Registrar's Copy

MCSA Group Limited

Annual Report and Financial Statements

Year Ended

31 March 2019

Company Number 01421913

MCSA Group Limited

Company Information

Directors	S R May E A Dellinger
Registered number	01421913
Registered office	Greenwich 6 Mitre Passage Greenwich Peninsula London SE10 0ER
Independent auditor	BDO LLP Level 12 Thames Tower Station Road Reading Berkshire RG1 1LX

MCSA Group Limited

Contents

MCSA Group Limited

Group Strategic Report
For the Year Ended 31 March 2019

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2019.

Business review and principal activities

The principal activities of MCSA Group Limited are focussed on premium enterprise level IT Support Services, Managed Services and IT Solutions.

During the year to 31 March 2019, the company reported revenue of £32.5 million (2018 - £39.4 million).

Business environment and strategy

On 29 March 2019 Park Place Technologies (PPT) Limited acquired the company and its subsidiaries, enabling PPT to further expand its operations.

Principal risks and uncertainties

The retention and recruitment of a high-quality workforce is a critical element of the company's success and the business continues to invest in maintaining an industry-leading team of IT professionals.
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the accounts.

Financial risk management

The group's principal financial instruments comprise bank balances, trade creditors, trade debtors and finance lease agreements. The main purpose of these instruments is to raise funds and to finance the group's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks applicable to the financial instrument concerned are set out below:

In respect of bank balances, the liquidity risk is managed by maintaining a positive cash balance and making use of money market facilities where excess funds are available. The company is a lessee in respect of finance leased assets. The liquidity is managed by ensuring there are sufficient funds to meet payments as they fall due. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

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

S R May
Director 23 December 2019

The directors present their report and the financial statements for the year ended 31 March 2019.

Results and dividends

The loss for the year, after taxation, amounted to £786,676 (2018 - profit £616,776).

An interim dividend of £Nil (2018 - £250,000) was declared and paid to the shareholders during the year. Details of dividends are disclosed in note 11. There is no final dividend (2018 - £Nil).

Directors

The directors who served during the year were:

S L Brooke-Williams (resigned 29 March 2019)
P A Darraugh (resigned 29 March 2019)
M R Hodge (resigned 29 March 2019)
B J Timms (resigned 29 March 2019)
C J Timms (resigned 29 March 2019)
P R Timms (resigned 29 March 2019)
R J Timms (resigned 29 March 2019)
S R Timms (resigned 29 March 2019)
S R May (appointed 29 March 2019)
E A Dellinger (appointed 29 March 2019)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all of the directors of MCSA Group Limited.

Directors' responsibilities statement

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 the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and company and of the profit or loss of the group and 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 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.

Future developments

On 29 March 2019 Park Place Technologies, the world's largest post-warranty data centre maintenance firm, acquired the company and its subsidiaries, enabling Park Place Technologies to further expand its operations.

Park Place Technologies will leverage MCSA's proven track record to deliver a wide range of data centre and IT services, including MCSA's core expertise in hardware maintenance, reselling capabilities and its outstanding reputation for servicing customers in the public sector.

Financial risk management and objectives

In accordance with S.414C (11) of the Companies Act 2006 the directors' have opted to include this information in the strategic report.

Disclosure of information to auditor

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

Auditor

BDO LLP were appointed as auditors of the company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

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

S R May 23 December 2019
Director

MCSA Group Limited

Independent Auditor's Report to the Members of MCSA Group Limited

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Opinion

We have audited the financial statements of MCSA Group Limited ("the parent company") and its subsidiaries ("the group") for the year ended 31 March 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statement of financial position, the consolidated and company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2019 and of the group's loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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 financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Independent Auditor's Report to the Members of MCSA Group Limited (continued)

Responsibilities of directors

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

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

Auditor's 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 auditor's 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 Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Jonathan Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading
United Kingdom

23 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MCSA Group Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2019

	Note	2019 £	2018 £
Turnover	4	**32,454,869**	39,364,791
Cost of sales		**(22,628,262)**	(29,288,371)
Gross profit		**9,826,607**	10,076,420
Administrative expenses		**(10,905,662)**	(9,023,638)
Operating (loss)/profit	5	**(1,079,055)**	1,052,782
Interest receivable and similar income	8	**40,432**	7,288
Interest payable and similar charges	9	**(101,338)**	(117,204)
(Loss)/profit before taxation		**(1,139,961)**	942,866
Tax on (loss)/profit	10	**353,285**	(326,090)
(Loss)/profit and total comprehensive (loss)/income for the financial year		**(786,676)**	616,776

All amounts relate to continuing activities

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 15 to 37 form part of these financial statements.

MCSA Group Limited
Registered number: 01421913

Consolidated Statement of Financial Position
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		**78,671**		105,028
Tangible assets	13		**889,561**		830,617
			968,232		935,645
Current assets					
Stocks	15	**780,995**		813,776	
Debtors: amounts falling due within one year	16	**7,926,580**		10,453,619	
Cash at bank and in hand	17	**968,846**		5,328,364	
		9,676,421		16,595,759	
Creditors: amounts falling due within one year	18	**(10,725,215)**		(15,672,728)	
Net current (liabilities)/assets			**(1,048,794)**		923,031
Total assets less current liabilities			**(80,562)**		1,858,676
Creditors: amounts falling due after more than one year	19		**(101,890)**		(2,409,053)
Provisions for liabilities					
Deferred taxation	22		**-**		(19,144)
Net liabilities			**(182,452)**		(569,521)
Capital and reserves					
Called up share capital	23		**3,592**		3,000
Share premium account	24		**624,920**		-
Capital redemption reserve	24		**2,500**		2,500
Profit and loss account	24		**(813,464)**		(575,021)
Total equity			**(182,452)**		(569,521)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
23 December 2019

Stella R May

S R May
Director

The notes on pages 15 to 37 form part of these financial statements.

MCSA Group Limited
Registered number: 01421913

Company Statement of Financial Position
As at 31 March 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	12		**78,671**		105,028
Tangible assets	13		**889,561**		830,617
Investments	14		**301**		301
			968,533		935,946
Current assets					
Stocks	15	**780,995**		813,776	
Debtors: amounts falling due within one year	16	**7,926,480**		10,453,619	
Cash at bank and in hand	17	**968,846**		5,328,364	
		9,676,321		16,595,759	
Creditors: amounts falling due within one year	18	**(10,725,416)**		(15,673,029)	
Net current (liabilities)/assets			**(1,049,095)**		922,730
Total assets less current liabilities			**(80,562)**		1,858,676
Creditors: amounts falling due after more than one year	19		**(101,890)**		(2,409,053)
Provisions for liabilities					
Deferred taxation	22		**-**		(19,144)
Net liabilities			**(182,452)**		(569,521)
Capital and reserves					
Called up share capital	23		**3,592**		3,000
Share premium account	24		**624,920**		-
Capital redemption reserve	24		**2,500**		2,500
Profit and loss account	24		**(813,464)**		(575,021)
Total equity			**(182,452)**		(569,521)

Company Statement of Financial Position (continued)
As at 31 March 2019

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £786,676 (2018 - profit of £616,776).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
23 December 2019

S R May
Director

The notes on pages 15 to 37 form part of these financial statements.

MCSA Group Limited

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	3,000	-	2,500	(575,021)	(569,521)
Comprehensive loss for the year					
Loss for the year	-	-	-	(786,676)	(786,676)
Total comprehensive loss for the year	-	-	-	(786,676)	(786,676)
Share based payment charge	-	-	-	1,751,769	1,751,769
Shares issued during the year	592	624,920	-	-	625,512
Settlement of 2013 EMI Scheme	-	-	-	(1,203,536)	(1,203,536)
Total transactions with owners	592	624,920	-	548,233	1,173,745
At 31 March 2019	3,592	624,920	2,500	(813,464)	(182,452)

Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	3,000	2,500	(941,797)	(936,297)
Comprehensive income for the year				
Profit for the year	-	-	616,776	616,776
Total comprehensive income for the year	-	-	616,776	616,776
Dividends: equity capital	-	-	(250,000)	(250,000)
Total transactions with owners	-	-	(250,000)	(250,000)
At 31 March 2018	3,000	2,500	(575,021)	(569,521)

The notes on pages 15 to 37 form part of these financial statements.

MCSA Group Limited

Company Statement of Changes in Equity
For the Year Ended 31 March 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2018	3,000	-	2,500	(575,021)	(569,521)
Comprehensive loss for the year					
Loss for the year	-	-	-	(786,676)	(786,676)
Total comprehensive loss for the year	-	-	-	(786,676)	(786,676)
Share based payment charge	-	-	-	1,751,769	1,751,769
Shares issued during the year	592	624,920	-	-	625,512
Settlement of 2013 EMI Scheme	-	-	-	(1,203,536)	(1,203,536)
Total transactions with owners	592	624,920	-	548,233	1,173,745
At 31 March 2019	3,592	624,920	2,500	(813,464)	(182,452)

Company Statement of Changes in Equity
For the Year Ended 31 March 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	3,000	2,500	(941,797)	(936,297)
Comprehensive income for the year				
Profit for the year	-	-	616,776	616,776
Total comprehensive income for the year	-	-	616,776	616,776
Dividends: equity capital	-	-	(250,000)	(250,000)
Total transactions with owners	-	-	(250,000)	(250,000)
At 31 March 2018	3,000	2,500	(575,021)	(569,521)

The notes on pages 15 to 37 form part of these financial statements.

MCSA Group Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 March 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	**(786,676)**	616,776
Adjustments for:		
Amortisation of intangible assets	**26,357**	810,915
Depreciation of tangible assets	**252,040**	263,632
(Profit)/loss on disposal of tangible assets	**(4,940)**	945
Share based payment charge	**1,751,769**	-
Interest paid	**101,338**	117,204
Interest received	**(40,432)**	(7,288)
Taxation charge	**(353,285)**	326,090
Decrease in stocks	**32,781**	1,368,171
Decrease in debtors	**3,729,648**	387,828
Increase in amounts owed by groups	**(625,611)**	-
Decrease in creditors	**(5,539,860)**	(1,927,314)
Share incentive scheme tax liability paid	**-**	(1,852,655)
Corporation tax paid	**(314,311)**	(573,099)
Settlement of share incentive scheme	**(1,168,536)**	-
Net cash generated from operating activities	**(2,939,718)**	(468,795)
Cash flows from investing activities		
Purchase of tangible fixed assets	**(414,130)**	(115,156)
Sale of tangible fixed assets	**108,086**	62,536
Interest received	**40,432**	7,288
HP interest paid	**(5,942)**	(4,704)
Net cash from investing activities	**(271,554)**	(50,036)

MCSA Group Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 31 March 2019

	2019 £	2018 £
Cash flows from financing activities		
Issue of ordinary shares	**625,512**	-
Repayment of other loans	**(1,800,000)**	-
New finance leases	**121,638**	-
Repayment of finance leases	**-**	(50,077)
Dividends paid	**-**	(250,000)
Interest paid	**(95,396)**	(105,000)
Net cash used in financing activities	**(1,148,246)**	(405,077)
Net decrease in cash and cash equivalents	**(4,359,518)**	(923,908)
Cash and cash equivalents at beginning of year	**5,328,364**	6,252,272
Cash and cash equivalents at the end of year	**968,846**	5,328,364
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**968,846**	5,328,364

The notes on pages 15 to 37 form part of these financial statements.

1. General information

MCSA Group Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the group's operations and its principal activity are set out in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period had been presented as the reconciliations for the group and parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2.3 Basis of consolidation

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

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

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis. The directors consider it appropriate to use the going concern basis in preparing the financial statements on the basis of ongoing support from Park Place Technologies Limited, its immediate parent company, to provide adequate funds to enable the company to meet its liabilities as and when they fall due. The company has received a letter of support from the parent company confirming that it will support the company for a period of at least twelve months from the date of approval of these financial statements.

2.5 Revenue

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

Sale of goods

Turnover for hardware services represents amounts receivable for goods provided in the year.

Rendering of services

In respect of long term maintenance contracts and contract for on-going services, turnover represents the value of work done in the period, including estimates of the amounts not invoiced. It is recognised by reference to stage of completion.

2.6 Intangible assets

Goodwill

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

Other intangible assets

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

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

Amortisation is provided on the following basis:

Goodwill	- 20% straight line
Software	- 25% reducing balance

2. Accounting policies (continued)

2.7 Tangible fixed assets

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

Repairs and maintenance are charged to the profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold property	- over the period of the lease
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

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

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

2.8 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Operating leases: the group as lessee

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

2. Accounting policies (continued)

2.11 Leased assets: the group as lessee

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

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. The value of stock on hand is measured at a 20% diminishing balance method and recognised in the consolidated statement of comprehensive income to reflect the realisable value of stock held.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment.

Intercompany loans or trading balances that are wholly receivable within one year so are measured, initially and subsequently, at the undiscounted amount of the cash expected to be received.

2.14 Cash and cash equivalents

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

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

2.15 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans to related parties and intercompany loans.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

2. Accounting policies (continued)

2.15 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Creditors

Short term creditors are measured at the transaction price.

Intercompany loans or trading balances that are wholly repayable within one year so are measured, initially and subsequently, at the undiscounted amount of the cash expected to be received.

2.17 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.18 Finance costs

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

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.20 Pensions

Defined contribution pension plan

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

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

2. Accounting policies (continued)

2.21 Holiday pay accrual

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

2.22 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.23 Interest income

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

2.24 Provisions for liabilities

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

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

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

2. Accounting policies (continued)

2.25 Current and deferred taxation

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

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

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

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

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. The following judgements have had the most significant effect on the amounts recognised in the financial statements:

- Determine whether leases entered into by the group as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3. Judgements in applying accounting policies (continued)

Other key sources of estimation uncertainty

- Trade debtors
  Evaluating the recoverability of debtors. The directors evaluate trade debtors to determine whether the amounts will be recovered, and provide for the amounts that are not recoverable in the financial statements.

- Obsolete stock provision
  A judgemental assessment is completed to determine the process of writing down spares stock to the profit and loss account. Spares stock is written off on a reducing balance basis to reflect the realisable value of the stock items.

- Asset impairment
  A judgemental assessment of the assets and potential impairment is prepared at each reporting date. Assets such as tangible assets, intangible assets and fixed asset investments in subsidiaries are evaluated for evidence of impairment and written down where necessary.

- Share-based payments
  The directors selected the Black-Scholes-Merton option pricing model as the most appropriate method for determining the estimated fair value of our share-based awards without market conditions. For performance based options that including vesting conditions relating to the market performance of our ordinary shares, a Monte Carlo pricing model was used in order to reflect the valuation impact of price hurdles that have to be met as conditions to vesting.

  The resulting cost of an equity incentive award is recognised as expense over the requisite service period of the award, which is usually the vesting period. Compensation expense is recognised over the vesting period using the straight-line method and classified in the consolidated statements of comprehensive income.

  The assumptions used for estimating fair value for share-based payment transactions are disclosed in note 25 and are estimate as follows:

  - Volatility is estimated based on the average annualised volatility of a number of publicly traded peer companies in the sector;
  - The estimated life of the option is estimated to be until the first exercise period, which is typically the month after the option vests; and
  - The dividend return is estimated by reference to our historical dividend payments.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

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

	2019 £	2018 £
Depreciation of tangible fixed assets	**252,040**	263,632
Amortisation of consolidated goodwill	**-**	775,906
Amortisation of intangible assets	**26,357**	35,009
Exchange differences	**176**	500
Other operating lease rentals	**535,586**	538,617
Defined contribution pension cost	**371,799**	231,901
(Profit)/loss on disposal of fixed assets	**(4,940)**	945
Fees payable to the group's auditor in respect of:		
- the audit of the group's annual accounts	**29,500**	25,000
- assistance in relation to the preparation of the accounts	**3,500**	3,000
- services relating to taxation advisory	**4,900**	4,550
- services relating to taxation compliance	**1,150**	800
Share based payment charge (see note 25)	**1,751,769**	-

6. Employees

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	**7,823,014**	5,020,691	**7,823,014**	5,020,691
Social security costs	**806,991**	2,969,943	**806,991**	2,969,943
Cost of defined contribution scheme	**371,799**	231,901	**371,799**	231,901
	9,001,804	8,222,535	**9,001,804**	8,222,535

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

	2019 No.	2018 No.
Production staff	**58**	60
Administrative staff	**71**	72
Management staff	**8**	5
	137	137

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	**1,842,834**	1,263,027
Company contributions to defined contribution pension schemes	**26,050**	28,809
	1,868,884	1,291,836

During the year retirement benefits were accruing to 5 directors (2018 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £939,675 (2018 - £543,276).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2018 - £Nil).

8. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	**40,432**	7,288

9. Interest payable and similar charges

	2019 £	2018 £
Interest payable on directors' loan account	**95,396**	112,500
Finance leases and hire purchase contracts	**5,942**	4,704
	101,338	117,204

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on (loss)/profits for the year	**-**	344,248
Adjustments in respect of prior periods	**(334,141)**	365
Total current tax	**(334,141)**	344,613
Deferred tax		
Origination and reversal of timing differences	**(19,144)**	(3,141)
Adjustment in respect of prior periods	**-**	(15,382)
Total deferred tax	**(19,144)**	(18,523)
Taxation on (loss)/profit on ordinary activities	**(353,285)**	326,090

10. Taxation (continued)

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	**(1,139,961)**	942,866
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(216,593)**	179,145
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**-**	147,422
Expenses not deductible for tax purposes	**417,910**	12,858
Fixed asset differences	**896**	1,312
Changes in tax rates	**54,712**	370
Adjustments to tax charge in respect of prior periods	**(344,248)**	365
Adjustments to tax charge in respect of prior periods - deferred tax	**-**	(15,382)
Other permanent differences	**(1,066,229)**	-
Losses carried back	**344,248**	-
Deferred tax not recognised	**456,019**	-
Total tax (credit)/charge for the year	**(353,285)**	326,090

Factors that may affect future tax charges

Reductions in the UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the company's future tax charge accordingly. The deferred tax liability at 31 March 2019 has been calculated based on the rates substantively enacted at the date of the statement of financial position.

11. Dividends

	2019 £	2018 £
Interim dividend declared and paid on equity shares	**-**	250,000

12. Intangible assets

Group

	Software £	Goodwill £	Total £
Cost			
At 1 April 2018	**179,204**	**4,468,263**	**4,647,467**
At 31 March 2019	**179,204**	**4,468,263**	**4,647,467**
Amortisation			
At 1 April 2018	**74,176**	**4,468,263**	**4,542,439**
Charge for the year	**26,357**	**-**	**26,357**
At 31 March 2019	**100,533**	**4,468,263**	**4,568,796**
Net book value			
At 31 March 2019	**78,671**	**-**	**78,671**
At 31 March 2018	105,028	-	105,028

12. Intangible assets (continued)

Company

	Software £	Goodwill £	Total £
Cost			
At 1 April 2018	**179,204**	**1,707,001**	**1,886,205**
At 31 March 2019	**179,204**	**1,707,001**	**1,886,205**
Amortisation			
At 1 April 2018	**74,176**	**1,707,001**	**1,781,177**
Charge for the year	**26,357**	**-**	**26,357**
At 31 March 2019	**100,533**	**1,707,001**	**1,807,534**
Net book value			
At 31 March 2019	**78,671**	**-**	**78,671**
At 31 March 2018	105,028	-	105,028

13. Tangible fixed assets

Group

	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 April 2018	686,954	737,901	1,178,622	593,474	3,196,951
Additions	-	78,040	336,090	7,080	421,210
Disposals	-	(33,762)	(360,004)	(31,484)	(425,250)
At 31 March 2019	686,954	782,179	1,154,708	569,070	3,192,911
Depreciation					
At 1 April 2018	686,954	529,221	676,207	473,952	2,366,334
Charge for the year	-	57,372	164,503	30,165	252,040
Disposals	-	(29,047)	(255,090)	(30,887)	(315,024)
At 31 March 2019	686,954	557,546	585,620	473,230	2,303,350
Net book value					
At 31 March 2019	-	224,633	569,088	95,840	889,561
At 31 March 2018	-	208,680	502,415	119,522	830,617

The net book value of motor vehicles held under finance leases or hire purchase contracts, included above, is £332,357 (2018 - £142,938).

The depreciation charged to the financial statements in the year in respect of such assets amounted to £67,942 (2018 - £62,967).

13. Tangible fixed assets (continued)

Company

	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost					
At 1 April 2018	686,954	737,901	1,178,622	558,392	3,161,869
Additions	-	78,040	336,090	7,080	421,210
Disposals	-	(33,762)	(360,004)	(31,484)	(425,250)
At 31 March 2019	686,954	782,179	1,154,708	533,988	3,157,829
Depreciation					
At 1 April 2018	686,954	529,221	676,207	438,870	2,331,252
Charge for the year	-	57,372	164,503	30,165	252,040
Disposals	-	(29,047)	(255,090)	(30,887)	(315,024)
At 31 March 2019	686,954	557,546	585,620	438,148	2,268,268
Net book value					
At 31 March 2019	-	224,633	569,088	95,840	889,561
At 31 March 2018	-	208,680	502,415	119,522	830,617

The net book value of motor vehicles held under finance leases or hire purchase contracts, included above, is £332,357 (2018 - £142,938).

The depreciation charged to the financial statements in the year in respect of such assets amounted to £67,942 (2018 - £62,967).

14. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost and net book value	
At 1 April 2018	**301**
At 31 March 2019	**301**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
CSA Waverley Limited	Dormant	Ordinary	100%
Maindec Computer Systems Limited	Dormant	Ordinary	100%
Maindec Computer Solutions Alba Limited	Dormant	Ordinary	100%
Maindec Computer Solutions Limited	Dormant	Ordinary	100%

Each of the above companies registered office is at Greenwich 6 Mitre Passage, Greenwich Peninsula, London, England, SE10 0ER.

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
CSA Waverley Limited	**100**	-
Maindec Computer Systems Limited	**100**	-
Maindec Computer Solutions Alba Limited	**100**	-
Maindec Computer Solutions Limited	**1**	-

CSA Waverley Limited, Maindec Computer Systems Limited, Maindec Computer Solutions Alba Limited and Maindec Computer Solutions Limited are exempt from the requirements to prepare and file individual dormant accounts pursuant to section 394A(1) and 448A(1) of Companies Act 2006.

15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Goods for resale - spares	**780,995**	813,776	**780,995**	813,776

Stock recognised in cost of sales as an expense during the year was £556,276 (2018 - £1,852,367).

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

16. Debtors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	**4,017,846**	8,430,494	**4,017,846**	8,430,494
Amounts owed by parent company	**625,611**	-	**625,511**	-
Other debtors	**656,062**	9,257	**656,062**	9,257
Prepayments and accrued income	**2,050,063**	2,013,868	**2,050,063**	2,013,868
Corporation tax repayable	**576,998**	-	**576,998**	-
	7,926,580	10,453,619	**7,926,480**	10,453,619

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £Nil (2018 - £Nil).

17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	**968,846**	5,328,364	**968,846**	5,328,364

18. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	**2,634,464**	6,949,850	**2,634,464**	6,949,850
Amounts owed to group undertakings	**-**	-	**201**	301
Corporation tax	**-**	71,454	**-**	71,454
Taxation and social security	**1,069,195**	1,878,982	**1,069,195**	1,878,982
Obligations under finance lease	**338,311**	62,443	**338,311**	62,443
Accruals and deferred income	**6,683,245**	6,709,999	**6,683,245**	6,709,999
	10,725,215	15,672,728	**10,725,416**	15,673,029

Hire purchase liabilities are secured against the assets to which they relate.

19. Creditors: amounts falling due after more than one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Directors loans	**-**	1,800,000	**-**	1,800,000
Obligations under finance lease	**101,890**	17,138	**101,890**	17,138
Accruals and deferred income	**-**	591,915	**-**	591,915
	101,890	2,409,053	**101,890**	2,409,053

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within 1 year	**213,201**	62,443	**150,274**	62,443
Between 1 - 2 years	**227,000**	17,138	**50,945**	17,138
	440,201	79,581	**201,219**	79,581

21. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at amortised cost	**7,327,906**	15,329,237	**7,327,906**	15,239,237
Financial liabilities				
Financial liabilities measured at amortised cost	**(3,757,206)**	(9,889,042)	**(3,757,407)**	(9,889,343)

Financial assets measured at amortised cost comprise trade and other debtors, accrued income, and amounts owed by group companies that are receivable within one year. These are initially and subsequently measured at the undiscounted amount of the cash or other consideration expected to be received.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and amounts owed to group companies. These are payable within one year so have been initially and subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid. Other loans, not wholly repayable within one year, are initially measured at present value of future cash flows and subsequently at amortised cost. Interest arising on other loans is shown within interest payable.

22. Deferred taxation

Group

	2019 £
At beginning of year	**19,144**
(Credited) to profit or loss	**(19,144)**
At end of year	**-**

22. Deferred taxation (continued)

Company

	2019 £
At beginning of year	**19,144**
(Credited) to profit or loss	**(19,144)**
At end of year	**-**

The deferred taxation balance is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	-	21,395	-	21,395
Short term timing differences	-	(2,251)	-	(2,251)
	-	19,144	-	19,144

23. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
309,178 (2018 - 2,500) ordinary 'A' shares of £0.01 (2018 - £1.00) each	**3,092**	2,500
50,000 (2018 - 500) ordinary 'B' shares of £0.01 (2018 - £1.00) each	**500**	500
	3,592	3,000

The ordinary B shares rank pari passu with the ordinary A shares in all respects, expect for dividend rights. The ordinary B shares only have the right to receive dividends following the sale by the company of a material part of the business or following a sale of a controlling interest or on a listing event.

On 18 March 2019, all ordinary 'A' and ordinary 'B' shares were subdivided 1 to 100 from £1.00 to £0.01 per share. On 29 March 2019, 59,178 ordinary 'A' shares were issued for £10.57.

24. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares that have been re-purchased by the company.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

25. Share based payments

MCSA Group Limited granted share options under an Enterprise Incentive Management (EMI) Plan in 2013. During the year, the 2013 EMI plan was cancelled and a new EMI scheme (the 2018 Scheme) was established. Certain payments were made as a result of the cancellation and the Articles of the Company were amended to enable changes to establish the new (2018) EMI scheme. The effect of the changes resulted in settlement costs of £1.2 million, which are reflected in these financial statements. Payments were subject to normal PAYE deductions and there was no change in share capital arising from the 2013 EMI Scheme. The weighted average exercise price of the share options issued under the 2018 EMI scheme was £10.57.

On 29 March 2019, Park Place Technologies Limited (PPT) acquired the entire share capital of the company, including making net payment of £5.6 million in respect of 59,178 shares issued under the 2018 EMI Scheme. An independent valuation of the value of the 2018 scheme was conducted by advisors not connected with the company, its auditors or PPT. The resulting valuation gave a fair value of the shares under option of £1.8 million at the time grant and the effect of the option exercise is reflected in these statements.

There are no options outstanding at 31 March 2019 (2018 - 1,800 £1 shares).

The following information is relevant in the determination of the fair value of options granted during the year under the share option scheme operated by the Group. Options were valued using the Monte-Carlo option pricing model.

	2019
	£
Exercise price (£)	**10.57**
Expected volatility (%)	**50**
Option life (years)	**4.5**
Risk free rate (%)	**0.95**
Dividend yield (%)	**0**

26. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £371,799 (2018 - £231,901). Contributions totalling £Nil (2018 - £32,679) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 March 2019 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	**362,806**	371,003	**362,806**	371,003
Later than 1 year and not later than 5 years	**1,263,595**	33,913	**1,263,595**	33,913
	1,626,401	404,916	**1,626,401**	404,916

28. Related party transactions

At the year end the company has taken advantage of the exemption afforded by FRS 102 'Section 33 Related Party Disclosures' and not disclosed transactions or balances with wholly owned subsidiaries of MCSA Group Limited.

Mr R J Timms made a loan to the company of £2,000,000 during the year ended 31 March 2010. A further £800,000 was loaned during the year ended 31 March 2014. At 31 March 2019 the balance outstanding on the loan was £Nil (2018 - £1,800,000) which has been included within creditors due in more than one year. The loan bears interest at 6.25% per annum, during the year interest of £95,396 (2018 - £112,500) was charged to the company. At year end, an accrual had been raised amounting to £Nil (2018 - £13,125) for the interest payable to Mr R J Timms.

Hiltfalcon Limited is a company commonly controlled by Mr R J Timms. Hiltfalcon Limited charged the company £404,950 (2018 - £408,362) in respect of rent and recharged expenses. At the year end there were no amounts owed to or from Hiltfalcon Limited (2018 - £3,140 owed to Hiltfalcon Limited).

29. Key management personnel remuneration

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the group are considered to be key management personnel. Total remuneration in respect of these individuals was £3,024,589 (2018 - £2,220,700).

30. Controlling party

At 31 March 2019, the group is under the control of Park Place Technologies Limited. The ultimate controlling party is GTCR Fund XI/B LP.

The group was under the control of Mr R J Timms throughout the previous year and until 29 March 2019. Mr R J Timms was the majority shareholder of MCSA Group Limited ('the company').