Registered number: 129565

ASTON MIDCO LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2024

ASTON MIDCO LIMITED

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COMPANY INFORMATION

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 29 FEBRUARY 2024

Principal activities & objectives

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

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

About OneAdvanced - Strategy and Business Model

The Group’s principal activity is to provide software and IT services through sector-focused portfolios underpinned by the OneAdvanced platform. Our mission is to 'power the world of work' for our customers, serving the most critical sectors in society. Inspired and driven by their specific needs to engineer software that delivers positive impact, enabling them to thrive for their customers, people and communities.

As a customer-centric organisation, the group works closely with its customers to develop a profound understanding of the nuances that exist in each sector and the end-to-end processes that power their businesses. The OneAdvanced product teams take an outside in perspective to understand the jobs that need to get done, resulting in the creation of software that drives productivity, a great customer experience and positive impact. The deep sector knowledge of its people makes this possible and ensures the software is engineered to make it as easy as possible for customers to complete their tasks by focusing on removing manual work and improving productivity, efficiency and compliance through automation, processes, data and the embedding of regulatory and compliance rules.

The current sector-focussed portfolios power:
- Colleges, improving the learner experience.
- Care providers, enabling carers to spend more time caring.
- Healthcare, supporting front line patient services.
- Social Housing, getting more families into homes faster.
- Law practices, supporting their clients with the bigger moments in life.
- Distribution, Wholesale, Retail and Logistics firms, ensuring supply-chain excellence.
- Government, delivering citizen-first services.

OneAdvanced serves organisations predominantly in the United Kingdom although has selected international presence. Through careful segmentation of its existing customers it is able to identify and execute upon the expansion opportunities that exist for its portfolios of software, leveraging this to expand the number of products each consumes. The IT Managed Services capabilities complement the Group's software offerings.

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

The Company was incorporated on 2 August 2019.

Group ownership

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

Financial review

Results and performance
On 9 January 2024, the Group entered into a Share and Asset Purchase Agreement with International Business Machines Corporation (IBM) for the divestment of the Application Modernisation (AppMod) business. The sale was completed on 31 March 2024. As a result of the sale, the Group is required to present the assets and liabilities of AppMod as held for sale within the statement of financial position. The consolidated statement of profit or loss has been presented on a continuing and discontinuing basis with the commentary within the Directors report being on a continuing basis only (see events after the statement of financial position date section for further details).

At a revenue level, the Group continued to meet its strategic and financial objectives whilst undergoing a transformational change in strategy during the period. Total continuing revenue grew by 10% (2023: 2%), while continuing recurring revenue increased at 15% and increased to 87% (2023: 83% increase) of total continuing revenues in line with the strategic focus. During FY24, significant cost efficiencies were executed in line with a more focused business.

The Group continues to invest in product development to maintain and strengthen market positions, spending £37.0 million (2023: £41.7 million) on research and development and investing in other strategic initiatives to accelerate future growth. Of the research and development expenditure £14.6 million (2023: £13.3 million) has been capitalised as an intangible asset of the Group.

The Group also invested in transforming its operations to remove unnecessary complexity both internally and for customers. This included rationalising the legal entity structure and implementing a new ERP system, simplifying its processes and enhancing its governance.

During FY24, as part of the OneAdvanced 3.0 strategy and rebrand, the Group changed how budgets are prepared, targets set and monitored and how the Group is managed overall. This has resulted in a change in the Cash Generating Units (CGUs) from Finance, People, Health and Care, Education, Legal, ITO and AppMod (per FY23) to Software, ITO and AppMod in FY24.

For each CGU, value in use calculations have been prepared and compared to the net assets balance excluding financing in each CGU.

The value in use calculations were prepared based on forecasted operating cash flows in the Board approved annual budget for the year ending 28 February 2025. Forecast operating cash flows are based on the board approved long range plan to 29 February 2028 with an additional year to FY29 being based on the assumptions in the long range plan.

At the FY24 year end, with AppMod being treated as a disposal group held for sale, management assessed the need for impairment by comparing the carrying value with the agreed proceeds (fair value less costs to sell). Due to the value of goodwill allocated to the AppMod CGU, at a Group level, an impairment of £50.8 million has been recognised.

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

During the year the Group delivered a strong top line performance with revenue for the 12 month period reaching £323.8 million (2023: £295.4 million), growing overall by 10% (2023: 2%) on a year on year basis. This increase is largely due to the increase in recurring revenue. Recurring revenue was £281 million (2023: £245 million) with an increase of 15% in the year (2023: 8% increase).The increase in recurring revenue due to new bookings to both existing and new clients following the refocus of our business to a market view rather than product view.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2024

In line with a solid revenue performance, adjusted EBITDA was £100.4 million (2023: £63.5 million) increasing by 58% during the year. The Group saw an increase in adjusted EBITDA margin from 22% in the year ended 28 February 2023 to 31% in the year ended 29 February 2024, due to strong revenue growth (10%) and focus on in year costs reductions driven by the strategic pivot.

Adjusted EBITDA is used by the Directors as an indicator of ongoing trading profitability of the Group. EBITDA is defined as Operating Profit before foreign exchange, amortisation and depreciation. Adjusted EBITDA makes further adjustments for acquisition, restructuring and impairment costs, presenting a more normalised indication of performance.

Reflective of the one-off nature of some of the factors affecting Adjusted EBITDA, management also present a further measure, Management Adjusted EBITDA, which removes other non-trading and incremental costs from the Adjusted EBITDA measure which provides a better representation of Management run rate EBITDA.

The Group is very confident in returning to higher levels of profitability in subsequent periods, given both the one-off nature of some of the impacts affecting FY24 as well as some judicious and already implemented cost containment measures.

A reconciliation between EBITDA and adjusted EBITDA for the continued operations is detailed below:

	Year Ended 29 Feb 24	Year Ended 28 Feb 23
	£'m	£'m
Operating Profit	9.6	(499.9)
Net foreign exchange (gain) / loss	(16.4)	39.1
Amortisation	60.5	59.3
Depreciation	6.5	8.1
EBITDA	**60.2**	**(393.4)**
One-off acquisition and restructuring costs	40.2	26.3
Impairment of goodwill	-	430.6
Adjusted EBITDA	**100.4**	**63.5**
IFRS 3 Adjustment	-	0.3
Management add backs	*9.5*	*27.0*
Management Adjusted EBITDA	**109.9**	**90.8**

FY24 was influenced by a number of one-off factors affecting Adjusted EBITDA and management has included £9.5 million of 'normalised' Management one off costs to give a better representation of Management run rate EBITDA. These add backs include non-trading corporate costs of £2.8m, cyber outage credits, relating to the isolated FY23 incident, of £1.3m and other incremental costs of £5.4m.

Amortisation has increased by £1.2m year on year because of the full year impact of FY23 business combinations and continued investment in capitalised R&D.

The one-off acquisition and restructuring costs incurred in the year are detailed in note 29 to these financial statements and below.

One off exceptional costs

During the period the Group incurred £40.2 million (2023: £456.9 million) of one off exceptional costs. The costs can be analysed as follows:

	Year Ended 29 Feb 24	Year Ended 28 Feb 23
Type	**£'m**	**£'m**
Operating Profit		
Acquisition costs	0.3	1.0
Transformation projects	6.2	6.5
Restructuring	13.9	-
Property rationalisation	1.6	0.6
Cyber attack remediation	3.0	18.2
Commercial settlements	7.0	-
OneAdvanced 3.0 strategy and rebrand	8.2	-
Impairment of goodwill	-	430.6
Total one off exceptional costs	**40.2**	**456.9**

Transformation and property rationalisation costs
The Group has undertaken significant transformation projects during FY24, including finance systems implementation and legal entity rationalisation. These projects will deliver improvements and efficiencies in a number of functional areas including billing, credit control and financial reporting. The legal entity rationalisation will simplify processes and compliance requirements, further improving efficiency in back-office functions. During FY24, UK trading activity was hived into 4 go-forward entities which is The National Will Register Limited, Advanced Health and Care Limited, Advanced Business Software and Solutions Limited and Advanced 365 Limited. During FY25, international hive-up will also occur, with the intention of having one legal entity per trading jurisdiction.

In addition, the Group has continued the property rationalisation project to consolidate the Group's office properties and those of the businesses acquired. A number of offices were closed during FY24 with further settlements on offices no longer used, subject to ongoing discussions with the relevant landlords.

OneAdvanced 3.0 and restructuring
The Group has undergone a transformational change in strategy and repositioning of the business. The revised strategy was launched on 1 September 2023, with the repositioning launching shortly after the FY24 year-end.

This strategic change pivoted the go to market approach of the business to be vertical-sector focused from a historically product-focussed view. In order to align the company organisational structure to the strategic changes, a restructuring exercise was completed.

Costs relating to the reorganisation of the workforce to align to the revised strategy are reflected as Restructuring. Third party costs relating to strategy development and repositioning are reflected as OneAdvanced 3.0 strategy and rebrand costs.

Commercial settlements
The Group has recognised a provision in relation to certain contractual disputes with customers and suppliers. Legal reviews and discussions are ongoing to assess the validity of the claims and conclude on any settlements.

Impairment of goodwill
After review of the future cash flows of our CGUs across the business it was concluded there would be no impairment to goodwill, see note 10 for more detail.

Cash Flow
Cash generated from operating activities was £90.6 million (2023: £67.5 million) and at the end of the period the Group had a cash balance of £29.8 million (2023: £31.4 million). Financing net outflows of £67 million (2023: £9.6 million inflow) included £27.6 million (2023: £69.4 million) cash inflow from new loans offset by £22.8m (2023: £36.8 million) repayment of loans, £113.5 million payment of interest (2023: £82.6 million) and £4.5 million (2023: £3.8 million) payments relating to the capital elements of leases. In 2024 the group settled certain cross currency swap derivatives by way of a cash settlement generating a net cash inflow from derivatives of £38.1 million (2023: £72.6), offset by payments for derivatives of £41.9 million (2023: £28.5).

Net Debt
The Net Debt position on 29 February 2024 was £1,078.6 million (2023: £1,061.7 million). The interest rates charged on the first and second lien loans vary between 4.37% and 8.37% over Secured Overnight Financing Rate (SOFR) for the USD denominated loans and Sterling Overnight Interest Average (SONIA) for the GBP denominated loans.

Issue related costs capitalised in connection to refinancing activities within the year were £Nil (2023: £Nil). The unamortised amounts remaining in the statement of financial position at 29 February 2024 amounted to £9.6 million (2023: £13.3 million).

	Year Ended 29 Feb 24	**Year Ended 28 Feb 23**
	£'m	**£'m**
Type		
Cash	26.6	31.4
Lien 1	(802.6)	(809.7)
Lien 2	(265.9)	(270.3)
Other	-	(0.3)
Cross currency swaps	(36.7)	(12.8)
Net debt	**(1,078.6)**	**(1,061.7)**

The Group has a revolving credit facility (RCF) of £75 million which is a component of the Lien 1 borrowing. £75.0 million of the RCF was drawn down on the 29 February 2024 (2023: £62.4 million drawn down). There is a leverage covenant which is measured when the RCF drawdown exceeds £30 million which requires the First Lien Leverage Ratio to be no greater than 7.65x. During September 2023, the RCF was extended with a revised maturity date to July 2026 which saw the introduction of a second covenant to require a minimum liquidity threshold. The covenants are monitored on a regular basis and have not been exceeded.

During Q1 FY25, following the sale of the Application Modernisation (AppMod) business to IBM, the proceeds from the sale were used to pay down £75 million of the RCF. As a result, the Group has the full balance of £75 million that is available to be drawn down.

Capital structure
During the financial year, the Company issued to its immediate parent company Aston Intermediate Co Limited, 100 ordinary shares at £0.01 each for a consideration of £20m on 28 July 2023 and 100 ordinary shares at £0.01 each for a consideration of £30m on 13 October 2023.

Tax

The Group reported a total tax credit of £27.8 million (2023: £19.3 million) as a result of UK tax charges of £nil million (2023: £5.3 million) overseas tax charges of £1.6 million (2023: £2.0 million), a deferred tax credit relating to timing differences of £32.6 million (2023: £18.5 million), adjustments to current and deferred taxes reported in prior years of £3.2 million (2023: £1.9 million credit), and the impact of increases in the UK tax rate on deferred tax liabilities of £nil million (2023: £6.2 million credit).

Research and development activity

During the period, research and development gross expenditure before capitalisation was £37.0 million (2023: £41.7 million). A successful research and development agenda is a strategic priority of the Group as it transitions to a Software as a Service (SaaS) provider. Its effective research and development strategy supports and maintains the competitive advantage the Group enjoys.

The Group remains committed to the continuous development of portfolios of sector-focused software products underpinned by its OneAdvanced Platform as a Service (PaaS). The development of the OneAdvanced platform as a single platform through which all software will be delivered, will continue into the next financial year. Ongoing investment in new technology and functionality will continue to enable the Group to maintain and strengthen its market leading position.

Non-financial key performance indicators

The Group’s primary non-financial KPIs are:

- Customer feedback is a non-financial KPI. As a customer centric organisation we take feedback from all aspects of the customer journey. This includes:
    - Customer satisfaction after all engagements from our services teams
    - User feedback from our SaaS Solutions
    - Customer Advisory Boards for shared discussions on roadmap and service
    - For our key customers, quarterly business reviews to understand how we can partner closer with them

- ESG performance, with a commitment to carbon neutrality and to achieve net zero emissions by 2050. The group also has focus on the on-going diversity and inclusion metrics (see Inclusivity section later in this Directors' Report); and

- Employee Satisfaction, which is measured through the employee NPS (“Net Promoter Score”). This is measured by regular pulse checks.

Risk Management and Managing Uncertainty

The Group has an Enterprise Risk Management Framework (ERMF) in place to enable it to embed risk management as part of day-to-day decision making in alignment with and pursuant to our strategic objectives. The ERMF is governed by a Risk Committee which is attended by Executive leaders, chaired by the General Counsel and supported by the Group's legal, risk and compliance department.

Within the ERMF the Group has identified key Principal Risk categories alongside corresponding Executive Principal Risk owners.

Throughout the financial year specific risks within each Principal Risk category are identified and evaluated using defined measurements of 1) likelihood and 2) financial, reputational, operational, legal & regulatory and data impact - both prior to and after implementation of mitigating controls (respectively inherent and residual risk). A central risk register is maintained and risk scores are independently checked and challenged by the risk function. A library of mitigating controls is reviewed and monitored by Principal Risk owners.

During FY24 the Risk Committee assessed the quality of the existing risk process and continues to identify and implement areas for improvement in identification, reporting and mitigation of risks.

Key Principal risk categories, examples of specific risks and mitigation activities are set out below, this is an illustrative list and is not intended to be an exhaustive analysis of all the risks that may impact the Group.

Principal Risks and Uncertainties

Risk Category	Specific Risks	Mitigation
Economic	The Group's markets fall into decline which could cause loss of market share. Weak economic conditions may affect the ability of the Group's clients to do business. The Group operates in a competitive market and must continue to offer innovate solutions in order to create new value for its customer base and stakeholders. Uncertainty and volatility to the UK economy from the impact of a higher inflationary environment, in particular caused by the Russian invasion of Ukraine and the conflict between Israel and Palestine in and around the Gaza strip.	The Group has a diversified portfolio of products, services, and markets, so as to mitigate dependence on any one product, service or market. Innovative solutions are offered in a variety of ways to best suit each customer's business needs, including the traditional licence and services model or payment by subscription via Software as a Service. A significant portion of the Group's revenue is recurring from existing customers which provides highly predictable cash flows. The company has expanded into a portfolio of markets, products and services which overall reduces the risk on any single element. The business is not directly dependent on sales between the UK and the EU as the business is focused materially on UK businesses and enterprises.

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

Financial Reporting	Incomplete management/ financial information informing Board/ management decisions could result in the business being managed sub optimally and adversely affect performance.	Detailed management information is circulated monthly and reviewed by the management board and Group Board.
Liquidity Risk	The Group may have insufficient cash reserves and working capital to pay its debts as they fall due or to finance growth or acquisitions.	The Group has loan facilities to continue providing support for its operations. The Group will manage its liquidity risk by continuously monitoring forecasted and actual cash flows and managing the maturity dates of its loan facilities to ensure continuity of funding.
Leverage risk	The Group may breach its leverage or minimum liquidity covenants.	The Directors closely monitor covenant compliance and are comfortable with the Group’s leverage covenant position. The Directors opinion on going concern is set out in note 1 and below.
Foreign exchange risk	The Group's financial performance may be materially impacted by foreign exchange volatility.	The Group’s main exposure to foreign exchange risk is on its $ borrowing. The Group enters into financial instruments to largely hedge its foreign exchange risk on these balances. The Directors monitor the foreign exchange exposure on the Group’s working capital balances and as the majority of the Group’s trading is in £, the foreign exchange risk on these balances is not deemed significant.

As a business we continue to invest in improving and monitoring the review of our risks.

Trends and factors affecting future development, performance and position

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

- **UK macroeconomic environment:** the Group generates 96% (2023: 96%) of its revenues from the UK and Ireland, and as such is exposed to the broader UK and Ireland macroeconomic environment.

  At present there is an increased level of macroeconomic uncertainty, with the UK experiencing high level of inflation in the last year which is declining in Q1 of FY25. The impact of this on the wider economy can impact the Group’s customers through timing of software investments and in some cases swings in activity volumes driving software usage.

- **UK political landscape:** the UK is facing a year of political uncertainty which will impact all sectors with which the Group operates. The public sector and health sectors are likely to see the biggest impact in terms of spending and focus which may in turn impact the budgets of existing and prospective customers.

- **Software market dynamics in the Group’s key sectors:** the Group addresses several discrete end markets (for example Health & Care, Legal and Education), each with specific dynamics which impact demand for the Group’s solutions. This diverse strategic sector approach enables the Group to de-risk trends in the individual markets.

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

- **Emerging technologies and innovation:** the technology landscape is evolving at an increasing pace. In particular, AI technology is maturing quickly and will be an integral part of our product offering going forward. The Group's ability to continue to invest responsibly in these technologies ensuring it can safely add value to its customers is paramount. The Group is focussed on agile innovation and engineering practices to ensure it can remain competitive whilst delivering value to its customers responsibly.

- **Regulatory landscape:** the regulatory landscape for technology companies around data, security, technologies such as AI and ESG is set to increase and will require additional investment in compliance controls. The Group has recently enhanced its governance framework to ensure it is in a good position to remain ahead and prepared of future changes.

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

Forward View

Over the coming year the Group's focus will be on driving growth underpinned by four pillars of transformation and investment: Refining its go to market, refreshing its product strategy, revising its operational rigour, and reviving its culture.

It will invest in new product innovation, specifically around the OneAdvanced platform which underpins its sector-focused portfolios. It has key components that enrich the software our customers consume whilst embedding critical components such as security, a common user experience and an enhanced ability to connect between the Groups software and third-party software the customers may use.

This, combined with the deep sector expertise of its people, means customers can realise the value of their investment quickly, positively impacting the work their teams do, and turning just as quickly into benefits for their customers. This creates a significant basis of differentiation and competitive advantage for the Group providing confidence in achieving its growth aspirations.

Directors

The directors who served during the year were:

A R Alonso (appointed on behalf of Vista)
M S Saroya (appointed on behalf of Vista)
B Hung (appointed on behalf of Vista)
M Richards (appointed on behalf of BC Partners)
T Ragagnon (appointed on behalf of BC Partners), resigned on 10 November 2023
C Arhanchiague (appointed on behalf of BC Partners), resigned on 10 October 2023
A Jörgens (appointed on behalf of BC Partners), appointed on 10 October 2023
M Simeckova (appointed on behalf of BC Partners), appointed on 10 November 2023

The Company Secretary is Ocorian Secretaries (Jersey) Limited.

Political donations and expenditures

There were no political donations or related expenditure for the year ended 29 February 2024 (2023: £Nil).

Dividends

The Directors have not approved a dividend for 2024 (2023: £Nil).

Directors' responsibilities statement

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

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

Under Companies (Jersey) Law 1991, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable International Financial Reporting Standards ("IFRS") as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991.

Statement of disclosure to auditors

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

Going concern

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

At the balance sheet date, the Group has net current liabilities of £68.8 million (2023: £82.2 million) which, in part, arises from the deferred income balance of £92.1 million representing amounts invoiced for which revenue will be recognised in future periods. In reaching their conclusion on the going concern basis of preparation, the Directors have reviewed the cash flow forecasts of the Group and consider that there are sufficient resources to allow the Group to remain within its covenant limits and to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Net Debt under Financial Review) and at the date of signing these financial statements is £nil million drawn.

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

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

Financial instruments

The Group uses financial instruments to manage certain types of risks including those relating to credit, market, interest rates, currency exchange and liquidity. Details of the objectives and management of these instruments and an indication of the exposure of the Group to such risks are contained in note 23 to the financial statements.

The Group's external borrowings include USD denominated debt as detailed in note 22 to these financial statements. The foreign currently fluctuation risk is mitigated by the Derivative Financial Instruments which are disclosed in note 23.

The cross currency swaps expire in August 2024 for Morgan Stanley and February 2025 for Goldman Sachs. These cross currency swaps largely hedge the USD currency fluctuations.

Section 172(1) statement

The directors have acted in a way that they considered, in good faith, to be the most likely to promote the success of the company for the benefit of its members (having regard for stakeholders and matters set out in s172 (1) (a-f) of the Companies Act 2006) in the decisions taken in the year.

The likely consequences of any decision in the long term

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

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

The interests of the Group's employees

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

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

We power the world of work for our customers, through sector-focussed portfolios underpinned by the OneAdvanced platform. For our customers in Education, Government, Social Housing, Health, Care, Legal, Distribution, Wholesale, Retail and Logistics we deliver software that makes it as easy as possible for tasks to be completed by focusing on removing manual work and improving productivity, efficiency and compliance through automation, processes, data and the embedding of regulatory and compliance rules. This enables our customers to free up time to spend on activities that add value to their company, customers, people, and communities.

We have a zero tolerance approach to bribery, inappropriate offers and any other item of this nature both with our customers and suppliers.

Our core ESG principles are applied to the way we select and work with customers and suppliers. It is important to us that our Customers and Suppliers uphold a similarly high level of ethical and professional standards to that which we expect of ourselves.

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

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

The need to act fairly between members of the group

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

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

The directors are committed to running the business in a way which minimises as far as is appropriate the adverse impact on the environment of its activities. The Groups goal is to continually improve its performance whilst reducing its impact on the environment. In 2018 the Group signed up to the Vista Climate Pledge which commits it to reduce its carbon emissions by 50% by 2030 and to have net zero emissions by 2050.

Our vision is underpinned by six core principles:

- To protect the environment by reducing our carbon footprint
- To reduce the environmental impact of our operational activities through effective management of our estate
- To create and maintain a positive environmental sustainability culture
- To maximise the positive impact of our sustainability actions through effective communication, collaboration, and partnership
- To ensure our software products deliver positive societal impact to our customers, and in turn their customers, people, and communities
- To fulfil all environmental compliance obligations and seek to exceed regulatory requirements

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

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

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

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

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

- **Software that delivers positive impact -** From invoicing departments using our electronic document imaging with optical character recognition (OCR) to medical practices and the many venues of care transferring critical patient data securely, we are enabling our customers with solutions and services that support their transformation to a paperless society.

- **Data centre management –** we are focused on ensuring our software is developed and delivered in the most sustainable way it can be.

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

The business has identified areas of impact on the environment: energy consumption, emissions to air, use of resources, waste to landfill, suppliers, design and development of software, delivery of software, employee commuting and business travel.

Employee engagement

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

Inclusivity

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

We partner with communities and charities close to our employee inclusion networks including being a Diversity Champion with Stonewall. Further we are a patron of the Princes Trust and charity sponsor for Astriid who work with those who have disabilities or long-term health conditions to find them routes into meaningful employment. This later work helped us secure “Disability Confident Employer” status and we aim to be assessed for “Disability Confident Leader” status in the coming year.

Disabled persons

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

Gender and Ethnicity

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

Since the commencement of Gender Pay Gap reporting in 2017 our mean gender pay gap has reduced by 22 percentage points from 22.8% to 0.9%.

Overall, the group has 72% male and 28% female employees.

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

	Mean	**Median**
2023	0.9%	6.2%
2022	6.8%	11.4%

Disability Pay data: Figure 2. Mean and median disability pay gap between 2023 and 2022.

	Mean	Median
2023	14.8%	26.3%
2022	13.4%	12.2%

Sexual Orientation Pay data: Figure 3. Mean and median sexual orientation pay gap between 2023 and 2022.

	Mean	Median
2023	15.2%	21.8%
2022	12.5%	20.5%

Ethnicity Pay Gap Figure 4. Mean and median ethnicity pay gap between 2023 and 2022.

	Mean	Median
2023	19.4%	20.2%
2022	20.1%	24.3%

The analysis given above is measured for the UK at April 2023 and 2022, consistent with our statutory reporting obligations at those dates.

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

Gender diversity – as at 29 February 2024.

We are committed to not only eliminating discrimination but also creating a diverse workforce.

	Male		Female		Total	
	Number	%	Number	%	Number	%
Directors	4	0.16%	2	0.08%	6	0.24%
Senior Managers	9	0.37%	5	0.20%	14	0.57%
Other	1758	71.35%	686	27.84%	2444	99.19%
Total	**1771**	**71.88%**	**693**	**28.12%**	**2464**	**100.00%**

Gender diversity - as at 28 February 2023.

	Male		Female		Total	
	Number	%	Number	%	Number	%
Directors	5	0.17%	1	0.03%	6	0.20%
Senior Managers	6	0.20%	2	0.07%	8	0.27%
Other	2191	73.33%	783	26.20%	2974	99.53%
Total	**2202**	**73.70%**	**786**	**26.30%**	**2988**	**100.00%**

Corporate governance statement

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

Purpose and leadership

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

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

Going forward, the Group will only wish to work with suppliers and partners who share our values, within their own business and their respective supply chains as follows:

- **Ethics:** The Group encourages a principle of fair market behaviour. This includes protecting the confidential nature of information exchanged whilst doing business and only using that information for the purpose it was supplied

- **Legislative Compliance:** All transactions must be conducted in accordance with all applicable international, national, and regional laws and regulations. Health and Safety: The Group endeavours at all times to operate responsibly, adhering to best practice health and safety standards and relevant legislation. In this way, the Group aims to protect its employees, contractors, customers, and the wider community

- **Anti Bribery and Corruption:** A zero tolerance approach is applied and as such no form of bribery, including improper offers for payments, commissions or kickbacks in whatever form is tolerated

- **Human Rights and Modern Slavery:** Abuse of any human right, any form of modern slavery, involvement in any human trafficking activity, any child, forced, bonded or compulsory labour or servitude, by or in relation to the Suppliers employees, or the Supplier’s suppliers will not be tolerated

- **Workplace:** The Group supports a position of social sustainability in relation to its employees with a view to contributing to quality of life and job satisfaction. This includes treating employees with respect and dignity, providing a safe and respectful workspace.

Board composition

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

Director responsibilities

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

Opportunity and risk

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

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

Remuneration

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

Stakeholders

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

Streamlined Energy and Carbon Reporting ("SECR")

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

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

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

The analysis given below is measured as at December 2023 and 2022, consistent with our ESG reporting.

	Consumption kWh ('000)		Emissions tCO	
	FY23	FY22	FY23	FY22
Scope 1 direct emissions from combustion of gas	146,246	310,427	83	128
Scope 2 direct emissions from purchased electricity	2,435,356	2,662,575	672	692
Scope 3 direct emissions from business travel	-	-	404	491
Total energy consumption used to calculate emissions/total gross emissions	**2,581,602**	**2,973,002**	**1,159**	**1,311**

	FY23	FY22
Intensity ratio - Total emissions / total employees	0.40	0.46

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

Events after the statement of financial position date

Divestment of the Application Modernisation (AppMod) business to IBM

On 9 January 2024, the Group entered into a Share and Asset Purchase Agreement with International Business Machines Corporation (IBM) for the divestment of the Application Modernisation (AppMod) business. The transaction was structured as IBM acquiring the shares of OneAdvanced Inc., Modern Systems Corporation, MS Modernisation Services Inc. and MS Modernisation Services UK Limited (Including all Intellectual Property (IP) within then entities).

IBM also acquired the IP and certain assets of ModSys International Limited, Advanced Application Modernisation Inc., Transoft Group Limited and ModSys Modernisation Services SRL.

The sale was completed on 31 March 2024 with net sale proceeds of £112.7 million.

For these financial statements, the sale of AppMod has been recognised as a discontinued operation in the consolidated income statement and as an asset held for sale in the consolidated statement of financial position. Please see note 8 and 9 for further details and disclosures.

Legal Entity Rationalisation Process

Over recent years the Group has made a number of targeted acquisitions, both within the UK and across the rest of world. As a result, the Group structure has increased to over 100 legal entities across numerous jurisdictions. This volume of legal entities has presented challenges for the Group from an operational, financial and customer experience perspective.

During FY24 and into FY25, the Group engaged in a Legal Entity Rationalisation (LER) process to consolidate the trade within individual jurisdictions (hive up), in most instances, into one go-forward trading legal entity.

The hive up into the go-forward trading legal entities incorporates all trade, assets and liabilities of individual companies on a net book value basis.

Customers and suppliers have been notified of the hive up and change of contracting party.

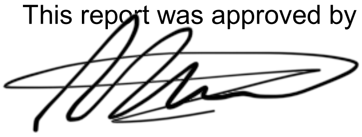
The LER process and subsequent hive up does not impact the Group consolidated income statement or the consolidated statement of financial position as at 29 February 2024 and beyond as the investments and company positions are eliminated on consolidation. In addition, there has been no change in the assets owned by the Group or the value of underlying trade across the Group as a result of the LER process.

All entities are to be exited on a solvent basis via the appropriate methodology for the respective country.

Independent Auditors

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

This report was approved by the board on 20 June 2024 and signed on its behalf.



M Richards
Director

The Company’s registered office can be found on page 1 of the financial statements.

Independent auditors’ report to the members of Aston Midco Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the group’s affairs as at 29 February 2024 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Financial Statements (the “Annual Report”), which comprise: the Consolidated Statement of Financial Position as at 29 February 2024; the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- discussions with the management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- testing of journals which may appear to have unusual accounting entries;
- assessing key estimates made by management, including review of accounting for business combinations, to evidence any management bias; and

- reviewing financial statement disclosures and testing supporting documentation to assess compliance with applicable laws and regulations.

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

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

Use of this report

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

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion we have not obtained all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Alex Hookway
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Birmingham
20 June 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	**Year Ended 29 Feb 24 £000**	*Year Ended 28 Feb 23 (restated) £000*
Revenue	3	**323,815**	*295,417*
		323,815	*295,417*
Administrative expenses		**(304,278)**	*(783,821)*
Net impairment losses on financial assets		**(9,955)**	*(11,516)*
Adjusted EBITDA		**100,363**	*63,450*
One-off exceptional costs	29	**(40,214)**	*(456,900)*
Amortisation	6	**(60,498)**	*(59,290)*
Depreciation	6	**(6,513)**	*(8,126)*
Net foreign exchange gain / (loss)	6	**16,444**	*(39,054)*
Operating profit / (loss)		**9,582**	*(499,920)*
Finance income	5	**-**	*44,999*
Finance expense	5	**(143,077)**	*(84,326)*
Loss before income tax	6	**(133,495)**	*(539,247)*
Income tax	7	**27,847**	*19,348*
Loss from continuing operations		**(105,648)**	*(519,899)*
Loss on discontinued operations, net of tax*	8	**(62,510)**	*(61,879)*
Loss for the financial year		**(168,158)**	*(581,778)*
Loss attributable to:			
Owners of the parent		**(168,158)**	*(581,778)*
		(168,158)	*(581,778)*

* The Group has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of profit or loss and OCI, and has analysed that single amount into revenue, expenses and pre-tax profit or loss in Note 8.

The notes on pages 33 to 82 form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Year Ended 29 Feb 24 £000	Year Ended 28 Feb 23 £000
Loss for the year	**(168,158)**	*(581,778)*
Items that will or may be reclassified to profit or loss:		
Foreign exchange translation differences	**(4,295)**	*5,994*
Other comprehensive (expense)/income for the year, net of tax	**(4,295)**	*5,994*
Total comprehensive expense	**(172,453)**	*(575,784)*
Total comprehensive expense attributable to:		
Owners of the parent	**(172,453)**	*(575,784)*
	(172,453)	*(575,784)*

The notes on pages 33 to 82 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 29 FEBRUARY 2024

	Note (s)	As at 29 Feb 24 £000	As at 28 Feb 23 (restated) £000
Assets			
Non-current assets			
Property, plant and equipment	12	**7,852**	*9,666*
Right-of-use assets	12	**8,621**	*9,416*
Intangible assets	10,11	**1,550,098**	*1,779,452*
Investments	13	**517**	*517*
Deferred tax asset	24	**-**	*799*
		1,567,088	*1,799,850*
Current assets			
Inventories	15	**665**	*847*
Trade and other receivables	16	**127,091**	*171,598*
Cash and cash equivalents	17	**26,603**	*31,375*
		154,359	*203,820*
Assets of disposal groups classified as held for sale	9	**131,771**	-
Total assets		**1,853,218**	*2,003,670*
Liabilities			
Non-current liabilities			
Loans and borrowings	22	**1,051,670**	*997,694*
Lease liabilities	12	**10,234**	*13,542*
Derivative financial instruments	14	**-**	*12,764*
Deferred income	21	**6,909**	*2,153*
Deferred tax liabilities	24	**94,047**	*128,630*
Provisions	25	**4,872**	*5,128*
		1,167,732	*1,159,911*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 FEBRUARY 2024

	Note (s)	**As at 29 Feb 24 £000**	*As at 28 Feb 23 (restated) £000*
Current liabilities			
Trade and other payables	20	**74,026**	*66,876*
Deferred income	21	**92,080**	*139,789*
Current income tax liabilities		**-**	*1,561*
Loans and borrowings	22	**4,351**	*66,895*
Derivative financial instruments	14	**36,672**	-
Provisions	25	**13,968**	*8,315*
Lease liabilities	12	**2,052**	*2,579*
		223,149	*286,015*
Liabilities of disposal group classified as held for sale	9	**27,046**	-
Total liabilities		**1,417,927**	*1,445,926*
Net assets		**435,291**	*557,744*
Equity			
Share capital	18	**12,669**	*12,669*
Share premium	19	**1,390,327**	*1,340,327*
Translation reserve	19	**(2,135)**	*2,160*
Accumulated losses	19	**(965,570)**	*(797,412)*
Total equity attributable to owners of the parent company		**435,291**	*557,744*

The financial statements on pages 25 to 82 were approved and authorised for issue by the board of directors on 20 June 2024 and were signed on its behalf by:

M O Richards
Director

The notes on pages 33 to 82 form part of these financial statements.
See note 2 for details regarding the restatement as a result of an error.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	Called up share capital £000	Share premium £000	Translation reserve £000	Accumulated losses £000	Total equity £000
At 1 March 2022		12,669	1,335,913	(3,834)	(215,634)	1,129,114
Loss for the year		-	-	-	(581,778)	(581,778)
Foreign exchange movement		-	-	5,994	-	5,994
Total comprehensive expense for the year		**-**	**-**	**5,994**	**(581,778)**	**(575,784)**
At 28 February 2023		**12,669**	**1,335,913**	**2,160**	**(797,412)**	**553,330**
Prior year adjustment-correction of error	2	-	4,414	-	-	4,414
At 28 February 2023 (restated)		**12,669**	**1,340,327**	**2,160**	**(797,412)**	**557,744**
Loss for the year		-	-	-	(168,158)	(168,158)
Foreign exchange movement		-	-	(4,295)	-	(4,295)
Total comprehensive expense for the year		**-**	**-**	**(4,295)**	**(168,158)**	**(172,453)**
Issue of share capital		-	50,000	-	-	50,000
At 29 February 2024		**12,669**	**1,390,327**	**(2,135)**	**(965,570)**	**435,291**

The notes on pages 32 to 82 form part of these financial statements.
See note 2 for details regarding the restatement as a result of an error.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	Year Ended 29 Feb 24 £000	*Year Ended 28 Feb 23 £000*
Cash flows from operating activities			
Loss for the period			
Continuing operations		**(105,648)**	*(519,899)*
Discontinued operations		**(62,510)**	*(61,879)*
		(168,158)	*(581,778)*
Adjustments for			
Depreciation on owned assets	12	**4,315**	*4,137*
Depreciation on right-of-use assets	12	**2,278**	*4,045*
Amortisation of intangible assets	11	**66,098**	*64,899*
Impairment of goodwill	10	**-**	*493,025*
Impairment of disposal group held for sale	8	**50,799**	*-*
Impairment of right-of-use assets		**-**	*2,712*
Profit on disposal of lease liabilities		**(2,257)**	*-*
Profit on disposal of property, plant and equipment		**(600)**	*-*
Loss on disposal of right-of-use assets		**409**	*-*
Net foreign exchange (gain) / loss	6	**(16,444)**	*38,718*
Finance income	5	**-**	*(44,999)*
Finance costs - continuing	5	**143,077**	*84,327*
Finance costs - discontinued	8	**1,871**	*1,450*
Tax expense / (credit) - continuing	7	**(27,847)**	*(19,348)*
Tax expense / (credit) - discontinued	8	**(1,399)**	*1,637*
Operating cash inflow before movements in working		**52,142**	*48,825*
Movements in working capital:			
Increase in trade and other payables		**13,996**	*4,545*
(Decrease) / Increase in deferred income		**(38,244)**	*37,999*
Decrease / (Increase) in trade and other receivables		**51,608**	*(26,395)*
Decrease in inventory		**182**	*80*
Increase in provisions		**10,972**	*2,480*
		38,514	*18,709*
Cash generated from operating activities		**90,656**	*67,534*
Corporation tax paid		**(2,517)**	*(8,890)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2024

	Note	29 February 2024 £000	28 February 2023 £000
Net cash generated from operating activities		**88,139**	*58,644*
Cash flows from investing activities			
Purchases of property, plant and equipment		**(3,771)**	*(4,695)*
Proceeds from disposal of property, plant and equipment		**1,792**	*46*
Acquisition of subsidiaries (net of cash acquired)		**(5,575)**	*(30,334)*
Payment for intangible assets	11	**(14,606)**	*(13,330)*
Loans to related parties		**-**	*(2,993)*
Net cash (outflow) from investing activities		**(22,160)**	*(51,306)*
Cash flows from financing activities			
Proceeds from long term borrowings		**27,600**	*69,400*
Capital element of lease payments		**(4,485)**	*(3,779)*
Repayment of borrowings		**(22,791)**	*(36,849)*
Interest paid		**(113,498)**	*(82,614)*
Proceeds from issuance of share capital		**50,000**	*-*
Proceeds from derivatives	5	**38,086**	*72,550*
Payment for derivatives		**(41,911)**	*(28,534)*
Loans from parent undertaking		**-**	*272*
Net cash (outflow) from financing activities		**(66,999)**	*(9,554)*
Net cash (decrease) in cash and cash equivalents		**(1,020)**	*(2,216)*
Movement from change in Foreign exchange rates		**(531)**	*872*
Cash and cash equivalents at the beginning of year		**31,375**	*32,719*
Cash and cash equivalents at end of period		**29,824**	*31,375*

Cash and cash equivalents at end of period is made up of:

Cash and cash equivalents per the balance sheet		**26,603**	*31,375*
Cash and cash equivalents included in the assets of the disposal group		**3,221**	*-*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 29 FEBRUARY 2024

	29 February 2024 £000	*28 February 2023 £000*
Cash and cash equivalents at the end of the year	**29,824**	*31,375*

The notes on pages 33 to 82 form part of these financial statements.

The cash flow statement has been prepared on a consolidated basis including continuing and discontinued operations. The cash split between continuing and discontinued operations is shown in note 8.

1. Accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

1.1 Nature of entity operations and principal activities

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

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

The Company’s subsidiaries are engaged in the provision of software and IT Managed Services. The Group’s principal place of business is The Mailbox Level 3, 101 Wharfside Street, Birmingham, United Kingdom, B1 IRF.

1.2 Basis of preparation

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

These consolidated financial statements present the results for the Group for the year ended 29 February 2024.

1.3 Measurement convention

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

1.4 Subsidiary basis of consolidation

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

1.5 Functional and presentation currency

The consolidated financial statements are presented in sterling, which is also the functional currency of the company and majority of the entities of the Group, however there are subsidiaries that require currency translation.

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

1.6 Going concern

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

At the balance sheet date, the Group has net current liabilities of £68.8 million (2023: £82.2 million) which, in part, arises from the deferred income balance of £92.1 million representing amounts invoiced for which revenue will be recognised in future periods. In reaching their conclusion on the going concern basis of preparation, the Directors have reviewed the cash flow forecasts of the Group and consider that there are sufficient resources to allow the Group to remain within its covenant limits and to meet its obligations for

1. Accounting policies (continued)

1.6 Going concern (continued)

the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). The Revolving Credit Facility, was extended in September 2023 with a revised maturity date to July 2026 (see Net Debt under Financial Review) and at the date of signing these financial statements is £nil million drawn.

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

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

1.7 Revenue recognition

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

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

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

The Group's revenues are split on the following three revenue streams and are reported exclusive of value added tax.

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

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

- Persuasive evidence that a contract exists, typically through a signed contract or customer purchase order
- Control of the license passes to the customer
- Collectability is reasonably assured and there are no material outstanding conditions or contingencies

1. Accounting policies (continued)

1.7 Revenue recognition (continued)

attaching to the receipt of monies due
- When the customer has the right to use the licence
- The price of the transaction can be measured reliably

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

Subscription, maintenance and IT managed services
Subscription, maintenance and IT managed services fees provide customers with rights to unspecified product upgrades, enhancements and help desk access during a defined support period. Revenue arising from this revenue stream is recognised proportionately over the duration of the contract.

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

In addition to the professional services outlined above, the Group earns other revenue which is under consultancy, training and other revenue stream:

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

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

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

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

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

1. Accounting policies (continued)

1.7 Revenue recognition (continued)

allocated to all other components.

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

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

1.8 Business combinations

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

At the acquisition date, the company recognises goodwill as:

- The fair value of the consideration (excluding contingent consideration) transferred; plus
- Estimated amount of contingent consideration (see below); plus
- The fair value of the equity instruments issued; plus
- Directly attributable transaction costs; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

Transaction costs
Acquisition and disposal costs are expensed as incurred.

1.9 Assets and liabilities classified as held for sale

Certain comparative amounts in the statement of profit or loss and OCI have been restated, reclassified or re-presented, as a result of a discontinued operation.

Assets held for sale
Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair values less costs to sell. Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or

1. Accounting policies (continued)

1.9 Assets and liabilities classified as held for sale (continued)

disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

Discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of comprehensive income.

The Group re-present the disclosures for discontinued operations and disposal group classified as held for sale for the prior year so that the disclosures relate to all operations that have been discontinued by the end of the reporting year. The discontinued operations and disposal groups classified as held for sale presented in the consolidated statements of comprehensive income and cash flows in the comparative year therefore include all operations that have been discontinued by the end of the reporting year. In contrast, the consolidated statement of financial position for the prior year is neither restated nor remeasured.

1.10 Goodwill

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

These CGUs are:
- Software
- IT managed services (ITO).

See Directors' report for CGUs changes in FY24.

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

1.11 Intangible assets

Intangible assets acquired separately

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

1. Accounting policies (continued)

1.11 Intangible assets (continued)

Intangible assets acquired separately (continued)

development activities above.

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

Acquired intangibles
Assets acquired are classified into property, plant and equipment and intangible assets and fair values applied using the principles of IFRS3.

Purchased intangible assets are recognised on the consolidated statement of financial position and are amortised over their estimated useful lives. Upon completion of development, the R&D intangible asset amortised over its estimated useful life. The assets typically recognised are:

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

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

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

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

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

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

Calculation of recoverable amount
The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-

1. Accounting policies (continued)

1.11 Intangible assets (continued)

Intangible assets acquired separately (continued)

tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Impairments of goodwill are never reversed.

1.12 Property, plant and equipment

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

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

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

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

1.13 Leasing

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

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

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

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

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

1. Accounting policies (continued)

1.13 Leasing (continued)

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

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

To determine the incremental borrowing rate, the group:

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

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

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

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

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

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

1.14 Financial instruments

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

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

1. Accounting policies (continued)

1.14 Financial instruments (continued)

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

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

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

Derivatives are measured at FVPL are categorised by valuation method. The fair value hierarchy is as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., prices)
- or indirectly (i.e., derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data

Impairment of financial assets
IFRS 9 codifies the basis for the accounting of expected credit losses (ECLs) on financial assets and contract assets resulting from transactions within the scope of IFRS 15. The Group applies the simplified approach to provide for ECLs, measuring the loss allowance at a probability weighted amount that considers reasonable and supportable information about past events, current conditions and forecasts of future economic conditions of the customers.

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

Further information on the Group's financial instruments can be found in note 23.

1.15 Cash and cash equivalents

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

1.16 Inventories

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

1.17 Corporation tax

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

1. Accounting policies (continued)

1.17 Corporation tax (continued)

case it is recognised in equity.

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

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

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

1.18 Foreign currency transactions

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

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

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

1.19 Employee benefit costs

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

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

1. Accounting policies (continued)

1.20 Critical accounting estimates and judgments

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

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

Material judgments and estimates

Judgments
Intangible assets
During FY24, as part of the OneAdvanced 3.0 strategy and rebrand, the Group has changed how budgets are prepared, targets set and monitored and how the Group is managed overall. This has resulted in a change in the Cash Generating Units (CGUs) from Finance, People, Health and Care, Education, Legal, ITO and AppMod (per FY2023) to Software, ITO and AppMod in FY24.The Group has assessed and consider that there are 2 CGUs within the business following the sale of AppMod. This has been a change in total CGUs from 7 in FY23. Against each of these CGU's the Group has considered the future expectations in generating cash flows which underpin and support the carrying value of the intangible assets maintained by the business totalling £1,700.3 million (2023: £1,779.5 million) for all CGUs.

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

Each CGU maintains a level of recurring revenue which is quite predictable and over the medium term is relatively stable with index based price increases which each CGU manages. There is a different level of sensitivity of these judgments by CGU which are influenced by the level of installed base, growth expectation, predictable retention, product lifecycle and indexation. There is no impairment included within continuing exceptionals for the year (2023: £430.6 million), see note 29. Discontinued exceptionals includes £51.0 million (2023: £62.5 million) of impairments. The current year impairment relates to the impairment of value of held for sale assets to proceeds less costs to sell (see note 8) and prior year relates to the portion of goodwill impairment applicable to the disposed operations. Detail of the key assumptions used and sensitivities is included at note 10.

Impairment of trade receivables
When assessing impairment of trade and other receivables, management considers factors including the ageing profile and historical experience. The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 16 for the net carrying amount of the receivables and associated impairment provision.

1. Accounting policies (continued)

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

New standards and interpretations not yet adopted

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

2. Prior year adjustment - correction of material errors

2.1 Shares issue
On 4 March 2022, Advanced Business Software and Solutions Limited (ABSS) acquired 100% of the issued share capital of Single Cell Mobile Consulting Pty Limited (trading as "Portt") for total consideration of £16.1 million. The consideration was satisfied by £11.7 million cash and £4.4 million shares in Aston Topco Limited.

On issue of the above shares, ABSS recognised an amount due to Aston TopCo Limited of £4.4 million in return for Aston Topco Limited having issued these shares.

On 1 February 2023, ABSS and each shareholder existing between ABSS and Aston Topco Limited issued 100 ordinary shares of £0.01 each in the share capital of the Company to the company's sole shareholder. In return Aston TopCo Limited and subsequent shareholders issued a contribution by the shareholder to the company of a receivable of £4.4 million in favour of ABSS. The result of this transaction was the issue of shares in return for clearance of the intercompany balance between ABSS and Aston Topco Limited.

An error existed within the financial statements as at 28 February 2023 whereby the share issue occurring on 1 February 2023 was not accounted for within the year end financial statements. As such the consolidated financial statements of Aston Midco Limited presented an amount due to Aston TopCo Limited of £4.4 million within amounts owed to group undertakings in error when this amount should have been presented within share capital and share premium. As a result of this error a restatement to the comparative balance sheet is required.

This error has been corrected by restating each of the affected financial statement line items for the prior period.

Balance sheet (extract)	As previously reported	(Decrease) Increase	28 February 2023 (restated)
	£000	£000	£000
Trade and other payables	71,290	(4,414)	66,876
Net assets	**553,330**	**4,414**	**557,744**
Share premium	1,335,913	4,414	1,340,327
Total equity attributable to owners of the parent	**553,330**	**4,414**	**557,744**

There has been no impact to the consolidated Statement of Profit or Loss or consolidated Statement of Other Comprehensive Income. There is no impact on the year ended 28 February 2022.

2.2 Employee costs

The wages and salaries costs within the employee costs note were understated by £12.8m for the year ended 28 February 2023 due to a mapping error. The salary recharges code was erroneously omitted resulting in the understatement.

The mapping error has been corrected and the FY23 figures have been restated. This is only a disclosure correction within the note and therefore does not impact the statement of profit or loss.

3. Revenue

Revenue for the Group was generated from subsidiaries of which 96% is from customers based in the UK and Ireland (2023: 96%), 2% from customers based in the US (2023: 2%) and 2% from other jurisdictions (2023: 2%). Revenue can be split into recurring (subscriptions of managed services and software and hardware support contracts) and non-recurring (consultancy, training and other services and sale of software licenses and hardware). The split of the continuing revenues for the period to 29 February 2024 is shown below.

	Year Ended 29 Feb 24 £000	*Year Ended 28 Feb 23 £000*
Subscription, maintenance and IT managed services	**281,073**	*245,438*
Consultancy, training and other	**24,995**	*32,849*
Licences	**17,747**	*17,130*
	323,815	*295,417*

Contract balances

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

	As at 29 Feb 24 £000	*As at 28 Feb 23 £000*
Trade receivables	**79,511**	*97,412*
Contract assets, which are included in 'Accrued income'	**6,701**	*37,963*
Contract liabilities, which are included in 'Deferred income'	**98,989**	*141,942*

3. Revenue (continued)

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

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

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

Contract liabilities result from customer payments in advance of the satisfaction of the associated performance obligations and relates primarily to prepaid maintenance or other recurring service. Deferred revenue is released as revenue is recognised. Contract assets and deferred revenues are reported on a contract-by-contract basis at the end of each reporting period. Revenue recognised in the year relating to amounts recognised as a contract liability at the beginning of the year was £139.8m (2023: £99.1m).

Contract cost

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

	As at 29 Feb 24 £000	*As at 28 Feb 23 £000*
Commission fees which are included in 'Prepayments'	**14,327**	*13,225*
Amounts charged to the profit and loss for the year	**4,071**	*3,806*

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

Transaction price allocated to the remaining performance obligations

The total amounts of contractually committed revenues that are due to be recognised as we satisfy performance obligations in future years is £284 million (2023: £283 million). We expect to recognise £200 million in the next 12 months (2023: £208 million), £71 million in 2 to 3 years (2023: £60 million) and £13 million (2023: £15 million) in more than 3 years. A large proportion of the Group's revenue is transactional in nature or is annually renewed maintenance and these are not included where there is no contractual commitment.

No amounts have been excluded from theses disclosures using possible practical expedients.

4. Employee costs

	Year Ended 29 Feb 24			*Year Ended 28 Feb 23*		
	Continued operations	**Discontinued operations**	**Total**	*Continued operations*	*Discontinued operations*	*Total*
	£'000	**£'000**	**£'000**	*£'000*	*£'000*	*£'000*
				(Restated)	*(Restated)*	*(Restated)*
Wages and Salaries	124,791	10,360	135,151	122,020	10,252	132,272
Social security costs	13,395	475	13,870	13,093	596	13,689
Other pension costs	5,421	47	5,468	5,630	59	5,689
	143,607	10,882	154,489	140,743	10,907	151,650

See note 2 for details regarding the restatement as a result of an error.

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

	No.	**No.**	**Total**	*No.*	*No.*	*Total*
Operations	**1,210**	**97**	**1,307**	*1,277*	*53*	*1,330*
Development	**992**	**9**	**1,001**	*881*	*34*	*915*
Sales and marketing	**375**	**3**	**378**	*413*	*17*	*430*
Management and administration	**176**	**2**	**178**	*281*	*4*	*285*
	2,753	**111**	**2,864**	*2,852*	*108*	*2,960*

5. Net finance income / (expense)

Recognised in profit or loss

	Year Ended 29 Feb 24 £000	*Year Ended 28 Feb 23 £000*
Finance income		
Fair value gain on cross-currency swaps	-	*44,999*
Total finance income	**-**	*44,999*
Finance expense		
Capitalised borrowing costs amortised	**3,600**	*2,003*
Interest on leases	**971**	*1,201*
Fair value loss on cross-currency swaps	**23,908**	*-*
Interest payable on borrowings	**114,598**	*81,122*
Total finance expense	**143,077**	*84,326*

6. Loss before income tax

	Year Ended 29 Feb 24 £000	*Year Ended 28 Feb 23 £000*
Loss before income tax is stated after charging / (crediting):		
Amortisation of intangible assets		
Amortisation of acquired intangible assets	**49,284**	*50,490*
Amortisation of capitalised development costs	**11,214**	*8,800*
Depreciation of property, plant and equipment		
Depreciation- owned assets	**4,235**	*4,081*
Depreciation- leased assets	**2,278**	*4,045*
Other items in loss before tax		
Net foreign exchange (gain) / loss	**(16,444)**	*39,054*
Research and development expenditure	**22,346**	*28,357*
Goodwill impairment charges	**-**	*430,558*

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

	Year Ended 29 Feb 24 £000	*Year Ended 28 Feb 23 £000*
Fee payable to PricewaterhouseCoopers LLP for the audit of the:		
-consolidated financial statements	**230**	*200*
-subsidiary financial statements	**595**	*563*
Non-audit fees payable to PricewaterhouseCoopers LLP	**980**	*8*

7. Income tax expense / (credit)

7.1 Income tax recognised in profit or loss

	2024 £000	*2023 £000*
Current tax		
Current tax	**1,565**	*7,376*
Adjustments for prior period	**(9,662)**	*1,529*
Total corporation tax	**(8,097)**	*8,905*
Deferred tax		
Current period	**(32,628)**	*(18,528)*
Adjustments in respect of prior year	**12,878**	*(6,257)*
Change in tax rates	**-**	*(3,468)*
Total deferred tax	**(19,750)**	*(28,253)*
Total tax credit	**(27,847)**	*(19,348)*

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

7.1 Income tax recognised in profit or loss (continued)

	2024 £000	*2023 £000*
Factors affecting the tax expense / (credit)		
Loss before tax	**(133,495)**	*(539,247)*
Tax using the Company's domestic tax rate of 25% (2023:19%)	**(33,374)**	*(102,457)*
Expense not deductible	**768**	*91,258*
Group relief	**-**	*270*
Income not taxable	**-**	*(2,568)*
Change in tax rate	**-**	*(6,257)*
Difference in Overseas tax rate	**287**	*223*
Adjustments from previous periods	**3,216**	*(1,939)*
Deferred tax not recognised	**1,256**	*2,122*
Total tax expense	**(27,847)**	*(19,348)*

The Group reported a total tax credit of £27.8 million (2023: £19.3 million) as a result of UK tax charges of £nil million (2023: £5.3 million) overseas tax charges of £1.6 million (2023: £2.0 million), a deferred tax credit relating to timing differences of £32.6 million (2023: £18.5 million), adjustments to current and deferred taxes reported in prior years of £3.2 million (2023: £1.9 million credit), and the impact of increases in the UK tax rate on deferred tax liabilities of £nil million (2023: £6.2 million credit).

8. Discontinued operations

On 9 January 2024, the Company entered into a Sale and Purchase Agreement ("SPA") with IBM for the divestment of the Application Modernization Capabilities division of the Group.

The Application Modernization Capabilities division was not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statement of profit or loss and OCI has been represented to show discontinued operation separately from continuing operations.

An analysis of the Application Modernization Capabilities division results, now classified as a discontinued operation, during the year ended 29 February 2024 and 28 February 2023 is as follows:

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
(Loss) / profit from discontinued operations		
Revenue	**22,383**	*27,078*
Administrative expenses	**(84,421)**	*(85,870)*
Operating profit from discontinued operations	**(62,038)**	*(58,792)*
Finance expenses	**(1,871)**	*(1,450)*
Loss before income tax from discontinued operation	**(63,909)**	*(60,242)*
Tax expense	**1,399**	*(1,637)*
Loss after tax from discontinued operations	**(62,510)**	*(61,879)*
Total comprehensive expense attributable to:		
Owners of the parent	**(62,510)**	*(61,879)*

Discontinued administrative expenses includes £51.0 million (2023: £62.5 million) of impairments. The current year impairment relates to the impairment of value of held for sale assets to proceeds less costs to sell and prior year relates to the portion of goodwill impairment applicable to the disposed operations.

Cash flows from discontinued operations:

The statement of cash flows includes the following amounts relating to discontinued operations:

	2024 £000	*2023 £000*
Net cash generated from / (used in) operating activities	**2,604**	*320*
Net cash generated from financing activities	**(1,871)**	*(1,450)*
Net cash from discontinued operations	**733**	*(1,130)*

9. Assets and liabilities classified as held for sale

Assets classified as held for sale

	As at 29 February 2024 £000
Property, plant and equipment	78
Intangible assets	175,470
Deferred tax assets	4
Trade and other receivables	3,725
Cash and cash equivalents	3,221
Current income tax	72
Total assets of disposal group held for sale before impairment	**182,570**
Impairment recognised in the year	(50,799)
Total assets of disposal group held for sale after impairment	**131,771**

	2024 £000
Liability classified as held for sale:	
Deferred tax liabilities	12,637
Deferred income	4,172
Trade and other payables	10,237
Total liabilities of disposal group held for sale	**27,046**

10. Goodwill

Group

	Year ended 29 February 2024 £000	*Year ended 28 February 2023 £000*
Cost		
At 1 March	**1,642,207**	*1,611,937*
Acquisitions through business combinations	**-**	*29,273*
Foreign exchange on overseas operations	**(1,685)**	*997*
Assets classified as held for sale	**(186,941)**	-
At 29 February / 28 February	**1,453,581**	*1,642,207*
Accumulated impairment		
At 1 March	**493,025**	-
Assets classified as held for sale	**(62,467)**	-
Impairment recognised in the year	**-**	*493,025*
At 29 February / 28 February	**430,558**	*493,025*
Net Book Value		
Net book value	**1,023,023**	*1,149,182*
	1,023,023	*1,149,182*

Allocation of goodwill to cash generating units

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

- Software
- IT managed services (ITO).

Impairment Assessment

The Group tests goodwill and intangibles, by comparing the carrying value of the CGU against the value-in-use calculations, for any impairment on an annual basis. The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions.

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

- Forecast operating cash flows are based on the board approved long range plan to 29 February 2028 with an additional year to FY29 being based on the assumptions in the long range plan.
- Growth rate to perpetuity – 2.0% for all CGUs (2023: 2.0%).
- Discount rate – 10.28% for all CGUs (2023: 10.08%).
- Revenue growth rate – External expert data shows that the OneAdvanced Total Addressable Market (TAM) growth in our target markets is expected to grow at a compound annual growth rate of 23% during the long-range plan period. Our revenue growth rate has been modelled using this underlying assumption with a conservative approach.

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

Applying the key assumptions, there is no Goodwill impairment charge for the year ended 29 February 2024 (2023: £493.0 million).

The Group also performs sensitivity analysis on the key assumptions of forecast revenue growth along with the discount rate, long term growth rate and cash conversion. The following table demonstrates the rates for the key assumptions which would suggest an impairment indicator.

	Recoverable amounts £m	Net recoverable surplus £m	Reduction in recoverable amount due to reduction in forecast revenue growth rates per annum of 1.5% for Software and 1.0% for ITO £m	Reduction in recoverable amount due to an increase in the discount rate of 0.8% for Software and 3.7% for ITO £m	Reduction in recoverable amount due to a decrease in the cash conversion rate of 7.0% for Software and 23.0% for ITO £m
Software	1,658	144	(192)	(153)	(160)
ITO	24	7	(13)	(7)	(7)

11. Intangible assets

	Customer relationships £000	Technology £000	Trademarks £000	IP R&D and Other £000	Research and development £000	Favourable leases £000	Total £000
Cost							
At 1 March 2022	427,160	230,694	102,932	3,000	21,868	101	785,755
Acquired through business combinations	13,589	7,251	762	-	-	-	21,602
Eligible development costs capitalised	-	-	-	-	13,330	-	13,330
Foreign exchange movement	221	199	7	-	-	-	427
At 28 February 2023	440,970	238,144	103,701	3,000	35,198	101	821,114
Assets classified as held for sale	(37,100)	(25,700)	(11,200)	-	-	-	(74,000)
Eligible development costs capitalised	-	-	-	-	14,606	-	14,606
Foreign exchange movement	(360)	(333)	(14)	-	-	-	(707)
At 29 February 2024	**403,510**	**212,111**	**92,487**	**3,000**	**49,804**	**101**	**761,013**

11. Intangible assets (continued)

	Customer relationships £000	Technology £000	Trademarks £000	IP R&D and Other £000	Research and development £000	Favourable leases £000	Total £000
Accumulated amortisation and impairment							
At 1 March 2022	47,874	53,261	17,944	1,003	5,770	93	125,945
Charged in year	22,951	24,708	7,849	583	8,800	8	64,899
At 28 February 2023	70,825	77,969	25,793	1,586	14,570	101	190,844
Charged in year	23,097	24,674	7,473	514	10,340	-	66,098
Assets classified as held for sale	(8,150)	(11,291)	(3,563)	-	-	-	(23,004)
At 29 February 2024	**85,772**	**91,352**	**29,703**	**2,100**	**24,910**	**101**	**233,938**
Net book value							
At 28 February 2023	370,145	160,175	77,908	1,414	20,628	-	630,270
At 29 February 2024	317,738	120,759	62,784	900	24,894	-	527,075

Expenditure on research and development in the period was £36,952k (2023: £41,687k) of which £14,606k (2023: £13,330k) relating to the development of new products was capitalised. There are no contracted commitments for the acquisition of intangible assets.

12. Property, plant and equipment

	Land and buildings £000	Computer equipment and other £000	Fixtures and fittings £000	Total £000
Cost or valuation				
At 1 March 2022	2,957	15,291	2,832	21,080
Additions	395	3,868	411	4,674
Acquired through business combinations	18	41	88	147
Disposals	-	(445)	(280)	(725)
At 28 February 2023	3,370	18,755	3,051	25,176
Additions	-	3,234	537	3,771
Disposals	(2,665)	(5,560)	(2,537)	(10,762)
Assets classified as held for sale	-	(283)	-	(283)
Adjustments and reclassifications*	2,182	(1,403)	(108)	671
At 29 February 2024	**2,887**	**14,743**	**943**	**18,573**

	Land and buildings £000	Computer equipment and other £000	Fixtures and fittings £000	Total £000
Accumulated depreciation and impairment				
At 1 March 2022	965	8,255	2,832	12,052
Charge for the year	159	3,512	466	4,137
Disposals	-	(399)	(280)	(679)
At 28 February 2023	1,124	11,368	3,018	15,510
Charge for the year	346	3,573	396	4,315
Disposals	(2,121)	(5,211)	(2,238)	(9,570)
Assets classified as held for sale	-	(205)	-	(205)
Adjustments and reclassifications*	1,562	1,808	(2,699)	671
At 29 February 2024	**911**	**11,333**	**(1,523)**	**10,721**
Net book value				
At 28 February 2023	2,246	7,387	33	9,666
At 29 February 2024	1,976	3,410	2,466	7,852

12. Property, plant and equipment (continued)

* This relates to an adjustment to the presentation of cost and depreciation of the company's fixed asset and does not impact the carrying value of the assets.

There is no contractual commitments for the acquisition of property, plant and equipment.

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

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Land and buildings £000	Computer equipment and other £000	Total £000
Cost			
At 1 March 2022	22,261	1,557	23,818
Additions	1,269	-	1,269
Onerous leases	(2,712)	-	(2,712)
At 28 February 2023	**20,818**	**1,557**	**22,375**
Additions	2,123	-	2,123
Disposals	(7,737)	(1,557)	(9,294)
Foreign exchange	(108)	-	(108)
At 29 February 2024	**15,096**	**-**	**15,096**
Accumulated depreciation			
At 1 March 2022	(8,432)	(482)	(8,914)
Charge for the year	(3,178)	(867)	(4,045)
At 28 February 2023	**(11,610)**	**(1,349)**	**(12,959)**
Charge for the year	(2,153)	(125)	(2,278)
Disposals	7,410	1,474	8,884
Foreign exchange	(122)	-	(122)
At 29 February 2024	**(6,475)**	**-**	**(6,475)**
Net book value			
At 28 February 2023	**9,208**	**208**	**9,416**
At 29 February 2024	**8,621**	**-**	**8,621**

12. Property, plant and equipment (continued)

Lease liabilities

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
As at beginning of the year	**16,121**	*18,297*
Additions	**2,123**	*1,270*
Payments	**(4,485)**	*(4,980)*
Interest	**971**	*1,201*
Disposals	**(2,257)**	*-*
Foreign exchange	**(187)**	*333*
As at year end	**12,286**	*16,121*
Current	**2,052**	*2,579*
Non- current	**10,234**	*13,542*
As at year end	**12,286**	*16,121*

The incremental borrowing rate used to calculate the right of use assets is 6.37% (2023: 7.05%).

	Year Ended 29 February 2024 £000	*Year Ended 28 February 2023 £000*
Amounts recognised in the statement of profit or loss		
Computer equipment depreciation	**125**	*867*
Land and building depreciation	**2,153**	*3,178*
Depreciation charged on Right-of-use assets	**2,278**	*4,045*
Interest expenses (included in finance cost)	**971**	*1,201*

Total cash outflow for leases in the year was £4,485k (2023: £4,980k).

13. Investments

	2024 £000	*2023 £000*
Investments	**517**	*517*
	517	*517*

	Shares in Joint Venture £000
Cost	
At 1 March 2023	517
At 29 February 2024	517
Net book value	
At 28 February 2023	517
At 29 February 2024	517

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

The Group's subsidiary undertakings at 29 February 2024 of more than 50%, either directly or indirectly, are as disclosed below:

Undertaking	Country of registration or incorporation	Principal activities	Direct Holding	Indirect Holding
Air Bidco Limited	England & Wales	Holding company	-	100 %
Aston US Finco LLC	USA	Holding company	-	100 %
Cloud Trade Inc	USA	IT managed service	-	100 %
ADV Management Services Limited	England & Wales	Non-trading	-	100 %
Advanced 365 Limited	England & Wales	IT managed service	-	100 %
Advanced Business and Healthcare Solutions India Private Limited	India	Software development	-	100 %
Advanced Business Software and Solutions Limited	England & Wales	Software development	-	100 %
Advanced Business Software and Solutions Pte Limited	Singapore	Software development	-	100 %
Advance Systems Access Control Solutions Limited	Ireland	Software development	-	100 %

Advanced Chorus Application Software Limited	England & Wales	Dormant	-	100 %
Decision Time Limited*	England & Wales	Non-trading	-	100 %
Keyword Logic Ltd*	England & Wales	Dormant	-	100 %
Pellcomp Software Limited*	England & Wales	Non-trading	-	100 %
Advanced Computer Software Group Limited	England & Wales	Holding company	-	100 %
Advanced Health and Care Limited	England & Wales	Software development	-	100 %
Advanced Legal Solutions Limited*	England & Wales	Non-trading	-	100 %
Advanced Ticketing Limited*	England & Wales	Non-trading	-	100 %
Alphalaw Limited	England & Wales	Holding company	-	100 %
Aston Finco SARL	Luxembourg	Group services	-	100 %
Aston Bidco (Holding) Limited	Jersey	Holding company	100 %	-
Belmin Group Limited	England & Wales	Dormant	-	100 %
Business Systems Group Holdings Limited	England & Wales	Holding company	-	100 %
Careworks Technology Holdings Limited	Ireland	Holding company	-	100 %
Careworks Limited*	Ireland	IT Managed service	-	100 %
CareWorks (UK) Ltd*	England & Wales	Non-trading	-	100 %
CareDirector USA LLC	USA	Software development	-	100 %
Single Cell Mobile Consulting Pty Limited	Australia	Software development	-	100 %
SWL Australia Pty Limited	Australia	Software development	-	100 %
Cobaltside Limited	Ireland	Software development	-	100 %
Compass Computer Consultants Limited*	England & Wales	Non-trading	-	100 %
Computer Software Group Limited*	England & Wales	Non-trading	-	100 %
Computer Software Holdings Limited	England & Wales	Holding company	-	100 %
Consultcrm Limited*	England & Wales	Non-trading	-	100 %
Trinity Software Limited*	England & Wales	Dormant		100 %
CSG Bidco Limited	England & Wales	Holding company	-	100 %
CSG EquityCo Limited	England & Wales	Holding company	-	100 %
CSG Midco Limited	England & Wales	Holding company	-	100 %
CSG Shareholder Debtco Limited	England & Wales	Holding company	-	100 %
Drury Lane (Jersey) Limited	Jersey	Holding company	-	100 %
Fabric Technologies Limited*	England & Wales	Dormant	-	100 %

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2024**

KHL Newco Limited	England & Wales	Holding company	-	100 %
Kirona Holdings Limited	England & Wales	Holding company	-	100 %
Kirona Solutions Limited**	England & Wales	Non-trading	-	100 %
Kirona France SARL	France	Software development	-	100 %
Xmbrace Limited	England & Wales	Dormant	-	100 %
Laserform International Limited	England & Wales	Dormant	-	100 %
ModSys International Limited	Israel	Holding Company	-	100 %
Liraz Systems Limited	Israel	Holding Company	-	100 %
Liraz Systems Export (1990) Limited	Israel	Holding Company	-	100 %
MS Modernisation Services UK Limited	England & Wales	Software development	-	100 %
Modern Systems Corporation	USA	Holding company	-	100 %
MS Modernisation Services Inc	USA	Software development	-	100 %
Modernization Services SRL	Romania	Dormant	-	100 %
Advanced Application Modernisation Inc	Canada	Software development	-	100 %
Opsis Limited	Ireland	Software development	-	100 %
Opsis Practice Management Solutions Limited*	England & Wales	Non-trading	-	100 %
Oyez Professional Services Limited*	England & Wales	Non-trading	-	100 %
PCTI Technologies Limited	Ireland	Dormant	-	100 %
PCTI Investments Limited	England & Wales	Dormant	-	100 %
PCTI Solutions Limited*	England & Wales	Non-trading	-	100 %
Redac Limited	England & Wales	Holding company	-	100 %
Science Warehouse Limited*	England & Wales	Non-trading		100 %
Transoft Group Limited	England & Wales	Software development	-	100 %
V1 Limited*	England & Wales	Non-trading	-	100 %
Waterlow Business Supplies Limited	England & Wales	Dormant	-	100 %
Tikit Limited	England & Wales	Software development	-	100 %
Tikit Inc	USA	Software development	-	100 %
Clear Review Limited*	England & Wales	Software development	-	100 %
Clear Review Inc	USA	Software development	-	100 %
The National Will Register Limited	England & Wales	Software development	-	100 %
Certainty National Will Register Limited*	England & Wales	Non-trading	-	100 %
Mitrefinch Holdings Limited	England & Wales	Holding Company	-	100 %
Mitrefinch Limited	England & Wales	Software development	-	100 %
Mitrefinch LLC	USA	Software development	-	100 %

Mitrefinch US Holdings Inc	USA	Holding company	-	100 %
Mintrefinch Inc	USA	Software development	-	100 %
Mitrefinch (Aus) Pty Limited	Australia	Software development	-	100 %
Advance Systems International Ltd	Ireland	Software development	-	100 %
Advance Systems Access Control Solutions	Ireland	Software development	-	100 %
Bksb Limited*	England & Wales	Non-trading	-	100 %
Smart Apprentices Limited*	England & Wales	Non-trading	-	100 %
Cloud Trade Technologies Limited*	England & Wales	Non-trading	-	100 %
Isosec Limited*	England & Wales	Non-trading	-	100 %
Advanced Legal Solutions Inc	USA	Software development	-	100 %
OneAdvanced, Inc	USA	Software development	-	100 %

* These entities have been hived up during the year as part of the legal entity rationalisation process. Refer to note 30.

**Companies in liquidation.

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

Undertaking:	Registered address
Advanced Application Modernisation Inc	Suite 1700, Park Place, 666 Burrard Street, Vancouver BC,V6C 2XB, Canada
Advanced Business Software and Solutions Pte Limited	60 Albert Street #15 - 01, OG Albert Complex, Singapore, 189969
Aston Bidco (Holding) Limited	26 New Street, St Helier, JE2 3RA
Aston Finco Sarl	18, rue Erasme, L - 1468 Luxembourg
Cobaltside Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24 Ireland
GB Systems Limited	CMS Cameron McKenna, 6 Queens Road, Aberdeen, AB15 4ZT
Liraz Systems Export (1990) Ltd	34 Keren Hayesod, Kfar Shmaryahu 4691000, ISRAEL
Liraz Systems Ltd	34 Keren Hayesod, Kfar Shmaryahu 4691000, ISRAEL
Modern Systems Corporation	3455 Peachtree Road NE, Suite 500
Advanced Business & Healthcare Solutions India	Fortune Summit, 2nd floor 'A' Wing # 244, HSR Layout, 6th Sector, Hosur Main Road, Bangalore 560068, India
ModSys International Ltd	34 Keren Hayesod, Kfar Shmaryahu 4691000, ISRAEL
Modernizaion Services SRL	Calea Floreasca 169A, Corp A, Et. 4, Birou 2001 A, Sector 1, Bucuresti, ROMANIA, 014472
MS Modernisation Services Inc	3455 Peachtree Road NE, Suite 500
Opsis Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24 Ireland
One Advanced Inc.	3455 Peachtree Road NE, Suite 500 Atlanta, GA 30326
Advanced Legal Solutions Inc	3455 Peachtree Road NE, Suite 500 Atlanta, GA 30326
Tikit Inc	199 Bay Street, 5300 Commerce Court West, Toronto, Ontario, Canada, M5L 1B9
Advance Systems International Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24
Advance Systems Access Control Solutions	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24
Mitrefinch LLC	3455 Peachtree Road NE, Suite 500 Atlanta, GA 30326
Mitrefinch (Aust) Pty Limited	Unit 30, Homebush Business Village, 11-21 Underwood Road, Homebush, NSA 2140, Australia
Mitrefinch Inc	3455 Peachtree Road NE, Suite 500Atlanta, GA 30326
Careworks Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24 Ireland
Careworks Technology Holdings Limited	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24 Ireland
Aston US Finco LLC	401 Congress Ave #3100, Austin, TX, 78701
CareDirector USA LLC	Corporation Trust Center, 1209 Orange St, Wilmington, New Castle, DE 19801
Cloud Trade Inc	3455 Peachtree Road NE, Suite 500 Atlanta, GA 30326
Drury Lane (Jersey) Limited	PO Box 1075, JTC House, 28 Esplanade, St Helier, Jersey, JE2 3QA
Kirona France SARL	Parc D'Activities La Folie Couvrechef, 18 Rue Bailey 14000, Caen, Normandy, France
PCTI Technologies	Unit 4L, The Square Industrial Complex, Tallaght, Dublin 24 Ireland

Single Cell Mobile Consulting Pty Limited	C/o BDO, Level 10, 12 Creek St, Brisbane QLD 4000
SWL Australia Pty Limited	C/o BDO, Level 10, 12 Creek St, Brisbane QLD 4000
Clear Review Inc	3455 Peachtree Road NE, Suite 500 Atlanta, GA 30326

14. Derivative financial instruments

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Non-current		
Derivative financial instrument liability - cross currency swaps	**-**	*12,764*
	-	*12,764*
Current		
Derivative financial instruments liability - cross currency swaps	**36,672**	-
	36,672	-

The Group has entered into multicurrency financing facilities with Morgan Stanley, Goldman Sachs and HSBC to largely hedge the USD debt in cross-currency swaps thus limiting the Group's exposure to USD/GBP exchange variances. The cross currency swaps expire in August 2024 for Morgan Stanley and February 2025 for Goldman Sachs. The cross currency swaps largely hedge the USD currency fluctuations. In 2024 the group settled certain cross currency swap derivatives by way of a cash settlement generating a fair value loss on cross-currency swaps of £23.9 million (2023: £45.0 million gain).

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

15. Inventories

	As at 29 Feb 2024 £000	As at 28 Feb 2023 £000
Hardware	**665**	*847*
	665	*847*

There are provisions of £23k against this inventory at 29 February 2024 (2023: £Nil).

Inventories recognised as an expense and included within administrative expenses during the year ended 29 February 2024 amounted to £3.1 million (2023: £3.7 million).

16. Trade and other receivables

	As at 29 Feb 2024 £000	As at 28 Feb 2023 £000
Trade receivables	**79,511**	*97,412*
Other debtors	**2,589**	*3,947*
Corporation tax	**9,089**	-
Amounts owed from related parties	**3,592**	*3,236*
Prepayments	**25,609**	*29,040*
Accrued income	**6,701**	*37,963*
	127,091	*171,598*

Trade debtors are stated after provisions for impairment of £19.5 million (2023: £16.0 million).

17. Cash and cash equivalents

	As at 29 Feb 2024 £000	As at 28 Feb 2023 £000
Bank deposit accounts	**26,603**	*31,375*
	26,603	*31,375*

18. Share capital

Allotted, authorised, issued and fully paid:

	2024 Number	2024 £000	2023 Number	2023 £000
Shares treated as equity				
Ordinary shares of £0.01 each	**1,266,854,173**	**12,669**	*1,266,853,973*	*12,669*
	1,266,854,173	**12,669**	*1,266,853,973*	*12,669*

During the financial year, the Company issued to its immediate parent company Aston Intermediate Co Limited, 100 ordinary shares at £0.01 each for a consideration of £20m on 28 July 2023 and 100 ordinary shares at £0.01 each for a consideration of £30m on 13 October 2023.

19. Reserves

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

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

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

20. Trade and other payables

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 (restated) £000*
Trade creditors	**16,747**	*17,185*
Other taxation and social security	**3,012**	*3,113*
Other creditors	**1,837**	*2,108*
Amounts owed to group undertakings	**3,966**	*4,050*
Accruals	**38,502**	*33,188*
VAT	**9,962**	*7,232*
	74,026	*66,876*

See note 2 for details regarding the restatement as a result of an error.

21. Deferred income

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Current deferred income	**92,080**	*139,789*
Deferred income falling due after 1 year	**6,909**	*2,153*
	98,989	*141,942*

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

22. Loans and borrowings

Group

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Non-current		
Bank loans	**1,057,875**	*1,007,572*
Unamortised loan issue costs	**(6,205)**	*(9,878)*
	1,051,670	*997,694*

22. Loans and borrowings (continued)

Current

Bank loans	**7,749**	*70,293*
Unamortised loan issue costs	**(3,398)**	*(3,398)*
	4,351	*66,895*

Bank loans

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

- A first Lien loan of
  - $330 million ($316.8 million outstanding as at 29 February 2024 (2023: $320.1 million) with quarterly principal repayments of 1%, the balance payable on 9th October 2026
  - £495 million (£477.2 million outstanding as at 29 February 2024 (2023: £482.0 million) with quarterly principal repayments of 1%, the balance payable on 9 October 2026 and
  - £75 million revolving credit facility (£75 million outstanding as at 29 February 2024 (2023: £62.4 million), the facility expires on 9 October 2026

- A second Lien loan of:
  - $115 million ($115 million outstanding as at 29 February 2024 (2023: $115 million)) falling due on 9th October 2027
  - £175 million (£175 million outstanding as at 29 February 2024 (2023: £175 million)) falling due on 9th October 2027

The interest rates on the first and second Lien loans vary between 4.37% and 8.37% over SOFR and SONIA.

First Lien Leverage Ratio. Except with the written consent of the Required Revolving Lenders, the First Lien Leverage Ratio as of the last day of and for any Test Period may not be greater than 7.60 to 1.00. This was amended from 7.65 to 1.00 as a part of the RCF extension. However, this provision is only in effect when the aggregate principal amount of outstanding Revolving Loans (solely to the extent in excess of £10,000,000 in the aggregate) exceeds 40% of the aggregate Revolving Commitments of all Lenders on the last day of the test period i.e., exceeds £30m.

As part of the extension of the RCF noted previously, an additional covenant was put in place requiring a minimum level of liquidity to be in place of £15m at a point-in-time at quarter end. The covenants are monitored on a regular basis and have not been exceeded.

22. Loans and borrowings (continued)

In October 2019, an agreement was reached with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross-currency swap thus limiting the Group's exposure to USD/GBP exchange variances (note 14).

Refinancing

On 26 May 2023 and 6 December 2023, the group made drawdowns from the revolving credit facility of £12.6 million and £15 million respectively.

On 31 October 2023, the group repaid the Revolving Credit Facility ("RCF") by £15 million. The RCF balance at 29th February 2024 amounted to £75 million (2023: £62.4 million). The RCF balance was paid down to £nil post year end following the sale of AppMod.

The unamortised amounts of fees capitalised remaining in the statement of financial position at 29th February 2024 amounted to £9.6 million (2023: £13.3 million).

23. Financial instruments

23.1 Fair value measurements

Contractual maturities of financial liabilities

As at 29 February 2024

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total financial liabilities
	£'000	£'000	£'000	£'000	£'000
Loans and borrowings					
Term loan - Lien 1 £495m	4,889	4,889	467,380	-	477,158
Term loan - Lien 1 $330m	2,609	2,609	245,254	-	250,472
RCF - Lien 1	-	-	75,000	-	75,000
Term loan - Lien 2 £175m	-	-	175,000	-	175,000
Term loan - Lien 2 $115m	-	-	90,923	-	90,923
Other loans	4	-	-	-	4
Future interest payments on loans and borrowings	110,008	109,254	101,454	-	320,716
Other non-derivative financial liabilities					
Trade creditors	16,747	-	-	-	16,747
Accruals and other creditors	44,305	-	-	-	44,305
Lease liabilities	2,052	1,798	4,585	3,852	12,287
Future interest payments on leases	756	635	1,222	359	2,972
Total non-derivative financial liabilities	**181,370**	**119,185**	**1,160,818**	**4,211**	**1,465,584**

23. Financial instruments (continued)

23.1 Fair value measurements (continued)

As at 28 February 2023

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total financial liabilities
	£'000	£'000	£'000	£'000	£'000
Loans and borrowings					
Term loan - Lien 1 £495m	4,889	4,889	472,269	-	482,047
Term loan - Lien 1 $330m	2,734	2,734	259,774	-	265,242
RCF - Lien 1	62,400	-	-	-	62,400
Term loan - Lien 2 £175m	-	-	175,000	-	175,000
Term loan - Lien 2 $115m	-	-	95,292	-	95,292
Other loans	287	-	-	-	287
Future interest payments on loans and borrowings	98,808	97,871	189,596	-	386,275
Other non-derivative financial liabilities					
Trade creditors	17,185	-	-	-	17,185
Accruals and other creditors	39,346	-	-	-	39,346
Lease liabilities	2,579	1,803	7,513	4,226	16,121
Future interest payments on leases	761	617	1,255	544	3,177
Total non-derivative financial liabilities	*228,989*	*107,914*	*1,200,699*	*4,770*	*1,542,372*

The future interest payments have been calculated based on the forecast maturity of the term loan and revolving credit facility shown above, using estimated interest rates of 9.89% (2023: 8.55%) for Lien 1 GBP, 9.70% (2023: 8.83%) for Lien 1 USD, 13.48% (2023: 12.02%) for Lien 2 GBP, 13.70% (2023: 12.83%) for Lien 2 USD and 3% (2023: 3.0%) on other loans.

23. Financial instruments (continued)

23.1 Fair value measurements (continued)

Interest sensitivity analysis

If the interest rates on the Group's loans and borrowings were to vary by 50 points, the effect of the future interest payment would be as follows for 29 February 2024:

	Within the next 12 months	Within one to two years	Within two to five years	More than five years	Total future interest payments
	£'000	£'000	£'000	£'000	£'000
Sensitivity on interest rate					
-0.50%	104,516	103,801	96,841	-	305,158
+0.0%	110,008	109,254	101,454	-	320,716
+0.50%	115,501	114,708	106,066	-	336,275

For the Year Ended 28 February 2023

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

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

	2024 £000	*2023 £000*
Cash and receivables		
Trade and other receivables*	**92,393**	*142,558*
Cash and cash equivalents	**26,603**	*31,375*
	118,996	*173,933*

*Trade and other receivables includes trade receivables, other debtors, amounts owed from related parties and accrued income.

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

23. Financial instruments (continued)

23.1 Fair value measurements (continued)

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

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

Customers
The Group provides services to Government-backed organisations and commercial businesses. A small proportion of revenue is generated outside of the UK

Management focuses strongly on working capital management and the collection of due invoices. Regular reports of overdue invoices are circulated amongst senior management and the Board reviews debtor days each month as part of the monthly reporting cycle. The risk with any one customer is limited by constant review of debtor balances and action to resolve any issues preventing discharge of obligations.

The table below shows the ageing of trade receivables:

	Current	1-3 months	3-6 months	6-12 months	> 12 months
	£'000	£'000	£'000	£'000	£'000
Ageing of trade receivables:					
Year ended 29 February 2024	34,530	24,654	9,694	8,150	2,483
Year ended 28 February 2023	47,215	31,973	10,550	4,942	2,734

Trade receivables is stated after allowance for expected credit loss of £19.6 million at 29 February 2024 (2023: £16 million) which is after a release in the period of £nil (2023: £nil). At the statement of financial position date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of the trade and other receivables in the statement of financial position.

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

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

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

23. Financial instruments (continued)

23.1 Fair value measurements (continued)

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

Interest rate risk
On the formation of the Group entered into multicurrency financing facilities (note 22). The interest rates on the facilities vary between 4.37% and 8.37% over SOFR and SONIA. In October 2019, an agreement was reached with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross currency swap thus limiting the Group's exposure to USD/GBP exchange variances.

	2024	2023
	%	%
Weighted average interest rate payable over SOFR/SONIA	5.65	5.55

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

Currency risk
The Group earns 4% of its revenue from outside the UK. It is Group policy not to enter into hedging arrangements to mitigate currency risk on revenue due to the disproportionate cost versus risk.

Cash and cash equivalents at 29 February 2024 included £2.5 million (2023: £2.0 million) and £1.8 million (2023: £0.9 million) denominated in USD and EUR respectively. If the exchange rate was to vary by 10% the effect would be as follows:
Sensitivity on exchange rate

	USD	EUR
	£'000	£'000
10%	202	153

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

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

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

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

23. Financial instruments (continued)

23.1 Fair value measurements (continued)

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

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

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

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

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

24. Deferred tax

The balance comprises temporary differences attributable to:

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Capital allowances in excess of depreciation	**(2,768)**	*2,920*
Acquired intangible assets	**(126,655)**	*(153,445)*
Taxation losses	**1,883**	*799*
Short term temporary timing	**217**	*3,035*
Non trading timing differences	**33,276**	*18,860*
	(94,047)	*(127,831)*

24. Deferred tax (continued)

	Assets / (Liability) to profit or loss As at 29 February 2024	Assets / (Liability) to profit or loss As at 28 Feb 2023
	£'000	£'000
Opening deferred tax liability	(127,831)	(151,835)
Credited to profit or loss - continuing	19,750	28,253
Credited to profit or loss - discontinuing	1,399	1,286
Deferred tax acquired on business combinations	-	(5,477)
Other	(2)	(58)
Transferred to held for sale	12,637	-
Total non-derivative financial liabilities	(94,047)	(127,831)

The following is an analysis of the deferred tax balances

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Deferred tax assets	**-**	*799*
Deferred tax liabilities	**(94,047)**	*(128,630)*
	(94,047)	*(127,831)*

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

The Group has an unrecognised deferred tax asset of £13.5 million (2023: £22.7 million) relating to timing differences of £nil million (2023: £9.3 million) and losses of £13.5 million (2023: £13.4 million). No deferred tax asset is recognised on these amounts as it is not regarded as more likely than not that there will be suitable taxable profits/gains against which they can be utilised in the future.

25. Provisions

	As at 29 Feb 2024 £000	*As at 28 Feb 2023 £000*
Dilapidations provision	**3,205**	*1,692*
Onerous contract provision	**2,623**	*2,985*
Contingent and deferred consideration	**450**	*6,025*
Cyber attack remediation	**5,755**	*2,741*
Commercial settlements	**6,807**	-
	18,840	*13,443*
Analysed as follows:		
Current	**13,968**	*8,315*
Non-current	**4,872**	*5,128*
	18,840	*13,443*

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

The provision for contingent and deferred consideration relates to amounts remaining payable for previous acquisitions and is repayable in April 2024.

The cyber attack remediation provision is for expected additional expenditure to be incurred in relation to the ransomware attack that took place in FY23.

The Group has recognised a provision in relation to certain commercial disputes with customers and suppliers. Legal reviews and discussions are ongoing to assess the validity of the claims and conclude on any settlements.

Provisions that are expected to unwind in more than 1 year are disclosed as non current. The non current provision relates to dilapidations in respect of buildings leased by the Group where the lease is expected to end in more than 1 year and onerous contracts.

25. Provision (continued)

	Dilapidations provision	Onerous lease provision	Onerous Contract provision	Contingent and deferred consideration	Cyber attack Provision	Commercial settlements	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
As at 1 March 2022	(2,230)	(60)	(2,648)	-	-	-	(4,938)
Amount utilised during the year	538	60	-	-	-	-	598
Additional provisions recognised	-	-	(337)	(6,025)	(2,741)	-	(9,103)
As at 28 February 2023	(1,692)	-	(2,985)	(6,025)	(2,741)	-	(13,443)
Utilised	195	-	-	5,575	1,113	-	6,883
Additional Provision	(1,708)	-	-	-	(4,127)	(6,807)	(12,642)
FX movement	-	-	362	-	-	-	362
As at 29 February 2024	**(3,205)**	**-**	**(2,623)**	**(450)**	**(5,755)**	**(6,807)**	**(18,840)**
Analysed as follows:							
Current	(956)	-	-	(450)	(5,755)	(6,807)	(13,968)
Non-current	(2,249)	-	(2,623)	-	-	-	(4,872)
	(3,205)	**-**	**(2,623)**	**(450)**	**(5,755)**	**(6,807)**	**(18,840)**

26. Pension commitments

The Group has no defined benefit pension schemes in place. The Group pays defined contributions into a Group Personal Pension Plan and certain individual pension plans. The assets of each of these plans are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group in the period and amounted to £5.5 million (2023: £5.7 million).

27. Ultimate parent company and controlling party

The immediate parent undertaking is Aston Intermediateco Limited.

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

28. Related party transactions

The Group has identified £2.4 million (2023: £1.2 million) of expenses from related parties during the period.

An amount of £4.0 million (2023: £4.1million) included in note 20 relates to amounts owed to related undertakings payable to Aston Intermediate Co. Ltd and Aston TopCo Limited, in relation to funding received for acquisitions.

The aggregate amount of remuneration and benefits of key management personnel of the Group, comprising of the Directors within the Group during the period was £2.2 million (2023: £1.7 million), including other benefits of £0.3 million (2023: £0.2 million).

	As at 29 Feb 24 Incurred	As at 29 Feb 24 Outstanding	As at 28 Feb 23 Incurred	As at 28 Feb 23 Outstanding
	£'000	£'000	£'000	£'000
Related parties				
Services from:				
Vista Equity Partners	322	215	305	50
Vista Consulting Group	996	324	412	165
BC Partners LLP	8	-	19	-
Cvent Europe Limited	72	2	89	-
Tibco Software Inc	-	-	159	-
Neopost	13	(5)	30	1
Office Depot	-	-	-	2
Datto Inc	35	25	23	-
Logic Monitor Inc	359	3	27	9
SmartBear (Ireland) Limited	34	-	-	-
ICIMIS Inc	73	-	76	-
Xactly Corporation	45	36	40	-
Elysium	69	-	66	17
SalesLoft, Inc	123	-	-	-
Pluralsight LLC	122	-	-	-
Marketo EMEA Ltd (USD)	79	-	-	-
Drift.com, Inc.	3	-	-	-
Aston Manco Limited	-	2,992	-	2,992
	2,353	3,592	1,246	3,236

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

29. One-off exceptional costs

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

	Year Ended 29 Feb 2024 £000	*Year Ended 28 Feb 2023 £000*
Type		
Acquisition costs	**322**	*1,042*
Transformation projects	**6,235**	*6,530*
Restructuring	**13,897**	*-*
Property rationalisation	**1,619**	*567*
Cyber attack remediation	**2,950**	*18,203*
Commercial settlements	**6,990**	*-*
OneAdvanced 3.0 strategy and rebrand	**8,201**	*-*
Impairment of goodwill	**-**	*430,558*
Total one-off exceptional costs	**40,214**	*456,900*

Transformation and property rationalisation costs
The Group has undertaken significant transformation projects during FY24, including finance systems implementation and legal entity rationalisation. These projects will deliver improvements and efficiencies in a number of functional areas including billing, credit control and financial reporting. The legal entity rationalisation will simplify processes and compliance requirements, further improving efficiency in back-office functions. During FY24, UK trading activity was hived into 4 go-forward entities which is The National Will Register Limited, Advanced Health and Care Limited, Advanced Business Software and Solutions Limited and Advanced 365 Limited. During FY25, international hive-up will also occur, with the intention of having one legal entity per trading jurisdiction.

In addition, the Group has continued the property rationalisation project to consolidate the Group's office properties and those of the businesses acquired. A number of offices were closed during FY24 with further settlements on offices no longer used, subject to ongoing discussions with the relevant landlords.

OneAdvanced 3.0 and restructuring
The Group has undergone a transformational change in strategy and repositioning of the business. The revised strategy was launched on 1st September 2023, with the repositioning launching shortly after the FY24 year-end.

This strategic change pivoted the go to market approach of the business to be vertical-sector focused from a historically product-focussed view. In order to align the company organisational structure to the strategic changes, a restructuring exercise was completed.

Costs relating to the reorganisation of the workforce to align to the revised go to market strategy are reflected as Restructuring. Third party costs relating to strategy development and rebranding are reflected as OneAdvanced 3.0 strategy and rebrand costs.

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

Commercial settlements
The Group has recognised a provision in relation to certain contractual disputes with customers and suppliers. Legal reviews and discussions are ongoing to assess the validity of the claims and conclude on any settlements.

Impairment of goodwill
After review of the future cash flows of our CGUs across the business it was concluded there would be no impairment to goodwill, see note 10 for more detail.

30. Events after the reporting date

Divestment of the Application Modernisation (AppMod) business to IBM

On 9 January 2024, the Group entered into a Share and Asset Purchase Agreement with International Business Machines Corporation (IBM) for the divestment of the Application Modernisation (AppMod) business. The transaction was structured as IBM acquiring the shares of OneAdvanced Inc., Modern Systems Corporation, MS Modernisation Services Inc. and MS Modernisation Services UK Limited (Including all Intellectual Property (IP) within then entities).

IBM also acquired the IP and certain assets of ModSys International Limited, Advanced Application Modernisation Inc., Transoft Group Limited and ModSys Modernisation Services SRL.

The sale was completed on 31 March 2024 with net sale proceeds of £112.7 million.

For these financial statements, the sale of AppMod has been recognised as a discontinued operation in the consolidated income statement and as an asset held for sale in the consolidated statement of financial position. Please see note 8 and 9 for further details and disclosures.

Legal Entity Rationalisation Process

Over recent years the Group has made a number of targeted acquisitions, both within the UK and across the rest of world. As a result, the Group structure has increased to over 100 legal entities across numerous jurisdictions. This volume of legal entities has presented challenges for the Group from an operational, financial and customer experience perspective.

During FY24 and into FY25, the Group engaged in a Legal Entity Rationalisation (LER) process to consolidate the trade within individual jurisdictions (hive up), in most instances, into one go-forward trading legal entity.

The hive up into the go-forward trading legal entities incorporates all trade, assets and liabilities of individual companies on a net book value basis.

Customers and suppliers have been notified of the hive up and change of contracting party.

The LER process and subsequent hive up does not impact the Group consolidated income statement or the consolidated statement of financial position as at 29 February 2024 and beyond as the investments and company positions are eliminated on consolidation. In addition, there has been no change in the assets owned by the Group or the value of underlying trade across the Group as a result of the LER process.

All entities are to be exited on a solvent basis via the appropriate methodology for the respective country.

31. Contingent liabilities

From time to time the Group is engaged in litigation in the ordinary course of business. Following the cyber security incident in FY23, the Group is awaiting final confirmation of the final outcome of the ICO investigation. For further details, please see note 29.