



Achilles Information Limited

Report and financial statements

30 April 2020

Registered No. SC137975

Achilles Information Limited

Company information

Company registration number

SC137975

Directors

J Katzen

J O'Donnell

Secretary

S Patrick

Auditor

KPMG LLP

2 Forbury Place

33 Forbury Road

Reading

RG1 3AD

Banker

Lloyds Bank Plc

City Office

Gillingham

Kent

ME8 0LS

Registered Office

50 Lothian Road

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Achilles Information Limited

Strategic report

The directors present their Strategic Report for the year ended 30 April 2020.

Principal activities and review of the business

The Company's principal activities during the year continue to be the identifying, evaluating and management of supplier information networks on behalf of major global organisations. Achilles provides a neutral, collaborative and critical network between buyers and sellers within several industry sectors. This community network model increases procurement efficiency in a more cost effective way than any individual company can achieve on its own. Buyers are able to actively monitor and manage their global supply chain using verified, accurate and standardised supplier information which enables the management of supply chain risk, increased efficiency and improved decision making.

The Company, through its products and services, aims to demonstrate leadership in Corporate Responsibility, providing practical solutions to contemporary problems related to globalization, sustainable development, and corporate responsibility in a multi-stakeholder context.

We continue to review our environmental policies and seek at all times to meet our legal obligations in this regard.

The Company's parent (Achilles Group Limited) is a participant of the United Nations Global Compact, which seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation and help deliver a more sustainable and inclusive global economy.

The Company's key financial and other performance indicators performances during the year were as follows:

| | 2020 £'000 | 2019 £'000 | Change % |
|--|----------------|----------------|-------------|
| Revenue | 27,592 | 29,791 | -7 |
| Cost of sales & admin expenses | (25,894) | (29,311) | |
| Provision for amounts owed by Group undertakings | (972) | - | -100 |
| EBITDA* | 726 | 480 | +230 |
| Depreciation and amortisation | (4,075) | (4,557) | |
| Operating loss | (3,349) | (4,077) | -18 |

* EBITDA is defined as Earnings before Interest Depreciation and Amortisation

In the year ended 30 April 2020 revenue decreased by 7% (2019: 10.6% decrease). year on year was primarily due to the prior years impact of loss of UK Rail Supplier Assurance business. Excluding the UK Rail Supplier Assurance business in the prior year revenues declined by -1% (2019: 1% decline) with the impact of COVID-19 contributing to most of the decline.

Achilles continues to make significant investment in the next advancement of its technology and product offering. These platforms offer customers a secure, flexible, scalable and resilient global platform for all their supplier data. The development of these technology platforms continues a programme of very significant change committed by Achilles as it defines the service and business model for providing high quality supplier data for effective risk management.

In the year ended 30 April 2020 EBITDA was £726,000 (2019: £480,000) with the increase in profit driven by a reduction in staffing costs resulting from prior year restructuring activities as the Company continues to transform its operations to support its Global customer base, and a significant reduction in operating costs. Achilles has adopted IFRS 16 in the year ending 30 April 2020 with the impact of adoption increasing reported EBITDA by £721,000.

The Company's net liabilities have increased during the year to £32,589,000 (2019: £30,478,000) primarily as a result of increases in amounts owed to Group undertakings due new Group financing arrangements entered into during the year which is only partially offset by the increase in development costs capitalised in connection with the next advancement of the Achilles technology and product offering.

Strategic report (continued)

Compliance with Section 172 of the Companies Act

The directors of the Company must act in accordance with a set of general duties in order to promote the success of the Company for the benefit of its members as a whole. These duties are detailed in Section 172 of the Companies Act 2006 and the sections that are relevant to our business are summarised below along with the actions undertaken by the Board to meet these requirements:

Strategic Aims and likely consequences in the long term

The Board has set out in the strategic report its view of the business environment in which the Company operates and its Business model. The strategy for achieving the Company's objectives is underpinned by the technological advances and improvements to customer service it is making for the provision of world class supply chain risk management services.

The strategy reflects the need to consider the interests of the Company's staff and external stakeholders, along with the need to keep pace with market developments and technological changes allowing the Company to be able to pursue opportunities and mitigate risks. Strategic priorities are cascaded down to individuals within the business through the process of personal objective setting for performance management.

The directors also give consideration to the risks facing the business and regularly review these taking the appropriate steps to safeguard the interests of its staff, customers and external stakeholders.

Employee interests and involvement

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. The Company regards employee communication as a vital business function. Communication and consultation is carried out via:

- Employee representatives are consulted regularly on a range of matters affecting their interests.
- Meetings with all members of staff
- Regular company updates either verbally or through electronic communications
- Periodic presentations are disseminated across the Company, which enhance our employees' understanding of the financial and economic factors affecting its performance.

Business relationships with customers, supplier and other stakeholders

Achilles customers are key to the long-term success of the business. We seek to maintain and grow our customer base through building and preserving a reputation as a leading provider of supply chain risk management solutions that can deliver Globally to its customers and Networks. The development of Achilles Networks brings together organisations across common sectors to agree a collective standard of qualification criteria for their supply chain and is built out on relationships that Achilles maintains and develops.

In addition, regular interactions are held with both Buyer and Supplier organisations including: Steering and Working Groups for Buyers, Supplier events aimed at "Meet the Buyers" and Industry wide events such as AchillesLive bringing together sector wide expertise for thought leadership and education.

Achilles Networks are supported by Technological investment as well service level agreements covering technology and customer service ensuring our customers can rely on the validated and assured data gathered by Achilles to enhance their decision-making process.

Transactions with our customers and suppliers are also ultimately controlled through application of our approved Schedule of Authorities policy that is set out and approved by the Board.

Achilles continues to invest in the training of our staff both to support their personal development and promote the quality of their interactions with customers, suppliers and colleagues. In addition the Board are committed to supporting our employees in response to COVID-19 ensuring that not only infrastructure needs are addressed but more importantly the wellbeing of our colleagues.

Strategic report (continued)

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

Achilles is committed to making all reasonable efforts to minimise the impact placed on the environment as a result of business activities. As an organisation we seek to reduce the burden placed on the environment through sustainable business practices and providing sustainable products and services globally by regularly reviewing the environmental aspects and impacts associated with the Company's activities and monitoring environmental performance and ensure a process of continual improvement is maintained.

Achilles is also committed to supporting the local community and provides employees with the ability for dedicated time to support local causes or charitable events as well as supporting many charities across all its locations through donations throughout the year that are nominated by its employees.

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

It is the Achilles' policy to conduct all business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, implementing and enforcing effective systems to counter bribery and corruption.

Achilles is also an equal opportunities employer and applications for employment by disabled persons are always fully considered. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Achilles is committed to the sustainability and performance of the businesses that we work with. We collect and validate supplier data and mitigate risks globally. This data-driven insight builds more secure, sustainable, better performing supply chains and we pride ourselves on being a responsible business committed to acting with integrity for our customers, our people, and the suppliers and buyers we serve throughout the world.

Our Anti-Slavery and Human Trafficking Policy reflects Achilles' commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place in our supply chain. Where necessary we provide guidance and training to support employee understanding of expected behaviour, particularly in respect of their business decisions and conflicts of interest. We aim to have the right policies, processes and procedures in place, and we are always looking to improve both in our own business and to help our customers expose and eliminate human rights abuses in their supply chains.

We also maintain an ongoing dialogue with our majority shareholder through formal communication of operational and financial information on a monthly basis, as well as through numerous other interactions periodically through the year. We use these interactions to ensure that both the strategic direction of the Company and the standards we maintain in conducting our business are aligned with the Company objectives and those of our external stakeholders

Achilles Information Limited

Strategic report (continued)

Principal risks and uncertainties

The directors have considered and reviewed business risks relating to Achilles Information Limited. The principal risks and uncertainties facing the Company are the same as those facing the Achilles Group as a whole and are stated below. The risks have remained unchanged from the prior year.

Development of innovative technology application used to support buyer and suppliers

The Company may take longer than expected to roll out its innovative technology application, impacting its ability to continue to grow and attract new customers.

Information Security

The Company's business would be exposed if it failed to maintain (i) sufficient information security processes to prevent data protection breach and or (ii) adequate back-up and recovery processes for important IT applications.

Competition

The entry into the market of new competitors and or the release of new products and services by competitors could drive down prices and/or increase churn. The Company's business performance could be impacted if several competitors are combined under common ownership.

Economy

The general economic conditions and other similar factors (access to credit, unemployment rates, consumer confidence and other macroeconomic factors) impact on the business. A challenging economic and financial situation and uncertainty regarding potential economic recovery could undermine customer demand. A loss of customers or a decline in sales could have an adverse effect on its financial position, results of operations and cash flow and may ultimately affect its ability to meet its growth targets.

Exchange rate risk

Fluctuations in exchange rates represent a risk because the Company's financial instruments are denominated in various foreign currencies. The Company seeks to mitigate this risk where practical by matching transactions and foreign currency assets and liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Cash flow forecasting is performed by the operating entities of the Group and aggregated by Group Finance. Group Finance monitors the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom to meet the repayment and covenant requirements on the bank borrowing facilities.

Credit risk

All potential areas of financial risk are regularly monitored and reviewed by the Directors. Preventative or corrective measures are taken as necessary. The credit risk of this Company is dependent on the recoverability of debts from the other Group Companies. The Directors do not consider there to be a risk of default occurring.

Brexit risk

The Board has been monitoring the developments in the negotiations between the UK and the EU and does not consider the impending exit by the UK from the EU to present a significant risk to the Company. There may be an impact on the wider Achilles Group however it is not clear from recent developments in the negotiations how service based providers may be impacted. The Group continues to monitor developments to mitigate any issues that may arise following the completion of Brexit.

Achilles Information limited

Strategic report (continued)

Principal risks and uncertainties (continued)

COVID-19 risk

Following the outbreak of the COVID-19 pandemic the Board have assessed the impact that this may have to its business model. Whilst the Board believe that there is no long-lasting risk to the Company's business model significant steps have been taken to safeguard the long term success of the Company and near term impact to the Company. These measures have strengthened the liquidity of the Company with fall back plans identified to ensure the ongoing success against its strategic aim and continue as a Going Concern for the foreseeable future.

The Board acknowledges that the uncertainty that the pandemic brings has a large bearing on the wellbeing of its employees and is committed to ensuring their safety and welfare. The Company has successfully transitioned to a full Work From Home (WFH) approach providing virtual support to our customers and will only promote the wider opening and return to office working when it feels that is appropriately safe to do so. The Company is committed to providing the supports its employee's require to ensure business continuity for its customers.

Future developments

The Company will continue to invest in and seek growth in its core activities, which are the delivery of services for sustainable procurement.

By order of the Board

J Katzen

Director

29 September 2020

Achilles Information Limited

Directors' report

The directors present the Report and the audited financial statements of the Company for the year ended 30 April 2020.

Future developments

Please refer to the Strategic report for a review of the Company's business and future developments.

Results and dividends

No payment of a dividend to ordinary shareholders (2019: nil) is proposed.

Financial instruments

The Company uses a variety of financial instruments including cash and various other items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Company's operations.

Main risks arising from the Company's financial instruments are exchange rate risk, liquidity risk and credit risk as set out in the Strategic Report.

Directors of the Company

The directors who served during the period were:

J Katzen

J O'Donnell

Going concern

Please see the accounting policies in Note 2 for a review of the Company's ability to continue as a going concern.

Research and development

The Company continues to carry out research and development in developing the technologies underpinning the IT platform upon which the services are delivered, pushing the boundaries of technology to ensure the solution is state-of-the-art.

Directors' liabilities

The Company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity remains in force as at the date of approving the Directors' report.

Disabled employees

Applications for employment by disabled persons are always fully considered. In the event of any member of staff becoming disabled every effort will be made to ensure that their employment with the Company continues. It is the policy of the Company that the career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee involvement

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. The Company regards employee communication as a vital business function. Communication and consultation is carried out via:

- Employee representatives are consulted regularly on a range of matters affecting their interests.
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Directors' report (continued)

Environmental reporting

Streamlined Energy & Carbon Reporting (SECR)

In accordance with new reporting requirements introduced by the UK government for accounting periods beginning on or after 1 April 2019, the greenhouse gas (GHG) emissions and energy use by Achilles operations in the UK during the financial period ending 30 April 2020 are recorded in the table below and include the carbon intensity metric, total gross emissions by unit turnover/revenue (tCO₂e/£M).

| | 30 April 2020 |
|---|------------------------------------|
| Energy consumption used to calculate emissions (kWh) | 1,539,064.68 |
| Gas (kWh) | 392,947.00 |
| Electricity (kWh) | 469,161.00 |
| Transport fuels (kWh) | 676,956.68 |
| Other energy sources (Scope 1 & 2) kWh | N/A |
| Emissions from combustion of gas tCO ₂ e (Scope 1) | 72.24 |
| Emissions from combustion of fuel for transport purposes tCO ₂ e (Scope 1) | N/A |
| Emissions from business travel in rental cars or employee-owned vehicles where company is | 162.67 |
| Emissions from purchased electricity tCO ₂ e (Scope 2, location-based) | 119.92 |
| Total gross emissions tCO ₂ e based on the above | 354.83 |
| Total gross emissions from above by unit turnover/revenue (tCO ₂ e/£M) | 12.86 |
| Methodology | ISO14064 Part 1 2018 and CEMARS |
| Emissions from other activities which the company owns or controls including operation of | N/A |
| Emissions from heat, steam and cooling purchased for own use tCO ₂ e (Scope 2) | N/A |
| Emissions from other activities tCO ₂ e (Scope 3): Electricity | 10.18 |
| Emissions from other activities tCO ₂ e (Scope 3): Transport - other | 652.86 |
| Total other emissions tCO ₂ e | 663.04 |
| Total gross Scope 1, Scope 2 & Scope 3 emissions tCO ₂ e | 1,017.87 |
| Total gross GHG emissions per unit turnover/revenue (tCO ₂ e/£M) | 36.89 |
| Third Party verification | Verified to ISO14064 Part 1 |

Achilles is committed to reducing energy consumption and using resources efficiently. Non-essential air travel is discouraged throughout the business, and the holding of virtual meetings has been supported by an increase in the provision of audio and video conferencing technology at every site. All flight travel requires review and authorisation by senior management. Other energy saving measures include the installation of extensive sections of energy efficient and sensor lighting at the main office site in Abingdon.

Achilles Information Limited

Directors' report (continued)

Disclosure of information to the Auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors is aware of that information .

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board



J Katzen
Director
29 September 2020

Registered Office
50 Lothian Road
Festival Square
Edinburgh
Scotland
EH3 9WJ

Achilles Information Limited

Statement of Directors' Responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably

Independent auditor's report to the members of Achilles Information Limited

We have audited the financial statements of Achilles Information Limited ("the company") for the year ended 30 April 2020 which comprise the Profit and Loss Account Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Achilles Information Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



William Smith (Senior Statutory Auditor)

for and on behalf of

KPMG LLP, Statutory Auditor

2 Forbury Place

33 Forbury Road

Reading

RG1 3AD

1 October 2020

Achilles Information Limited

Statement of comprehensive income for the year ended 30 April 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|--|-------|-----------------------|-----------------------|
| Revenue | 3 | 27,592 | 29,791 |
| Staff costs | | (22,513) | (23,270) |
| Depreciation and amortisation | | (4,075) | (4,557) |
| Impairment of trade and other receivables | | 61 | 90 |
| Provision against amounts owed by Group undertakings | | (972) | - |
| Other operating expenses | | (3,567) | (6,532) |
| Other operating income | | 125 | 401 |
| Operating loss | 4 | <u>(3,349)</u> | <u>(4,077)</u> |
| Finance income | 6 | 1,669 | 440 |
| Finance expense | 6 | <u>(536)</u> | <u>(504)</u> |
| Net financing income/(expense) | | 1,133 | (64) |
| Loss before tax | | (2,216) | (4,141) |
| Taxation | 7 | - | - |
| Loss after taxation | | <u><u>(2,216)</u></u> | <u><u>(4,141)</u></u> |
| Other comprehensive income | | - | - |
| Total comprehensive expense | | <u><u>(2,216)</u></u> | <u><u>(4,141)</u></u> |

All amounts relate to continuing operations.

The accompanying notes form part of these financial statements

Achilles Information Limited

Statement of Financial Position

at 30 April 2020

| | Notes | 2020 £'000 | 2019 £'000 |
|--|-------|-----------------|-----------------|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 2,302 | 259 |
| Intangible fixed assets | 9 | 20,015 | 13,542 |
| | | <u>22,317</u> | <u>13,801</u> |
| Current assets | | | |
| Trade and other receivables | 10 | 12,237 | 16,485 |
| Cash and cash equivalents | | 1,689 | |
| | | <u>13,926</u> | <u>16,485</u> |
| Current liabilities | | | |
| Trade Payables | | (1,774) | (3,036) |
| Other payables | 11 | (54,274) | (44,204) |
| Deferred Income | | (12,608) | (13,419) |
| Current liabilities | | <u>(68,656)</u> | <u>(60,659)</u> |
| Net current liabilities | | <u>(54,730)</u> | <u>(44,174)</u> |
| Total assets less current liabilities | | <u>(32,413)</u> | <u>(30,373)</u> |
| Non-current liabilities | | | |
| Provisions | 12 | (176) | (105) |
| Net liabilities | | <u>(32,589)</u> | <u>(30,478)</u> |
| EQUITY | | | |
| Called up share capital | 13 | 1,530 | 1,530 |
| Retained earnings | | (34,119) | (32,008) |
| Total shareholders' deficit | | <u>(32,589)</u> | <u>(30,478)</u> |

The financial statements of on pages 13 to 32 were authorised for issue by the Board of Directors on 29 September 2020 and we signed on its behalf by:


J Katagn
Director

Company registered number: SC137975

The accompanying notes form part of these financial statements

Achilles Information Limited

Statement of changes in equity

At 30 April 2020

| | Notes | Called – up share capital £'000 | Retained earnings £'000 | Total £'000 |
|--|-------|---------------------------------------|-------------------------------|-----------------|
| Balance as at 1 May 2018 | | 1,530 | (26,795) | (25,265) |
| Adjustment on initial application of IFRS 15 | 20 | - | (1,072) | (1,072) |
| Loss for the year | | - | (4,141) | (4,141) |
| Total comprehensive expense | | - | (4,141) | (4,141) |
| Balance as at 30 April 2019 | | 1,530 | (32,008) | (30,478) |
| Balance as at 1 May 2019 | | 1,530 | (32,008) | (30,478) |
| Adjustment on initial application of IFRS 16 | 20 | - | 105 | 105 |
| Loss for the year | | - | (2,216) | (2,216) |
| Total comprehensive expense | | - | (2,216) | (2,216) |
| Balance as at 30 April 2020 | | 1,530 | (34,119) | (32,589) |

The accompanying notes form part of these financial statements

Achilles Information Limited

Notes to the financial statements

At 30 April 2020

1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Achilles Information Limited for the year ended 30 April 2020 were authorised for issue by the Board of Directors on 29 September 2020 and the statement of financial position was signed on the Boards' behalf by J Katzen. Achilles Information Limited, a private company is incorporated, domiciled and registered in Scotland.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), in accordance with applicable accounting standards. The results of Achilles Information Limited are included in the consolidated financial statements of Achilles Group Holdings Limited a company incorporated in UK.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

2 Accounting Policies

Achilles Information Limited is incorporated and domiciled in Scotland.

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements and from the provision of further information of the activity of its investments as it is included in the consolidated financial statements of Achilles Group Holdings Limited. These financial statements present information about the Company as an individual undertaking and not about its group.

Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has adopted the following IFRSs in these financial statements:

- IFRS 16: Leases. (Note 20). This has been adopted using the modified retrospective method and as a result the comparatives have not been restated and are reported under IAS 17.

The results of Achilles Information Limited are included in the consolidated financial statements of Achilles Group Holdings Limited, a company incorporated in UK, and the Company's ultimate parent undertaking. The consolidated financial statements of Achilles Group Holdings Limited 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 its registered office: 30 Western Avenue, Milton Park, Abingdon, OX14 4SH, United Kingdom.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the Company.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

2 Accounting Policies (continued)

Basis of preparation (continued)

As the consolidated financial statements of Achilles Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

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

Going concern

The Company made a loss before tax of £2,216,000 in the year ended 30 April 2020 and as at the year-end has net current liabilities of £54,730,000 and net liabilities of £32,413,000. The company is a cross-guarantor of bank debt of its intermediate parent company, Achilles Holdco Limited, which is due for repayment in July 2022 (see below). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company is part of the Achilles Group ("The Group"). The Group meets its day to day working capital requirements through the use of cash on hand through term loans that are repayable in February 2022 and revolving credit facilities which have fixed repayment dates in July 2021 and February 2022. The directors have prepared projected cash flow information for a period of 18 months from the date of their approval of these financial statements and have considered sensitivities and the anticipated impact of COVID-19 on the operations and financial resources of the Group and Company. These forecasts assume that revenue will continue to be lower through to December 2020 before returning to usual levels from January 2021. This suggests that the Group will be able to continue to operate within its facilities, including having sufficient funding to continue the development of the new technology platform and repay the revolving credit facility in July 2021 and will be able to comply with its banking covenants.

In addition, the Directors have considered a severe plausible downside with the assumption of a slower recovery from COVID 19 suppressing revenues through FY20/21 with business returning to usual levels by May 2021. Taking into account this severe plausible downside, there is potential for a liquidity challenge in November 2021. If this were to be the case the Directors are able to defer the timing of capital expenditure and take additional cost mitigation actions which are in their control. Additionally, the Directors would look to extend the existing revolving credit facilities and the Group has access to additional facilities including unissued loan notes totalling £13m, subject to approval from the existing loan holders, which could be drawn down to give additional liquidity. These measures would provide sufficient liquidity headroom to meet the Group's cash flow requirements as and when required.

On the basis of this cash flow information and after discussions with the Group's owners, the directors consider that the Group will continue to operate within the facilities currently agreed and within the facilities that expire in July 2022, when the Group's owners are due to consider renewing the facility further. In addition, the Directors consider that the additional loan notes or alternative funding will be made available as and when required.

The Group's banking facilities carry covenants and these covenants are anticipated to be passed in the going concern period for both the base case and the severe plausible downside. However, should a covenant be breached and the debt fall due, the directors are confident that the amounts would not be called upon by the lenders and that should additional funding be required, this would be facilitated by the majority shareholder. As with any company which may be required to seek additional funding from its majority shareholder, the directors acknowledge that there can be no certainty that this support would be provided although, at the date of approval of these financial statements, they have no reason to believe that it would not be.

However, the Company has net current liabilities at the year end and the Company would require funding from the Group to settle these liabilities as they fall due. The ultimate parent company, Achilles Group Holdings Limited has indicated its intention to instruct its subsidiaries not to seek repayment of the amounts due at the balance sheet date for at least twelve months. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Achilles Information Limited

Notes to the financial statements

At 30 April 2019

2 Accounting policies (continued)

Going concern (continued)

Based on the above indications the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Intangible assets

Computer software and product development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs which are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the product include the product development employee costs and an appropriate portion of the relevant overheads. Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Business software systems are typically amortised over 3 – 5 years. Product development costs are amortised over the period during which the Company is expected to benefit, this period normally being 3 years. Amortisation is recorded as an administration expense.

Property Plant and Equipment

Property Plant and Equipment (PPE) are shown at historical cost net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

| | |
|-------------------------------|-----------------|
| Leasehold improvements | Period of lease |
| Right of use assets | Period of lease |
| Office and computer equipment | 3 years |

Assets in the course of construction are carried in the financial statements at cost and are not depreciated until commissioned and transferred into another asset category.

Impairment

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets are reviewed for possible reversal at each reporting date.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

2 Accounting Policies (continued)

Revenue from contracts with customers

IFRS 15 Revenue from Contracts with Customers was adopted by the Company on 1 May 2018. IFRS 15 is a converged standard from the IASB and FASB on revenue recognition. The standard aims to improve the financial reporting of revenue and improve comparability of the top line in financial statements globally. It introduces a five-step model to determine the nature, timing and amount of revenue recognised. These steps are:

- Identify contracts with customers
- Identify the separate performance obligations
- Determine the transaction price of the contract
- Allocate the transaction price to each of the separate performance obligations, and
- Recognise the revenue as each performance obligation is satisfied.

Subscription revenue

Revenue from annual buyer service contracts is recognised evenly over the period in which access to database is provided. Payments made in advance are deferred.

Revenue from annual supplier contracts is recognised as the risks and rewards are transferred to the customer which is deemed to be on a straight line over the life of the contract

Audit revenue

Revenue from the provision of audit services is recognised on completion of the audit and publication of the audit report.

Other revenue

Revenue from other one-off charges is recognised as the service is performed.

Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification

On initial recognition, a financial asset is classified as measured at: amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

2 Accounting Policies (continued)

Financial instruments (continued)

(ii) Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

(b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2 Accounting Policies (continued)

Financial instruments (continued)

(iii) Impairment

The company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and contract assets (as defined in IFRS 15).

The company measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.]

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

2 Accounting Policies (continued)

Taxation

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

Trade and other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment using the expected credit loss method under IFRS 9.

Trade and other Payables

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents included cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within creditors – amounts falling due within one year.

Provision for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and where the impact is material, are discounted using a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

Where leased properties are vacated, the Company provides for the best estimate of the future irrecoverable costs of its obligations under the leases.

The Company provides for its best estimate any outstanding holiday entitlement due to employees at year end.

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet 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 profit and loss account.

2 Accounting Policies (continued)

Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

2 Accounting Policies (continued)

Leases (continued)

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefit is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are included either as accruals or prepayments in the balance sheet.

Critical Accounting Estimates and Judgements

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

Development costs

Development costs are capitalised when they meet the criteria outlined in the accounting policy. These costs are amortised over the expected benefits of the business software system. As part of annual impairment of intangibles review, future cash flows and product plans are used which are based on estimates. The Company bases its assumptions and estimates on parameters available at the time of the annual review. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur and may give rise to a material change in the carrying value of the Developed costs.

Leases

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations, and hence at commencement of the lease, break or extension options are not typically considered reasonably certain to be exercised, unless there is a valid business reason otherwise.

The discount rate used to calculate the lease liability is the rate implicit in the lease, if it can be readily determined, or the lessee's incremental borrowing rate if not. Incremental borrowing rates depend on the term, country, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment; and an entity-specific adjustment where the entity risk profile is different to that of the Group.

Management have performed sensitivity analysis on the incremental borrowing rate used to calculate the lease liability.

| | Change in assumption | Change in lease liability |
|----------------------------|----------------------|---------------------------|
| | | £'000 |
| Incremental borrowing rate | +1% | 45 |
| Incremental borrowing rate | -1% | (47) |

Recoverability of trade and other receivables

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other receivables, management considers factors including the credit rating of receivable, the ageing profile of receivables and historical experience. See note 10 for the net carrying amount of the receivables and associated impairment provision.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

3 Revenue

All revenue is generated in the UK and arises from the identifying, evaluating and monitoring of supplier information on behalf of major organisations and training and consulting services.

4 Operating loss

Operating loss is stated after charging/(crediting):

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| R&D tax credit | (30) | (362) |
| Auditors' remuneration | | |
| - In respect of the audit of the Company | <u>65</u> | <u>70</u> |

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Achilles Group Holdings Limited.

5 Staff costs and numbers

| | 2020 £'000 | 2019 £'000 |
|-----------------------|---------------|---------------|
| Wages and salaries | 14,577 | 15,962 |
| Social security costs | 1,745 | 1,906 |
| Pension costs | <u>867</u> | <u>738</u> |
| | <u>17,189</u> | <u>18,606</u> |

Employees

The average monthly number of employees during the financial period was made up as follows:

| | 2020 | 2019 |
|------------------------|------------|------------|
| Administration | 42 | 40 |
| Information Technology | 97 | 77 |
| Assessment and Audit | 51 | 43 |
| Sales and Operations | <u>67</u> | <u>122</u> |
| | <u>257</u> | <u>282</u> |

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

5 Staff costs and numbers (continued)

Directors

Directors remuneration includes remuneration which has been borne by other group entities and the disclosure below incorporates the time spent by the directors performing qualifying services for the Company.

The Directors' emoluments were as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Aggregate emoluments | 387 | 248 |
| Company contributions to money purchase pension schemes | <u>4</u> | <u>3</u> |
| | <u>391</u> | <u>251</u> |

Highest paid Director

The highest paid Director's emoluments were as follows:

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Aggregate emoluments | 274 | 166 |
| Company contributions to money purchase pension schemes | <u>-</u> | <u>-</u> |
| | <u>274</u> | <u>166</u> |

The number of Directors who are member of pension schemes to which the Company made contributions was one (2019: one).

6 Finance income and expense

Finance income

| | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Bank interest income | - | - |
| Interest receivable from Group undertakings | 494 | 440 |
| Foreign exchange gains | <u>1,175</u> | <u>-</u> |
| | <u>1,669</u> | <u>440</u> |

Finance expense

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Bank interest payable | (137) | (94) |
| Interest expense on lease liabilities | (75) | - |
| Interest payable to Group undertakings | (324) | (368) |
| Foreign exchange losses | <u>-</u> | <u>(42)</u> |
| | <u>(536)</u> | <u>(504)</u> |

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

7 Taxation

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Current tax: | | |
| Group relief receivable | - | - |
| Foreign Taxation | - | - |
| Total current tax | - | - |
| Deferred tax: | | |
| Adjustment in respect of prior periods | - | - |
| Total deferred tax | - | - |
| Tax on loss | - | - |
| | 2020 £'000 | 2019 £'000 |
| Loss before tax | (2,216) | (4,141) |
| Loss multiplied by the standard rate of tax in the UK of 19% (2019: 19%) | (421) | (787) |
| Effects of: | | |
| -R&D expenditure credits | 49 | 99 |
| -Expenses not deductible for tax purposes | 26 | 55 |
| -Deferred tax not recognised | 346 | 633 |
| Total tax expense | - | - |

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax accordingly.

The Company has cumulative temporary differences of £23,851,000 (2019: £19,510,000) that are available indefinitely for offset against future taxable profits. Deferred tax assets have not been recognised in respect of these temporary difference as there is uncertainty over their recoverability in the short term.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

8 Property, plant and equipment

| | Leasehold properties £'000 | Office and computer equipment £'000 | Total £'000 |
|---|-------------------------------|---|---------------------|
| Cost | | | |
| At 1 May 2019 | 577 | 61 | 638 |
| Recognition of right-of-use asset on initial application of IFRS 16 (Note 14) | <u>2,863</u> | <u>-</u> | <u>2,863</u> |
| Adjusted balance at 1 May 2019 | 3,440 | 61 | 3,501 |
| Additions | <u>63</u> | <u>14</u> | <u>77</u> |
| At 30 April 2020 | 3,503 | 75 | 3,578 |
| Depreciation | | | |
| At 1 May 2019 | (318) | (61) | (379) |
| Provided during the year | <u>(895)</u> | <u>(2)</u> | <u>(897)</u> |
| At 30 April 2020 | (1,213) | (63) | (1,276) |
| Net book value at 30 April 2020 | <u>2,290</u> | <u>12</u> | <u>2,302</u> |
| Net book value at 30 April 2019 | <u>259</u> | <u>-</u> | <u>259</u> |

9 Intangible fixed assets

| | Business Software System £'000 | Total £'000 |
|--|--------------------------------------|----------------------|
| Cost | | |
| At 30 April 2019 | 41,598 | 41,598 |
| Additions – internally developed | 9,655 | 9,655 |
| Disposals | <u>(44)</u> | <u>(44)</u> |
| At 30 April 2020 | 51,209 | 51,209 |
| Accumulated amortisation and impairment | | |
| At 30 April 2019 | (28,056) | (28,056) |
| Amortisation | (3,182) | (3,182) |
| Disposals | <u>44</u> | <u>44</u> |
| At 30 April 2020 | (31,194) | (31,194) |
| Net book value at 30 April 2020 | <u>20,015</u> | <u>20,015</u> |
| Net book value at 30 April 2019 | <u>13,542</u> | <u>13,542</u> |

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

10 Trade and other receivables

| | 2020 | 2019 |
|------------------------------------|----------------------|----------------------|
| | £'000 | £'000 |
| Trade receivables | 2,233 | 1,530 |
| Amounts owed by Group undertakings | 8,121 | 12,168 |
| Other receivables | 1,068 | 1,161 |
| Prepayments and accrued income | <u>815</u> | <u>1,626</u> |
| | <u><u>12,237</u></u> | <u><u>16,485</u></u> |

11 Other payables

| | 2020 | 2019 |
|------------------------------------|----------------------|----------------------|
| | £'000 | £'000 |
| Amounts due in less than one year | | |
| Bank overdraft | - | 2,824 |
| Lease liabilities | 1,929 | - |
| Amounts owed to Group undertakings | 48,975 | 38,166 |
| Taxation and social security | 897 | 401 |
| Other payables | 558 | 791 |
| Accruals | <u>1,915</u> | <u>2,022</u> |
| | <u><u>54,274</u></u> | <u><u>44,204</u></u> |
| Amounts due in more than one year | | |
| | 2020 | 2019 |
| | £'000 | £'000 |
| Lease liabilities | <u><u>1,519</u></u> | <u><u>-</u></u> |

The bank overdraft attracts interest at the Bank of England base rate, is repayable on demand and is secured through a pledging of shares, a bond and floating charges over the current and future assets of the following group companies: Achilles Information Limited, Achilles Group Limited, Achilles Group Investments Limited and subsidiaries in Norway and Spain.

12 Provisions

| | 2020 | 2019 |
|----------------------|-------------------|-------------------|
| | £'000 | £'000 |
| Dilapidations | | |
| At 1 May | 105 | 105 |
| Provided in the year | <u>71</u> | <u>-</u> |
| At 30 April | <u><u>176</u></u> | <u><u>105</u></u> |

The dilapidation provision has been recognised for the estimated cost to restore its leased office accommodation to its original condition at the end of the respective lease terms. The provision has been measured at the present value of the estimated expenditure.

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

13 Allotted and issued share capital

| | 2020 £'000 | 2019 £'000 |
|--------------------------------------|---------------|---------------|
| Authorised share capital | | |
| 1,531,000 Ordinary shares of £1 each | <u>1,531</u> | <u>1,531</u> |
| Allotted and called-up | | |
| 1,530,336 Ordinary shares of £1 each | <u>1,530</u> | <u>1,530</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

14 Leases

Leases as a lessee (IFRS 16)

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (Note 8):

| Land and buildings | Land and buildings £'000 |
|----------------------------------|-----------------------------|
| Balance at 1 May 2019 | 2,863 |
| Depreciation charge for the year | <u>(771)</u> |
| Balance at 30 April 2020 | <u>2,092</u> |

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Group is a lessee:

| 2020 - Leases under IFRS 16 | £'000 |
|---|--------------|
| Interest expense on lease liabilities | 74 |
| Expenses relating to short-term leases | 1 |
| Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets | 1 |
| Expenses relating to variable lease payments not included in the measurement of lease liabilities | 13 |
| | £'000 |
| 2019 - Operating leases under IAS 17 | |
| Lease expense | <u>753</u> |

15 Pensions

Pension cost represent contributions made to Company money purchase pension schemes on behalf of its employees and Directors. At 30 April 2020 £109,000 (2019: £124,000) remained unpaid to the scheme.

16 Contingent liabilities

The Company is one of a number of obligors (guarantors) to a Senior Term and Revolving Facilities Agreement dated 23 October 2015. This agreement relates to the UK bank debts held by Achilles Holdco Limited, a parent company registered in England. Further to this agreement, the Company has provided security and pledges over its assets. The amount of debt outstanding at 30 April 2020 was £14,098,000 (2019: £19,389,000).

Achilles Information Limited

Notes to the financial statements (continued)

At 30 April 2020

17 Capital and other commitments

At 30 April 2020, the Company had no capital commitments (2019: £nil)

18 Related party transactions

Achilles Information Limited Nigeria is a fellow subsidiary by virtue of Achilles Group Limited holding 51% of the ordinary share capital of that Company.

During the year ended 30 April 2020 sales of £nil (2019: £Nil) were made to Achilles Information Limited Nigeria by the Company. At the year-end a balance of £nil (2019: £nil) was due to the Company from Achilles Information Limited Nigeria. A bad debt provision of £nil (2019: £nil) has been made in the Company against this debtor.

The Company has taken advantage of the exemption in IAS 24 *Related Party Disclosures* not to disclose transactions with wholly owned subsidiaries.

19 Controlling parties

The Company's immediate parent is Achilles Group Limited.

The Directors regarded Achilles Group Holdings Limited as the ultimate parent and controlling company.

According to the register maintained by the Company, a number of limited partnerships that are funds managed by Hg Pooled Management Limited (holding through a nominee company) together held a controlling interest in the ordinary shares of Achilles Group Holdings Limited at 30 April 2020. None of the individual limited partners investing through these limited partnerships have an ownership of more than 20% of the ordinary shares of the Company. The Directors are of the view that neither the general partner of the funds, nor the investment manager of the funds controls the Company.

Achilles Group Holdings Limited is the largest and smallest Group undertaking for which Group accounts are prepared and made publicly available at its registered office: 30 Western Avenue, Milton Park, Abingdon, OX14 4SH, United Kingdom.

20 Change in significant accounting policies

The Company has applied IFRS 16 using the modified retrospective with cumulative effect method – i.e. by recognising the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of equity at 1 May 2019. Therefore, the comparative information has not been restated and continues to be reported under IAS 17. Additionally, the disclosure requirements in IFRS 16 have not been generally applied to comparative information. The details of the significant changes and quantitative impact of the changes are set out below.

(a) Definition of a lease

Previously the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4: Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in note 1. On transition to IFRS 16, the Company elected to apply the practical expedient to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not previously identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 May 2019.

(b) As a lessee

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Only finance leases were then recognised on the balance sheet.

Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

Leases classified as operating leases under IAS 17

On transition, for operating leases under IAS 17, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 May 2019 (Note 14).

Right-of-use assets were measured at:

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Company applied this approach to all other leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Company used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular these were:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment);]
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

21 Events after the end of the reporting period

In July 2020 the Group's existing Bank Facilities agreement was extended to February 2022 with an extension to the agreement to provide to an additional RCF facility in response to the CV19 pandemic.