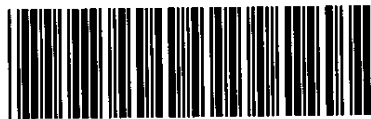

MAM SOFTWARE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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MAM SOFTWARE LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| Directors | N J Bedford I B Bendelow D A Liddle |
| Registered number | 01797213 |
| Registered office | Unit 2a Herongate Charnham Park Hungerford Berkshire RG17 0YU |
| Independent auditors | Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1st Floor One Valpy 20 Valpy Street Reading RG1 1AR |

MAM SOFTWARE LIMITED

CONTENTS

| | Page |
|--|-------------|
| Strategic report | 1 - 7 |
| Directors' report | 8 - 9 |
| Independent auditors' report | 10 - 14 |
| Statement of comprehensive income | 15 |
| Statement of financial position | 16 |
| Statement of changes in equity | 17 |
| Notes to the financial statements | 18 - 34 |

MAM SOFTWARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their strategic report and the audited financial statements for MAM Software Limited (the Company) for the year ended 30 September 2022.

Introduction

The objectives of this report are to provide shareholders and other users of these financial statements with:

- the appropriate level of background context for these financial statements;
- an analysis of the Company's past performance and future outlook;
- an insight into the Company's main objectives and strategies; and
- the principal risks it faces and how they might affect future prospects.

The Company's Objectives and Strategy

The Board sees the main business objective as delivering sustainable, responsible and profitable business growth in order to deliver:

- exceptional software and systems for the Company's current and future customers in the Distributive Trades and Rental sectors globally;
- excellent levels of innovation and service to our customers;
- challenging yet rewarding careers for the Company's employees; and
- strong growth in shareholder value.

In order to meet its business objectives, the Company's strategy is to:

- maintain proactive customer engagement through the sales and operational teams to ensure customer satisfaction and maintain a strong understanding of customer needs;
- continue to research and develop the Company's software products, tools and services to ensure the most appropriate use of technology and business practice is available to add value to our customers' businesses;
- continue to make appropriate investment in the Company's employees through recruiting the right individuals and then developing staff through clear communication, coaching, mentoring and other training initiatives;
- continue to invest in the Company's business infrastructure, tools, and other resources to ensure efficient delivery of our products and services; and
- deliver mission critical, end to end solutions specifically focused on the distributive trades to help our customers drive efficiencies, productivities, customer service and competitive advantage in their own businesses.

The Company provides customers the choice of a fully comprehensive end to end service through its market leading ERP software delivered on premise or as Software as a Service ("SaaS"), cloud hosting and disaster recovery services, technology advice, training, consultancy, thought leadership, guidance and advice supported by a long term relationship.

Ultimately flexibility, experience and industry focus allows our business to support the customer to "Run Your Business Your Way".

Business Review

Acquisitions

In the year the Group acquired Wishside Limited, the reseller of MAM Software Limited's products in Ireland. The acquisition provides critical mass for the Group's business in Ireland and is trading in line with the acquisition business case. We welcome to the Group our new customers and colleagues.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Research and development

Our Company's business focus is the design and build of software and supporting IT solutions for our customers so as to improve our customers' efficiency, control processes, transaction visibility, customer service and financial performance.

This is achieved through continual research and development in modern coding languages and platform technologies, careful consideration of customer business needs, business processes and trends in the market. This is continually reflected in the Company's software functionality and its sales, implementation and supporting services to ensure the best possible complete solution is available in the sector.

Summary of financial performance

We are delighted to report another strong performance for the Company in the financial year ended 30 September 2022.

In the financial year under review the Company generated:

- Turnover of £26.3m (2021: £23.5m)*; and
- Operating profit before depreciation, goodwill and intangibles amortisation and impairment charges, foreign exchange differences and non-recurring items ("Underlying EBITDA") of £8.8m (2021: £8.2m)*.

*Stated pro forma for the impact of the hive up of Origin Software Solutions Limited at the end of 30 September 2021.

Both turnover and Underlying EBITDA were in line with Board's expectations. The results include the full year impact of the trading of the entity hived into the Company at the end of the prior financial year.

The Company had cash balances of £2.2m (2021: £3.7m) at the year end.

Business outlook

The business maintains a positive outlook despite the challenging economic climate at large. Its exposure to a wide geographic market, broad range of sub verticals within the distributive trades and significant levels of contractual recurring revenue coupled with the highly mission critical nature of the software and services which the Company provides will enhance its ability to achieve return from investments in its products, staff and infrastructure. The directors continually monitor the social, political and economic climates in the principal jurisdictions in which the Company operates in order to identify business risks and opportunities.

Organic sales growth of contractual recurring revenues continues to be strong and has been achieved from both new and existing customers. The Company continues to offer customers a choice between perpetual, cloud hosted and full SaaS licencing models. In recent years, the Company has seen customer demand shift in favour of cloud hosted and full SaaS licencing models and this has continued during the year ended 30 September 2022 with the majority of new business sold being on a SaaS or subscription basis. This has led to significant growth in recurring revenue in the current financial year and further increased the extent to which total revenue is underpinned by recurring annual contracts.

The Company's solutions are delivered using fast, scalable and resilient platforms. As the Company grows, investment levels are maintained in those platforms, internal systems, people and experienced management to maintain high service levels to our customers and allow them to obtain the most value from their solution.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Principal risks and uncertainties

Ukraine Crisis

The crisis in Ukraine has created ongoing global economic uncertainty for all businesses. Inflation and interest rates have increased, though the rate of change in both now appears to be reducing, and there has been a step change in foreign currency exchange rates.

Covid-19 Pandemic

The Covid-19 Pandemic was one of the most significant economic shocks for the global economy in recent history. At the date of approval of these financial statements the day to day disruption to the Company has largely abated, though the economic disruption caused by the virus continues to be felt within the economy as a whole. We continue to monitor residual risk associated with the pandemic.

Brexit

The UK formally left the EU on 31 January 2020 and the transition period ended on 31 December 2020. We continue to monitor Brexit related risks and opportunities. To date Brexit has had limited impact upon our business.

Further and continuing economic deterioration caused by the Ukraine Crisis, Covid-19 and Brexit could increase the risk of counterparty failure. Economic risk is mitigated by the Company's significant proportion of recurring revenue which is typically billed in advance of service delivery and earned from a diversified customer base. The directors review trading results each month and customer retention rates quarterly and adjust the Company's cost base appropriately in line with revenues.

Financial risk management objectives and policies

The Company uses a variety of financial instruments including cash, equity investments and various 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.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the board of directors are implemented by the Company's finance department. The directors are of the view that the main risks arising from the Company's financial instruments are foreign exchange rate risk, interest rate risk, liquidity risk and credit risk.

The directors set and review policies for managing each of these risks and they are summarised below.

Foreign exchange rate risk

Exchange rate fluctuation represents a risk because some sales are priced in currencies other than sterling. In addition, the Company's overseas operations continue to grow. The directors do not consider that the potential downside associated with this risk at this stage in the Company's development is of sufficient size to require hedging.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The funding for significant new ventures is secured before commitments are made. The cash position of the Company is reviewed regularly and cash flows are monitored at least monthly. The wider Group also has access to sufficient short term external funding sources.

Credit risk

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis in conjunction with debt ageing and collection history.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Employees

The Company believes in keeping employees informed and involved in the progression of our business and its performance. Accordingly, the Company maintains regular communications with all staff as well as established consultation processes.

The Company continues to invest in training for employees to support their learning and growth. In the year, the Company has increased spend on training following the lifting of Covid-19 related social distancing rules which made in person training difficult. The Company expects to further invest in training in the year ahead and has budgeted for additional in-house training resources to develop staff and advance careers.

The Company is an equal opportunity employer and gives equal consideration to any application from any background. Any disabled person is considered on an equal basis where they can adequately fulfil the job. When an existing employee becomes disabled, it is the Company's policy, wherever practical to provide continuing employment under normal terms and provide training and career development.

Going concern

The financial statements have been prepared under the going concern basis. The directors have prepared forecasts, including relevant sensitivity and downside scenario analyses, to assess the future financing requirements of the Company, and wider Group. The assumptions used in the forecast are based on current levels of contractual revenues, historical recurring contract renewal rates, non-recurring order run rates, current orders backlog, current sales pipeline, existing and expected employee costs and other operating costs. In arriving at reasonable 'base' case and sensitised cases of the forecasts the directors have adjusted assumptions to take into account the current global economic pressures, including inflation, interest and foreign exchange rates.

More detail around the factors considered by the directors and the key measures tracked are provided in note 2 to the financial statements.

Financial Key Performance Indicators

The Board uses a range of performance indicators to monitor and manage the business and ensure focus is maintained on the key priorities of the Company.

The Key Performance Indicators ("KPIs"), which are monitored at Board level, have been devised to allow the Board and shareholders to monitor the Company as a whole by focusing on recurring revenue growth and profitability and are as follows:

1. Recurring Revenue growth rate
2. The proportion of total revenue coming from Recurring Revenue
3. Direct Gross Margin % - being revenue less third-party external costs expressed as a percentage of Total Revenue
4. Underlying EBITDA (Note 2) – growth rate
5. Underlying EBITDA (Note 2) Margin % - being Underlying EBITDA expressed as a percentage of Total Revenue

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The key financials and consolidated KPIs may be summarised as follows:

| | Year ended 30.09.2022 | Year ended 30.09.2021* | Change | Change % | KPI growth target | KPI score |
|--|--------------------------|---------------------------|----------|----------|-------------------------|-----------|
| Recurring Revenue | £19.2m | £17.8m | £1.4m | 8% | >10% | X |
| Non-recurring Revenue | £7.1m | £5.7m | £1.4m | 25% | | |
| Total Revenue | £26.3m | £23.5m | £2.8m | 12% | | |
| Recurring Revenue (Note 1) (% of Revenue) | 73.0% | 75.7% | (2.7)ppt | (4)% | >0% | X |
| Direct Gross Margin | £20.5m | £18.3m | £2.2m | 12% | | |
| Direct Gross Margin (% of Revenue) | 77.9% | 77.9% | - | 0% | >0% | ✓ |
| Underlying EBITDA (Note 2) | £8.8m | £8.2m | £0.6m | 7.3% | >0% | ✓ |
| Underlying EBITDA (Note 2) Margin (% of Revenue) | 33.5% | 34.9% | (1.4)ppt | (4)% | >0% | X |

Note 1 – Revenue from renewable service contracts

Note 2 – Operating profit before depreciation, goodwill and intangibles amortisation and impairment charges, foreign exchange differences and non-recurring items

* - Stated pro forma for the impact of the hive up of Origin Software Solutions Limited at the end of 30 September 2021

Recurring Revenue has increased by £1.4m year on year, an increase of 8% and below the directors' target of greater than 10% and reflective of the hive up of a subsidiary with a lower growth profile. The proportion of Recurring Revenue contributing to total revenue has decreased by 2.7ppt year on year and is now 73.0% (2021: 75.7%). Direct Gross Margin % of Revenue has remained consistent year on year at 77.9%. Underlying EBITDA Margin decreased to 33.5% (2021: 34.9%) in the year, but overall margin remains high and in line with directors expectations.

Section 172(1) of the Companies Act 2006

The Directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.

The following paragraphs summarise how the Directors fulfil their duties:

MAM SOFTWARE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Risk management

We provide business critical software and related services to our clients in an increasingly diverse global market. As we grow, our business and our risk environment becomes more complex.

It is therefore vital that we effectively identify, evaluate, manage and mitigate the risks we face, and that we continue to evolve our approach to risk management.

For details of our principal risks and uncertainties, and how we manage our risk environment, please see pages 2 to 3.

Our people

People are at the heart of our service delivery. They are central to the long term success of the business.

For our business to succeed, we need to retain, find, develop and manage talented people while ensuring we operate as efficiently as possible.

We ensure that we share common values that inform and guide our behaviour so we achieve our goals in the right way.

We communicate regularly with all of our staff, together as a group and individually, sharing our successes and seeking solutions to our challenges.

Business relationships

Our strategy prioritises organic growth, driven by servicing, cross-selling and up-selling existing customers and bring new customers to the business. To do this we seek to develop and maintain strong long term relationships with our customers. We value all our suppliers and have strong ongoing relationships with our key suppliers.

Community and environment

The Company is committed to being a responsible business and our behaviour is aligned with the expectations of our people, customers, investors, communities and society as a whole.

The Company seeks to and encourages its people to engage and interact with the communities around

As an environmentally ethical Company we:

- continue to invest in energy efficiency technologies when refurbishing offices;
- encourage employees and customers to travel for work only when it makes work service delivery more efficient;
- have embraced hybrid working policies that balance remote working and in person collaboration and development;
- undertake most of our marketing digitally to reduce waste; and
- support employees through low carbon travel schemes (e.g. cycle to work, tax efficient electronic car leasing plans)

Shareholders

The Board actively engages and communicates with the Company's shareholders, whether they are members of the management team or our external investors.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Directors' statement of compliance with duty to promote the success of the Company

The directors take full consideration of the principles outlined in Section 172 of the UK Companies Act 2006, including but not limited to the items outlined above, in each and every decision made to ensure the best long term outcome for the Company.

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

Bedford, Nigel

N J Bedford
Director

Date: 20/3/2023

MAM SOFTWARE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

Principal activity

The principal activity of the Company continued to be that of the creation and marketing of computer software products.

Results and dividends

The profit for the year, after taxation, amounted to £8,866,000 (2021: £6,748,000).

Dividends totaling £18.5m were paid in the year (2021: £Nil).

Directors

The directors who served during the year were:

N J Bedford
I B Bendelow
D A Liddle

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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 accounting estimates that are reasonable and prudent;
- 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

Future developments have been discussed in the 'Business Outlook' section of the Strategic report.

MAM SOFTWARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Bedford, Nigel

N J Bedford
Director

Date: 20/3/2023



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED

Opinion

We have audited the financial statements of MAM Software Limited (the 'Company') for the year ended 30 September 2022, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity 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 Company's affairs as at 30 September 2022 and of its profit 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 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 are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED (CONTINUED)

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception

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, 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED (CONTINUED)

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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and sector in which it operates through our commercial and sector experience; making enquiries of management and those charged with governance; and inspection of the Company's relevant external correspondence. We corroborated our enquiries through inspection of board minutes and other relevant information obtained during the course of the audit.
- Through the understanding that we obtained, we determined the most significant legal and regulatory frameworks which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks including United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; the Companies Act 2006; and the relevant taxation legislation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to the estimation and judgemental areas with a risk of fraud including potential management bias in relation to improper revenue recognition as well as through management override of controls.
- Our audit procedures included:
 - Gaining an understanding of the controls that management has in place to prevent and detect fraud;
 - Journal entry testing, with a focus on journals indicating large or unusual transactions or account combinations based on our understanding of the business;
 - Gaining an understanding of and testing significant identified related party transactions; and
 - Performing audit procedures to consider the compliance of disclosures in the financial statements with the applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed noncompliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED (CONTINUED)

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the sector in which the Company operates;
 - Understanding of the relevant legal and regulatory frameworks specific to the Company including, the provisions of the applicable legislation and the applicable statutory provisions.
- Communications within the audit team in respect of potential non-compliance with laws and regulations and fraud included the estimation and judgemental areas with a risk of fraud, including potential management bias in relation to improper revenue recognition as well as through management override of controls in the preparation of the 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

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 Auditors' 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.

Grant Thornton UK LLP

Paul Holland BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Reading
Date:20/3/2023

MAM SOFTWARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

| | Note | 2022 £000 | 2021 £000 |
|--|------|---------------------|---------------------|
| Turnover | 4 | 26,349 | 22,789 |
| Cost of sales | | (5,882) | (5,224) |
| Gross profit | | <u>20,467</u> | <u>17,565</u> |
| Administrative expenses | | (11,832) | (9,499) |
| Operating profit | 5 | <u>8,635</u> | <u>8,066</u> |
| Income from shares in group undertakings | | 970 | - |
| Interest receivable and similar income | 9 | 955 | - |
| Other interest payable | 10 | (9) | - |
| Profit before tax | | <u>10,551</u> | <u>8,066</u> |
| Tax on profit | 11 | (1,685) | (1,318) |
| Profit for the financial year | | <u><u>8,866</u></u> | <u><u>6,748</u></u> |
| Total comprehensive income for the year | | <u><u>8,866</u></u> | <u><u>6,748</u></u> |

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of comprehensive income.

The notes on pages 18 to 34 form part of these financial statements.

MAM SOFTWARE LIMITED
REGISTERED NUMBER:01797213

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

| | Note | 2022 £000 | 2021 £000 |
|---|------|---------------|---------------|
| Fixed assets | | | |
| Tangible assets | 13 | 282 | 306 |
| Investments | 14 | - | 783 |
| | | <u>282</u> | <u>1,089</u> |
| Current assets | | | |
| Stocks | 15 | 163 | 207 |
| Debtors: amounts falling due after more than one year | 16 | 16,525 | - |
| Debtors: amounts falling due within one year | 16 | 8,592 | 34,237 |
| Cash at bank and in hand | 17 | 2,151 | 3,717 |
| | | <u>27,431</u> | <u>38,161</u> |
| Creditors: amounts falling due within one year | 18 | (5,453) | (6,567) |
| | | <u>21,978</u> | <u>31,594</u> |
| Net current assets | | <u>21,978</u> | <u>31,594</u> |
| Total assets less current liabilities | | <u>22,260</u> | <u>32,683</u> |
| Provisions for liabilities | | | |
| Deferred tax | 19 | (41) | (47) |
| | | <u>(41)</u> | <u>(47)</u> |
| Net assets | | <u>22,219</u> | <u>32,636</u> |
| Capital and reserves | | | |
| Called up share capital | | - | - |
| Merger reserve | 21 | (783) | - |
| Profit and loss account | 21 | 23,002 | 32,636 |
| | | <u>22,219</u> | <u>32,636</u> |

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

Bedford, Nigel

N J Bedford

Director

Date: 20/3/2023

The notes on pages 18 to 34 form part of these financial statements.

MAM SOFTWARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

| | Merger reserve £000 | Profit and loss account £000 | Total equity £000 |
|--|---------------------------|------------------------------------|----------------------|
| At 1 October 2020 | - | 25,888 | 25,888 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 6,748 | 6,748 |
| Total comprehensive income for the year | - | 6,748 | 6,748 |
| Total transactions with owners | - | - | - |
| At 1 October 2021 | - | 32,636 | 32,636 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 8,866 | 8,866 |
| Total comprehensive income for the year | - | 8,866 | 8,866 |
| Dividends: Equity capital | - | (18,500) | (18,500) |
| Merger reserve movement | (783) | - | (783) |
| Total transactions with owners | (783) | (18,500) | (19,283) |
| At 30 September 2022 | (783) | 23,002 | 22,219 |

The notes on pages 18 to 34 form part of these financial statements.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

1. General information

MAM Software Limited (the Company) is a private Company limited by shares and incorporated in England and Wales. Registered number 01797213. Its registered head office is located at Unit 2a Herongate, Charnham Park, Hungerford, Berkshire, England, RG17 0YU.

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

The Company is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006, as such these financial statements present information about the Company as an individual undertaking and not about its group. Details of the group are included in the consolidated financial statements of Kerridge Commercial Systems Group Limited as at 30 September 2022 and these financial statements may be obtained from Companies House.

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Kerridge Commercial Systems Group Limited as at 30 September 2022 and these financial statements may be obtained from Companies House.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared under the going concern basis. The directors have prepared forecasts, including relevant sensitivity and downside scenario analyses, to assess the future financing requirements of the Company, and wider Group. The assumptions used in the forecast are based on current levels of contractual revenues, historical recurring contract renewal rates, non-recurring order run rates, current orders backlog, current sales pipeline, existing and expected employee costs and other operating costs. In arriving at reasonable 'base' case and sensitised cases of the forecasts the directors have adjusted assumptions to take into account the current global economic pressures, including inflation, interest and foreign exchange rates.

Based on the work undertaken, the directors are satisfied that sufficient cash facilities are secured from cash on hand, available borrowing facilities and cash inflows from forecast trading to meet the Company's and Group's working capital requirements for a period ending at least 12 months after the signature of these financial statements. The directors therefore consider it appropriate for the financial statements to be prepared on a going concern basis.

2.4 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.5 Revenue

Revenue income represents services supplied during the year after deducting trade discounts and value added tax.

Revenue from ordinary activities includes sales of software licenses, installation, consultancy, support, training services and maintenance.

Revenues from software licence sales are recognised on delivery to a customer, when there are no significant vendor obligations remaining and the collection of the resulting receivable is considered probable. In instances where significant vendor obligations exist, revenue recognition is delayed until the obligation has been satisfied. Revenues from maintenance contracts are recognised on a straight line basis over the period of the contract. Revenues from installation, training services and consultancy support are recognised when the services are performed. Revenue from subscription agreements contain a mix of both software license and maintenance, these are recognised over a straight line basis across the term of the contract.

2.6 Research and development

Research and development costs are expensed through the Statement of comprehensive income and retained earnings as incurred.

2.7 Pensions

Defined contribution plan

The Company operates a defined contribution plan, a pension plan under which the Company pays fixed contributions into a separate entity. The assets of the plan are held separately from the Company in independently administered funds and once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the 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 Company in independently administered funds.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.10 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.

2.11 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.12 Current and deferred taxation

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

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

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

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

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

2.13 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | |
|-------------------------------|-------------------|
| Short-term leasehold property | - length of lease |
| Office equipment | - 2 to 10 years |

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 profit or loss.

2.14 Impairment of fixed assets, goodwill and other intangible assets

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.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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 comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing stocks to their present location and condition. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.18 Cash and cash equivalents

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

2.19 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.20 Holiday pay accrual

A liability is recognised to the extent of 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.

2.21 Financial instruments

The Company 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 from banks and other third parties, loans to related parties and investments in ordinary shares.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

2.21 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.

3. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in the Statement of comprehensive income and retained earnings, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

Critical judgements that management has made in the process of applying accounting policies disclosed herein and that have a significant effect on the amounts recognised in the financial statements relates to the following:

Estimated impairment of investment in subsidiaries

The Company tests, when there are indicators of impairment, whether investments have suffered any impairment, in accordance with its accounting policies. The recoverable amounts of cash generating units have been determined by discounting estimated future cash flows for the time value of money to arrive at estimates of value in use. Each of the components of the value in use calculation (the cash flow, the duration of the cash flow, the discount rate) requires the use of estimates. Because of this, in concluding upon the reasonableness of the final estimate of value in use, the directors use sensitivity analysis to consider the impact of variability in inputs to the calculation.

Impairment of trade, inter-company and other debtors

The Company make an estimate of the recoverable value of trade, inter-company and other debtors. When assessing the impairment of trade, inter-company and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

4. Turnover and other revenue

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

| | 2022 | 2021 |
|-----------------------|---------------|---------------|
| | £000 | £000 |
| Services | 20,376 | 18,234 |
| Licensing of IP | 423 | 429 |
| Sale of goods | 593 | 398 |
| Other | 586 | 689 |
| Intercompany revenues | 4,371 | 3,039 |
| | 26,349 | 22,789 |

Intercompany revenues reflect management fees charged by the Company to its parent company and other group companies.

Analysis of turnover by country of destination:

| | 2022 | 2021 |
|-------------------|---------------|---------------|
| | £000 | £000 |
| United Kingdom | 21,410 | 18,969 |
| Rest of the world | 4,939 | 3,820 |
| | 26,349 | 22,789 |

5. Operating profit

The operating profit is stated after charging:

| | 2022 | 2021 |
|-------------------------|-------------|-------------|
| | £000 | £000 |
| Foreign exchange losses | 71 | 33 |
| Operating lease charges | 253 | 191 |

6. Auditors' remuneration

Fees in respect of audit £15,000 (2021: £30,000).

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent Company.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

7. Employees

Staff costs were as follows:

| | 2022 | 2021 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| Wages and salaries | 5,865 | 5,838 |
| Social security costs | 582 | 653 |
| Pension costs | 191 | 151 |
| | 6,638 | 6,642 |

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

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| | No. | No. |
| Sales and administration staff | 22 | 15 |
| Operations staff | 54 | 55 |
| Technical staff | 57 | 69 |
| | 133 | 139 |

8. Directors' remuneration

During the financial year, no directors received any emoluments and no pension contributions were made on behalf of the directors (2021: Nil).

The directors were remunerated through two of the wider group companies, Kerridge Commercial Systems (Bidco) Limited, and Kerridge Commercial Systems Limited.

9. Interest receivable

| | 2022 | 2021 |
|-----------------------------------|-------------|-------------|
| | £000 | £000 |
| Other income | 7 | - |
| Inter-company interest receivable | 948 | - |
| | 955 | - |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

10. Interest payable and similar expenses

| | 2022 | 2021 |
|------------------------|-------------|-------------|
| | £000 | £000 |
| Other interest payable | <u>9</u> | <u>-</u> |

11. Taxation

| | 2022 | 2021 |
|--|----------------------------|----------------------------|
| | £000 | £000 |
| Corporation tax | | |
| Current tax on profits for the year | 1,819 | 1,422 |
| Adjustments in respect of previous periods | (128) | (140) |
| Total current tax | <u>1,691</u> | <u>1,282</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | <u>(6)</u> | <u>36</u> |
| Total deferred tax | <u>(6)</u> | <u>36</u> |
| Taxation on profit on ordinary activities | <u><u>1,685</u></u> | <u><u>1,318</u></u> |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

11. Taxation (continued)**Factors affecting tax charge for the year**

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

| | 2022 £000 | 2021 £000 |
|---|---------------|--------------|
| Profit on ordinary activities before tax | <u>10,551</u> | <u>8,066</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%) | 2,005 | 1,533 |
| Effects of: | | |
| Capital allowances for the year in the excess of depreciation | (2) | (6) |
| Adjustments to tax charge in respect of prior periods | (128) | (140) |
| Change in tax rate for deferred tax | - | 11 |
| Deferred tax not recognised | (6) | 4 |
| Non-taxable income | (184) | - |
| Group relief claimed/surrendered | - | (84) |
| Total tax charge for the year | <u>1,685</u> | <u>1,318</u> |

Factors that may affect future tax charges

The Finance Bill 2021 was substantively enacted on 10 June 2021, as a result the main rate of corporation tax will rise from 19% to 25% from 1 April 2023.

On this basis deferred tax has been calculated at the future rate of 25%.

12. Dividends

| | 2022 £000 | 2021 £000 |
|-------------------------------|---------------|--------------|
| Ordinary share capital | | |
| Dividends paid | <u>18,500</u> | <u>-</u> |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

13. Tangible fixed assets

| | Short-term leasehold property £000 | Office equipment £000 | Total £000 |
|----------------------------------|---|-----------------------------|---------------|
| Cost | | | |
| At 1 October 2021 | 281 | 629 | 910 |
| Additions | - | 83 | 83 |
| Disposals | - | (2) | (2) |
| At 30 September 2022 | <u>281</u> | <u>710</u> | <u>991</u> |
| Depreciation | | | |
| At 1 October 2021 | 156 | 448 | 604 |
| Depreciation charge for the year | 16 | 91 | 107 |
| Disposals | - | (2) | (2) |
| At 30 September 2022 | <u>172</u> | <u>537</u> | <u>709</u> |
| Net book value | | | |
| At 30 September 2022 | <u>109</u> | <u>173</u> | <u>282</u> |
| <i>At 30 September 2021</i> | <u>125</u> | <u>181</u> | <u>306</u> |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

14. Fixed asset investments

| | Investments in subsidiary companies £000 |
|--|---|
| Cost or valuation | |
| At 1 October 2021 and at 30 September 2022 | 783 |
| Change in value due to restructuring | (783) |
| | - |
| At 30 September 2022 | - |
| Net book value | |
| At 30 September 2022 | - |
| <i>At 30 September 2021</i> | 783 |

Subsidiary undertakings**30 September 2022**

All subsidiary undertakings are controlled by Kerridge Commercial Systems Group Limited and their results are fully consolidated within those financial statements.

Investments held directly by MAM Software Limited with 100% voting rights. Capital comprises of ordinary shares or common stock.

| Name | Country of incorporation/ registered office address key⁽ⁱ⁾ |
|--|--|
| Origin Software Solutions Limited ^(a) | United Kingdom/A |

^(a) Hived up into parent on 6 October 2021 (effective 30 September 2021)

⁽ⁱ⁾ Registered office

A: 2a Herongate, Charnham Park, Hungerford, Berkshire, RG17 0YU

15. Stocks

| | 2022 £000 | 2021 £000 |
|-------------------------------------|----------------------|----------------------|
| Finished goods and goods for resale | 163 | 207 |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

16. Debtors

| | 2022 £000 | 2021 £000 |
|-------------------------------------|---------------|--------------|
| Due after more than one year | | |
| Amounts owed by group undertakings | 16,525 | - |

Amounts owed by group undertakings due in more than one year are formal loan agreements with the same terms and conditions as the Group's debt.

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|---------------|
| Due within one year | | |
| Trade debtors | 2,331 | 2,118 |
| Amounts owed by group undertakings | 5,436 | 31,683 |
| Other debtors | - | 31 |
| Prepayments and accrued income | 825 | 405 |
| | 8,592 | 34,237 |

An impairment loss of £306,000 (2021: £37,000) has been recognised against trade debtors.

17. Cash and cash equivalents

| | 2022 £000 | 2021 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 2,151 | 3,717 |

18. Creditors: Amounts falling due within one year

| | 2022 £000 | 2021 £000 |
|------------------------------------|--------------|--------------|
| Trade creditors | 555 | 687 |
| Amounts owed to group undertakings | 1,645 | 2,988 |
| Corporation tax | 1,141 | 932 |
| Other taxation and social security | 665 | 403 |
| Other creditors | 181 | 45 |
| Accruals and deferred income | 1,266 | 1,512 |
| | 5,453 | 6,567 |

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

19. Deferred taxation

| | 2022 | 2021 |
|---------------------------|-------------|-------------|
| | £000 | £000 |
| At beginning of year | (47) | (10) |
| Charged to profit or loss | 6 | (37) |
| At end of period | (41) | (47) |

There is no expiry date on the deferred tax liabilities.

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

| | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| | £000 | £000 |
| Short term timing differences | 3 | - |
| Accelerated capital allowances | (44) | (47) |
| | (41) | (47) |

20. Share capital

| | 2022 | 2021 |
|--|-------------|-------------|
| | £ | £ |
| 100 (2021: 100) Ordinary share capital shares of £1 each | 100 | 100 |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. Reserves**Merger Reserve**

The merger reserve was created when the trade and assets of Origin Software Solutions Limited were hived into the Company. The value added to the merger reserve was the pre-merger carrying value of investments less the net book value of the assets transferred.

Profit and loss account

Includes all current and prior periods retained profits and losses.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

22. Contingent liabilities

The Company is part of a Group cross guarantee in respect of bank loans held by Kerridge Commercial Systems (Bidco) Limited and Kerridge Commercial Systems US Holdco Inc. The total amount due at 30 September 2022 by the Group is £95,406,000, €38,944,000 and \$74,936,000 (2021: £104,189,000, €41,252,000 and \$76,936,000).

23. Pension commitments

The Company operates a defined contributions scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions paid and payable by the Company to the fund and amounted to £191,000 (2021: £151,000). Contributions totaling £41,000 (2021: £Nil) were payable to the fund at the reporting date and are included in creditors.

24. Commitments under operating leases**Lessee**

At the reporting end date the Company had outstanding commitments for the future minimum lease payments under non-cancellable operating leases, which falls due as follows:

| | 2022 | 2021 |
|----------------------------|-------------|--------------|
| | £000 | £000 |
| Within one year | 184 | 184 |
| Between two and five years | 716 | 721 |
| In over five years | 75 | 254 |
| | 975 | 1,159 |

25. Related party transactions

In accordance with Financial Reporting Standard 102 'section 33', the Company has taken advantage of the exemption for subsidiary undertakings, where all of the voting rights are controlled within a Group, not to disclose related party transactions within that Group.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

26. Controlling party

On the 11th October 2021 the Company's immediate parent undertaking MAM Software Group inc merged with Kerridge Commercial Systems Corporation and Kerridge Commercial Systems Corporation became the Company's immediate parent undertaking, both companies were/are registered in the USA. The ultimate parent undertaking is Kerridge Commercial Systems Group Ltd, registered in England and Wales.

The largest and smallest Group of which the Company is a member and for which Group financial statements are drawn up is headed by Kerridge Commercial Systems Group Limited. Copies of the financial statements of that entity are available from Companies House.

The ultimate controlling party is considered to be funds managed by Accel-KKR Management Company LLC.