed, and the residual fair value is deferred across the period of subsequent support.

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

4. Turnover

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

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Turnover analysed by class of business		
Software sales and support	15,581,572	<i>18,002,689</i>
	15,581,572	<i>18,002,689</i>

Analysis of turnover by country of destination:

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
United Kingdom	14,091,458	<i>15,396,328</i>
Rest of Europe	724,920	<i>1,113,189</i>
Rest of the world	765,194	<i>1,493,172</i>
	15,581,572	<i>18,002,689</i>

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Other significant revenue		
Dividends received	-	<i>478,058</i>
Grants received	-	<i>391,099</i>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

5. Operating profit

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

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Exchange losses/(gains)	25,885	<i>(19,774)</i>
Research and development costs	60,756	<i>321,130</i>
Government grants	-	<i>(391,099)</i>
Fees payable to the company's auditors for the audit of the company's financial statements	42,000	<i>47,046</i>
Depreciation of owned tangible fixed assets	237,658	<i>424,556</i>
Depreciation of tangible fixed assets held under finance leases	189,706	<i>235,161</i>
Profit on disposal of tangible fixed assets	(163,960)	<i>(12,988)</i>
Intangible fixed assets - amortisation	1,318,620	<i>3,658,695</i>
Cost of stocks recognised as an expense	1,247,051	<i>1,870,435</i>
Operating lease charges	185,716	<i>147,133</i>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

6. Employees

Staff costs were as follows:

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Wages and salaries	5,071,055	5,324,256
Social security costs	610,403	873,505
Other pension costs	176,010	185,262
	<u>5,857,468</u>	<u>6,383,023</u>

The average monthly number of employees, including the director, during the year/ period was as follows:

	Year to 28 February 2022 No.	<i>Period to 28 February 2021 No.</i>
Administration and sales	37	30
Support and implementation	56	46
Production and development	16	44
Engineering	27	13
	<u>136</u>	<u>133</u>

7. Directors' remuneration

The directors appointed after the acquisition of the Mitrefinch Holdings Limited by Advanced Business Software and Solutions Limited on 15 October 2020 are also directors of other companies in the Aston Midco Limited Group. These directors' services to the Company did not occupy a significant amount of their time and as such they did not receive any remuneration for their incidental services to the Company during the period. These directors were remunerated for their services to this Company by another Group company.

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

8. Interest receivable and similiar income

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Income from fixed asset investments		
Income from shares in group undertakings	-	478,058
Total income	<u>-</u>	<u>478,058</u>

9. Interest payable and similar expenses

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Interest on finance leases and hire purchase contracts	9,790	28,127
Other interest payable	212	-
	<u>10,002</u>	<u>28,127</u>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

10. Tax on profit

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Corporation tax		
Current tax on profits for the year	1,262,402	114,981
Adjustments in respect of previous periods	350,000	(153,690)
	1,612,402	(38,709)
	1,612,402	(38,709)
Deferred tax		
Origination and reversal of timing differences	107,636	(158,457)
Changes to tax rates	16,344	-
Adjustment in respect of prior periods	-	223,551
	123,980	65,094
	1,736,382	26,385
Taxation on profit	1,736,382	26,385

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

10. Tax on profit (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Year to 28 February 2022 £	<i>Period to 28 February 2021 £</i>
Profit before taxation	4,365,339	1,235,792
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	829,414	234,800
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	308,622	36,747
Adjustments to tax charge in respect of prior periods	350,000	(153,690)
Research and development tax credit	-	33,188
Dividends income	-	(90,831)
Deferred tax adjustments in respect of prior years	-	223,551
Difference in foreign tax rates	24,294	(80,135)
Tax rate changes	16,344	-
Group relief	100,072	(197,294)
Fixed asset timing differences	107,636	20,049
Total tax charge for the year/period	1,736,382	26,385

Factors that may affect future tax charges

The current period corporation tax rate is 19%. However, the Finance Bill 2021 had its third reading on 24 May 2021 and is now considered substantively enacted with a 25% rate applying from 1 April 2023. Deferred tax is provided at 25% being the rate enacted at the balance sheet date.

MITREFINCH LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022

11. Intangible assets

	Development expenditure £
Cost	
At 1 March 2021	7,805,945
Additions	1,106,468
At 28 February 2022	<u>8,912,413</u>
Accumulated amortisation	
At 1 March 2021	5,638,172
Charge for the year	1,318,620
At 28 February 2022	<u>6,956,792</u>
Net book value	
At 28 February 2022	<u>1,955,621</u>
At 28 February 2021	<u>2,167,773</u>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

12. Tangible assets

	Land and freehold buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2021	1,389,656	903,771	1,438,553	3,731,980
Additions	-	1,485	-	1,485
Disposals	-	-	(405,805)	(405,805)
At 28 February 2022	<u>1,389,656</u>	<u>905,256</u>	<u>1,032,748</u>	<u>3,327,660</u>
Accumulated depreciation				
At 1 March 2021	599,739	691,244	962,073	2,253,056
Charge for the year	96,236	103,807	227,321	427,364
Disposals	-	-	(366,700)	(366,700)
At 28 February 2022	<u>695,975</u>	<u>795,051</u>	<u>822,694</u>	<u>2,313,720</u>
Net book value				
At 28 February 2022	<u>693,681</u>	<u>110,205</u>	<u>210,054</u>	<u>1,013,940</u>
At 28 February 2021	<u>789,917</u>	<u>212,527</u>	<u>476,480</u>	<u>1,478,924</u>

The net book value of land and buildings may be further analysed as follows:

	2022 £	2021 £
Freehold	693,681	789,917
	<u>693,681</u>	<u>789,917</u>

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

	2022 £	2021 £
Motor vehicles	191,091	412,725
	<u>191,091</u>	<u>412,725</u>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

12. Tangible assets (continued)

Depreciation charge for the period in respect of leased assets	189,706	235,161
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13. Investments

	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 March 2021	16,125,089	180	16,125,269
At 28 February 2022	16,125,089	180	16,125,269

Listed investments

The fair value of the listed investments at 28 February 2022 was £180 (2021 - £180).

Subsidiaries

Details of the company's subsidiaries at 28 February 2022 are as follows:

			Class		
Undertaking	Registered office	Nature of business	of shares	Direct Holding	Indirect Holding
Mitrefinch (Australia) Pty Limited	Australia (1)	Time Management systems	Ordinary	100	- %
Mitrefinch LLC	USA (2)	Time management systems	Ordinary	100	- %
Mitrefinch Inc	USA (3)	Time management systems	Ordinary	-	100 %
Advance Systems Access Control Solutions Limited	Eire (4)	Access control systems	Ordinary	-	100 %
Advance Systems International Limited	Eire (5)	Time management systems	Ordinary	100	- %
Mitrefinch Holdings Inc	USA (6)	Holding Company	Ordinary	100	- %

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

13. Investments (continued)

The registered offices of these companies are as follows:

- (1) Unit 20, 11-21 Underwood Road, Homebush, NSW 2140, Australia
- (2) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339
- (3) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339
- (4) Unit 4L, The Square Industrial Complex, Tallaght, Dublin, Ireland
- (5) Unit 4L, The Square Industrial Complex, Tallaght, Dublin, Ireland
- (6) 3200 Windy Hill Road, Suite 230 West, Atlanta GA 30339

During the prior period, Mitrefinch Limited acquired the remaining 50% of shares in Advance Systems International Limited and 45% of shares in Mitrefinch Holdings Inc subsequently transferring the investments from joint ventures into wholly owned subsidiaries. Advance Systems Access Control Solutions Limited is a wholly owned subsidiary of Advance Systems International Limited. Mitrefinch Inc is a wholly owned subsidiary of Mitrefinch Holdings Inc.

14. Stocks

	2022 £	2021 £
Finished goods and goods for resale	901,973	679,473
	901,973	679,473
	901,973	679,473

There are no provisions against this inventory at 28th February 2022 (as at 28th February 2021: £nil).

15. Debtors: amounts falling due with one year

	2022 £	2021 £
Trade debtors	9,193,243	5,263,010
Amounts owed by group undertakings	9,028,079	7,167,240
Other debtors	261,649	-
Prepayments	95,249	155,622
Accrued income	293,563	345,994
	18,871,783	12,931,866
Deferred tax asset (note 19)	80,537	96,881
	18,952,320	13,028,747
	18,952,320	13,028,747

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

15. Debtors: amounts falling due with one year (continued)

Trade debtors are stated after provisions for impairment of £763,371 (2021: £1,089,563).

Amounts owed by group undertakings are interest free and repayable on demand.

16. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	535,596	429,699
Amounts owed to group undertakings	267,685	62,118
Corporation tax	1,694,882	82,481
Other taxation and social security	1,602,026	1,735,910
Obligations under finance leases	172,512	181,329
Other creditors	8,677	29,114
Deferred income	5,406,948	4,613,232
Accruals	974,006	453,100
	<u>10,662,332</u>	<u>7,586,983</u>

Amounts owed to group undertakings are interest free and repayable on demand.

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

	2022 £	2021 £
Obligations under finance leases	-	88,449
	<u>-</u>	<u>88,449</u>

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

18. Finance lease obligations

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	84,772	189,860
In two to five years	-	90,038
	84,772	279,898
Less: future finance charges	(710)	(10,120)
	84,062	269,778

Finance lease payments represent rentals payable by the company for motor vehicles and certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Liabilities under finance lease contracts are secured against the assets to which they relate.

19. Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021	Assets 2022 £	Assets 2021
Balances:	£	£	£	£
Accelerated capital allowances	-	-	75,005	91,349
Short term timing differences	-	-	5,532	5,532
Development costs	321,368	<u>213,732</u>	-	-
	321,368	<u>213,732</u>	80,537	<u>96,881</u>
Movement in the period:			2022	2021
			£	£
At 1 March 2021/1 December 2019			(116,851)	(51,757)
Charge to Profit and loss			(16,344)	(65,094)
At 28 February 2022/2021			(133,195)	(116,851)

The deferred tax liability relating to Development costs arises due to reliefs for Research and Development being taken in the company's tax computation that relate to intangible assets, creating a timing difference between the book and tax value.

The company has no unrecognised deferred tax assets (as at February 2021 £nil).

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

20. Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	176,010	185,262
	176,010	185,262
	176,010	185,262

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions totalling £9,643 (2021 - £29,114) were payable to the fund at the year end and included within creditors: amounts falling due within one year.

21. Commitments under operating leases

Lessee

Operating lease payments represent rentals payable by the company for certain properties and items of office equipment.

At 28 February 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than one year	72,408	93,786
Between two and five years	-	72,408
	72,408	166,194
	72,408	166,194

22. Called up share capital

	2022 £	2021 £
Allotted, called up and fully paid		
382,001 (2021 - 382,001) Ordinary shares of £1.00 each	382,001	382,001
	382,001	382,001
	382,001	382,001

Authorised share capital of 382,001 ordinary shares of £1 each. Each share has equal voting rights.

23. Contingent liabilities

The Company has guaranteed bank borrowings of fellow group undertakings. As at period end, the

MITREFINCH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2022**

company is an obligor to a banking facility held by Aston Finco Sarl, comprising of a first Lien loan of \$330,000,000 (2021: \$330,000,000) (\$323,400,000 outstanding as at 28 February 2022 (2021: \$326,700,000 outstanding)) and £495,000,000 (2021: £395,000,000) (£486,900,000 outstanding as at 28 February 2022 (2021: £391,350,000 outstanding)) repayable at 1% per annum with the balance payable on 9 October 2026, a £75,000,000 (2021: £75,000,000) revolving credit facility (£22,000,000 drawn (2021: £6,500,000)) and a second Lien loan of \$115,000,000 (2021: \$115,000,000) and £175,000,000 (2021: £175,000,000) falling due on 9 October 2027. The interest rates on both loans vary between 4.25% and 8.25% over LIBOR and SONIA.

24. Related party transactions

The company has taken advantage of the exemption granted by paragraph 33.1A of FRS102 not to disclose transactions entered into between two or more members of the group, provided that any subsidiary which is party to the transaction is wholly owned by such a member.

25. Controlling party

The immediate holding company is Mitrefinch Holdings Limited, which is incorporated in Great Britain and registered in England and Wales.

Aston Midco Limited is the smallest and largest group into which Mitrefinch Limited is consolidated.

Copies of the financial statements are available from Aston Midco Limited with registered office 13-14 Esplanade, St Helier, Jersey, JE1 1EE.

The director does not consider there to be an ultimate controlling party