REGISTERED NUMBER: 03830932 (England and Wales)

Strategic Report, Directors' Report and

Financial Statements for the Year Ended 28 February 2018

for

Advanced Ticketing Limited

PricewaterhouseCoopers LLP
Registered Auditor &
Chartered Accountants
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Contents of the Financial Statements for the Year Ended 28 February 2018

Company Information
for the Year Ended 28 February 2018

DIRECTORS:	A W Hicks G J Wilson
REGISTERED OFFICE:	Ditton Park Riding Court Road Datchet Berkshire SL3 9LL
REGISTERED NUMBER:	03830932 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Registered Auditor & Chartered Accountants Cornwall Court 19 Cornwall Street Birmingham B3 2DT

Strategic Report
for the Year Ended 28 February 2018

The directors present their strategic report for the year ended 28 February 2018.

PRINCIPAL ACTIVITY
The principal activity of the Company during the year under review was that of an application service provider and is principally engaged in the development and provision of services to businesses involved in ticketing.

REVIEW OF BUSINESS AND PERFORMANCE MEASUREMENT
The results for the year and financial position of the Company are shown in the financial statements.

The Company is well-established, supplying software and services to the sports and entertainment markets. Its customers range from major premiership football clubs to smaller event and festival organisers. Revenues are generated by the sale of licences and services, software maintenance and transaction fees. The Company operates in both the UK and abroad through a network of agents. The Company is seeking to increase its customer base and is aligning its objectives to those of its customers by refining its on-line ticket selling software.

Three products constitute the Company's portfolio. TALENT is aimed at larger sports clubs and accounts for 86% of the revenue. The Venue and Web products are aimed at theatres, events and festival operators and accounts for the remaining 14% of revenue. In the reporting year 3% of revenue was achieved from licences (2017: 3%), 19% from services (2017: 19%) and 78% from recurring revenues (2017: 78%), with the remainder from other revenues.

During the reporting year, revenue decreased from £4,340,000 in the prior reported year to £3,864,000. The decreased revenue was from a handful of contracts ending during the financial year. The Company continued to invest in its employees to service the customers and ongoing projects; the benefit of which will be experienced in future years. Operating profit was £189,000 (2017: £862,000).

The strategy of the Company is to ally with its customers' online strategy allowing the company to strengthen its partner relationship with the customers. Software development is focussed on enabling customer's greater functionality to sell their products online whist enjoying the operational efficiencies that result. A number of initiatives are in place to assist customers with their online strategy aiming at year on year volume increases.

The average number of employees employed by the company in the year was 35 (2017: 39).

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

Financial Risk Management

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

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

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

Other Principal Risks and Uncertainties

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

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

Strategic Report - continued
for the Year Ended 28 February 2018

FUTURE DEVELOPMENTS

The directors believe that there is considerable scope for expansion and growth within the existing client base and market place as the benefits of being a member of a leading software group bear fruit.

ON BEHALF OF THE BOARD:

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A W Hicks - Director

Date: 10th August 2018

Directors' Report
for the Year Ended 28 February 2018

The directors present their report with the financial statements of the Company for the year ended 28 February 2018.

Reporting requirements on the Company's principal activities and future developments, its principal risks and uncertainties and its key performance can be found in the Strategic report on page 2.

DIVIDENDS
The directors do not recommend the payment of a dividend (2017: £nil).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 March 2017 to the date of this report.

A W Hicks
G J Wilson

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

POLITICAL DONATIONS AND EXPENDITURE
There were no political donations made during the year (2017: £nil).

EMPLOYEES
The Company is committed to offering equal employment opportunities and its policies are designed to attract, retain, and motivate the best staff regardless of gender, sexual orientation, race, religion, age or disability.

The Company encourages the participation of all employees in the operation and development of the business and has a policy of regular communications. The Company incentivises its employees and senior management through the payment of bonuses linked to performance objectives.

The Company has a wide range of other written policies, designed to ensure that it operates in a legal and ethical manner. These include policies related to health and safety, "whistle blowing", anti-bribery and corruption, business gifts, grievance, career planning, parental leave, systems and network security. All of the Company's policies are published internally.

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

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

o select suitable accounting policies and then apply them consistently;
o state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
o make judgements and accounting estimates that are reasonable and prudent; and
o prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

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

Directors' Report - continued
for the Year Ended 28 February 2018

INDEPENDENT AUDITORS
In accordance with section 485 of the Companies Act 2006 by ordinary resolution of the members PricewaterhouseCoopers LLP have been reappointed as auditors of the company.

ON BEHALF OF THE BOARD:

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A W Hicks - Director

Date: 10th August 2018

Independent Auditors' Report to the Members of Advanced Ticketing Limited (Registered number: 03830932)

Report on the audit of the financial statements

Opinion

In our opinion, Advanced Ticketing Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 28 February 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 28 February 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Independent Auditors' Report to the Members of Advanced Ticketing Limited (Registered number: 03830932)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
10 August 2018

Statement of Comprehensive Income for the Year Ended 28 February 2018

	Notes	2018 £'000	2017 £'000
TURNOVER	3	3,864	4,340
Cost of sales		(464)	(627)
GROSS PROFIT		3,400	3,713
Administrative expenses		(3,211)	(2,851)
OPERATING PROFIT	6	189	862

Operating profit may be analysed as follows:		
Operating profit before amortisation of goodwill	349	1,021
Amortisation of goodwill	(160)	(159)
OPERATING PROFIT	189	862

	Notes	2018 £'000	2017 £'000
Interest receivable and similar income	7	66	-
PROFIT BEFORE TAXATION		255	862
Tax on profit	8	(75)	(232)
PROFIT FOR THE FINANCIAL YEAR		180	630
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		180	630

The notes on pages 11 to 20 form part of these financial statements

Statement of Financial Position
28 February 2018

	Notes	2018 £'000	2017 £'000
FIXED ASSETS			
Intangible assets	9	2,095	2,255
Tangible assets	10	251	336
		2,346	2,591
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	4,714	3,502
Debtors: amounts falling due after more than one year	11	22	-
Cash at bank		73	524
		4,809	4,026
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(2,210)	(1,852)
NET CURRENT ASSETS		2,599	2,174
TOTAL ASSETS LESS CURRENT LIABILITIES		4,945	4,765
CAPITAL AND RESERVES			
Called up share capital	13	500	500
Retained earnings		4,445	4,265
TOTAL SHAREHOLDERS' FUNDS		4,945	4,765

The financial statements on pages 8 to 20 were approved by the Board of Directors on 10th August 2018 and were signed on its behalf by:

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A W Hicks - Director

Statement of Changes in Equity for the Year Ended 28 February 2018

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 March 2016	500	3,635	4,135
Changes in equity			
Total comprehensive income for the year	-	630	630
Balance at 28 February 2017	500	4,265	4,765
Changes in equity			
Total comprehensive income for the year	-	180	180
Balance at 28 February 2018	500	4,445	4,945

Notes to the Financial Statements
for the Year Ended 28 February 2018

1. **ACCOUNTING POLICIES**

Basis of preparation
Advanced Ticketing Limited (the "Company") is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below in note 2.

The financial statements have been prepared on the historical cost basis.

The Company has considerable financial resources together with long contracts with a number of UK based customers and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current economic outlook. The Directors have a reasonable expectation that the Company has adequate resource to continue in operational existence for the foreseeable future.

The directors have reviewed the cash flow forecasts of the Group and consider there to be sufficient resources to allow the Group to meet its obligations for the foreseeable future (being a period of not less than twelve months from the date of signing the financial statements). Therefore the directors continue to adopt the going concern basis in preparing the annual financial statements.

The Company's parent undertaking Air Newco 1 Société Anonyme à Responsabilité Limitée ("Air Newco 1"), includes the Company in its consolidated financial statements. The consolidated financial statements of Air Newco 1 are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 19 Rue De Bitbourg, L-1273, Luxembourg.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Air Newco 1 include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

1. **ACCOUNTING POLICIES – continued**

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company's revenues are derived from the sale of software product licences, the associated consultancy services, hardware, maintenance, managed services and supplies of third party software. All revenue is reported exclusive of value added tax.

The Company will only recognise revenue when:

- persuasive evidence of an arrangement exists. This is typically a signed contract or customer purchase order;
- the price to the customer is fixed or determinable;
- delivery has occurred; and
- collectability is reasonably assured and there are no material outstanding conditions or contingencies attaching to the receipt of monies due.

The Company recognises revenue on each element of a contract as follows:
- software product licence - revenue is recognised when risks and rewards have passed to the customer and there is no significant ongoing obligation on the group. Where software is sold as part of a bundled arrangement, the group allocates revenue to each component based on its fair value;
- hardware - revenue is recognised on delivery of the goods;
- consultancy services (including training) - the group performs a number of professional services to its customers. These can include implementation and configuration of the software and training of the customer's staff. Revenue is recognised as the services are performed;
- product maintenance - The group provides software updates to its customers as part of the ongoing maintenance contract. Revenue is recognised rateably over the duration of the contract; and
- managed services - Where the group provides hosting services, revenue is recognised rateably over the duration of the contract.

Typically, a number of the above elements maybe sold together as a bundled contract. Revenue is recognised separately for each component if it is considered to represent a separable good or service and a fair value can be reliably established.

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

Revenues for arrangements that involve significant modification, or customisation of the software maybe recognised based on achievement of contract specific milestones, or using the percentage of completion method depending on the terms of the contract. The group determines the stage of completion based on an assessment of direct labour costs incurred to date as a percentage of total estimated project costs required to complete the project.

If collectability is not reasonably assured at the outset of a contract, the group defers revenue and only recognises revenue on receipt of the cash and to the extent that it has discharged its obligations under the contract.

Deferred revenues primarily relate 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 to three years.

Interest receivable and Interest payable
Interest payable and similar charges include interest payable from intercompany and bank loans. Interest receivable and similar income include interest receivable on intercompany lending.

Interest income and interest payable are recognised in Statement of Comprehensive Income as they accrue, using the effective interest method. Dividend income is recognised in the Statement of Comprehensive Income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1. ACCOUNTING POLICIES - continued

Goodwill
Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Patents and trademarks
Patents and trademarks are included at cost and amortised in equal annual instalments over the useful economic life of the asset. Any impairment is written off immediately.

Amortisation
Amortisation is charged to the Statement of Comprehensive Income on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents and trademarks (5 years). The basis for choosing these useful lives is the expected life over which we derive a benefit from the asset.
- Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangibles are being amortised evenly over their estimated useful life of nil years.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their expected useful economic lives as follows:

Fixtures and equipment	- 33% on cost
Computer equipment	- 33% on cost

Taxation
Tax on the profit or loss the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies
Transactions in foreign currencies are translated to the Company's functional currency 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 retranslated to the functional currency at the foreign exchange rate ruling at that date. 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. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

1. ACCOUNTING POLICIES - continued

Operating leases
Payments (excluding costs for services and insurance) made under operating leases are recognised in the Statement of Comprehensive Income on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the Statement of Comprehensive Income over the term of the lease as an integral part of the total lease expense.

Defined contribution plans and other long term employee benefits
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Financial guarantee contracts
Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

Key sources of estimation uncertainty
The Company considers the following uncertain estimations as at balance sheet date that may have any material impact on the carrying amounts of its assets and liabilities in applying the Company's accounting policy:

Revenue recognition
Revenue for arrangements that involve significant modification or customisation of the software may be recognised based on achievement of contract-specific milestones. The Company determines the stage of completion based on an assessment of direct labour costs incurred to date as a percentage of total estimated project costs required to complete the project.

If collectability is not reasonably assured at the outset of a contract, the Company defers revenue and only recognises revenue on receipt of the cash and to the extent that it has discharged its obligations under the contract.

Impairment of goodwill
The Company is required to test goodwill for potential impairment on an annual basis. The recoverable amount is determined based on value in use calculations which require the estimation of future cash flows and the selection of a discount rate.

Useful lives of tangible and intangible assets
Intangible and tangible assets are amortised or depreciated over their useful lives. These useful lives are based on management's estimates of the length of the period that the assets will generate revenue. These estimates are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the Statement of Comprehensive Income in specific periods.

Provisions
A provision is recognised in the Statement of Financial Position when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. In arriving at estimates for provisions, judgements are made, in particular with regard to timing and amount. Calculations are based on anticipated future cash flows relating to the relevant event, which are estimated by management and where appropriate supported by the use of external advisers.

Taxation
The Company is subject to UK corporate taxation and judgement is required in determining the provision for income and deferred taxation. The Company recognises taxation assets and liabilities based upon estimates and assessments of many factors including past experience, advice received on the relevant taxation legislation and judgements about the outcome of future events. To the extent that the final outcome of these matters is different from the amounts recorded, such differences will impact on the taxation charge made in the Statement of Comprehensive Income in the period in which such determination is made.

Critical accounting judgements in applying the Company's accounting policies
The Company does not consider there to be any critical accounting judgements involved in applying the Company's accounting policies.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company.

An analysis of turnover by class of business is given below:

	2018	2017
	£'000	£'000
Licences	98	123
Consultancy	734	811
Maintenance & managed services	3,032	3,388
	3,864	4,340

No material part of the revenue was derived from outside of the UK for the year ended 2018 or 2017.

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£'000	£'000
Wages and salaries	1,787	1,879
Social security costs	215	210
Other pension costs	56	62
	2,058	2,151

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

	2018	2017
Sales	8	7
Technical	27	31
Admin	-	1
	35	39

The company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the profit and loss account in the period to which they relate.

The total charged to income represents contributions paid to those schemes by the Company at rates specified in the rules of the plan.

5. DIRECTORS' EMOLUMENTS

	2018	2017
	£	£
Directors' remuneration	-	-

The directors are also directors of other companies in the Air Newco Group. These directors' services to the Company do not occupy a significant amount of their time and as such the directors do not consider that they have received any remuneration for their incidental services to the Company during the year (2017: nil). The directors are remunerated for their services to this Company by another Group company.

6. **OPERATING PROFIT**

The operating profit is stated after charging:

	2018	2017
	£'000	£'000
Hire of plant and machinery	185	90
Depreciation - owned assets	107	96
Goodwill amortisation	160	159
Auditor's remuneration - audit of the financial statements	9	8
Research and development	864	777

Amounts receivable by the company's auditors and their associates in respect of the audit of these financial statements of associated is £9,000 (2017: £8,000).

7. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018	2017
	£'000	£'000
Inter-company loan interest	66	-

8. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax	13	(3)
Prior year adjustment	3	-
Total current tax	16	(3)
Deferred tax:		
Deferred tax timing difference	75	189
Change in tax rate	(8)	63
Prior year adjustment	(8)	(17)
Total deferred tax	59	235
Tax on profit	75	232

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £'000	2017 £'000
Profit before tax	255	862
Profit multiplied by the standard rate of corporation tax in the UK of 19.08% (2017 - 20%)	49	172
Effects of:		
Expenses not deductible for tax purposes	37	6
Adjustments to tax charge in respect of previous periods	(5)	(17)
Other timing differences	2	11
R&D credit	-	(3)
Movement in deferred tax	(8)	63
Total tax charge	75	232

8. TAXATION - continued

Factors that may affect future tax charges
The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

Deferred taxes at the statement of financial position date have been measured using these enacted tax rates and reflected in these consolidated financial statements.

Deferred tax

	2018 £'000	2017 £'000
Unutilised tax losses	(781)	(830)
Depreciation in excess of capital allowances	(40)	(50)
Other timing differences	(2)	(2)
Deferred tax	(823)	(882)
Opening deferred tax asset	(882)	(1.117)
Deferred tax credit in the profit and loss account for the year	59	235
Closing deferred tax asset	(823)	(882)

9. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Intangibles £'000	Totals £'000
COST			
At 1 March 2017 and 28 February 2018	3,183	413	3,596
AMORTISATION			
At 1 March 2017	928	413	1,341
Amortisation for year	160	-	160
At 28 February 2018	1,088	413	1,501
NET BOOK VALUE			
At 28 February 2018	2,095	-	2,095
At 28 February 2017	2,255	-	2,255

10. TANGIBLE FIXED ASSETS

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1 March 2017	254	486	163	903
Additions	19	3	-	22
At 28 February 2018	273	489	163	925
DEPRECIATION				
At 1 March 2017	59	375	133	567
Charge for year	77	19	11	107
At 28 February 2018	136	394	144	674
NET BOOK VALUE				
At 28 February 2018	137	95	19	251
At 28 February 2017	195	111	30	336

11. DEBTORS

	2018 £'000	2017 £'000
Amounts falling due within one year:		
Trade debtors	902	892
Amounts owed by group undertakings	2,604	1,554
Corporation tax	3	3
Deferred tax asset	823	882
Prepayments and accrued income	382	171
	4,714	3,502
Amounts falling due after more than one year:		
Other debtors	22	-
Aggregate amounts	4,736	3,502

Amounts owed by group undertakings include an amount of £1,825,000 (2017: £1,000,000) bearing interest at LIBOR plus 4%. All amounts are unsecured and repayable on demand.

Trade debtors are stated after provisions for impairment of £18,000 (2017: £13,000).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	31	206
Amounts owed to group undertakings	22	-
Corporation tax	18	-
Other taxation and social security	50	59
VAT	144	123
Accruals	745	507
Deferred income	1,200	957
	2,210	1,852

All amounts owed to group undertakings are unsecured, do not bear interest and are repayable on demand.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
500,000 (2017: 500,000)	Ordinary	£1.00	500,000	500,000

14. CONTINGENT LIABILITIES

The Company had guaranteed bank borrowings of fellow group undertakings. Following the acquisition of the ACS Group by Air Bidco Limited on the 19 March 2015 the Company became an obligor to a new banking facility comprising a first Lien loan of $323,000,000 ($312,000,000 outstanding as at 28 February 2018) and £108,000,000 (£104,000,000 outstanding as at 28 February 2018) amortising at 0.25% per quarter with the balance payable on 19 March 2022, an undrawn $50,000,000 revolving credit facility repayable on 19 March 2021 and a second Lien loan of $194,000,000 falling due on 19 March 2023. The first and second Lien loans are listed on the Channel Islands Securities Exchange. The interest rates on both loans vary between 5.5% and 9.5% over LIBOR. In April 2015, an agreement was reached with Morgan Stanley, Goldman Sachs and HSBC to hedge 100% of the USD debt in a cross currency swap, which is held within Air Bidco Limited, another group company, thus limiting the Group's exposure to USD/GBP exchange variances.

The Company is registered for Value Added Tax (VAT) as part of a single VAT registration within the group. The representative member of the VAT group is Advanced Computer Software Group Limited. The Company has disclosed its liabilities in respect of VAT payable within current liabilities. All the members of the group remain jointly and severally liable for any VAT debts.

RE-FINANCING

On 8 June 2018 the Company refinanced its bank Loans. Lead arrangers for the transaction were Morgan Stanley Senior Funding Inc, Goldman Sachs Lending Partners LLC and HSBC Bank Plc.

The first lien USD term loan was increased to $325m from $323m, the first lien GBP term loan was increased to £282m from £108m and the revolving credit facility of $50m was reconfirmed. The maturity of the revolving credit facility was extended to 31 May 2023 (from 15 March 2020) and the maturity of the term loans were extended to 31 May 2024 (from 15 March 2022).

The existing cross currency swaps were terminated resulting in a receipt of £44.5m. New cross currency swaps were taken out to hedge 100% of the first lien USD term loan limiting the Group's exposure to USD/ GBP exchange variances.

The interest rate on the refinanced loans are between 3.75% and 4.75% over LIBOR which marks a substantial reduction from the previous financing of between 5.5% and 9.5% over LIBOR.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

16. ULTIMATE CONTROLLING PARTY

The immediate parent company is Computer Software Holdings Limited, a company registered in England and Wales.

The parent company of the largest group in which the Company is included in consolidated financial statements is that of Air Newco 1 Société Anonyme à Responsabilité Limitée, a company registered in Luxembourg.

The consolidated financial statements of Air Newco 1 Société Anonyme à Responsabilité Limitée are available to the public from 19 Rue De Bitbourg, L-1273, Luxembourg.

The ultimate holding company and controlling party is Vista Fund V Limited Partnership, managed by Vista Equity Partners, which is registered with the SEC as a Registered Investment Advisor under registration number 801-73726.