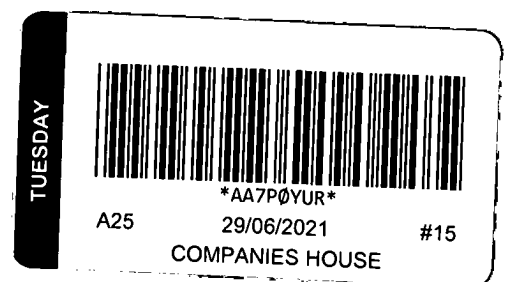


Registered number: 01797213

MAM SOFTWARE LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**



MAM SOFTWARE LIMITED

COMPANY INFORMATION

Directors	M G Jamieson D A Liddle (appointed 21 October 2019) I B Bendelow (appointed 21 October 2019) N J Bedford (appointed 21 October 2019) B H Callahan (resigned 10 January 2020)
Company secretary	J Toland (resigned 13 March 2020)
Registered number	01797213
Registered office	Unit 2a Herongate, Charnham Park, Hungerford, Berkshire, RG17 0YU
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 1020 Eskdale Road Winnersh Wokingham Berkshire RG41 5TS

MAM SOFTWARE LIMITED

CONTENTS

	Page
Strategic report	1 - 5
Directors' report	6 - 7
Independent auditor's report	8 - 11
Statement of comprehensive income and retained earnings	12
Statement of financial position	13
Notes to the financial statements	14 - 34

MAM SOFTWARE LIMITED

STRATEGIC REPORT FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020

The directors present the Strategic report for the period ended 30 September 2020.

Introduction

MAM Software Limited is a leading provider of cloud-based business and on-premise management solutions for the car parts, tyres and vertical distribution industries. We have a broad line of software solutions and services to address the information technology needs of virtually every significant sector of the automotive aftermarket in the United Kingdom and Ireland.

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 across the globe in the Distributive Trades sector;
- Excellent levels of innovation and service to our customers;
- Challenging yet rewarding careers for the Company's employees; and
- Strong growth in shareholder value.

Our revenues are derived primarily from the sale of business management software, data, ecommerce solutions and associated services and support. We also earn a percentage of our revenue from the sale of hardware systems to clients. During the (15 month) period ended 30 September 2020, we generated revenues of £25.1 million (2019: £18.1 million) and had net income of £5 million (2019: £2.6 million).

In October 2019 the Company's parent company, MAM Software Group Inc and all subsidiaries were acquired by Kerridge Commercial Systems Group. Kerridge Commercial Systems Limited is a privately owned company who provide ERP software solutions into the distributive trade sectors. The combination of complimentary products and customer verticals will allow greater synergies to be realised for both organisations.

Employees

The Company believes in keeping employees informed of the progress of the business and its performance. Accordingly it maintains regular communications with all staff as well as established consultation processes. Flexibility has been crucial in meeting our objectives over the last year, from keeping staff informed to adjusting working patterns to maintain productivity.

Across the last 12 months the Company has offered additional training to support the unique situation, utilising a 3rd party training provider to offer a range of remote courses. In addition mental health leadership courses are held regularly to ensure managers are equipped to support everyone in their team.

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

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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 ("KPI's"), which are monitored at Board level, have been devised to allow the Board and shareholders to monitor the Company as a whole. The consolidated KPI's which the Board currently considers to be the most important are as follows:

	2020 (15mths)	2019 (12mths)
Recurring Revenue (Note 1)	£20.2m	£15.8m
Total Revenue	£25.1m	£18.1m
Recurring Revenue (Note 1) (% of Revenue)	80.5%	87.3%
Gross Profit	£19.2m	£13.9m
Gross Profit (%)	76.5%	76.8%
EBITDA (note 2)	£6.3m	£3.2m
Cash balances held at period end	£4.6m	£3.4m

Note 1 - Revenue from renewable service contracts.

Note 2 - Operating profit before depreciation, goodwill and intangibles amortisation and impairment.

Business review

The past year has been turbulent. Following acquisition by KCS group the Coronavirus pandemic took hold across the Globe placing the UK economy in turmoil. The impact on the Automotive sector was immediate with most business forced to close. This, combined with suspension of MOT's caused an immediate shock and drop in revenue on the 'Pay as you Go' services. During this period the directors carefully watched costs and all employees volunteered 15% of salary to provide a cushion to the business. Month of uncertainty was rewarded by the strongest last months of the year ever as businesses were open and work to catch up on backlog of MOT's and servicing.

The business maintains a positive outlook. Its exposure to a wider geographic market, diverse customer verticals and increasing 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 in order to mitigate and exploit them as or before they arise.

Organic sales growth of recurring revenues across the Group continues to be strong and have been achieved from both new and existing customers; all keen to take advantage of the operational benefits provided by the increasing depth in the Company's software solutions and supporting services. The Company continues to offer customers a choice between perpetual, cloud hosted and full SaaS licensing models. In recent years the Company has seen customer demand shift in favour of cloud hosted and full SaaS licensing models and this has accelerated further in the year ended 30 September 2020 with the majority of new business sold in the current financial year being on a SaaS basis. Customers are now clearly favouring this licensing model leading to growth in recurring revenue in the current financial year and further increased the extent to which total revenue is underpinned by recurring annual contracts.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

This switch to SaaS generates greater stability for the future, but a drop in perpetual license sales. We continue to focus on developing our products and balance the focus against bespoke customer developments.

The Company's software systems are delivered using fast, scalable and resilient platforms with customers being given the choice of own on premise solutions or increasingly deploying systems through SaaS on a fully hosted cloud solution. The last year has pushed us to fully remote installs. This gives the Company increased efficiencies and ability to install quickly and repeatably.

As the Company grows, investment levels are maintained in systems, people and experienced management to ensure that customers benefit from continued high levels of customer service delivered using modern, stable and scalable systems. Delivering value to our customers in all aspects of what we do remains a primary driver of business development and that requires continuous investment in our people.

Research and development

Our Group'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 and careful consideration of customer business needs, business processes and trends in the market. This is continually reflected in the Group's software functionality and its sales, implementation and supporting services to ensure the best possible complete solution is available in the sector.

The Company approach to development expenditure has been aligned with the Group and taken as operating costs. Historical capitalised items have been reversed as a change in accounting policy.

Going concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, and wider Group, taking into account expected level of recurring revenue and current pipeline for new business. The board closely monitor overheads and aim to keep the Group's cost base as low as possible.

The directors are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirement for at least 12 months from the date of signing of these financial statements. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

Principal risks and uncertainties

The Board considers the principal risks and uncertainties facing the business to be those associated with the current economic climate. That being said, the Board proactively monitors order take and sales pipeline activity and believe that these key measures shows that the business' customer base are continuing to invest in their internal systems in order to improve business efficiency and competitiveness.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

Coronavirus

This event continues to be one of the most significant economic shocks for the UK and the Global economy, respectively, in recent history. Through the year we utilised government support schemes that the Company was eligible for, this was predominantly related to employee support schemes. At the date of approval of these accounts its effects continue to impact all levels of society generating unprecedented levels of uncertainty, with the full extent of the implications as yet unknown.

We are monitoring the spread of the virus and considering our people movements on a case by case basis. The Company has been successful in delivering all of our services remotely, from Customer Support to professional services. We are closely monitoring our supply chain to ensure availability of equipment and materials in order to allow us to continue to deliver high levels of customer service.

Brexit

The UK formally left the EU on 31 January 2020 and the transition period ended on 31 December 2020. During the transition period we monitored key risks and opportunities to assess how we might make changes to our business to ensure we mitigate any risks and maximise the opportunities. Despite the late agreement on the final deal, being globally diversified offered a degree of protection. We have quickly adapted to the changes to the customs treaty and delivered an interrupted service to our customers.

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 however due consideration will be given if the risks are sufficiently higher enough to warrant a hedge.

Interest rate risk

The Company has financed its operations through a combination of inter-group balances and shareholders' funds. The interest rate of the debt funding in the Group (which is denominated in Sterling, Euros and US Dollar) is variable with applicable currency 'LIBOR' rates. Given the current level of borrowings, the directors are of the view that the risk of material interest rate increase is limited. If the level of borrowings and potential for interest rate risk were to increase then the Company would use certain financial instruments to manage that risk by use, for example, of interest rate caps.

MAM SOFTWARE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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 is reviewed regularly and cash flows are at least monitored monthly.

Credit risk

The Company's principal financial assets are cash, trade debtors and intercompany receivables. 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 and intercompany receivables.

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. The credit risk on intercompany receivables is managed by the directors at the Group level by ensuring that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to settle any amount upon demand.

In addition to external factors the board remains vigilant ensuring acquisitions are successful, including, but not limited to profitability. The performance of acquisitions are monitored, including people, service as well as profitability to ensure the correct integration and cross skilling is used to maximise the quality of service provided. In the year this has included rationalising the Group structure and liquidating some of the former holding companies to simplify and improve efficiency. This has required an impairment charge to be incurred in the year which has impacted the Company's overall pre-tax profitability.

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


N J Bedford
Director

Date: 15/4/2021

MAM SOFTWARE LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

The directors present their report and the financial statements for the 15 month period ended 30 September 2020.

Principal activity

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

Directors

The directors who served during the 15 month period were:

M G Jamieson
D A Liddle (appointed 21 October 2019)
I B Bendelow (appointed 21 October 2019)
N J Bedford (appointed 21 October 2019)
B H Callahan (resigned 10 January 2020)

Results and dividends

The results for the 15 month period are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

MAM SOFTWARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

Future developments

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

Post balance sheet events

There have been no significant events affecting the Company since the period end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Nigel Bedford

N J Bedford
Director

Date: 15/4/2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAM SOFTWARE LIMITED

Opinion

We have audited the financial statements of MAM Software Limited (the 'Company') for the 15 month period ended 30 September 2020, which comprise the Statement of comprehensive income and retained earnings, the Statement of financial position 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 2020 and of its profit for the 15 month period 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a Company associated with these particular events.



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

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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the Company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

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

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.



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

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 15 month period 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.

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 set out on page 6, 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 AUDITOR'S 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 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: 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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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: 15/4/2021

MAM SOFTWARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

	Note	15 month period ended 30 September 2020 £000	<i>As restated</i> 30 June 2019 £000
Turnover	4	25,130	18,056
Cost of sales		(5,881)	(4,154)
Gross profit		<u>19,249</u>	<u>13,902</u>
Administrative expenses		(13,031)	(10,753)
Other operating income	5	37	-
Operating profit	6	<u>6,255</u>	<u>3,149</u>
Interest receivable and similar income	10	-	1
Interest payable and expenses		(55)	(28)
Profit before tax		<u>6,200</u>	<u>3,122</u>
Tax on profit	12	(1,161)	(505)
Profit after tax		<u>5,039</u>	<u>2,617</u>
Retained earnings at the beginning of the period		20,849	18,232
Profit for the period		5,039	2,617
Retained earnings at the end of the period		<u>25,888</u>	<u>20,849</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of comprehensive income and retained earnings.

The notes on pages 14 to 34 form part of these financial statements.

MAM SOFTWARE LIMITED
REGISTERED NUMBER:01797213

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

	Note	30 September 2020 £000	As restated 30 June 2019 £000
Fixed assets			
Tangible assets	13	218	264
Investments	14	783	783
		1,001	1,047
Current assets			
Stocks	15	166	136
Debtors: amounts falling due within one year	16	27,337	19,518
Cash at bank and in hand	17	4,582	3,458
		32,085	23,112
Creditors: amounts falling due within one year	18	(7,188)	(3,081)
Net current assets		24,897	20,031
Total assets less current liabilities		25,898	21,078
Creditors: amounts falling due after more than one year	19	-	(212)
Provisions for liabilities			
Deferred tax	20	(10)	(17)
		(10)	(17)
Net assets		25,888	20,849
Capital and reserves			
Profit and loss account	22	25,888	20,849
		25,888	20,849

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15/4/2021

N J Bedford
Director

Nigel Bedford

The notes on pages 14 to 34 form part of these financial statements.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

1. General information

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

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

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 management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The current financial year reflects a 15 month period from 1 July 2019 to 30 September 2020, in comparison to the previous financial year which is a 12 month period. As a result of this, the comparatives are not entirely comparable. The 15 month period was deemed appropriate in order to align the Company year end with that of the Group.

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 2020 and these financial statements may be obtained from Unit 2a Herongate, Charnham Park, Hungerford, Berkshire, RG17 0YU.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 Change in accounting policy

There has been a change in accounting policy to align with Group and take all development costs through operating expenses, whereas previously, these costs have been capitalised. Please see note 27 which shows the financial statement impact.

2.5 Going concern

The financial statements have been prepared under the going concern basis as the directors have undertaken a review of the future financing requirements for the ongoing operation of the Company, and wider Group, taking into account expected level of recurring revenue and current pipeline for new business. The board closely monitor overheads and aim to keep the Group's cost base as low as possible.

The directors are satisfied that sufficient cash facilities are secured, in respect of positive cash inflows from operations, to meet its working capital requirement for at least 12 months from the date of signing of these financial statements allowing for all COVID-19 delayed tax payments. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

2.6 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 and retained earnings 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 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.7 Revenue

Revenue income represents amounts derived from the sale of software licences, installation, consultancy, support, training services annual maintenance contracts, SaaS and subscription contracts and hosting contracts, all which fall within the Company's ordinary continuing activities after deducting trade discounts and value added tax.

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 had been satisfied. Revenue from annual maintenance contracts, SaaS and subscription contracts and hosting 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.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income and retained earnings in the same period as the related expenditure.

2.10 Research and development

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

Prior to the acquisition by Kerridge Commercial Systems Group the Company policy was to capitalise expense as incurred and amortise over the assets life. Historic balances have been expensed and any amortisation reversed in the current year to align with the Group approach.

2.11 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 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to profit or loss 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.

2.13 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss 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.

2.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.15 Current and deferred taxation

The tax expense for the 15 month period 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 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; 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.

2.16 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.

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	- Over the life of the lease
Fixtures and fittings and equipment	- 10% - 20% Straight line
Computer equipment	- 33.33% Straight line

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.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.18 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 balance sheet 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.

2.19 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.

2.20 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.

2.21 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.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 profit or loss in the year that the Company 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.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

2. Accounting policies (continued)

2.23 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.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income and retained earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 and retained earnings.

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.

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.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of investments in subsidiaries

Determining whether the Company's investment in its subsidiary has been impaired requires estimations of the investment's value in use. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and suitable discount rates in order to calculate present values. The carrying amount of the investment in the subsidiary at the balance sheet date was £783,000 (2019: £783,000) with no impairment loss recognised in 2020.

Recoverability of Trade and other debtors

Management applies judgement in evaluating the recoverability of debtors. To the extent that the directors believe debtors to be irrecoverable, they have been provided for in the financial statements.

The directors apply judgement in evaluating the recoverability of amounts due from other members of the Group. The basis for the directors judgement is an assessment of the debtors' current financial position and expected long term future financial performance and cash generation. To the extent that the directors believe debtors to be irrecoverable, they have been provided for in the financial statements.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

4. Turnover and other revenue

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

	15 month period ended 30 September 2020 £000	<i>30 June 2019 £000</i>
Services	21,361	16,419
Licensing of IP	552	725
Sale of goods	610	416
Other	708	467
Related parties	1,899	29
	<u>25,130</u>	<u>18,056</u>

Analysis of turnover by country of destination:

	15 month period ended 30 September 2020 £000	<i>30 June 2019 £000</i>
United Kingdom	24,203	17,275
Rest of the world	927	781
	<u>25,130</u>	<u>18,056</u>

5. Other operating income

	15 month period ended 30 September 2020 £000	<i>30 June 2019 £000</i>
Government grants receivable - furlough income	37	-
	<u>37</u>	<u>-</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

6. Operating profit

The operating profit is stated after charging:

	15 month period ended 30 September 2020 £000	<i>As restated 30 June 2019 £000</i>
Exchange gains	(24)	(12)
Depreciation of owned tangibles fixed assets	80	64
Share based payment	268	216
Operating lease charges	388	403
	<u>388</u>	<u>403</u>

7. Auditor's remuneration

	15 month period ended 30 September 2020 £000	<i>30 June 2019 £000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	24	-
	<u>24</u>	<u>-</u>

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 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

8. Employees

The aggregate remuneration comprised:

	15 month period ended 30 September 2020 £000	<i>30 June 2019 £000</i>
Wages and salaries	7,512	6,354
Social security costs	1,026	823
Pension costs	197	174
	<u>8,735</u>	<u>7,351</u>

The average monthly number of persons (including directors) employed by the Company during the 15 month period was:

	15 month period ended 30 September 2020 No.	<i>30 June 2019 No.</i>
Administration and directors	10	10
Sales, service, technical support and development	147	156
	<u>157</u>	<u>166</u>

9. Directors' remuneration

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019: 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the 15 month period was 1 (2019: 1).

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

10. Interest receivable and similar income

	15 month period ended 30 September 2020 £000	30 June 2019 £000
Other interest income	-	1
	<u> </u>	<u> </u>

11. Interest payable and similar expenses

	15 month period ended 30 September 2020 £000	30 June 2019 £000
Unwinding of discount on provisions	-	2
Interest on bank overdrafts and loans	56	26
	<u> </u>	<u> </u>
	<u>56</u>	<u>28</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

12. Taxation

	15 month period ended 30 September 2020 £000	30 June 2019 £000
Corporation tax		
Current tax on profits for the period	1,167	495
Adjustments in respect of previous periods	-	17
Total current tax	<u>1,167</u>	<u>512</u>
Deferred tax		
Origination and reversal of timing differences	(6)	(7)
Total deferred tax	<u>(6)</u>	<u>(7)</u>
Taxation on profit on ordinary activities	<u>1,161</u>	<u>505</u>

Factors affecting tax charge for the 15 month period/year

The tax assessed for the 15 month period is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	15 month period ended 30 September 2020 £000	30 June 2019 £000
Profit on ordinary activities before tax	<u>6,200</u>	<u>3,122</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%).	1,178	593
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	7	11
Fixed asset differences	7	2
Non-taxable income	(31)	(101)
Total tax charge for the 15 month period/year	<u>1,161</u>	<u>505</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

13. Tangible fixed assets

	Short-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 July 2019	276	303	533	1,112
Additions	-	6	28	34
At 30 September 2020	<u>276</u>	<u>309</u>	<u>561</u>	<u>1,146</u>
Depreciation				
At 1 July 2019	126	235	487	848
Charge for the 15 month period on owned assets	17	27	36	80
At 30 September 2020	<u>143</u>	<u>262</u>	<u>523</u>	<u>928</u>
Net book value				
At 30 September 2020	<u>133</u>	<u>47</u>	<u>38</u>	<u>218</u>
At 30 June 2019	<u>150</u>	<u>68</u>	<u>46</u>	<u>264</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

14. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 July 2019	783
At 30 September 2020	<u>783</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Origin Software Solutions Limited	England & Wales	Ordinary shares	100.00%

The aggregate of the share capital and reserves as at 30 September 2020 and the profit or loss for the 15 month period ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Origin Software Solutions Limited	922	295

15. Stocks

	30 September 2020 £000	30 June 2019 £000
Finished goods and goods for resale	<u>166</u>	<u>136</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

16. Debtors

	30 September 2020 £000	<i>30 June 2019 £000</i>
Trade debtors	1,990	1,757
Amounts owed by group undertakings	24,854	17,099
Prepayments and accrued income	493	662
	<u>27,337</u>	<u>19,518</u>

17. Cash and cash equivalents

	30 September 2020 £000	<i>30 June 2019 £000</i>
Cash at bank and in hand	4,582	3,458

18. Creditors: Amounts falling due within one year

	30 September 2020 £000	<i>30 June 2019 £000</i>
Trade creditors	725	614
Amounts owed to group undertakings	2,208	87
Corporation tax	1,049	274
Other taxation and social security	1,761	771
Other creditors	37	120
Accruals and deferred income	1,408	1,215
	<u>7,188</u>	<u>3,081</u>

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

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

	30 September 2020 £000	<i>30 June 2019 £000</i>
Other creditors	-	212
	<u> </u>	<u> </u>

20. Deferred taxation

	2020 £000	<i>2019 £000</i>
At beginning of year	(17)	(24)
Charged to profit or loss	7	7
At end of period	<u>(10)</u>	<u><i>(17)</i></u>

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:

	30 September 2020 £000	<i>30 June 2019 £000</i>
Accelerated capital allowances	(10)	(17)
	<u> </u>	<u> </u>

21. Share capital

	30 September 2020 £	<i>30 June 2019 £</i>
100 (2019: 100) Ordinary share capital shares of £1 each	100	100
	<u> </u>	<u> </u>

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

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

22. Reserves**Profit and loss account**

Includes all current and prior periods retained profits and losses.

23. 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 2020 by the Group is £111,689,000, €41,252,000 and \$76,936,000 (2019: £54,005,678, \$19,650,000 and €5,300,000).

24. Retirement benefit schemes

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

25. Operating lease commitments**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:

	30 September 2020 £000	30 June 2019 £000
Within one year	193	331
Between two and five years	717	741
In over five years	435	660
	1,345	1,732

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

26. Share-based payment transactions

As at 21 October 2019 MAM Software Group, inc and its subsidiaries merged with Chickadee Holdings, inc (a subsidiary of Kerridge Commercial Systems Group Limited). At this time all shares based payment awards were vested and settled.

All awards vest in equities of the Company's parent, MAM Software Group Inc. As such they are all treated as cash-settled in accordance with FRS 102.

The Company no longer grants share based awards to employees.

Prior to this, the Company granted share-based awards to employees principally on the following basis:

Date of award	Eligible employees	Nature of award
May 2008	Senior employees	Awards of shares that are not registered with the Securities and Exchange Commission and not freely tradable
June 2009	Senior employees	Awards of shares that are not registered with the Securities and Exchange Commission and not freely tradable
April 2010	Senior employees	Award of shares
November 2010	Senior employees	Option to buy shares under EMI share option contracts
August 2011	Senior employees	Option to buy shares under EMI share option contracts
August 2012	Senior employees	Option to buy shares under EMI share option contracts
October 2017	Senior employees	Award of shares under the 2017 Equity Incentive Plan where the parent Company's previous 30-day volume weighted average price per share trades at or above certain levels

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

26. EMI Share option contracts (continued):

	30 September 2020	Shares under option (<i>'000</i>)	<i>30 June 2019</i>	<i>Shares under option (<i>'000</i>)</i>
	Average exercise price \$		<i>Average exercise price \$</i>	
At 1 July	0.65	50,125	<i>0.65</i>	<i>68,134</i>
Options exercised	-1.94	(50,125)	<i>-1.90</i>	<i>(18,009)</i>
At 30 September			<i>1.09</i>	<i>50,125</i>

Options are exercisable within 10 years of the Date of Grant and only while the Option Holder holds employment with any member of the MAM Software Group inc. Group.

27. Change in accounting policy

There has been a change in accounting policy to align with Group and take all development costs through operating expenses, whereas previously, these costs have been capitalised.

The amount of the adjustment for each financial statement line item affected, for the current and prior period, has been disclosed below.

Financial statement line item	30 September 2020 £000	<i>30 June 2019 £000</i>
Intangibles	(2,890)	<i>(3,312)</i>
Deferred tax liability	630	<i>598</i>
Administrative expenses	(423)	<i>(49)</i>
Deferred tax charge	(32)	<i>(43)</i>
Reserves bought forward	2,715	<i>2,806</i>

28. Related party transactions

The Company has taken advantage of the exemption in FRS 102 not to disclose transactions with wholly owned members of the Group. There are no other related party transactions to disclose.

29. Post balance sheet events

There have been no significant events affecting the Company since the year end.

MAM SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH PERIOD ENDED 30 SEPTEMBER 2020**

30. Controlling party

The ultimate parent undertaking is Kerridge Commercial Systems Group Limited, both companies are 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.